

UMZIMVUBU LOCAL MUNICIPALITY

MINUTES of the **Sixth Ordinary Council Meeting of Umzimvubu Local Municipality** held on **Friday, 31 May 2019** at the **Municipal Town Hall in Kwabhaca** at 10h20.

COUNCILLORS PRESENT

1.	Cllr. S.K. Mnukwa	: Mayor
2.	Cllr N.F Ngonyolo	: Speaker
3.	Cllr. N.G Mdzinwa	: Chief Whip
4.	Cllr. U.G. Makanda	: Portfolio Head: Infrastructure and Planning
5.	Cllr. M. Mataka	: Portfolio Head: Corporate Services
7.	Cllr. A.N. Garane	: Portfolio Head: SP & Communications
8.	Cllr N. Mnyayiza	: Portfolio Head: LED
9.	Cllr. N. Sonyabashi	: Portfolio Head: Citizens and Community Services
10.	Cllr. P.K. Thingathinga	: EXCO Member
11.	Cllr. T.A. Mambi	: EXCO Member
12.	Cllr. S.A.N. Cekeshe	: Member
13.	Cllr V. Bulana	: Member
14.	Cllr. N.H.Dandala	: Member
15.	Cllr. N.N.Gcadinja	: Member
16.	Cllr. N. Gogela	: Member
17.	Cllr. T.V. Hlazo	: Member
18.	Cllr. M. Joloba	: Member
19.	Cllr. X. Jona	: Member
20.	Cllr. N.H. Kolweni	: Member
21.	Cllr. G.V. Lugongolo	: Member
22.	Cllr. S.O. Madlanga	: Member
23.	Cllr. P. Makhinzi	: Member
24.	Cllr. M. Maliwa	: Member
25.	Cllr. S. Mankanku	: Member
26.	Cllr. N.A. Mantshongo	: Member
27.	Cllr. A. Mgangatho	: Member
28.	Cllr. A.P. Mkhonto	: Member

29.	Cllr. M. Mqulwana	: Member
30.	Cllr. S.P. Myingwa	: Member
31.	Cllr. N.V. Nomaqaga	: Member
32.	Cllr. T. Nomkuca	: Member
33.	Cllr. L.L. Ngatsha	: Member
34.	Cllr. T. Ndara	: Member
35.	Cllr. C.L. Noqhakala	: Member
36.	Cllr. T. Ntsalaze	: Member
37.	Cllr. N. Ntshayisa	: Member
38.	Cllr. M. Ntsevu	: Member
39.	Cllr. M. Ramabina	: Member
40.	Cllr. N.S. Soldat	: Member
41.	Cllr. T. Sokhanyile	: Member
42.	Cllr. F.P. Sontsi	: Member
43.	Cllr. N.C. Tshayisa	: Member
45.	Cllr. M. Tuku	: Member
46.	Cllr. A.N. Zongwana	: Member

ABSENT COUNCILLORS

1. Cllr. H.M. Ngqasa : Portfolio Head: Budget and Treasury

2.	Cllr. S. Dangisa	: Member
3.	Cllr. S. Gqiza	: Member
4.	Cllr. F.J. Hem	: Member
5.	Cllr. M. Hlanekele	: Member
6.	Cllr. B. Majalamba	: Member
7.	Cllr. L.S. Maqhashalala	: Member
8.	Cllr. S. Sifolo	: Member

PRESENT TRADITIONAL LEADERS

1.	Cllr. M. Nota	: Member
2.	Cllr. N.G. Makaula	: Member

ABSENT TRADITIONAL LEADERS

- | | | |
|----|--------------------|----------|
| 4. | Cllr N.G. Ncapai | : Member |
| 5. | Cllr M.E Gogela | : Member |
| 6. | Cllr Z.D Sodladla | : Member |
| 7. | Cllr J.B. Makaula | : Member |
| 8. | Cllr M Mdukyana | : Member |
| 9. | Cllr. M Mpakumpaku | : Member |

1. Cllr. M. Sogoni : Member

2. Cllr. D. Makaula : Member

3. Cllr. N. Rholobile : Member

PRESENT OFFICIALS

- | | | |
|----|-----------------|--|
| 1. | Mr. G.P.T. Nota | : Municipal Manager |
| 2. | Mr. S Ntunzi | : Manager: LED and Environmental Management |
| 3. | Mr. T. Fundira | : CFO |
| 4. | Mrs. N. Kubone | : Manager: Corporate Services |
| 5. | Mr. L. Moleko | : Manager: Infrastructure and Planning |
| 6. | Mrs. N. Zembe | : Manager: Special Programmes and Communications |
| 7. | Mr. N.M. Sineke | : Manager: Citizens and Community Services |
| 8. | Mr. M Ngxekana | : Assistant Manager: Sound Governance |
| 9. | Miss W. Morlock | : Admin Officer: Secretariat |

MINUTES

OPENING/ WELCOME

The meeting was opened by the Speaker, Councillor N.F Ngonyolo after a short prayer by Councillor V. Bulana at 10h20.

READING OF THE OFFICIAL NOTICE

The Municipal Manager: Mr. G.P.T Nota read the official notice.

LEAVE OF ABSENCE

There were no applications for leave of absence tendered.

APOLOGIES

An apology was tendered for Councillor E.N Ngalonkulu who was ill.
An apology was tendered for Councillor S.S Dangisa who had family commitments.
An apology was tendered for Councillor B. Majalamba who was attending block sessions.
An apology was tendered for Councillor H. Ngqasa who was writing exams.
An apology was tendered for Councillor F. Hem who had Ward commitment at Senyukele S.S.S.

An apology was tendered for Councillor S. Sifolo who had a Family commitment.
An apology was tendered for Councillor M. Hlanekele who was going to join the meeting later.

It was thereafter with Councillor G.U Makanda and Councillor X. Jona proposing and seconding respectively;

RESOLVED

1. That an apology tendered for Councillor E.N Ngalonkulu is accepted.
2. That an apology tendered for Councillor S.S. Dangisa is accepted.
3. That an apology tendered for Councillor B. Majalamba is accepted.
4. That an apology tendered for Councillor H. Ngqasa is accepted.
5. That an apology tendered for Councillor F. Hem is accepted.
6. That an apology tendered for Councillor S. Sifolo is accepted.
7. That an apology tendered for Councillor Hlanekele is accepted.

This was carried unanimously.

PECUNIARY INTERESTS

Pecuniary interests were declared on the following items:-

- Item no 10.1.7 – Performance Assessment Results
- Item no 10.1.8- Salary Increase for Municipal Manager and Section 56 Managers

- Item on Municipal Misconduct Board
- Item on Declaration of vacancies

Noted.

COMMUNICATION STATEMENT BY THE SPEAKER

COMMUNICATION STATEMENT BY THE SPEAKER COUNCILLOR FN NGONYOLO TO THE ORDINARY COUNCIL MEETING HELD ON 31 MAY 2019 KWABHACA TOWN HALL

The Honourable Mayor

Chief whip and the Whippers

MPAC chair

Executive committee

Councillors

Traditional leaders

Municipal Manager and all officials present

Audit committee chairperson

People at the Gallery

Ladies and Gentlemen

Let me take this opportunity to greet you all in this last ordinary council meeting during this financial year ending in June, in the name of Jesus Christ, Amen.

Fellow councillors we are gathered here today with a fresh mandate from our electorate, it is only 22 days after the National elections in which the ANC won 8 provinces and nationally with 56.7% giving the current government an opportunity to continue with the betterment of the lives of the people of S.A, that is a huge responsibility which needs not be undermined and we have to work together.

These were the toughest elections I have ever seen since 1994, the results attest to that, as we are approaching the local government elections which will be the worst contested elections, I am making a call to all of us here to pull up our socks (singcotshé) and make sure that we improve the way we conduct our business.

We as Councillors have to change our attitude and develop the culture of accountability and transparency to our communities and to be always in contact with the people on the ground.

We must also continue with our the programme of Public Participation by visiting all wards with the aim of addressing and responding to all the service delivery challenges that were raised by the communities before the elections. A programme has been drafted that will start next week on Wednesday, 05 June 2019.

On the 15th-17th of April 2019 we embarked on a successful IDP and Budget EXCO outreach in all the Umzimvubu wards except in ward 04, but later on the 17th of May 2019 the session was held again in that ward and it a success.

We are also coming from the Service Delivery Imbizo in which the municipality accounted to its communities on the progress in terms of service delivery implementation in this financial year and to further listen to their concerns.

Tatu Mayor and Fellow Councillors, recently the municipality held its Strategic Planning Session held on the 15th-17th of May 2019, where all the municipal departments presented their SDBIP informed by the inputs from our communities during IDP & Budget road shows in preparation for 2019/20 financial year.

We are heading towards our financial year end, indeed it was a year that was very busy with numerous events, a year with a lot of achievements and of course with its challenges and all of that required our attention.

This council has been working tirelessly throughout this financial year and we worked together as these council members in ensuring that services were rendered to our communities.

Honourable Mayor and MPAC Chairperson, today we are privileged to be joined by our Audit committee Chairperson who will be making a presentation on our entire municipal performance, progress in terms of how far are we in addressing the previous years Auditor General's findings, Internal Audit findings and implementation of our Audit Turnaround Strategy.

Mr Nkosi as this Council xa sikubona sibanehemba kuba wena you are here to advise us whether we are heading towards the right direction or not as you are the member of our advisory committee.

I have seen the 3rd quarter dash board report which reflects the efficiency of our internal controls and I was not happy, as councillor who are responsible for the oversight, we would appreciate to see all the faces in the dashboard reflecting green, therefore it means that management must work tirelessly to ensure that the picture of those faces does change in the next report.

In conclusion, let me appreciate the team work that our Councillors, Traditional Leaders and management have shown during the whole year, let's keep the spirit of unity and engage constructively for the benefit of the municipality.

In those few words, Ndiyabulela and you are all welcome.

7.

DEPUTATIONS

A presentation was made by the Audit Committee Chairperson: Mr Nkosi as per the following:

**BI-ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD
NOVEMBER 2018 TO MAY 2019**

The Speaker – Cllr F. Ngonyolo

Mayor Cllr – Cllr S.K Mnukwa

Chief Whip – Cllr Mdzinwa

Exco Members and Councillors

The Accounting Officer and the entire Management

1. INTRODUCTIONS

The Audit Committee of the Umzimvubu Local Municipality has pleasure in submitting its bi-annual report. This report is submitted in terms of the provisions of sections 121(3) (j), 166(2) (b) and 166(2) (c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the period from November 2018 to May 2019.

The report records the outcome of the work done by the Audit Committee. The committee from time to time made recommendations as preventative or corrective measures to the weaknesses identified by Internal Audit Unit in the municipality based on reports and information supplied to the Audit Committee.

The recommendations or advice in this report have been made based on certain information at a point in time and supplied to the Audit Committee and are subject to change after due consideration of new information received as well as subsequent deliberations with the municipality.

2. MEMBERS

The Audit Committee consist of the three members listed hereunder and as a minimum requirement the Audit Committee has to meet at least four times a year as per the approved Audit Committee Charter. This then means that the Audit

Committee should meet at least twice during the six month period. The composition of the committee is as follows:

NAME OF MEMBER	ROLE	NO OF MEETINGS
Mr. M.A. Nkosi	Chairperson – PMS	3
Mr. S. Mnguni CA (SA)	Member – Finance	3
Mr. S. Ngwala	Member – Governance	3

3. OVERVIEW OF ACTIVITIES

The Committee held 3 meetings during the seven months period. The meetings took place as follows:

- A. 21st of November 2018 - 2018/2019 financial year;
- B. 1st March 2019 - 2018/2019 financial year ;
- C. 10th of May 2019 - 2018/2019 financial year;

In addition, Audit Committee members participated in the Councilors Strategic Audit Action Plan (SAAP) Workshop held on the 13th of January 2019 as well as the Mid-term performance assessments held between the 1st and the 13th of March 2019.

In the meetings referred to above, the Audit Committee dealt with matters as follows:

A. 21ST NOVEMBER 2018 (2018/19 FINANCIAL YEAR)

1. MANAGEMENT REPORTS

- 1.1.MFMA Section 71 quarterly budget statement;
- 1.2.Amendment of Performance Management Policy;
- 1.3.Draft 2019 Year Plan;
- 1.4.Reviewal of calculations of performance bonus for Section 56/57 and all performance based contract employees for 2016/17 financial year; and
- 1.5.Performance assessments results for Section 56/57 Managers and all performance based contract employees for 2016/17 financial year;

2. INTERNAL AUDIT REPORTS

- 2.1. Report on information Technology Governance and general controls
- 2.2. Report on the amendment of the Internal Audit Plan

3. MATTERS OF EMPHASIS

- 3.1. The Audit Committee expressed concerns about the spending patterns, especially of the conditional grants dedicated to the delivery of essential services;

- 3.2. The Audit Committee expressed serious concerns about the pending audit outcome and recommended that Management start attending to all matters raised by the Auditor General with more emphasis placed on PPE (Property Plant and Equipment). A further recommendation was made that all matters raised by the Auditor General should be attended to no later than the 31st of March 2019.

- 3.3. Internal Audit should audit each category of assets as it is completed to avoid too much work at the end of the period and to improve the quality of work submitted to the Auditor General.
- 3.4. There were varying opinions regarding the use of the calculator for the performance bonuses of section 56/57 and other managers. The Audit Committee has previously recommended that only the COGTA approved bonus calculator should be used. This was eventually acceded to by Management.

B) 1ST OF MARCH 2019 (2018/2019 FINANCIAL YEAR)

1. MANAGEMENT REPORTS

- 1.1. MFMA Section 72 Mid -Year Budget Statement report
- 1.2. Progress on Asset Management for Umzimvubu Local Municipality

2. INTERNAL AUDIT REPORTS

- 2.1. Progress report on the Auditor General findings and Internal Audit findings;
- 2.2. Expenditure and payables review report;
- 2.3. Supply Chain Management (SCM) Management review report;
- 2.4. Revenue Management review report; and
- 2.5. Mid-term performance information review report

3. MATTERS OF EMPHASIS

3.1. The Audit Committee raised serious concerns about the failure by management to stick to the Strategic Audit Action Plan as resolved in the Council Strategic Planning session held on the 13th of January 2019;

3.2. The Audit Committee further noted that by so doing, the Management would miss an opportunity to request the Auditor General to conduct an interim audit on fixed assets as well as the review of interim Annual Financial Statements. The Audit Committee further recommended that this failure could be the reason for the municipality to struggle to progress from an audit qualification to an unqualified audit opinion;

3.3. In view of the developments the Audit Committee advised against the preparation of the interim Annual financial Statements for period ending March 31, 2019 due to the state of readiness regarding the fixed assets;

C) 10TH OF MAY 2019 (2018/2019 FINANCIAL YEAR)

1. MANAGEMENT REPORTS

- 1.1. Progress report on the development of the 3rd Quarter performance report;
- 1.2. 2017/18 Annual assessments results for section 56/57 Performance contract employees and all performance based contract employees;
- 1.3. MFMA Section 71 report

2. INTERNAL AUDIT REPORTS

- 2.1. Annual Report review;
- 2.2. Compliance review report;
- 2.3. Division of Revenue Act (DORA) review report;
- 2.4. 2017/18 Annual assessments performance bonus review report;
- 2.5. Review on asset management ;
- 2.6. Report on the review of Interim Annual Financial Statements;
- 2.7. Interim Audit risk assessment report;
- 2.8. 3rd Quarter performance information review report;
- 2.9. Progress report on Strategic Audit Action Plan (SAAP);
- 2.10. Internal Audit report on the 3rd quarter dashboard report;

3. MATTERS OF EMPHASIS

- 3.1 The Municipality is at 75% spending rate on the conditional grants for infrastructure projects. Management is urged to make concerted effort to continuously monitor the progress of infrastructure projects and expenditure in order to timely institute remedial steps in the event of under-spending.
- 3.2 There were still glaring areas where management had failed to stick to deadlines regarding the updating of the fixed asset register
- 3.3 Interim Financial Statements: There were still numerous matters that needed to be dealt with.

- i. there were significant errors and omissions on the Property, Plant and Equipment note
- ii. missing disclosures on certain notes on the Interim Financial Statements.

- 3.4 All the six chapters to the Annual Report have been populated as per the requirements of Municipal Finance Management Act and Circular 63 and has been tabled and adopted by the municipal council;
- 3.5 Performance Bonuses - Audit Committee considered the report on Performance Assessments and supports the payment of Performance bonuses to the qualifying managers in line with the Municipality's Performance Management Policy that has the COGTA approved bonus calculator.

- 3.6 Risk Assessment that was conducted and urge the EXCO to take part (Only the Mayor came)

7. CONCLUSION

Despite the recent Audit Opinion obtained by the Council, the Audit Committee is of the view that the Municipality has sufficient internal controls to ensure good governance, accountability as well as effective and efficient service delivery.

Whilst noting and appreciating the Operation Clean Audit Committee (OCAC), chaired by the Accounting Officer, that seeks to address all matters of emphasis raised by the Auditor General, the Audit Committee remains highly concerned about the progress in addressing the matters raised by the Auditor General, especially matters relating to fixed assets. Finalization of fixed assets remains a singular threat towards achieving an unqualified audit opinion. The Audit Committee requests the council to place more emphasis during

its oversight work on the progress towards addressing both matters raised by the Auditor General as well as the Internal Audit

In conclusion, the Audit Committee wishes to convey its gratitude and appreciates the support afforded by the office of the Mayor, the MPAC Chairperson, the Municipal Manager, Internal Audit and the entire Senior Management.



Chairperson: Audit Committee Mr. Mxolisi Alexis Nkosi

On risk assessment exercises, the Mayor, Speaker and the EXCO as a whole should partake.

The finalisation of Asset Register remains a factor to the non-achievement towards clean Audit opinion.

COMMENTS AND INPUTS

Clarity was sought as to whether there are any possibilities to finalising the pending issues such as financial statements and finalisation of Asset Register.

A response was given that updates on all pending issues will be tabled in the Special Council that should be held after the 21st June 2019. It was also mentioned that the invoices at hand will change the status of spending.

It was advised that the Council should commit to the municipal work and service delivery in order to achieve the set target.

It was thus emphasised that the Council should penalise the non-performing Contractors through the Municipal Manager.

It was also advised that the Council should apply for Roll overs in order to complete the projects within three months of the upcoming Financial Year.

- 8. OFFICIAL ANNOUNCEMENTS**
- 8.1 It was announced that there will be Photo shoot for all Councillors after the Council meeting.
- 8.2 It was announced that there will be a Mayoral Cup that will be conducted on the 22nd June 2019 in EmaXesibeni Sports Field.
- 8.3 It was announced that there will be an Annual Gospel Festival that will be held in EmaXesibeni Town Hall on the 29 June 2019.
- 8.4 It was announced that there will be a Business Seminar that
- 9. CONFIRMATION OF MINUTES**

- 9.1 MINUTES FOR COUNCIL MEETING HELD ON THE 27 MARCH 2019**
- It was thereafter with Councillor S.A.N Cekeshe and Councillor V. Bulana proposing and seconding respectively,*
- RESOLVED**
1. That the minutes of the Council meeting held on 27 March 2019 be adopted as a true reflection of the meeting's proceedings.

- 9.2 MINUTES OF SPECIAL COUNCIL MEETING HELD ON THE 30 APRIL 2019**
- It was thereafter with Councillor S.A.N Cekeshe and Councillor G. U Makanda proposing and seconding respectively,*
- RESOLVED**

1. That the minutes of the Council meeting held on 30 April 2019 be adopted as a true reflection of the meeting's proceedings.

This was carried unanimously.

10. BUSINESS OF THE DAY

**BUDGET SPEECH DELIVERED BY THE HONOURABLE MAYOR COUNCILLOR SK
MNUKWA TO THE ORDINARY COUNCIL MEETING HELD AT KWABHACA ON 31
MAY 2018**

Madam Speaker
Executive Committee Members
Chief Whip and Whippery
Councillors
Traditional Leaders
Municipal Manager and Senior Management
Officials present
Fellow Residents
Media Houses and public present in the gallery
Compatriots and friends
Ladies and Gentlemen

Good Morning, Molweni, Dumelang!!!

Let me thank this opportunity afforded to me to present the developed Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget for 2019/20 financial year after consultation processes were undertaken with our communities and internal stakeholders, we really thank our communities for their cooperation and participation.

The views of the people are much appreciated as they play a critical role in assisting us to come up with informed and people centred IDP and budget.

This budget with our plans for the coming financial year are tabled two weeks after the successful fifth general elections of the democratic South Africa. The renewed mandate given to the African National Congress by the people of South Africa inclusive of Umzimvubu constituencies under the leadership of President Ramaphosa re-affirms the primary message that we are echoing of “*Thuma Mina*”.

President Ramaphosa during his address on the occasion of the President's Inauguration, consistently ordered all of us to uphold the values of clean governance, anti-corruption, high ethical conduct and commitment towards growing economic opportunities and offering services to our people that are accessible and sustainable. I wish to reveal that indeed, we are ready to continue rendering services to our people as they expect us to do so.

This budget carries the hopes of our communities that we are proudly serving and will demonstrate our commitment in ensuring that we realise our Pro Poor agenda while responding to the socio economic dynamics of this municipality.

Fellow Councillors, this budget is tabled after a Council Strategic Planning Session where we agreed that our main focus should be on Infrastructure related programmes. Let us therefore make this coming financial year, a year of new dawn, renewal and hope through fast tracking service delivery implementation, as the President has declared.

Madam Speaker, It is critical to note that our budget was formulated based on key legislation taken into consideration during compilation of the 2019/20 budget and Medium Term Revenue and Expenditure Framework (MTRRF).

These are:-

- National Treasury Norms,
- Circular No. 82 of Local Government: Municipal Finance Management Act No. 56 of 2003;
- Circular 93 and 94 of 2017 – as issued by National Treasury.
- In preparation for this budget we have maintained our employee related costs within the National Treasury norms and our personnel expenditure is at 31% of our total budget.
- Our people will be excited to learn that in our quest to accelerate service delivery and improve the standard of living in this municipality, we have allocated **R143 196 104 million** for Capital Projects.
- Our repairs and maintenance budget is **R7 039 973 million**,
- Electrification budget is **R24.7 million** and construction of Municipal Offices budget is **R18 million**.

Fellow councillors and Compatriots, with regards to the increase of tariffs for the financial year ahead 2019/20, this budget proposes the following adjustments:-

- Tariffs of property rates (residential & business) are informed by valuation roll of which there no changes effected, therefore tariffs for property rates will remain the same for 2019/20 FY.
- Subsidy for Indigent Household for provision of alternative energy (Solar) will be subsidies at 100% as opposed to 60% subsidy in the current financial year.
- Service tariffs such as Refuse removal rates, rentals, funeral plots, pound fees, parks, building plans, trading licenses, advertising fees and tender fees will be increased based on Consumer Price Index (CPIX) 5.1% increase.

The Municipality has revised its indigent support threshold for solar from R 60.00 to 100% (R 120.00) per household.

In understanding the financial situation of our people in our communities, for those who cannot afford, we once again urge them to apply and register for the indigent assistance programme.

Councillors, allow me to remind the house that payment of rates can contribute positively to the increase of the municipal revenue of which that can be our mechanism to deliver quality and sustainable services to our people.

Madam Speaker, The total budget for this financial year 2019/20 is R476 164 003 million and the grants allocation is as follows:-

•	MIG	-	R 46 411 000.00
•	Equitable Share	-	R 217 928 000.00
•	FMG	-	R 1 770 000.00
•	EPWP	-	R 2 512 000.00
•	Electrification Grant	-	R 24 907 000.00
•	Library Subsidy	-	R 650 000.00
•	Small Town Rehabilitation	-	R 10 414 000.000

Our revenue raising measures will be as follows:-

- Disposal of municipal residential and commercial sites at EmaXesibeni in order to target middle class and build malls & private schools to increase revenue;
- In terms of cost containment, the municipality will derive price list ceiling based on market rates and circulars issued out by Treasury;
- While we already have REVCO as our debt collector, we also want to engage external services for our data cleansing project so that our billing can be accurate.

We are further going to undertake the following economic development programmes to mention a few:-

- Ploughing of fields in all 27 wards and we've set aside a budget of R7.5 million rands
- Farmer Mentorship budget is R940 000 thousand rands

Honourable Councillors, on the provision of community amenities, the municipality in partnership with the department of Environmental Affairs has been allocated an amount to a tune of R10 million for the upgrade of Sophia Park wherein a clear view fencing for the whole park will be installed together with a conference facility. A business plan has been approved and an implementing agent with consultants have already been appointed.

Madam Speaker, in understanding the need to revive the economy of the municipality, the job creation through EPWP Infrastructure sector, Environmental and Social sector a number of jobs will be created. Currently 316 of which we will employ 100 which will total up to 436 by the end of the next financial year.

On Environmental protection and Education, a Botanic Garden will be constructed in EMAXESIBENI whereby 13ha of biodiversity area in Mt Ayiliff town will be fenced and construction of gallery centre (natural vegetation centre).

On Waste Management we've got an SMMFE Support programme on recycling where we will be converting plastic waste into pallets and plastic chairs and an amount of **R1 million** has been set aside for the project.

An improvement of waste collection services where all the 1075 households in the urban settlement will be provided with three colour coded waste bins (for temporal storage of household waste before actual removal). The budget allocation for the project is R2 million.

Madam Speaker, we understand the socio dynamics of our communities and have set aside funds to respond to the needs of the vulnerable groups such as women, youth, children, elderly and people living with disabilities. The municipality has allocated money to a tune of R1.5 million in support of their programmes which are key in our communities. **Fellow Councillors**, it is important to note that we were investing in fibre rollout of which cameras in both towns have been installed to fight crime, they are clear and very precise. We have hope that through the installation of these cameras there will be reduction of crime as we now have a bird's eye view on our towns.

Wi-Fi will be installed in the whole town of KwaBhaca for 2019/20 FY, this means we will no longer find wifi in the libraries and parks only. An amount of R1.2 million has been allocated for this project.

Madam Speaker and fellow councillors, let me applaud our management for the work done in terms of implementing the adopted audit turnaround strategy and addressing findings arising from our previous year's audit outcome,

The asset register has been amended as per the prior period findings of internal & external auditors. We have treated the asset register as an ongoing project which continues to be reviewed and updated as additions arise.

Leading up to the submission of the Annual Financial statements for the 2018-2019 Audit, the asset register will be submitted to Internal Audit and the Audit committee before 31st July after a thorough review process. Subsequent to that the submission will be submitted to the Auditor General to express an opinion at the end of the audit process around November 2019.

The following outlines the progress in terms of addressing forty three (43) audit findings for 2017/18 FY:-

- **Budget and Treasury Department**, Out of 27 findings, thirteen (13) have been resolved and eight (10) are not yet resolved and four (4) findings are in progress. These thirteen that are not resolved include Asset Management issues of which assets renewal and update is in progress.
- **Municipal Manager's Office**, Out of seven (07) findings, six (06) have been resolved and one (01) is not yet resolved.
- **Infrastructure & Planning, Out of nine (09) findings**, seven (07) have been addresses and two (02) are in progress.

Fellow Councillors, we are still committing to drive expenditure on capital projects to 100% in the 2019/20 financial year. Still on the subject of capital expenditure, let me highlight the challenge which was brought by the expectation of our local service providers for the "said 30%" share which they demanded.

We call upon communities to stop the unforeseen stoppage of projects while we engage one another to settle issues as that had resulted to the delays in implementing some of our capital projects.

The municipality is committed to promoting the imperatives of the preferential procurement policy framework within the scope of the Preferential Procurement Policy Framework Act (PPFA). The municipality has embarked on a research project that seeks to address the economical inequalities which have rendered local communities as spectators in the participation of economic gains within the municipality.

Madam Speaker, I will be presenting the executive committee report to the Council with the following items that need to be considered which are:-

- The adoption of the 2019/2020 IDP, after the IDP outreach was held in November 2018 to solicit ward priorities as well as to give an account of service delivery for the current year;

- The Draft Service Delivery and Budget Implementation Plan for the period 2019/2020 for noting. That Council should note that the Mayor is expected to approve the SDBIP within 28 days of approval of the Annual Budget for 2018/2019 FY.

- The application for Rezoning from Residential Zone 3 to Business Zone 1 on Erf 711 in Mount Frere for Council Approval.

- The application for Rezoning from Residential Zone 3 to Business Zone 1 on Erf 206 in Mount Frere for Council Approval.

- The OTP projects planned for implementation for 2019/20 FY to be adopted by the Council.

OTP already interacted with the municipality and have met with the relevant responsible officials including technical directors and Municipal Managers. Furthermore business plans were submitted for review and approval by OTP, with the purpose of identifying, prioritizing projects and alignment of selected projects with IDP's and provincial plans.

Business Plan feedback sessions took place in 2018, which include timeframes, estimated expenditure and milestones per projects. To ensure good governance, financial accountability and implementation readiness, a memorandum of agreement was signed between OTP and Umzimvubu Municipality local Municipality.

The following is the list of projects approved for implementation by the office of the premier:

Project Name	Amount
Construction of EmaXesibeni Botanical Garden Phase 2	R2 000 000.00
Upgrading of EmaXesibeni Streetlights along the CBD area	R2 664 000.00
Design and Construction of Transport hub	R250 000.00
Surfacing of road leading to grave yard with proper drainage system and walkways	R5 500 000.00
TOTAL	R10 414 000.00

- The report on the vacancies to be declared within Corporate Services and Citizen & Community Services Departments for the positions of the Senior Managers for these two departments. The Council is further requested to approve filling of the two positions, appointment of a Selection panels to make recommendations for the appointment of candidates and that the selection panels be constituted as follows:-
Selection Panel for the appointment of a Managers directly accountable to a Municipal Manager must consist of at least three (3) and not more than five (5) members constituted as follows:
 - The Municipal Manager (Chairperson)
 - A member of the Mayoral Committee or a Councillor who is the Portfolio Head of the relevant portfolio which is Councillor
 - At least one other person who is not a Councillor or staff member of the municipality and who has expertise or experience in the area of the advertised post.

- The approval of the outcomes of Performance Assessments of section 56/57 and non-section 56/57 performance contract managers and payment of such bonuses. Council should note that the report on payable performance bonuses to the qualifying Fourteen (14) municipal officials was tabled before the Audit Committee for verification.

- To seek approval by Council on the salary increase for the Municipal Manager and Managers directly reporting to the Municipal Manager with effect from 1 July 2018 to 30 June 2019.
The Council should note that the Municipal Manager and Senior Managers met with the remuneration committee to negotiate their salary increase.

- The report on Donga rehabilitation that needs to be noted and accepted by the Council. An amount of R 15 million was approved by Department of Environmental Affairs (DEA) through the environmental the Environmental Protection and Infrastructure Program for Donga rehabilitation.

- The approval of 2019/20 Final Annual Budget by the Council.

- The Budget and Treasury Unauthorized, Irregular, Fruitless & wasteful expenditure report on all tenders awarded by the bid committees appointed from 1st July to 15 January 2019

be regularized by Council and the irregular expenditure incurred thereof be written off through condonation by Council.

- The Traditional Leader's Summit report, summit resolutions and Summit Declarations for adoption by Council.

- The report on the meeting of the appointed Financial misconduct Board and to solicit approval from the Council on the recommendations of the financial misconduct board.

The following reports must be noted by the Council:-

- 1.1 Progress made on "back to basics."
- 1.2 The Corporate Services Department: Sound Governance Division on Secretariat activities.
- 1.3 Deviation register report for the month of April 2019.
- 1.4 The report on the statement of financial performance, position and the implementation of the 2018/19 budget (MfMA Section 71 Report) for the reporting month ended 30th April 2019 including supporting documentation attached as Annexure be noted and approved by Council.

These reports are contained in our agendas and are as tabulated in the table below:-

ITEM NO.	ITEM	RESOLUTION	PAGE NO.
10.1.1	OFFICE OF THE MUNICIPAL MANAGER: PROGRESS REPORT ON THE DEVELOPMENT OF THE IDP FOR APRIL 2019 FOR 2019-2020 FY	For Consideration	41-42
10.1.2	PROGRESS REPORT ON THE DEVELOPMENT OF THE SDBIP FOR 2019 TO 2020: OFFICE OF THE MUNICIPAL MANAGER	For Consideration	43-44
10.1.3	REZONING APPLICATION ON ERF 711 MOUNT FRERE FROM "RESIDENTIAL ZONE 3" TO "GENERAL BUSINESS" TO PERMIT BUSINESS PREMISES	For Consideration	45-47
10.1.4	REZONING APPLICATION OF ERF 206 MOUNT FRERE FROM "RESIDENTIAL ZONE 3 TO BUSINESS ZONE 1 TO PERMIT BUSINESS PREMISES	For Consideration	48-50
10.1.5	INFRASTRUCTURE DEVELOPMENT AND PLANNING DEPARTMENT: 2019/20 FY OTP ALLOCATION OF R10 414 000.00	For Consideration	51-53
10.1.6	DECLARATION OF VACANCY FOR THE POSITION OF MANAGER: CORPORATE SERVICES AND MANAGER: CITIZEN & COMMUNITY SERVICES - UMZIMVUBU LOCAL MUNICIPALITY	For Consideration	54-57

10.1.7	CORPORATE SERVICES DEPARTMENT: HUMAN RESOURCES DIVISION: PERFORMANCE ASSESSMENT RESULTS FOR SECTION 56/57 AND NON-SECTION 56/57 PERFORMANCE CONTRACT EMPLOYEES FOR 2017/2018 FINANCIAL YEAR	For Consideration	58-62
10.1.8	SALARY INCREASES FOR MUNICIPAL MANAGER AND MANAGERS DIRECTLY REPORTING TO THE MUNICIPAL MANAGER: 1 JULY 2018 – 30 JUNE 2019	For Consideration	63-65
10.1.9	LOCAL ECONOMIC DEVELOPMENT DEPARTMENT: DONGA REHABILITATION FOR THE MONTH OF APRIL 2019	For Consideration	66-67
10.1.10	BUDGET AND TREASURY DEPARTMENT: FINAL ANNUAL BUDGET FOR 2019/20 FINANCIAL YEAR	For Consideration	68-69
10.1.11	BUDGET AND TREASURY DEPARTMENT: IRREGULAR EXPENDITURE REPORT AS AT APRIL 2019	For Consideration	70-71
10.1.12	SPECIAL PROGRAMMES & COMMUNICATIONS DEPARTMENT: PUBLIC PARTICIPATION UNIT: TRADITIONAL LEADERS SUMMIT REPORT	For Consideration	1 st Addendum 2-4
10.1.3	COUNCIL MANDATE TO THE UMZIMVUBU MUNICIPALITY FINANCIAL MISCONDUCT BOARD	For Consideration	2 nd Addendum 2-4
10.2.1	OFFICE OF THE MUNICIPAL MANAGER: BACK TO BASICS ACTION PLAN AND MONTHLY REPORTING FOR APRIL 2019	For Noting	72-73
10.2.2	CORPORATE SERVICES DEPARTMENT: SOUND GOVERNANCE DIVISION: SECRETARIAT SECTION MONTHLY REPORT FOR APRIL 2019	For Noting	74-83
10.2.3	BUDGET AND TREASURY DEPARTMENT: DEVIATION REGISTER AS AT MONTH END OF APRIL 2019	For Noting	84-85
10.2.4	S71 MONTHLY BUDGET STATEMENT AS AT 30 April 2019	For Noting	86-252

In closing, I want to thank all councillors, Traditional Leaders and the municipal officials for all the hard work that they have done in the financial year ending in June, let us continue to work together to improve the lives of our people who have sent us to this Council for us to serve them and that will be our shared responsibility.

I THANK YOU.....NDIYABONGA

ITEMS FOR CONSIDERATION / APPROVAL FROM EXECUTIVE COMMITTEE

10.1

OFFICE OF THE MUNICIPAL MANAGER

ULMC: 162

10.1.2

OFFICE OF THE MUNICIPAL MANAGER: PROGRESS REPORT ON THE DEVELOPMENT OF THE IDP FOR MAY 2019 FOR 2019-2020 FY

PURPOSE

To table to the Council for noting progress in the IDP development for May 2019 in line with the IDP/Budget Process Plan for 2019-2020 FY.
To table to Council for adoption of the 2019/2020 IDP review during the month of May 2019.

It was thereafter with Councillor V. Bulana and Councillor M. Mquhwana proposing and seconding respectively,

RESOLVED

1. That the Council adopts the 2019/2020 IDP development during the month of May 2019.

COUNCIL: 162/2018/2019

This was carried unanimously.

ULMC: 163

10.1.2

PROGRESS REPORT ON THE DEVELOPMENT OF THE SDBIP FOR 2019 TO 2020: OFFICE OF THE MUNICIPAL MANAGER

PURPOSE

To table to the Council the Draft Service Delivery and Budget Implementation Plan for the period: 2019/2020 for noting.

It was thereafter with Councillor T. Nomkuca and Councillor N. Nomagaga proposing and seconding respectively,

RESOLVED

1. That the SDBIP 2018/2019 is noted by Council
2. That Council notes that the Mayor is expected to approve the SDBIP within 28 days of approval of the Annual Budget for 2018/2019 FY.

COUNCIL: 163/2018/2019

This was carried unanimously.

INFRASTRUCTURE AND PLANNING DEPARTMENT**ULMC: 164****10.1.3 REZONING APPLICATION ON ERF 711 MOUNT FRERE FROM "RESIDENTIAL ZONE 3" TO "GENERAL BUSINESS" TO PERMIT BUSINESS PREMISES****PURPOSE**

The purpose of this report is to request Umzimvubu Local Municipality MANCO to recommend the application for Rezoning from Residential Zone 3 to Business Zone 1 on Erf 711 Mount Frere for a Council Approval.

It was thereafter with Councillor T. Sokhanyile and Councillor M. Tuku proposing and seconding respectively,

RESOLVED

1. That the Council approves the application for rezoning of Erf 711 Mount Frere from Residential Zone 3 to Business zone 1 to allow for a mix use development in terms of Part 1 clause 7; sub-clause (7.1), (7.2), and (7.3) of Transkei Standard Town Planning Scheme.

This was carried unanimously.

COUNCIL: 164/2018/2019

ULMC: 165**10.1.4 REZONING APPLICATION OF ERF 206 MOUNT FRERE FROM "RESIDENTIAL ZONE 3 TO BUSINESS ZONE 1 TO PERMIT BUSINESS PREMISES****PURPOSE**

The purpose of this report is to request Umzimvubu Local Municipality MANCO to recommend the application for Rezoning from Residential Zone 3 to Business Zone 1 on Erf 206 Mount Frere for a Council Approval.

It was thereafter with Councillor L.L. Ngatsha and Councillor T. Ndara proposing and seconding respectively,

RESOLVED

1. That the Council approves the application for rezoning of Erf 206 Mount Frere to allow for a "Business Complex" in terms of Part 1 clause 7; sub-clause (7.1), (7.2), and (7.3) of Transkei Standard Town Planning Scheme and SPLUMA.

This was carried unanimously.

COUNCIL: 165/2018/2019

ULMC: 166

10.1.5

**INFRASTRUCTURE DEVELOPMENT AND PLANNING DEPARTMENT: 2019/20 FY
OTP ALLOCATION OF R10 414 000.00**

PURPOSE

To table OTP projects planned for implementation for 2019/20 FY for noting by the Council.

To table OTP projects planned for implementation for 2019/20 FY for adoption by the Council.

It was thereafter with Councillor M. Joloba and Councillor N. Ntshayisa proposing and seconding respectively,

RESOLVED

1. That the OTP projects planned for implementation for 2019/20 FY is adopted by the Council.

COUNCIL: 166/2018/2019

This was carried unanimously.

**CORPORATE SERVICES DEPARTMENT
ULMC: 167**

10.1.6

**DECLARATION OF VACANCY FOR THE POSITION OF MANAGER: CORPORATE
SERVICES AND MANAGER: CITIZENS & COMMUNITY SERVICES – UMZIMVUBU**

LOCAL MUNICIPALITY

PURPOSE

To table a report on the vacancy to be declared within Corporate Services and Citizen & Community Services Department

To table the recruitment process that has to take place for in order to fill in the position of Manager: Corporate Services and Manager: Citizen & Community Services.

To table the recommendations of the recruitment process for the position of Manager: Corporate Services and Manager: Citizen & Community Services.

It was thereafter with Councillor X. Jona and Councillor N. Mantshongo proposing and seconding respectively,

RESOLVED

1. That the report on declaration of vacancy for the position of Manager: Corporate Services and Manager: Citizen & Community Services is noted by the Council.

2. It is noted by Council that the position of Manager: Corporate Services and Manager: Citizen & Community Services reflects in the municipal organogram and is budgeted for in the 2019/20 financial year.

3. That Council approves that the post of Manager: Corporate Services be filled through the Recruitment process.

4. That the Council approves that the post of Manager: Citizen & Community Services be filled through the Recruitment process.

5. That Council approves that the Municipal Manager advertises both positions in a newspaper circulating nationally and provincially (Eastern Cape) within 14 days after the resolution is taken.

6. That Council approves that the Selection Panel to make recommendations for the appointment of both Senior Managers consist of _____(number) members.

7. That Council notes that the Municipal Manager is part of the Selection Panel and serves as the Chairperson.

8. That Council appoints Councillor _____ to be part of the Selection panel for the position of Manager: Corporate Services.

9. That Council approves that another person who is not a Councillor or staff member of the municipality and who has expertise or experience in the area of Corporate Services should be part of the Selection Panel.

10. That Council appoints Councillor _____ to be part of the Selection panel for the position of Manager: Citizen and Community Services.

11. That Council approves that another person who is not a Councillor or staff member of the municipality and who has expertise or experience in the area of Citizen & Community Services should be part of the Selection Panel.

12. That Council notes that the Municipal Manager will make a report on the outcomes of the screening process before the interviews take place.

13. The Council also notes that the Municipal Manager will make monthly reports to the Executive Committee regarding progress of filling the position of Manager: Corporate Services and Manager: Citizen & Community Services

COUNCIL: 16/2018/2019

This was carried unanimously.

ULMC: 168

10.1.7

**CORPORATE SERVICES DEPARTMENT: HUMAN RESOURCES DIVISION:
PERFORMANCE ASSESSMENT RESULTS FOR SECTION 56/57 AND NON-
SECTION 56/57 PERFORMANCE CONTRACT EMPLOYEES FOR 2017/2018
FINANCIAL YEAR**

PURPOSE

To appraise the Council of the outcomes of the Performance Assessment for contract employees who are on performance agreement contracts with the municipality for 2017/2018 Financial Year.

To report on the outcomes of the Performance Assessment conducted in terms of Performance Management Policy of the municipality.

To recommend noting of the Performance Assessment outcomes of section 56/57 and non-section 56/57 performance contract managers.

To recommend approval of the outcomes of Performance Assessment of section 56/57 and non-section 56/57 performance contract managers.

It was thereafter with Councillor N. Gcadinja and Councillor M. Tuku proposing and seconding respectively,

RESOLVED

1. That the report and its broader implications on Municipal Manager, section 56/57 and non-section 56/57 Performance Contract Managers' Performance Assessment conducted on 24, & 27 August 2018, and 07 September 2018 for 2017/18 financial year is noted and accepted by the Council.

2. That a notice is taken that the report on the performance assessments outcomes for the year 2017/2018, and the payable performance bonuses to the qualifying Fourteen (14) municipal officials was tabled before the Audit Committee for verification and approval by the Council.

3. That the formula for the calculation of the total performance percentage for all affected employees is noted by the Council.

4. That the performance Assessment results and recommended performance bonus payments to the qualified section 56/57 Managers and non-section 56/57 Performance Contract Managers is approved by the Council and be paid as reflected in Annexure "A".

COUNCIL: 168/2018/2019

This was carried unanimously.

ULMC: 169

10.1.8 **SALARY INCREASES FOR MUNICIPAL MANAGER AND MANAGERS DIRECTLY REPORTING TO THE MUNICIPAL MANAGER: 1 JULY 2018 – 30 JUNE 2019**

PURPOSE

To table to the Council the proposed salary increase for the year 2018/2019 financial year for the Municipal Manager and Managers directly accountable to the Municipal Manager. To seek approval by Council on the salary increase for the Municipal Manager and Managers directly reporting to the Municipal Manager with effect from 1 July 2018 to 30 June 2019.

It was thereafter with Councillor N. Dandala and Councillor N. Soldat proposing and seconding respectively,

RESOLVED

1. That the report on the salary increases for the Municipal Manager and Managers directly reporting to the Municipal Manager as from 1 July 2018 to 30 June 2019 is noted by the Council.
2. That notice is taken that all permanent employees received their salary increase with effect from July 2018;
3. It is noted that other fixed term contract employees reached an amicable agreement during negotiations with the Municipal Manager and have received their increment for the 18/19 financial year;
4. It is noted that the Municipal Manager and Senior Managers met with the remuneration committee to negotiate the salary increase.
5. That Council approves the proposed 7% salary increment for Mr G.P.T Nota, 12.1% for Mr L.J Moleko, Mr T. Fundira and Mr S. Ntlinzi, 5.2 % for Mrs. N. Zembe and 5% for Mrs. N. Kubone and Mr. M. Sineke.
6. That Council notes that the increment will be with effect as from 01 July 2018.

COUNCIL: 169/2018/2019

This was carried unanimously.

LOCAL ECONOMIC DEVELOPMENT DEPARTMENT

ULMC: 170

10.1.9 **LOCAL ECONOMIC DEVELOPMENT DEPARTMENT: DONGA REHABILITATION FOR THE MONTH OF APRIL 2019**

PURPOSE

To table the report to the Council on Donga rehabilitation for the month of April 2019.
To request noting and acceptance of the report by the Council.

It was thereafter with Councillor T. Tshayisa and Councillor M. Tuku proposing and seconding respectively,

RESOLVED TO RECOMMEND

1. That the report on Donga rehabilitation for the month of April 2019 is noted and accepted by the Council.

COUNCIL: 170/2018/2019

This was carried unanimously.

ULMC: 171

10.1.10 BUDGET AND TREASURY DEPARTMENT: FINAL ANNUAL BUDGET FOR 2019/20

FINANCIAL YEAR

PURPOSE

The purpose is to report to the Council on 2019/2020 Final Annual Budget for compliance with the legislation governing municipal finances

It was thereafter with Councillor N. Nomagaga and Councillor T.V Hlazo proposing and seconding respectively,

RESOLVED

- [a] That the 2019/20 Final Annual Budget is noted by Council;
- [b] That the Final Annual Budget of Umzimvubu Local Municipality for the financial year 2019/2020; and indicative for the two projected years 2020/21 and 2021/22 is approved by council as follows:

- 1.1 **Table A2:** Budgeted Financial Performance (Expenditure by standard classification)
- 1.2 **Table A3:** Budgeted Financial Performance (expenditure by municipal vote)
- 1.3 **Table A4:** Budgeted Financial Performance (revenue by source)
- 1.4 **Table A5:** Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding
- 1.5 **Table A6:** Budgeted Financial Position
- 1.6 **Table A7:** Budgeted Cash Flows

- [b] The budget related policies approved for the budget year 2019/2020
- [c] Tariffs and charges are approved for the financial year 2019/2020.

COUNCIL: 171/2018/2019

This was carried unanimously.

ULMC: 172

**10.1.11 BUDGET AND TREASURY DEPARTMENT: IRREGULAR EXPENDITURE REPORT
AS AT APRIL 2019**

PURPOSE

To report to the Committee about unauthorised, irregular, fruitless & wasteful expenditure incurred by the municipality during 2017/2018 and 2018/19 financial year

It was thereafter with Councillor M. Tuku and Councillor M. Mquhwana proposing and seconding respectively,

RESOLVED

1. That the Budget and Treasury Unauthorised, Irregular, Fruitless & wasteful expenditure report for the month of April 2019 is noted by the Council.
2. That all tenders awarded by the bid committees appointed from 1st July to 15 January be regularized by Council and the irregular expenditure incurred thereof are written off through condonation by Council.
3. That Treasury, Office of the Auditor General and MEC for Local government are written to advise them about the irregular expenditure incurred and written off by Council.

COUNCIL: 172/2018/2019

This was carried unanimously.

ADDENDUM ITEMS

ULMC: 173

10.1.12 SPECIAL PROGRAMMES & COMMUNICATIONS DEPARTMENT: PUBLIC PARTICIPATION UNIT: TRADITIONAL LEADERS SUMMIT REPORT

PURPOSE

To table a report for the Traditional Leaders Summit held on the 25-26 March 2019 for consideration by the Council.

It was thereafter with Councillor M. Tuku and Councillor M. Mquhwane proposing and seconding respectively,

RESOLVED

1. That the Traditional Leaders and Councillors must jointly develop a programme of action for reporting and engaging communities on developmental programmes and projects to be implemented by the Municipality.

2. To forge working relations between members of Ward Committees and Traditional Councils.
3. Ensure effective participation by members of Ward Committees and Traditional Councils in War-Rooms at Ward Level.
4. Ensure consistent communication and sharing of information between Ward Councilors and the Traditional Leaders, Members of a Traditional Councils and Ward Committees.
5. That joint capacity building programmes for Members of Traditional Councils and Ward Committees should be facilitated by COGTA and the Municipality.
6. To ensure that Traditional Leaders who are not members of the Council and Ward Councilors jointly facilitate community meetings and complement each other whilst giving feedback on service delivery issues to the communities they serve.
7. There should be a mutual cooperation between Councilors, Traditional Leaders, ward committees and all community organisations in order to ensure effective and efficient service delivery in every part of the Municipality.
8. That the report for the Traditional Leader's Summit and Summit declarations are considered by the Council.

COUNCIL: 173/2018/2019

This was carried unanimously.

ULMC: 174

10.1.13 COUNCIL MANDATE TO THE UMZIMVUBU MUNICIPALITY FINANCIAL MISCONDUCT BOARD

PURPOSE

To table a report on the meeting of the appointed Financial misconduct Board

To solicit approval of the Council on the recommendations of the financial misconduct board

It was thereafter with Councilor N. Mdzinwa and Councilor S.A.N Cekeshe proposing and seconding respectively,

RESOLVED

1. That Council notes the report on the sitting of the financial misconduct board
2. That the Council approves that the Chairperson of the financial misconduct board be Mr S. Ngqwala.
3. That the Council mandate for the financial misconduct board should outline what is in Rule 14 of the Regulations
4. That the financial misconduct board should sit in order to conduct investigation of alleged financial misconduct for employees within Budget and Treasury being Mr T. Fundira the CFO, Mr T. Mbukushu the Assistant Manager, SCM, Ms L. Madlanga the Demand Management Officer, Mrs M. Vika the Expenditure Accountant and Mr W. Gwanya the Indigent Officer (former Intern)
5. That the financial misconduct board should investigate the matter of loss of money purported to be paid to a service provider in October and November 2018 and the summary of the facts and circumstances of the alleged financial misconduct, including the monetary value involved be provided to them by the Accounting Officer.
6. That the Financial misconduct board should present a final report to the Council on any disciplinary steps to be taken against the persons concerned, or if no disciplinary steps are to be taken citing the reasons for that decision.
7. That the Financial misconduct board should present in their final report to the Council any steps taken or to be taken to recover any unauthorised, irregular or fruitless and wasteful incurred as a result of the financial misconduct or financial offence
8. It is noted by Council that the next sitting of the Financial Misconduct Board will be on 6 to 7 June 2019 to interview the affected employees and make recommendations to the Council.

COUNCIL: 174/2018/2019

This was carried unanimously.

10.2 ITEMS FOR NOTING

OFFICE OF THE MUNICIPAL MANAGER

ULMC: 176

10.2.1 OFFICE OF THE MUNICIPAL MANAGER: BACK TO BASICS ACTION PLAN AND MONTHLY REPORTING FOR APRIL 2019

PURPOSE

That the Council should note progress made on "back to basics" monthly reporting on the month of April 2019.

It was;

RESOLVED

1. That the report on back to basics noted by the Council.

COUNCIL: 176/2018/2019

This was carried unanimously.

CORPORATE SERVICES DEPARTMENT

ULMC: 177

10.2.2 CORPORATE SERVICES DEPARTMENT: SOUND GOVERNANCE DIVISION: SECRETARIAT SECTION MONTHLY REPORT FOR APRIL 2019

PURPOSE

To table a report on Secretariat Section activities for the month of April 2019 to the Council.

To recommend noting and acceptance of the contents of this report by the Council.

It was;

RESOLVED

1. That the monthly report of the Corporate Services Department: Sound Governance Division on Secretariat activities for the month of April 2019 noted by the Council.

COUNCIL: 177/2018/2019

This was carried unanimously.

BUDGET AND TREASURY DEPARTMENT

ULMC: 178

**10.2.3 BUDGET AND TREASURY DEPARTMENT: DEVIATION REGISTER AS AT MONTH
END OF APRIL 2019**

PURPOSE

The purpose of the report is to inform Council on limited bidding procurements and gross deviations from the Supply Chain Management Policy as at April 2019, for notification.

It was;

RESOLVED

That the Council notes Deviation register as at April 2019

COUNCIL: 178/2018/2019

This was carried unanimously.

ULMC: 179

10.2.4 S71 MONTHLY BUDGET STATEMENT AS AT 30 April 2019

**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE
IMPLEMENTATION OF THE 2018/19 BUDGET (MFMA SECTION 71) AS AT 30 APRIL
2019 REPORT**

PURPOSE

The purpose of the report is for the Council to consider and note the statement of the financial performance and the implementation of the 2018/19 budget of the Umzimvubu Local Municipality for the financial year ending **30th April 2019**.
To also inform Management and Council about ratio analysis of the current financial affairs of the municipality as outlined in MFMA Circular 71.

It was;

RESOLVED

1. That, the report on the statement of financial performance, position and the implementation of the 2018/19 budget (MFMA Section 71 Report) for the reporting month ended 30th April 2019 including supporting documentation attached as Annexure is noted and approved by Council.
2. That, the month ended 30th April 2019 spending rate of **53%** on capital and **71%** on operating budgets as per financial transactions recorded as at end 30th April 2019 is noted by Council.

3. That, the following aged outstanding debtors balance **R43, 111, 661** as at 30th April 2019 is noted by Council:
4. That, the following categorised outstanding debtors is noted by Council:
 - Government – R8 405 260
 - Businesses – R17 117 150
 - Domestic – R17 589 252
5. That, the cash and cash equivalents of **R 142 610 371** as at 30th April 2019 is noted by Council.
6. That, the submission of section 71 reports and returns to Provincial and National Treasuries before the 10th working day of the month ended 30th April 2019 is noted by Council.
7. That the Budget and Treasury Unauthorised, Irregular, Fruitless & wasteful expenditure report for the month of 30th April 2019 is noted by the Council.

COUNCIL: 179/2018/2019

This was carried unanimously.

12.

DATE OF THE NEXT MEETING

The date of the next Ordinary Council Meeting is 31 July 2019.

13.

CLOSURE

THERE BEING NO FURTHER BUSINESS TO BE DISCUSSED, THE COUNCIL
ADJOURNED AT 12H36
CONFIRMED BY

CLLR. N.F NGONYOLO
SPEAKER OF THE COUNCIL

DATE
31-07-2019

