



**RESOLUTIONS ARISING FROM THE COUNCIL MEETING  
HELD ON MONDAY, 29 AUGUST 2016**

**A66/08/2016**

**ANNUAL PERFORMANCE REPORT (SECTION 46) FOR 2015/2016 FINANCIAL YEAR**

**(NSW)**

**(10/1/1/1)**

**RESOLVED**

1. That 2015/2016 Annual Performance Report, as contemplated in Section 46 of the Local Government: Municipal Systems Act, Act 32 of 2000, as amended in 2003, and as contained in the Mayoral Committee meeting agenda dated 29 August 2016, **BE ACKNOWLEDGED**.
2. That the 2015/2016 Annual Performance Report **BE SUBMITTED** to the Mpumalanga Department of Co-operative Governance & Traditional Affairs, the Provincial and National Treasury and the Office of the Auditor-General by the 31<sup>st</sup> of August 2016.

**A67/08/2016**

**DRAFT 2015/2016 (SECTION 121) ANNUAL REPORT**

**(MFM)**

**(10/1/1)**

**RESOLVED**

1. That the Draft 2015/2016 Annual Report for the financial year ending 30 June 2016, prepared as contemplated in Section 46 of the Local Government Systems Act, Act 32 of 2000, read with Chapter 12 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and as contained in the Mayoral Committee meeting agenda dated 29 August 2016, **BE ACKNOWLEDGED**.
2. That the Draft 2015/2016 Annual Report **BE REFERRED** to the various Portfolio Committees to review and approval of the departmental reports and thereafter to the Municipal Public Accounts Committee for vetting and verification of Council's directive on service delivery and to evaluate senior manager's performance against agreement entered into as contemplated in the National Treasury Guidelines (MFMA Circular No. 63 dated September 2012) on the consideration of annual reports, adopted by Council through resolution A37/07/2013.

**A68/08/2016**

**AUDIT COMMITTEE REPORT FOR THE 2<sup>nd</sup> QUARTER OF THE 2015/2016  
FINANCIAL YEAR**

**(MFM)**

**(13/3/1)**

**RESOLVED**

1. That the report of the Audit Committee for the second quarter of the 2015/2016 financial year **BE ACKNOWLEDGED**.
2. That the administration, headed by the Municipal Manager, must **ENSURE** that the recommendations of the Audit Committee and Internal Audit Unit are implemented to improve the control environment.

**A69/08/2016**

**AUDIT COMMITTEE REPORT FOR THE 3<sup>RD</sup> QUARTER OF THE 2015/2016  
FINANCIAL YEAR**

**(MFM)**

**(13/3/1)**

**RESOLVED**

1. That the report of the Audit Committee for the third quarter of the 2015/2016 financial year **BE ACKNOWLEDGED**.
2. That the administration, headed by the Municipal Manager, must **ENSURE** that the recommendations of the Audit Committee, as contained in the report for the third quarter of 2015/2016 financial year, are implemented:
  - 2.1. That the recommendations of the Internal Audit Unit be implemented to improve the control environment.
  - 2.2. That the recommendations of the Auditor General South Africa be implemented to improve the control environment and the audit outcome.

**A70/08/2016**

**MIG PROJECT REALLOCATION AND REPRIORITIZATION FOR 2016/2017  
FIANACIAL YEAR**

**(MFM)**

**(6/1/1-16/17)**

**RESOLVED**

That this matter **BE REFERRED BACK** for further consultation on the projects.

**A71/08/2016**

**ESTABLISHMENT OF SECTION 79 AND 80 COMMITTEES**

**(MFM)**

**(3/3/1)**

**RESOLVED**

That this matter **BE HELD IN ABEYANCE** pending further discussion between the Speaker and the Whips of the various political parties.

**A72/08/2016**

**ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2016**

**(JMM)**

**(6/1/1-15/16)**

The following two proposals were received:

Proposal 1:

- That all the recommendations be accepted with the addition that the report be referred to MPAC for further scrutiny.

Proposal 2:

- That the report be referred to MPAC for scrutiny without consideration of the recommendations.

After this matter was put to the vote it was with a majority of 36 to 23:

**RESOLVED**

1. That the submission of the Annual Financial Statements for the period ending 30 June 2016 in terms of Section 126 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and as contained in the Council agenda dated 29 August 2016, **BE ACKNOWLEDGED**.
2. That it **BE ACKNOWLEDGED** that the Audit Committee reviewed and accepted the Annual Financial Statements for the period ending 30 June 2016, with amendments, in compliance with Section 166(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.



3. That the Annual Financial Statements for the period ending 30 June 2016 **BE TABLED** to the Office of the Auditor-General no later than the 31<sup>st</sup> of August 2016, in compliance with Section 126(1)(a) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.
4. That once the report of the Auditor-General on the municipality's Annual Financial Statements has been received, the final format of the Annual Financial Statements **BE TABLED** to Council as part of the 2015/2016 Annual Report for approval in January 2017.
5. That the following budget adjustments **BE APPROVED** as part of the year-end processes in terms of the accounting standards and the MFMA:

Account Description	Budget	Actual	Difference	Budget allocations	Final	Reasons
Bulk purchases	727,172,690	725,551,014	1,621,676	-1,621,676	725,551,014	The spending was within the budget in the current year and remaining budget is re-allocated.
Collection cost	9,558,654	8,779,147	779,507	-	9,558,654	The spending was within the budget in the current year and remaining budget is re-allocated.
Contracted services	85,492,000	71,797,080	13,694,920	-9,559,931	75,932,069	Cash flow constraints, resulting in low spending and remaining budget is re-allocated.
Debt impairment	129,321,957	120,577,751	8,744,206	-8,744,206	120,577,751	Lesser impairment in the current year mainly due to the traffic fines debtors write-off in the current year.
Depreciation & amortization	152,985,723	178,009,521	-25,023,798	25,023,798	178,009,521	Depreciation increased in the current financial year due to newly found assets and donated assets received.
Employee related costs	423,566,652	409,707,289	13,859,363	-	423,566,652	The spending was within the budget in the current year.
Finance charges	2,885,109	40,426,315	-37,541,206	8,392,674	11,277,783	Due to late payments of service providers Mainly Eskom accounts and late payments are the results of cash flow constraints. The interest is disclosed as fruitless and wasteful expenditure in the notes of the AFS.
Other Expenditure	131,750,346	108,016,732	23,733,614	-	131,750,346	-

Remuneration of councillors	19,675,000	18,412,509	1,262,491		19,675,000	R 9 109 069 relates to interest arising from employee benefits obligations and landfill site liability.
Repairs & Maintenance	94,767,795	81,277,136	13,490,659	-13,490,659	81,277,136	Cash flow constraints, resulting in low spending.
Transfers and grants	49,542,723	25,376,450	24,166,273		49,542,723	The spending was within the budget in the current year.
	1, 826,718,649	1,787,930,944	38,787,705	-	1,826,718,649	

6. That the assets as per the following categories **BE WRITTEN OFF** and the Asset Register and Annual Financial Statements **BE UPDATED** accordingly:

Disposal category	Number of assets entries	Carrying value	Reference in AFS
Heritage Assets – Not found	1	R 304.24	Annexure A
Infrastructure Assets – Fictitious assets	1 379	R 1 573 373.99	Annexure B
Intangible Assets – Duplicates	4	R 4 562.39	Annexure C
Investment Property – Signed agreement	118	R 18 925 000.00	Annexure D.1
Investment Property – Land availability	155	R 38 750 000.00	Annexure D.2
Investment Property – Duplicated LPI codes	7	R 1 051 430.00	Annexure D.3
Investment Property – Privately owned	241	R 29 729 000.00	Annexure D.4
Land – Privately owned	140	R 3 228 603.80	Annexure E.1
Land – Duplications	4	R 1 129 270.75	Annexure E.2
Land – Signed agreement	10	R 2 416 989.62	Annexure E.3
Movables – Privately owned	3	R 5 242.47	Annexure F.1
Movables – Fictitious asset numbers	71	R 357 554.48	Annexure F.2
Library Books – Not found	244	R 14 078.29	Annexure G
	2 377	R 97 897 760.85	

7. That the following irregular expenditure, both capital and operational, **BE WRITTEN OFF** in terms of Section 32(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003::

2015/2016 : R32,062,348  
2014/2015 : R79,005,262

8. That the deviations from the regulations of the Supply Chain Management Policy (as contained in Annexure 'H' to item A72/08/2016 in the Council agenda dated 29 August 2016) in the amount of R3,247,246.20, **BE APPROVED** in terms of Section 4(2) of the said policy and item 36(2) of the Municipal Supply Chain Regulations and that it **BE DISCLOSED** in the Annual Financial Statements for the period ending 30 June 2016.

9. That fruitless and wasteful expenditure incurred as a result of late payment of service providers due to cash flow constraints (as contained in Annexures 'I' and 'J' to item A72/08/2016 in the Council agenda dated 29 August 2016) **BE WRITTEN OFF** as follows:

2015/2016 : R29,148,529.09  
2014/2015 : R 1,404,954.00

10. That the debit balance in creditors in the amount of R216,712.96, which cannot be supported with documentation, **BE WRITTEN OFF** as a prior year error on the financial system.

11. That the following VAT control accounts, which cannot be supported with documentation, **BE WRITTEN OFF** as a prior year error on the financial system:

9055/5502/00000 : R500,233.16  
9055/5505/00000 : R2,794.82  
9055/5511/00000 : -R9,669,045.54  
9055/5512/00000 : -R208,131.62

12. That the unclaimed retention to value of R10,569,192.09, (as contained in Annexure 'K' to item A72/08/2016 in the Council agenda dated 29 August 2016), **BE WRITTEN OFF** as per the Retention Policy.

13. That an amount of R2,033,686.46 with respect to the differences between the financial records and the ENatis system **BE WRITTEN OFF** as it cannot be supported with documentation.

14. That an amount of R1,184,823.47 **BE WRITTEN OFF** on the basis of discrepancies identified during stock count and SEBATA Financial Management System rectification and R222,000.71 **BE WRITTEN OFF** as a prior year opening balance correction.
15. That the bank suspense opening balance in the amount of R8,276,592.15 **BE WRITTEN OFF** as it cannot be supported with documentation.
16. That an amount of R4,890,185.30 for doubtful debt arising from the Finstel Financial System, (as contained in Annexure 'M' to item A72/08/2016 in the Council agenda dated 29 August 2016) **BE WRITTEN OFF** due to unavailability of supporting documentation in terms of Section 40(3) of the Credit Control and Debt Collection Policy.
17. That the report **BE REFERRED** to the Municipal Public Accounts Committee for further scrutiny whereafter it is to table a report to Council on its findings.

**In accordance with Clause 22.6 of the Standing Orders, the DA, EFF and FF Plus, requested that their objection to this resolution be minuted.**

**A73/08/2016**

**2012/2017 INTEGRATED DEVELOPMENT PLAN**

**(MFM)**

**(1/2/1/44/1)**

**RESOLVED**

That the 2012/2017 IDP Document, as approved through resolution A39/05/2016, **BE ADOPTED** in terms of Section 25(3)(b) of the Local Government: Municipal Systems Act, Act 32 of 2000, with the aim to review it and to give consideration to new amendments.

**A74/08/2016**

**APPOINTMENT OF THE LAND DEVELOPMENT OFFICER AND MEMBERS TO SERVE ON THE MUNICIPAL PLANNING TRIBUNAL AND THE FUNCTIONING AND APPOINTMENT OF THE APPEAL AUTHORITY**

**(NSW)**

**(1/2/1/6)**

**RESOLVED**

1. That the following land development categorizations **BE APPROVED**:

**CATEGORY 1 APPLICATIONS**

Category 1 Land Development Applications are:

- All land development and land use applications not in line with the Govan Mbeki Municipal Spatial Development Framework and Municipal Policy (e.g. Urban Design Frameworks).
- All opposed Category 2 applications;

**CATEGORY 2 APPLICATIONS**

Category 2 Land Development Applications are:

- All land development and land use applications that are in line with the approved Govan Mbeki Municipal Spatial Development Framework and Municipal Policy (e.g. Urban design Frameworks)
- All land development applications not opposed in terms of SPLUMA and GMM SPLUM By-Law.

2. That the Assistant Managers: Land Use Management and Spatial Planning **BE APPOINTED** as the Land Development Officer.
3. That the Manager: Town and Regional Planning **BE APPOINTED** to serve as members of the Municipal Planning Tribunal.
4. That the following persons **BE APPOINTED** to serve as members of the Municipal Planning Tribunal:

Mr. Jabulane Mthembu	Chairperson
Ms Mukondi Precious Masindi -	Environmental
Mr Jabulani Philip Mthembu -	Legal
Mr Mpafane Wayiti	- Civil Engineering
Mr Jonathan Sebulele	- Town Planner

5. That the Municipal Planning Tribunal members **BE APPOINTED** for a period of five (5) years with effect from the date of this resolution.
6. That the Municipal Planning Tribunal Committee members **BE REMUNERATED** for preparation and attendance of meetings according to National Treasury Regulations that regulate the Remuneration of Commissions and Committees and also **BE REIMBURSED** for expenses incurred for attending MPT committee meetings.
7. That the Municipal Planning Tribunal's external members **SIGN** a service level agreement from the date of acceptance of appointment.
8. That the Municipal Manager **PUBLISHES** a notice confirming the appointed Municipal Planning Tribunal's members in the provincial gazette.
9. That members of the Municipal Planning Tribunal **ACT** in accordance with the Code of Conduct for members of the Municipal Planning Tribunal, as provided for in Schedule 3 of the SPLUMA Regulations.
10. That the existing Town Planning Hearing Committee **BE APPOINTED** as the Govan Mbeki Municipal Appeal Authority with decision making powers who will resolve appeals lodged in terms of the By-Law.
11. That the Delegation of Powers / Authorities Document: Fourth Amendment, as approved through Council resolution A37/05/2016, **BE AMENDED** in terms of point 10.

**A75/08/2016**

**2017-2022 IDP & BUDGET PROCESS PLAN**

**(NSW)**

**(1/2/1/44/1)**

**RESOLVED**

1. That the 2017-2022 IDP & Budget Process Plan, as contained in the Council agenda dated 29 August 2016, **BE ADOPTED** in compliance with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003.
2. That it **BE ACKNOWLEDGED** that the purpose of the 2017-2022 IDP & Budget Process Plan is to determine the activities and strategies in order to develop the 2017 – 2022 five year Integrated Development Plan and the budget for 2017/2018 financial year and the two outer years.
3. That the 2017-2022 IDP & Budget Process Plan **BE PUBLICIZED** for public comments in compliance with Section 28(2) and (3) of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and that the process plan **BE AMENDED** according to the comments received.



**A76/08/2016**

**STANDING ORDERS**

**(MFM)**

**(3/3/1)**

**RESOLVED**

1. That the Standing Orders as approved through resolution A48/05/2016 **BE ADOPTED**.
2. That the Standing Orders **BE REFERRED** to the Rules Committee for review.