

# MAKHADO LOCAL MUNICIPALITY

## OFFICE OF THE DIRECTOR CORPORATE SUPPORT AND SHARED SERVICES

MINUTES OF THE ONE HUNDRED AND FOURTH (104<sup>th</sup>) SPECIAL COUNCIL MEETING OF MAKHADO MUNICIPALITY WHICH WAS HELD ON TUESDAY, 8 DECEMBER 2015 IN THE COUNCIL CHAMBER, CIVIC CENTRE, KROGH STREET, MAKHADO AT 14:00.

### PRESENT

#### Councillors

BALIBALI, N P	MATUMBA, M T
BALOYI, R S	MATUMBA, N J
CHILILO, N F	MBOYI, M D
DAVHANA, N D	MMBADI, T A
GABARA, M J	MOGALE, L B
HLABIOA, M M	MPASHE, M (until 14:14)
KUTAMA, N	MTHOMBENI, S Z
LERULE-RAMAKHANYA, M M	MUKHARI, M F
LUDERE, R	MUNYAI, N S
LUDUVHUNGU, V S	MUTAVHATSINDI, F D
MACHETE, M S	MUTELE, T M
MADZHIGA, F N	NDZOVELA, N G
MAGADA, M R	NELUVHOLA, A T
MAHANI, M G	NEMAFHOHONI, M G
MAHLADISA, S V	NGOBENI, N E
MAKHUBELA, R T	NKANYANI, R G
MAKHUVHA, V S	RAMUDZULI, S D
MALANGE, R	RASIMPHI, M P
MALANGE, T M	RATSHIKUNI, D T
MALIMA, M E	RATSHIVHOMBELEA, M Q
MAMAFHA, T J	REKHOTSO, S M
MAMAFHA, T C	RIKHOTSO, F J
MAMATSIARI, M S	SELEPE, M R
MAMAROBELA, T P	SHANDUKANI, M J
MAPHAHLA, A Z	SINYOSI, S M
MAPHALA, O S	THANDAVHATHU, R
MASHIMBYE, P F	TSHAVHUYO, T G
MASUKA, S	TSHILAMBYANA, M S
MATHAVHA, H F	UNDERWOOD, J P
MATHOMA, M P	
MATODZI, A M	

#### Traditional Leaders

NONE

#### Officials

I P MUTSHINYALI	(MUNICIPAL MANAGER)
M D SINTHUMULE	(DIRECTOR: DEVELOPMENT PLANNING)
M P MAKHUBELA	(CHIEF FINANCIAL OFFICER)
N C KHARIDZHA	(DIRECTOR: CORPORATE SERVICES)
C W MOLOKOMME	(DIRECTOR TECHNICAL SERVICES)
M D MUNYAI	(ADMINISTRATIVE OFFICER: COMMITTEES)

#### Also Present

A M BADIMO	(ACTING CHAIRPERSON OF AUDIT AND PERFORMANCE AUDIT COMMITTEE)
L S MOFOKENG	(CHAIRPERSON OF RISK MANAGEMENT COMMITTEE)
I G AHMED	(MANAGER, OFFICE OF THE AUDITOR GENERAL)

T LEDWABA

(AUDIT SUPERVISOR, OFFICE OF THE AUDITOR  
GENERAL)

R GESWIND

(ASSISTANT MANAGER, OFFICE OF THE AUDITOR  
GENERAL)

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**1. OPENING**

The Speaker, Cllr L B Mogale ruled that a minute of silence be observed for meditation and prayer, whereafter she declared the meeting officially opened and welcomed everyone present.

She expressed that all be reminded of the Municipality's Vision and Mission as follows:

Vision "A Dynamic Hub For Socio – Economic Development By 2025"

Mission "To ensure effective utilization of economic resources to address socio- economic imperatives through mining, tourism and agriculture".

**2. APPLICATION FOR LEAVE OF ABSENCE**

RESOLVED –

THAT leave of absence be granted in terms of the provisions of Rule 5 of the Council's Rules and Orders published under Provincial Gazette Notice no. 1391 dated 31 August 2007 in respect of the Special Council meeting held on 8 December 2015 to Cllrs A du Plooy, F F Madavhu, E H Ludere and A J Mukhaha.

**REMARK:**

The following Councillors were not present at the meeting:

1. Cllrs N B Baloyi, B F Hlongwane, K A Hlungwane, M R Madzivhandila, N A Mafhala, M P Mazibuko, T S Mudau, M D Mulovhedzi, M T Ndwammbi, T P Netshivulana and L M Mathalise.
2. Khosi S A Mulima, Khosi M C Masakona, Hosi H N Majosi, Hosi J Baloyi, Hosi T J Mukhari, Khosi N T L Mashamba, Khosi T P Nesengani, Khosi T R V Mashau, Khosi R H Sinthumule, Khosi S T Mukhari and Khosi V C Ramabulana.

**REMARK:** Khosi M W Netsianda, Khosi M A Madzivhandila and Hosi M S Bungeni had passed away.

**REMARK:**

Cllr N F Chililo proposed, seconded by Cllr M R Selepe that Cllr A du Plooy was absent for more than three consecutive Council meetings and the Rules and Ethics Committee must attend to the matter urgently. (DCS)

**3. OFFICIAL ANNOUNCEMENTS**

3.1 The Speaker, Cllr L B Mogale announced that benchmarking for Makhado Municipal employees would be implemented in the 2016/2017 budget awaiting comments from Provincial Treasury and COHGSTA. Only SALGA and the South African Local Bargaining Council had thus far responded to the requests for comments by the Makhado Municipality.

3.2 The Speaker, Cllr L B Mogale requested the Acting Chairperson of the Audit and Performance Audit Committee, Ms A M Badimo to address Council on the Annual Audit of Makhado Local Municipality by the Auditor General of South Africa. Ms A A Badimo then delivered the following presentation to Council:

**REMARK:** This item was rendered after item 3.3 below.

1. **“PURPOSE**

*The purpose of this report is to provide the Municipal Council with an update regarding the audit opinion of the Auditor General as presented to the Audit and Performance Audit Committee on 30 November 2015, as well as Audit Committee recommendations.*

2. **AUDITOR GENERAL AUDIT OPINION**

*The Audit and Performance Audit Committee reviewed the audit findings and the resultant audit report for the year ended 30 June 2015. The audit opinion and causes thereof on the accompanying financial statements were discussed in detail at the Audit and Performance Audit Committee meeting held on 30 November 2015.*

**a) Property, Plant and Equipment:** *this qualification matter is about the Auditor General’s issue in relation with the municipality’s assessment of assets (sample vs. full complement), as a result, assets were overstated since the impairment values were not factored in. This issue existed in prior years but was not raised.*

**Recommendation:**

*The Audit and Performance Audit Committee recommended that this be corrected in the current year. Proper monitoring on assets must be done to avoid recurrence as assets on their own have material impact on the financials. Although we do not agree with the Auditor General’s position, the Audit Committee further recommended that impairment assessment/test of all assets be done in Q1 (2015/2016) through Internal Audit reviews.*

**b) Sundry Debtors:** *the amount of R60 500 818 covers three years and relates to water transactions regarding the money owed by the district. The amount was previously written off but that was reversed in the current year. The AG(SA)’s issue was that the impairment values were not correct and that they did not take into consideration the irrecoverability of some of the debt. This issue existed in prior years but was not raised.*

**Recommendation:**

*The Audit and Performance Audit Committee recommended that urgent intervention be made to resolve this issue with the district.*

**c) Consumer Debtors:** *this was as a result of using wrong information for the calculation of impairment because of incorrect forecast by Internal revenue.*

**Recommendation:**

*The Audit and Performance Audit Committee recommended that this be urgently corrected and monitored.*

**d) Property rates:** *this happened because there is a new valuation roll in place and the municipality received a lot of objections (more than 11 000) so it impacted on the values used for property rates in the financial statements.*

**Recommendation:**

*The Audit and Performance Audit Committee recommended that this be urgently corrected and monitored.*

**e) Unauthorized expenditure:** *The AG(SA) was not able to obtain evidence regarding the disclosure of completeness of all the irregular expenditure. This is short of a disclaimer.*

**Recommendation:**

*The Audit and Performance Audit Committee recommended that this be urgently corrected and monitored. Checklists must be introduced to curb this in future when payments are made. The committee further recommends that the general controls be strengthened in this regard and the accounting obtain monthly report in this regard*

**f) Aggregation of immaterial uncorrected statements**

**Recommendation:**

*The Audit and Performance Audit Committee recommended that this be urgently corrected and monitored. The Committee further recommends that all errors in the financial statement and debtors be corrected in the half year financial statements and be tested for GRAP compliance through Internal Audit review.*

**g) Irregular expenditure**

The quantum of the irregular incurred by the Municipality far exceeded the AG(SA) of R10 million by R68 million. The weakness in controls has largely resulted in such expenditure

**Recommendation**

The Audit and Performance Audit Committee recommends that the accounting officer investigate the root causes for such expenditure and put controls in place and that management develop internal materiality framework on all expenditure

The Audit and Performance Audit Committee recommended that this be urgently corrected and monitored.

**h) Predetermined Objectives**

Although significant progress has been recorded in the AOPPO, reliability and consistent recording of accurate information need attention by management.

**i) General Controls**

The Audit and Performance Audit Committee notes the regression in the control environment as observed by the AG(SA).

**Overall Recommendation:**

Overall, the Audit and Performance Audit Committee recommends that management must work on the audit action plan and weekly monitor the implementation of the action plan and monthly update the Audit and Performance Audit Committee and submit a quarterly progress report to the Audit and Performance Audit Committee.

There should be monthly meetings to monitor progress against mitigation plans and monthly monitoring by the Audit Committee.

**3. CONCLUSION**

Compared to the previous year, the qualified opinion might look like a regression but when one is to take into consideration that the prior years unqualified audit opinion did not take into account the issues raised this year, it is a step forward in terms of planning for a clean audit since an opportunity has been created to correct the internal control deficiencies which require urgent intervention.

Supply Chain Management division needs a strong practitioner and SCM training must be arranged urgently for all senior managers. The assets management unit must also be beefed up with to assess the existence, completeness and ability to technically account for the assets based on the GRAP evaluation and provide proper accounting treatment including impairment.

In conclusion, the Audit and Performance Audit Committee would like to indicate that the audit report and management report were presented for the first time on 30 November 2015, which was the last day, leaving no opportunity at all for any form of intervention by the committee.

\_\_\_\_\_  
On behalf of the Audit Committee:

Ms. AMM Badimo”

\_\_\_\_\_  
DATE

**REMARK:**

**At this point Cllr M Mpashe left the meeting and did not return again.**

3.3 The Speaker, Cllr L B Mogale requested the Spokesperson of the Auditor General, Mr R Geswind to address Council on the Audit Performance for the year ending 30 June 2015. Mr Geswind then delivered the following presentation to Council:

**REMARK:**

This item was rendered immediately after the consideration of item 3.1.

# Report of the auditor-general to the Limpopo provincial legislature and the council on Makhado Local Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Makhado Local Municipality set out on pages 6 to 72, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for qualified opinion

### Property, plant and equipment

6. The municipality did not adequately assess at reporting date whether there is any indication that an asset may be impaired, in accordance with SA standards of GRAP 21, *Impairment of non-cash generating assets* and SA standards of GRAP 26, *Impairment of cash generating assets*. The municipality assessed items of property, plant and equipment on a sample basis. As a result impairment was not considered for items of property, plant and equipment with a gross carrying amount of R1 776 162 316. I was not able to determine the impact on the carrying amount of property plant and equipment and surplus for the period, as it was impracticable to do so.

### Sundry debtors

7. I was unable to obtain sufficient appropriate audit evidence that management has assessed whether there is any objective evidence of impairment at the reporting date, as required by SA Standards of GRAP 104, *Financial Instruments*. I was unable to confirm by alternative means whether objective evidence of impairment exists. Consequently, I was unable to determine whether any adjustment to sundry debtors stated at R60 500 815 in the financial statements was necessary. Additionally, there is a consequential impact on the surplus for the period.

### Consumer debtors

8. The municipality applied incorrect financial information in calculating the amount of impairment. Consequently, consumer debtors was overstated by R39 198 696, and the surplus for the year understated by the same amount.

### Property rates

9. The municipality did not affect the adjustments made to the valuation from the effective date of the general valuation roll, as required by the Municipal Property Rates Act, 2004 (Act No. 6 of 2004). Property rates for the current year were based on the general valuation roll. Consequently, property rates was overstated by R12 083 971 in note 24 to the financial statements and gross consumer debtors relating to property rates was overstated by the same amount in note 6 to the financial statements. Additionally, there was a resultant impact on the surplus for the period.

### Unauthorised expenditure

10. I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure for the current year had been properly disclosed, due to the status of the accounting records. I was unable to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any unauthorised expenditure had to be disclosed in note 47 to the financial statements.

### Aggregation of immaterial uncorrected misstatements

11. The financial statements were materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following items included in the statement of financial position and the statement of financial performance.

- Inventories reflected as R113 957 871 was overstated by R9 509 865.
  - Property plant and equipment reflected as R1 776 162 316 was understated by R9 190 214.
  - Accumulated surplus reflected as R1 775 639 186 was overstated by R443 759.
  - Consumer debtors – exchange transactions reflected as R38 154 597 was understated by R150 891.
  - Payables from exchange transactions reflected as R137 656 320 was understated by R124 109.
  - Cash and cash equivalents reflected as R47 449 950 was understated by R88 147.
  - General expenses reflected as R130 973 693 was overstated by R62 744.
12. In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm the following items by alternative means:
- Cash and cash equivalents of R523 217 as included in the disclosed balance of R47 449 950.
  - Sundry debtors of R7 294 959 as included in the disclosed balance of R60 500 815.
  - Other income of R207 519 as included in the disclosed balance of R7 736 628.
  - Accumulated surplus of R1 161 851 as included in the disclosed balance of R1 775 639 186.
  - Gross receivables from non- exchange transactions of R6 891 556 and impairment of R4 341 680 as included in the disclosed balance of R2 549 876.
  - Not included in the disclosed balance of R1 566 329 for heritage assets is an asset I identified of which it was impractical to determine an amount.

Consequently, I was unable to determine whether any adjustments to these items were necessary.

### **Qualified opinion**

13. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Makhado Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matters**

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Restatement of corresponding figures**

15. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

## Material electricity losses

16. As disclosed in note 33 to the financial statements, the electricity loss for the municipality is 17.7%, compared to the maximum acceptable loss of 10%.

## Irregular expenditure

17. As disclosed in note 44 to the financial statements, irregular expenditure amounting to R78 766 187 has been incurred by the municipality, due to contravention of the supply chain management (SCM) policy.

## Additional matter

18. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

19. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## Report on other legal and regulatory requirements

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## Predetermined objectives

21. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Basic service delivery and infrastructure development: Road transport on pages 27 to 30.
  - Basic service delivery and infrastructure development: Electricity on pages 18 to 26.
  - Basic service delivery and infrastructure development: Waste management on pages 15 to 17.
  - Municipal transformation and organisation development: Corporate services on pages 7 to 8.



22. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
23. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
24. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. I did not identify material findings on the usefulness and reliability of the reported performance information for the following selected development priorities:
- Basic service delivery and infrastructure development: Road transport
  - Basic service delivery and infrastructure development: Electricity
  - Basic service delivery and infrastructure development: Waste management
  - Municipal transformation and organisation development: Corporate services

### **Additional matters**

26. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters.

### Achievement of planned targets

27. Refer to the annual performance report on pages 5 to 45 for information on the achievement of planned targets for the year.

### Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for all the development priorities. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

### Unaudited supplementary information

29. The supplementary information set out on pages 46 to 58 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

## Compliance with legislation

30. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows

### Strategic planning and performance management

31. The performance management system and related controls were not maintained as it did not represent the processes of performance planning, monitoring, review, reporting and how it is conducted, organised and managed, as required by sections 38 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and regulation 7 of the *Municipal planning and performance management regulations*.
32. The key performance indicators set by the municipality did not include indicators on percentage of households with access to basic level of electricity and solid waste removal, as required by section 43(2) of the MSA and the *Municipal planning and performance management regulation* 10(a).

### Financial statements, performance and annual reports

33. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, reserves, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.
34. The annual performance report for the year under review did not include a comparison of the performance with set targets and comparison with the previous financial year, as required by section 46(1)(b) of the MSA.

### Audit committee

35. The audit committee did not advise the council and accounting officer on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.

### Procurement and contract management

36. Bids were not always evaluated by bid evaluation committees which were composed of at least one SCM practitioner of the municipality as required by *Supply Chain Management Regulation* (SCM Regulation) 28(2).
37. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM Regulations 21(b) and 28(1)(a) and the *Preferential Procurement Regulations*.
38. Bid adjudication was not always done by committees which were composed in accordance with SCM Regulation 29(2).

- 39. Contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and its regulations.
- 40. Contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA.
- 41. A SCM role player whose partner had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM Regulation 46(2)(f).

#### Irregular and fruitless and wasteful expenditure

- 42. Reasonable steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

#### Revenue management

- 43. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

#### **Internal control**

- 44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion and the findings on compliance with legislation included in this report. .

#### **Leadership**

- 45. The accounting officer and management did not exercise oversight responsibility over the enforcement of the SCM policy.
- 46. Management did not have sufficient monitoring controls to ensure the reliability of reported performance information and the fairly presentation of the financial statements.
- 47. Management did not in all instances address the recommendations of the internal audit unit and audit committee.

#### **Financial and performance management**

- 48. The financial statements contained numerous misstatements that were corrected and those not corrected resulted in a qualified audit opinion. This was mainly due to officials in the finance unit not fully understanding the requirements of the financial reporting framework.
- 49. Supply chain management processes were not monitored due to lack of understanding and implementation of SCM regulations, resulting in irregular expenditure.

#### **Governance**

- 50. The activities performed by the internal audit unit did not prevent the municipality from regressing to a qualified audit opinion and assist the municipality to improve its internal control environment that supports financial and performance reporting and compliance with legislation.

## Other reports

### Investigation

51. The municipality requested an independent service provider to conduct an investigation into possible fraudulent payments. Emanating from the investigation, two employees were dismissed and the internal disciplinary hearing process against one employee is currently in progress. Criminal proceedings have been instituted against an employee and a service provider.

*Auditor-General.*

Polokwane

30 November 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

#### **4. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY THE SPEAKER**

The Speaker, Cllr L B Mogale proposed congratulations to Cllr T M Mutele for wearing a beautiful traditional Venda attire.

#### **5. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY OTHER COUNCILLORS**

5.1 Cllr T J Mamafha proposed congratulations to the Deputy Secretary of the ANC Region, his worship the Mayor, Cllr F D Mutavhatsindi, and the Chief Whip of Makhado, Cllr R Ludere who represented the African National Congress at Dzanani Community Hall for the sterling performance during a political debate as Local Government hosted by Phalaphala F M Radio.

He further congratulated the Nzhelele ANC Parliamentary Constituency led by Honourable R M Tseli (MP) who organised a very successful soccer tournament wherein the champions, Rabali Pull Together FC, were awarded R3 000,00, coached by the Chief Whip, Cllr R Ludere.

He also proposed congratulations to Gwede Mantashe Foundation in collaboration with Matsila Development Trust for organising a successful soccer tournament wherein the winner, Mpheni FC was awarded R15 000,00 in the finals played at Thohoyandou Stadium on 5 December 2015.

5.2 Cllr M E Malima proposed condolences to the bereaved family of Mashabela of Sekhukhune District, for the death of Mr Mahani Mashabela who was the Provincial Deputy Secretary of COPE and was buried on Saturday, 5 December 2015.

- 5.3** Cllr M S Tshilambyana proposed congratulations to his worship the Mayor of Makhado Municipality, Cllr F D Mutavhatsindi who handed new soccer kits to the elderly Women's Soccer Team at Ward 12.

She further proposed congratulations to the African National Congress Party in the Council for its tough debate that confused in the member of the opposition party (Democratic Alliance, Cllr M Mpashe) to walk out of the Council Chamber without permission of the Speaker.

- 5.4** Cllr V S Luduvhungu proposed congratulations to the Mayor, Cllr F D Mutavhatsindi, the Speaker, Cllr L B Mogale and the Chief Whip, Cllr R Ludere for the good work that they were doing since 2011.

She further proposed congratulations to Cllr S M Mamatsiari for assisting her to bury the deceased who died at Ha-Mashamba in her ward and was buried at Ha-Rathidili in the ward under Cllr S M Mamatsiari.

She further proposed congratulations to Cllr S M Sinyosi for assisting the community at Mashamba Village on their Recycling Project.

## **6. CONFIRMATION OF MINUTES**

### **6.1 REMARK:**

The Minutes of the 77<sup>th</sup> meeting of the Council held on 8 October 2015, was deferred to the next ordinary Council meeting of January 2016.

### **6.2 REMARK:**

The Minutes of the 103<sup>rd</sup> Special Council meeting held on 12 November 2015, was deferred to the next ordinary Council meeting of January 2016.

## **7. MATTERS CONSIDERED:**

- 7.1 Resolutions of the Council in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): 104<sup>th</sup> Special Council Meeting: 8 December 2015**

### **ITEM A.158.08.12.15 (originally A.158.03.12.15)**

#### **PUBLICITY: WEBSITE POLICY 2015/2016 (11/2/B)**

#### **RESOLVED A.158.08.12.15 (COUNCIL) -**

1. THAT Council approves the proposed Website Policy, 2015/2016 to assist Municipal Departments in maintaining best practice in the online presentation of municipal information to be displayed and structured. (DCS)
2. THAT the contents of the Website Policy, 2015/2016, attached to the report in this regard, be adopted as Council's Website Policy, 2015/2016 with effect of the date of this Council Resolution. (DCS)

**ITEM A.159.08.12.15 (originally A.159.03.12.15)****PUBLICITY: STAKEHOLDERS MANAGEMENT FRAMEWORK POLICY, 2015/2016 (11/B)**

RESOLVED A.159.08.12.15 (COUNCIL) -

1. THAT Council approves the reviewed Stakeholders Management Framework, 2015/2016 to enhance public participation effectively and efficiently. (DCS)
2. THAT the contents of the reviewed Stakeholders Management Framework, 2015/2016 attached to the report in this regard, be adopted as the Municipality's Stakeholders Management Framework, 2015/2016 with effect of the date of this Council Resolution. (DCS)

StakeholdersManagementFrameworkPolicy\_itm

**ITEM A.160.08.12.15 (originally A.160.03.12.15)****REPORTS AND SURVEYS: OUTSTANDING MATTERS: COUNCIL RESOLUTIONS – QUARTER 1: 2015/16 FINANCIAL YEAR (10/1/6/1)**

RESOLVED A.160.08.12.15 (COUNCIL) -

THAT note be taken of the progress with implementing Council Resolutions in respect of meetings held during Quarter 1 of the 2015/2016 financial year as more fully set out in Annexure C attached to the report in this regard. (MM/ALL DIRS)

CouncilResolutionImplementationQ1of2015-2016\_itm

**ITEM A.161.08.12.15 (originally A.161.03.12.15)****FINANCES: IMPLEMENTATION: MAKHADO MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY, 2015: QUARTER 1, 2015/2016 FINANCIAL YEAR (1/3/54/1 & 10/1/5/2)**

RESOLVED A.161.08.12.15 (COUNCIL)

THAT note be taken of the implementation of Supply Chain Management Policy, 2015 during Quarter 1 of 2015/2016 which report is submitted in order for the Council to exercise its oversight role in terms of section 6 of the Municipal Supply Chain Management Policy, 2015. (CFO)

ImplementationQuarter1-2015-20SCMPolicy\_itm

**ITEM A.162.08.12.15 (originally A.162.03.12.15)****FINANCES: TENDERS AWARDED: 1<sup>ST</sup> QUARTER 2015/2016 FINANCIAL YEAR  
(8/3/B/1 & 10/1/5/2)**

RESOLVED A.162.08.12.15 (COUNCIL) -

1. THAT note be taken of the eight (8) tenders awarded through the competitive bidding process for the term July 2015 to September 2015, i.e. the 1<sup>st</sup> Quarter of the 2015/2016 financial year.  
(CFO)
2. THAT the Municipal Manager convene an urgent central meeting of councillors to discuss the grading of streets and access gravel roads in villages, on or before Friday, 13 November 2015.

TendersAwarded1stQ2015-2016\_itm

(MM/DTS)

**ITEM A.163.08.12.15 (originally A.163.03.12.15)****FINANCES: PROCUREMENT: CLAUSE 36: QUOTATION DEVIATIONS: 1<sup>ST</sup>  
QUARTER: 2015/2016 FINANCIAL YEAR  
(10/1/5/2)**

RESOLVED A.163.08.12.15 (COUNCIL)

THAT in terms of clause 36 of the Municipal Supply Chain Regulations, 2005 promulgated under the Local Government: Municipal Finance Management Act, 2003, in procurement by means of quotations during the 1st quarter of the 2015/2016 financial year in the amount of R1 721 800.61 and which each was duly approved by the Accounting Officer before it was procured, be condoned by Council.

QuotationDeviation1stQuarter2015-2016\_itm

(CFO)

**(REMARK:** Item A.164.12.11.15 and A.165.12.11.15 were considered at the 103<sup>rd</sup> Special Council meeting held on 12 November 2015.)

**ITEM A.166.08.12.15 (originally A.166.03.12.15)****COUNCIL LAND: PROPOSED SALE: A PORTION OF ERF 4633, LOUIS TRICHARDT  
EXTENSION 8 TOWNSHIP: SHEKINAH TABERNACLES CHURCH  
(E4633)**

RESOLVED A.166.08.12.15 (COUNCIL) -

THAT the proposed purchase of a portion of erf 4633, measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township for the purpose of establishing a place of worship that was received from Mr M W Hlungwani, Pastor acting on behalf of the Shekinah Tabernacles Church be approved, subject to the following conditions:

1. The intention to sell a portion of erf 4633, measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township be advertised in terms of the provisions of section 79(18) of the Local Government

Ordinance 1939, (Ordinance 17 of 1939), as amended, in one (1) of the local newspapers for comments, if any.

2. The property be sold at a market related valuation determined by a Professional Valuer which will serve as the purchase price for the property and a 50% discount be granted in terms of Council's policy for sale of land to bona fide local churches.
3. The landowner must appoint a professional surveyor for the subdivision of erf 4633 into a portion measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township.
4. The developer submits a development proposal for consideration.
5. The property be developed within three (3) years from the date of signing the Deed of Sale, provided that Council may allow an extension of a further (2) years.
6. In the event that the developer failed to complete the development as required under paragraph 5 above, the property revert back to Council without compensation by the Municipality to the developer for any improvements on the property.
7. The standard conditions for the sale of Municipal land will further apply.
8. A purchase agreement made and entered into by and between Makhado Local Municipality and Mr M W Hlungwani as the Pastor acting on behalf of the Shekinah Tabernacles Church.
9. The applicant be informed in terms of the provisions of item 17(t) read with 18(4) of the Makhado Local Municipality Immovable Disposal Policy that a request in the above regard cannot be processed unless first confirmed in writing that he/she will bear all costs relative to the advertisements and valuation.
10. The approval is further subject to the following conditions:
  - 10.1 **Electricity:** Erf 4633, Louis Trichardt Extension 8 has no existing connection. There is only a 50kVA available for the whole stand. That means that only a 16kVA connection can be made available for each of the three intended portions. Should this capacity be insufficient, any additional supply would be subject to-
    - (a) Overall availability of capacity in the Municipality's electricity supply scheme.
    - (b) A fully motivated written application by the client which will be submitted to Senior Management for their consideration.
    - (c) Only a maximum of 16kVA may in any way be considered according to present status of the electricity supply scheme.

The client is further obliged to comply with the following conditions:

- (i) If application for additional electricity supply might be done, it must be done by a professional electrical engineer, who must also do the design thereof and supervise all installation work.
- (ii) All installations must comply with the Electrical Installations Regulations promulgated under the Occupational Health and Safety Act, 1993.
- (iii) Only a registered 3 phase installation electrician may be permitted to install, test and certify the installation work, which must be submitted to Municipality.
- (iv) Actual costs plus an electrical engineering contribution proportional to the additional demand on the electricity supply scheme will be payable by the client upfront.



10.2 **Water:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about water supply capacity.

10.3 **Sewer:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about sewer supply capacity.

10.4 **Property Rates:** The applicant must pay all property rates due to the Municipality with effect of signing the formal Purchase Agreement.

ProposedSalePortion1Erf4633\_itm

(DDP)

**ITEM A.167.08.12.15 (originally A.167.03.12.15)**

**COUNCIL LAND: PROPOSED SALE: A PORTION OF ERF 4633, LOUIS TRICHARDT EXTENSION 8 TOWNSHIP: LIGHT HOUSE ASSEMBLY (E4633)**

RESOLVED A.167.08.12.15 (COUNCIL) -

1. THAT the proposed purchase of a portion of erf 4633, measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township for purpose of establishing a place of worship that was received from Mr M S Matamela, Pastor acting on behalf of the Apostolic Faith Mission of South Africa (Light House Assembly) be approved, subject to the following conditions:
  - 1.1 The intention to sell a portion of erf 4633, measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township be advertised in terms of the provisions of section 79(18) of the Local Government Ordinance 1939, (Ordinance 17 of 1939), as amended, in one (1) of the local newspapers for comments, if any.
  - 1.2 The property be sold at a market related valuation determined by a Professional Valuer which will serve as the purchase price for the property and a 50% discount be granted in terms of Council's policy for sale of land to bona fide local churches.
  - 1.3 The landowner must appoint a professional surveyor for the subdivision of a portion of erf 4633, measuring 2159m<sup>2</sup>, Louis Trichardt Extension 8 Township.
  - 1.4 The developer submits a development proposal for consideration.
  - 1.5 The property be developed within three (3) years from the date of signing the Deed of Sale, provided that Council may allow an extension of a further (2) years.
  - 1.6 In the event that the developer failed to complete the development as required under paragraph 1.5 above, the property revert back to Council without compensation by the Municipality to the developer for any improvements on the property.
  - 1.7 The standard conditions for the sale of Municipal land will further apply.
  - 1.8 A Purchase Agreement made and entered into by and between Makhado Local Municipality and Mr M S Matamela as Pastor acting on behalf of the Apostolic Faith Mission of South Africa (Light House Assembly).
  - 1.9 The applicant be informed in terms of the provisions of item 17(t) read with 18(4) of the Makhado Local Municipality Immovable Disposal Policy that a request in the above regard cannot be processed unless first confirmed in writing that he/she will bear all costs relative to the advertisements and valuation.

1.10 The approval is further subject to the following conditions:

1.10.1 **Electricity:** Erf 4633, Louis Trichardt Extension 8 has no existing connection. There is only a 50kVA available for the whole stand. That means that only a 16kVA connection can be made available for each of the three intended portions. Should this capacity be insufficient, any additional supply would be subject to-

- (a) Overall availability of capacity in the Municipality's electricity supply scheme.
- (b) A fully motivated written application by the client which will be submitted to Senior Management for their consideration.
- (c) Only a maximum of 16kVA may in any way be considered according to present status of the electricity supply scheme.

The client is further obliged to comply with the following conditions:

- (a) If application for additional electricity supply might be done, it must be done by a professional electrical engineer, who must also do the design thereof and supervise all installation work.
- (b) All installations must comply with the Electrical Installations Regulations promulgated under the Occupational Health and Safety Act, 1993.
- (c) Only a registered 3 phase installation electrician may be permitted to install, test and certify the installation work, which must be submitted to Municipality.
- (d) Actual costs plus an electrical engineering contribution proportional to the additional demand on the electricity supply scheme will be payable by the client upfront.

1.10.2 **Water:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about water supply capacity.

1.10.3 **Sewer:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about sewer supply capacity.

1.10.4 **Property Rates:** The applicant must pay all property rates due to the Municipality with effect of the date of signing of the Purchase Agreement. (DDP)

- 2. THAT Council's Policy for the sale of land to bona-fide local churches at a 50% discount as referred to in paragraph 1.2 above, be reviewed with reference to whether discount should still apply in the light of the present day nature of church institutions, and a report about same be submitted to Council. (DDP)

ProposedSalePortion2Erf4633\_itm

**(REMARK:** Item A.168.12.11.15 was considered at the 103<sup>rd</sup> Special Council meeting held on 12 November 2015.)

**ITEM A.169.08.12.15 (originally A.169.03.12.15)****COMMUNITY SERVICES: DISASTER MANAGEMENT PLAN, 2015/2016  
(12/3/3/50 & 17/3/1/B)**

RESOLVED A.169.08.12.15 (COUNCIL)

1. THAT Council adopts the Disaster Management Plan, 2015/2016 as its operational document during disaster times, a copy of which is attached as Annexure A to the report in this regard.  
(DCOMS)
2. THAT the Disaster Management Unit implements the Disaster Management Plan, 2015/2016 after approval by Council.  
(DCOMS)

DisasterManagementPlan2015\_itm

**ITEM A.170.08.12.15 (originally A.170.03.12.15)****LEGISLATION: IMPOUNDMENT OF ANIMALS BY-LAWS  
(1/3/1 & 1/3/40/2)****REMARK:**

When this matter was considered, Cllr R Makhubele proposed, duly seconded by Cllr T M Mutele that the physical public participation process must be followed. This proposal was accepted in general and became part of the Council Resolution under paragraph 4 herein below.

RESOLVED A.170.08.12.15 (COUNCIL) –

1. THAT the Executive Committee submits this report as its proposal to introduce a draft by-law on Impoundment of Animals to Council in terms of Rule 3 of the Council's Rules and Orders.  
(DCS)
2. THAT Council provisionally adopts the draft Impoundment of Animals By-law and it be advertised for at least 30 calendar days for public comments.  
(DCS)
3. THAT the Municipal Manager as soon as possible after the closing date for public comments submit a report to the Executive Committee in accordance with Rule 6 of the Council's Rules and Orders, and the Executive Committee make a recommendation to Council.  
(DCS)
4. THAT a physical public participation process must be followed to explain the contents of the draft by-laws and collect comments accordingly.  
(DCS)

By-lawImpoundmentOfAnimals\_itm

**ITEM A.171.08.12.15 (originally A.171.03.12.15)****LEGISLATION: PUBLIC NUISANCE BY-LAWS  
(1/3/1 & 1/3/44/2)****REMARK:**

When this matter was considered, Cllr R Makhubele proposed, duly seconded by Cllr T M Mutele that the physical public participation process must be followed. This proposal was accepted in general and became part of the Council Resolution under paragraph 4 herein below.

RESOLVED A.171.08.12.15 (COUNCIL) –

1. THAT the Executive Committee submits this report as its proposal to introduce a draft by-law on Public Nuisance to Council in terms of Rule 3 of the Council's Rules and Orders. (DCS)
2. THAT Council provisionally adopts the draft Public Nuisance By-law and it be advertised for at least 30 calendar days for public comments. (DCS)
3. THAT the Municipal Manager as soon as possible after the closing date for public comments submit a report to the Executive Committee in accordance with Rule 6 of the Council's Rules and Orders, and the Executive Committee make a recommendation to Council. (DCS)
4. THAT a physical public participation process must be followed to explain the contents of the draft by-laws and collect comments accordingly. (DCS)

By-lawPublicNuisance\_itm

**ITEM A.172.08.12.15 (originally A.172.03.12.15)****LEGISLATION: QUARRY BY-LAWS  
(1/3/1 & 1/3/18/2)****REMARK:**

When this matter was considered, Cllr R Makhubele proposed, duly seconded by Cllr T M Mutele that the physical public participation process must be followed. This proposal was accepted in general and became part of the Council Resolution under paragraph 4 herein below.

RESOLVED A.172.08.12.15 (COUNCIL) –

1. THAT the Executive Committee submits this report as its proposal to introduce a draft Quarry by-law to Council in terms of Rule 3 of the Council's Rules and Orders. (DCS)
2. THAT Council provisionally adopts the draft Quarry By-law and it be advertised for at least 30 calendar days for public comments. (DCS)
3. THAT the Municipal Manager as soon as possible after the closing date for public comments submit a report to the Executive Committee in accordance with Rule 6 of the Council's Rules and Orders, and the Executive Committee make a recommendation to Council. (DCS)

4. THAT a physical public participation process must be followed to explain the contents of the draft by-laws and collect comments accordingly. (DCS)

By-lawQuarry\_itm

**ITEM A.173.08.12.15 (originally A.173.03.12.15)**

**LEGISLATION: STREET TRADING BY-LAWS  
(1/3/1 & 1/3/19/2)**

**REMARK:**

When this matter was considered, Cllr R Makhubele proposed, duly seconded by Cllr T M Mutele that the physical public participation process must be followed. This proposal was accepted in general and became part of the Council Resolution under paragraph 4 herein below.

RESOLVED A.173.08.12.15 (COUNCIL) –

1. THAT the Executive Committee submits this report as its proposal to introduce a draft by-law on Street Trading to Council in terms of Rule 3 of the Council's Rules and Orders. (DCS)
2. THAT Council provisionally adopts the draft Street Trading By-law and it be advertised for at least 30 calendar days for public comments. (DCS)
3. THAT the Municipal Manager as soon as possible after the closing date for public comments submit a report to the Executive Committee in accordance with Rule 6 of the Council's Rules and Orders, and the Executive Committee make a recommendation to Council. (DCS)
4. THAT a physical public participation process must be followed to explain the contents of the draft by-laws and collect comments accordingly. (DCS)

By-lawStreetTrading\_itm

**ITEM A.174.08.12.15 (originally A.174.03.12.15)**

**LEGISLATION: SWIMMING POOL BY-LAWS  
(1/3/1 & 1/3/45/2)**

**REMARK:**

When this matter was considered, Cllr R Makhubele proposed, duly seconded by Cllr T M Mutele that the physical public participation process must be followed. This proposal was accepted in general and became part of the Council Resolution under paragraph 4 herein below.

RESOLVED A.174.08.12.15 (COUNCIL) –

1. THAT the Executive Committee submits this report as its proposal to introduce a draft by-law on Swimming Pool to Council in terms of Rule 3 of the Council's Rules and Orders. (DCS)
2. THAT Council provisionally adopts the draft Swimming Pool By-law and it be advertised for at least 30 calendar days for public comments. (DCS)

3. THAT the Municipal Manager as soon as possible after the closing date for public comments submit a report to the Executive Committee in accordance with Rule 6 of the Council's Rules and Orders, and the Executive Committee make a recommendation to Council. (DCS)
4. THAT a physical public participation process must be followed to explain the contents of the draft by-laws and collect comments accordingly. (DCS)

By-lawSwimmingPool\_itm

**(REMARK:** Item A.175.12.11.15 was considered at the 103<sup>rd</sup> Special Council meeting held on 12 November 2015.)

**ITEM A.176.08.12.15 (originally A.176.03.12.15)**

**FINANCES:**

- 1. LOCAL GOVERNMENT REMUNERATION FRAMEWORK – PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS (GOVERNMENT NOTICE NO. 38946 DATED 1 JULY 2015)**
- 2. ANNUAL SALARY INCREASE OF THE MUNICIPAL MANAGER AND THE CHIEF FINANCIAL OFFICER**

**(5/5/2/1)**

RESOLVED A.176.08.12.15 (COUNCIL)

1. THAT it be noted that the provisions of Notice No. 578 of 2015 promulgated anew in the Government Gazette No. 38946 dated 1 July 2015 by the Minister for Cooperative Governance and Traditional Affairs, as the Local Government: Total Remuneration Packages Payable to Municipal Managers and Managers directly Accountable to Municipal Managers, is applicable with effect of 1 July 2015, excluding the two (2) senior managers referred to in paragraph 3 of Council Resolution A.71.28.05.15. (DCS/CFO)
2. THAT note be taken of the annual increase of Municipal Managers and Managers directly Accountable to Municipal Managers and Chief Financial Officer in terms of clause 7 of their contracts of employment effective from 1 July 2015. (DCS/CFO)
3. THAT subject to the conditions of paragraph 6 of the said Notice No 578 of 2015, concurrence be sought with the MEC Coghsta, Limpopo for the higher categorisation only in relation to the remuneration of municipal manager and managers directly accountable to the municipal manager.

LGRemunerationFramework2015

(DCS)

**ITEM A.177.08.12.15 (originally A.177.03.12.15)**

**REPORTING: WARD COMMITTEE'S ACTIVITIES: QUARTER 4, 2014/2015  
FINANCIAL YEAR  
(10/1/5/1)**

RESOLVED A.177.08.12.15 (COUNCIL) -

THAT Council takes note of the report of the Ward Committee activities for Quarter 4 of the 2014/15 financial year. (DCS)

WardCommitteesQ4 2014-2015\_itm(2)

**ITEM A.178.08.12.15 (originally A.178.03.12.15)**

**REPORTING: WARD COMMITTEE'S ACTIVITIES: QUARTER 1, 2015/2016  
FINANCIAL YEAR  
(10/1/5/1)**

RESOLVED A.178.08.12.15 (COUNCIL) -

THAT Council takes note of the report of the Ward Committee activities for Quarter 1 of the 2015/16 financial year. (DCS)

WardCommitteesQ1 2015-2016\_itm

**ITEM A.179.08.12.15 (originally A.179.03.12.15)**

**PERSONNEL: LEAVE GRATUITY FUND  
(5/6/4)**

RESOLVED A.179.08.12.15 (COUNCIL) -

THAT the possible payment of outstanding leave gratuity to the staff entitled to it, as more fully set out in the report in this regard is approved and must accordingly be budgeted for in the 2015/2016 Adjustment Budget whereafter payment to the entitled employees referred to on Annexure A attached to the report in this regard, should be immediately processed. (DCS/CFO)

PaymentLeaveGratuity\_itm

**ITEM A.180.08.12.15 (originally A.180.03.12.15)**

**REPORTING: ASSESSMENT OF CONTRACTED SERVICE PROVIDERS: QUARTER 1,  
2015/2016 FINANCIAL YEAR  
(10/1/5/2)**

RESOLVED A.180.08.12.15 (COUNCIL)

THAT in terms of clause 116 of the Municipal Finance Management Act, Act No. 56 of 2003, assessment report of contracted service providers for the first quarter of the 2015/2016 financial year be noted and adopted by the Council. (CFO)

AssessmentServicesProvidersQ1 2015-2016\_itm

**ITEM A.181.08.12.15 (originally A.181.03.12.15)****FINANCES: SUPPORT PLAN:**

- 1. MUNICIPAL FINANCE IMPROVEMENT PROGRAMME (MFIP) AND**
  - 2. TERMS OF REFERENCE AND**
  - 3. ESTABLISHMENT OF THE MFIP STEERING COMMITTEE**
- (5/3/4/1/26)**

RESOLVED A.181.08.12.15 (COUNCIL)-

1. THAT Council approves the revised MFIP (II) Support Plan. (CFO)
  2. THAT Council approves the revised MFIP (II) Terms of Reference. (CFO)
  3. THAT matters relating to the MFIP programme become a standing item in the Finance Portfolio Committee which will have oversight on the implementation of the support plan.
- Appointmentandreplacementofmunicipal\_itm (CFO/DCS)

**ITEM A.182.08.12.15 (originally A.182.03.12.15)****FINANCES: 2015/2016 ADJUSTMENT BUDGET: PAYMENT OF COURT SETTLEMENT (6/1/1/(15/16); 13/1/1)**

RESOLVED A.182.08.12.15 (COUNCIL)

1. THAT the Adjusted Operational Budget 2015/2016 be approved in line with the unforeseen settlement of the court order in favour of M T Tshisa to the amount of R 1,395,394.68 as a result of labour dispute. (CFO)
2. THAT the original 2015/2016 Operational Estimates for employee related cost be increased by the payment referred to in paragraph 1 above. (CFO/DCS)
3. THAT it be noted the legal fees in handling the matter would be settled under the legal cost vote under the Department of Corporate Services. (CFO)

Proposed20152016adjustmentsbudget-Item

**ITEM A.183.08.12.15 (originally A.183.03.12.15)****FINANCES: PROCUREMENT: SECTION 116(3): AMENDMENT OF CONTRACT OF ENGINEERING CONSULTANT FOR ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT PROJECT ON MUNICIPAL INFRASTRUCTURE 2015/16 (13/4 ; 16/2/1)**

RESOLVED A.183.038.12.15 (COUNCIL)

THAT in terms of 116(3) of MFMA the Council approves amendment of the contract described in the report in this regard, after following all steps as indicated by this section. (CFO)

Amendmentofcontractforengineering\_itm



**ITEM A.184.08.12.15 (originally A.184.03.12.15)****ESSENTIAL SERVICES: ELECTRICITY: FINAL ELECTRIFICATION PLAN FOR 2015/16  
(16/2/1 & 16/2/B)****REMARK**

This item was referred as item B.114.26.11.15.

**ITEM A.185.08.12.15 (originally A.185.03.12.15)****COUNCIL COMMITTEES: APPOINTMENT OF MUNICIPAL APPEAL AUTHORITY  
MEMBERS  
(15/2/1)**

RESOLVED A.185.08.12.15 (COUNCIL)

THAT the appointment of Municipal Appeal Authority members be re-advertised. (DDP)

AppealAuthority\_itm

**ITEM A.186.08.12.15****COUNCIL LAND: APPLICATION TO ACCESS SURFACE ON PORTION 1, FARM  
RIETVLY 276 LS: PROSPECT RIGHTS  
(7/3/2/3)****REMARK:**

When this matter was considered Cllr T P Mamorobela proposed, duly seconded by Cllr R S Baloyi that the findings of the investigation regarding status of mining rights of Wearne (Pty) Ltd and compliance with the lease agreement be submitted in the next Council meeting. This proposal was accepted in general and became Council's Resolution.

RESOLVED A.186.08.12.15 (COUNCIL)

1. THAT Council approves the request to access surface on Portion 1 of the Farm Rietvly 276 LS for the purpose of prospecting granite by Triple Glimmer Projects. (DDP)
2. THAT a suitable formal agreement to arrange access and activities on Portion 1 of the Farm Rietvly which belongs to the Municipality be concluded with Triple Glimmer Projects. (DDP)
3. THAT a report be submitted at the first following Council meeting regarding the status of the mining rights of Wearne (Pty) Ltd and compliance with the lease agreement concluded with the Municipality in respect of the Farm Rietvly 276 LS. (DDP)

ProspectingRights\_itm

**ITEM A.187.08.12.15****ESSENTIAL SERVICES: PRIORITY LIST OF AREAS REQUIRING ELECTRIFICATION  
(16/2/1 & 16/2/B)****REMARK:**

When this matter was considered, Cllr T J Mamafha proposed, duly seconded by Cllr F J Mutavhatsindi that:

1. All wards which did not submit electrification priority lists, must submit it.
2. All wards which were not considered must be considered.
3. All R293 townships be put on the top priority list whenever the need arises because that is where we receive income.

This proposal was accepted in general and became Council's Resolution.

RESOLVED A.187.08.12.15 (COUNCIL)

1. THAT Council approve the priority list for electrification for the 2016/2017 financial year subject to the following conditions:
  - 1.1 all wards which had not yet submitted electrification priority lists, must submit it and it be taken into account.
  - 1.2 All wards which had not been considered in the priorities as recorded in the report, must be considered and it be taken into account.
  - 1.3 The areas in which the Municipality have sold land in the R293 Towns must be given priority and must always be on the top of the priority lists at any given time when the need of electrification arises. (DTS)
2. THAT Eskom be warned strongly against them tampering with Makhado Local Municipality's Electrification priority lists. (DTS)

ElectrificationPriorityList\_itm

\* \* \* \* \*

**6.2 Report of the Municipal Public Accounts Committee in terms of section 79 of the Local Government: Municipal Structures Act, 1998 (No. 117 of 1998): December 2015**

**ITEM A.188.08.12.15**

**MPAC: ALL SECTION 71 (MFMA 2003) MONTHLY REPORTS SUBMITTED TO COUNCIL AND ITS RESOLUTIONS: JULY 2015 (6/1/1(13/14))**

RESOLVED A.188.08.12.15 (COUNCIL)

THAT this matter be held in abeyance for consideration at the next Council meeting. (DCS)

MPACSection71ReportsJuly2015\_itm

**ITEM A.189.08.12.15**

**MPAC: ALL DEVIATION REPORTS FOLLOWING PROCUREMENT WHICH DID NOT FOLLOW THE NORMAL SCM POLICY AND PROCEDURE SUBMITTED TO COUNCIL AND ITS RESOLUTIONS: QUARTER 4, 2014/2015 FINANCIAL YEAR (8/3/2/1)**

RESOLVED A.189.08.12.15 (COUNCIL)

THAT this matter be held in abeyance for consideration at the next Council meeting. (DCS)

MPACQuotationDeviationQ4\_itm

**ITEM A.190.08.12.15**

**MPAC: REPLIES TO QUESTIONS BY MPAC ON FINAL CAPITAL BUDGET (10/1/2)**

RESOLVED A.190.08.12.15 (COUNCIL)

THAT this matter be held in abeyance for consideration at the next Council meeting. (DCS)

MPACRepliesQuestionCapitalBudget\_itm

**REMARK:**

After the consideration of the A-items, Cllr S Masuka proposed that Councillors must take Council meetings serious. He referred to the fact that Cllr M Mpashe of Democratic Alliance left the meeting at 14:14 when the business of the day was on without permission from the Speaker, as Chairperson of the Council. He proposed that the Speaker ensure that the Rules and Ethics Committee take action about this. The proposal was accepted in general by Council, for implementation by the Speaker. (DCS)

\* \* \* \* \*

**9.3 Resolutions of the Executive Committee in terms of section 59 (1) of the Local Government: Systems Act, 2000 (Act 32 of 2000): December 2015**

**ITEM B.111.10.11.15 (originally B.111.12.11.15)**

**PERFORMANCE MANAGEMENT: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: FIRST QUARTER: 2015/16 FINANCIAL YEAR (10/1/4/1; 10/1/2)**

RESOLVED B.111.10.11.15 (EXECUTIVE COMMITTEE) -

1. THAT Council takes note of the First Quarter Service Delivery and Budget Implementation Plan for the 2015/16 financial year. (ALL DIRS)
2. THAT the Department Technical Services submit a report of all projects underway in Makhado Municipal area in order for Council to monitor progress. (DTS)

SDBIPFirstQuarter2015-16\_itm

**ITEM B.112.10.11.15 (originally B.112.12.11.15)**

**FINANCE: IN YEAR MONITORING AND REPORTING: MONTH ENDING 30 SEPTEMBER 2015 (1<sup>ST</sup> QUARTER) (6/1/1(2015/2016))**

RESOLVED B.112.10.11.15 (EXECUTIVE COMMITTEE)

THAT the in-year monitoring financial report for the first quarter ending 30 September 2015 be noted by the Council. (CFO)

MonitoringSeptember\_itm

**ITEM B.113.26.11.15 (originally B.113.23.11.15)**

**COUNCIL LAND: PROPOSED LEASE OF A GUEST HOUSE AT OTTOSHOOGTE (REMAINDER OF PORTION 1 OF FARM RIETVLY 276 LS) IN LOUIS TRICHARDT TOWNSHIP (7/3/2/1) & 7/4/1/1)**

RESOLVED B.113.26.11.15 (EXECUTIVE COMMITTEE)

THAT the proposed lease of the municipal guest house at Ottoshoogte located on the Remainder of portion 1 of Farm Rietvly 276 LS) for creation of a lodge and resting place that was received from Mr Justice Mitileni acting on behalf of the Tshikota Community Youth, be disapproved, due to the following reason:

The municipal guest house is currently in the state of being used for municipal purposes.

LeaseOttoshoogte\_itm

(DDP)

**ITEM B.114.26.11.15****ESSENTIAL SERVICES: ELECTRICITY: FINAL ELECTRIFICATION PLAN FOR 2015/16  
(16/2/1 & 16/2/B)****REMARK:**

This item was referred from item A.184.03.12.15.

**RESOLVED B.114.26.11.15 (EXECUTIVE COMMITTEE)**

1. THAT the item be referred back pending the submission of priority lists of all regions for the 2015/2016 Eskom Electrification Plan. (DTS)
2. THAT Eskom be warned against them tampering with Makhado Local Municipality's Electrification priority lists. (DTS)

ElectrificationPlan2015-2016\_itm

\* \* \* \* \*

The meeting was closed and adjourned at 15:20.

Approved and confirmed in terms of the provisions of Clause 34 of the Rules and Orders, 2007 promulgated in Provincial Gazette No. 1391 of 31 August 2007 under Local Authority Notice 228, by a resolution of the Council passed at the meeting held on 28 January 2016.

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**CHAIRPERSON**

MDM/lh/SpecialCouncilMinutes\_104