

MATJHABENG MUNICIPALITY

MINUTES

of

**SECTION 80: FINANCE COMMITTEE
MEETING**

Held on

THURSDAY, 3 MAY 2018

at

10:00

**EXECUTIVE MAYORS BOARDROOM, 4th FLOOR,
MAINBUILDING**

WELKOM

**MINUTES OF SECTION 80 FINANCE COMMITTEE MEETING HELD ON
THURSDAY, 3 MAY 2018 AT 10:00 IN ROOM 4th FLOOR, EXECUTIVE MAYORS
BOARDROOM MAIN BUILDING CIVIC CENTRE, WELKOM**

PRESENT

COUNCILLORS

| | |
|----------------|--------------------|
| Cllr S Manese | : Chairperson |
| Cllr H Mokhomo | : Member |
| Cllr X Masina | :Member |
| Cllr A. Styger | : Member |
| Cllr J Marais | :Additional member |

OFFICIALS PRESENT

| | |
|------------------|-------------------------------|
| Mr T Panyani | : CFO |
| Me L. Williams | : Manager Budget |
| Mr N. Mokhonoane | : Manager: Credit Control |
| Mr S Sejake | : Manager Revenue |
| Mr T Goralotsi | : Acting Supply Chain Manager |
| Me Musapelo | : Council Admin |
| Mr T Makgowe | : Council Administration |

FEZI

Mme Nthabeleng Mochochoko

1. OPENING

The meeting was officially opened by the Chairperson Councilor S Manese who welcomed everyone.

2. APPLICATION FOR LEAVE OF ABSENCE

Cllr M Moipatle
Cllr M Ntsebeng
Cllr Badernhost

3. OFFICIAL ANNOUNCEMENTS

None

II

4. MOTIONS OF SYMPATHY AND CONGRATULATIONS

CONGRATULATIONS

None

5. DISCLOSURE OF INTEREST

None

6. MINUTES OF THE PREVIOUS MEETING: 18 JULY 2018

This item was deferred for the next meeting due to time constraints

7. MATTERS ARISING FROM THE MINUTES

None

IT WAS RESOLVED ON THE 20 FEBRUARY 2018

1. That in the next meeting the relevant department should provide the status quo with regards to the Reahola matter.

8. MATTERS FOR DISCUSSION

FS5/2018 – FS7/2018

9. CLOSURE

The Chairperson thanked everybody present for their inputs and ended the meeting at **12:45**

.....
CHAIRPERSON

.....
DATE

INDEX

| | | |
|--------------------|--|----------|
| | | |
| FS5 of 2018 | MONTHLY FINANCE REPORT – MARCH 2018 (CFO) | 1 |
| | | |
| FS6 of 2018 | THE 2018-2019 ANNUAL BUDGET FOR THE MATJHABENG MUNICIPALITY | 1 |
| | | |
| FS7 of 2018 | SPECIAL ADJUSTMENT FOR 2016/2017 FINANCIAL YEAR | 2 |
| | | |

1

FS5 of 2018

MONTHLY FINANCE REPORT – MARCH 2018 (CFO)

PURPOSE

To submit to the Finance section 80 Committee the Monthly Finance Report for March 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

IT WAS RESOLVED ON THE 3 MAY 2018

That the item was submitted for noting

FS6 of 2018

(CFO) 6/1/1/1 (2018/2019)

THE 2018-2019 ANNUAL BUDGET FOR THE MATJHABENG MUNICIPALITY

PURPOSE

To table the Annual Budget for the 2018/2019 medium term revenue and expenditure framework (MTREF) financial year.

DISCUSSIONS

The Chief Financial Officer then presented and tabled the consolidated budget for 2018/2019 to the committee with its projections.

NOTING

That the projected consolidated budget for 2018/2019 financial year amount to R2, 6 billion

That the projections were very exclusive of capital transfers and contributions

That the projected revenue budget reflected is calculated on the basis of average pay rate of 60 per cent.

That this is informed by historic collection trends.

That the equitable share allocation for 2018/2019 financial year be will be R459 418 000.

The meeting detected that the amount of R2 billion is in short so as to submit a funded.

2

That this shortage of R2 billion for the capital transfers must be sourced somewhere in order to submit a realistically funded revenue budget for council to consider it.

That measures speeding be put in place so as to source the R2 billion.

That ,these measures will assist to generate cash flow for purposes of submitting a real funded consolidated budget to council for consideration.

IT WAS RESOLVED ON THE 3 MAY 2018

Revenue budget be taken to the next Council for consideration.

FS7 of 2018

CFO 6/1/1/1(2016/2017) SPECIAL ADJUSTMENT FOR 2016/2017 FINANCIAL YEAR

PURPOSE

The purpose of the item is to request council to approve the special adjustment budget for 2016/2017 financial year.

A concern was raised by Cllr Marais for the item to be discussed given that, its time frame is over –due for submission to council for consideration by council was the 30th January 2018 by law.

However the finance management department through the Chief Financial Officer strongly appealed for the meeting to discuss the item for purposes of compliance.

Dr Marais and Cllr Styger cautioned the finance subcommittee that, it will be a transgression of the law if the item is to be discussed and submitted to council for consideration.

The chairperson reflected on any piece of legislation or any legal implications if the item is deferred.

The Chief Financial Officer highlighted that legally there are no serious implications, however if accepted for consideration by council, it will then save and upgrade the standard of municipality on matters of compliance in relation to the law.

Cllr X Masina also reflected in addition to the Finance Committee a 50 scenario in terms of advantages and disadvantages if the item is considered by council for Finalization.

That this matter must be viewed within the context of issues relating to compliance and qualifications and or disqualification.

3

The Committee finally agreed to discuss the item.

IT WAS RESOLVED ON THE 3 MAY 2018

1. That the finance management committee was **MANDATED** to develop a detailed breakdown formula on items in the budget that will **ASSIST TO GENERATE** R2 billion shortage by downsizing some of the items such as expenditure on candle light and other contracted agencies.
2. That a financial breakdown formula report **BE SUBMITTED** to the finance section 80 committee.
3. That, this exercise be **COMPLETED** within a three weeks period for finalization.
4. That the three weeks period commence from the 3 May 2018.

CLOSURE

The meeting was duly adjourned at 12H45