

Matjhabeng Local Municipality

Minutes of the Audit Steering Committee Meeting

Date: 02 August 2018

Venue: Matjhabeng Local Municipality, Boardroom 206

Points of discussion	Person responsible
<p>1. Opening and Welcome</p> <p>Dr Chetty opened the meeting and welcomed officials and consultants respectively. He introduced Ms Modisaesi who joined the meeting from Treasury.</p> <p>The meeting started at 10:28 am.</p>	DR CHETTY
<p>2. Signing of Attendance Register</p> <p>The attendance register was circulated and signed by all officials in attendance.</p>	ALL
<p>3. Presence and apologies</p> <p>The following apologies were noted:</p> <ul style="list-style-type: none">▪ Mr T Tsoaeli▪ Mr T Panyani▪ Mr T Makofane▪ Mr F Wetes▪ Ms Z Tindleni▪ Mr B Golele▪ Ms B Maswanganyi▪ Ms N Mochochoko (Fezi CEO).▪ Mr B Groenewald (Fezi) <p>Refer to attendance register for officials in attendance.</p>	ALL
<p>4. Adoption of the agenda and minutes of previous meetings</p> <p>Mr Tsoaeli handed over to Dr Chetty to say a few words before the adoption of the agenda. There were no objections.</p> <p>The following changes were adopted to previous minutes.</p> <p>4.1.1 Dr Chetty highlighted that on page 1, the one thing officials have to be mindful of as a team is that the cash flow position at the</p>	ALL

Points of discussion	Person responsible
<p>municipality is very weak. The bill for Eskom would be +/- R70m as opposed to R35m.</p> <p>4.1.2 On page 2, the date of submission quality draft Annual Financial Statements has been moved 20 August 2018. The audit committee will sit on the 23 August 2018.</p> <p>Dr Chetty suggested that all documents be identified so that when submitted, they are ticked off from a checklist.</p>	
<p>5. Matters arising from the previous minutes</p> <p>5.1 Revenue</p> <p>Mr Senyane raised his concern regarding the reconnection fee. The municipality charges less than what is stipulated in the policy. The policy says 25% but currently only 18% is charged.</p> <p>Mr Sejake confirmed that the internal audit division has made some recommendations regarding this matter and those will be followed through. He highlighted that considering the municipality's financial position, it becomes difficult to adhere to the policy faced with a situation where the customer pays less than 25%.</p> <p>5.2 Debtors</p> <p>Dr Chetty requested progress from the team from traffic however they were absent.</p> <p>Mr Groenewald highlighted there is still 3 weeks of data purification to be done in the event that all fines have been captured. He requested that the capturing be done by Friday, 3 August in order for the data purification exercise to take place.</p> <p>5.3 Misallocations</p> <p>Mr Mokoena committed to sitting down with Ms Williams in an attempt to create all outstanding votes with regards to misallocations. When this process is complete, only then can the journals be processed.</p> <p>5.4 Projects</p> <p>Mr Chiroodza committed to submitting information pertaining to the unauthorized expenditure by Tuesday as previously agreed at the subcommittee meeting.</p>	ALL

Points of discussion	Person responsible
<p>5.5 Municipal Properties not transferred Mr Chiroodza confirmed the total number of houses to be transferred is 25 863 and the total transferred to date is 3600. Completion is at 14%.</p> <p>5.6 Performance Report Ms Mosuwe agreed to meet up with Mr Thabana to assess the current state of affairs and provide feedback at the next meeting as well as informing Mr Tsoaeli (MM) and Mr Makofane regarding this matter.</p> <p>5.7 Others Mr Groenewald highlighted that invoices from Eskom were still an issue however Mr Garolotse committed to assisting in this regard.</p> <p>Mr Chiroodza confirmed that an email came through from the CFO with a commitment date of 7 August which relates to Eskom invoices.</p>	
<p>6. Agenda Points</p> <p>6.1 Performance Report Mr Thabana highlighted that individual performance was an issue on the last audit and expected the same this time around. The issue was the cascading down of performance agreements from directors to lower levels. He explained that this was supposed to be followed by operational packs.</p> <p>Ms Mosuwe highlighted that the transfer of skills must happen. She explained that files have been created for all KPA's in an effort to ensure that there is capacity post the consultant's tenure. However the current years IDP and SDBIPs still reflect last year's deliverables.</p> <p>She highlighted that performance reviews are not done however they are here to provide support and commit to the process.</p> <p>6.2 Compliance Ms Mosuwe explained that she has requested information from Mr Vanga regarding cases of financial misconduct which has still not been provided to date.</p> <p>Dr Chetty suggested that this matter be escalated to the MM and where no response is received, consequence management will have to take place.</p> <p>6.3 AFS Readiness Plan Schedule of progress attached.</p>	

Points of discussion

Person
responsible

The following matters were proposed for resolution.

1. Cases of financial misconduct to be disclosed.
2. Interns to be assigned to assist traffic with the capturing of fines.
3. Consequence management to be enforced.

7. Closure

Dr Chetty thanked everyone for attending and the meeting was adjourned at 11h56 in the absence of other matters.

There were no other additions.