

A2 of 2018

**REPORT ON THE OUTCOME OF THE INVESTIGATION OF THE ALLEGED BREACH OF CODE OF CONDUCT OF COUNCILLORS BY COUNCILLOR VICKY MORRIS, AS PROVIDED IN THE MUNICIPAL SYSTEMS ACT, NO. 32 OF 2000 (SCHEDULE 1) (SPEAKER) (5/5/5)**

**PURPOSE**

The purpose of the item is to inform council about the outcome of the investigation of the alleged breach of the code of councillors.

**BACKGROUND**

The Office of the Speaker received a complaint from Marius Bernardt about an alleged corruption and soliciting of bribe of by Councillor Vicky Morris. The complainant was then advised to depose an affidavit, which he did dated the 15 /04/2015.

The complainant alleges amongst others that Councillor Vicky Morris solicited a bribe from him in the sum of **R10 000.00** and the Bribe was recorded. The bribe was for construction work to be undertaken in Councillor Vicky Morris's ward (Ward 11) by the municipality and for future construction work that will be undertaken by the Municipality in that ward.

The undermentioned evidence was submitted to the Speaker:

- Affidavit deposed by the complainant.
- A video recording of the alleged bribe.

The Democratic Alliance has also lodged a complaint for alleged breach of conduct by Councillor Vicky Morris dated 1 February 2017.

A letter was directed by the Speaker to Councillor Vicky Morris as required by the Standard Rules and Orders dated 17 February 2017. A response was received by the Speaker from Councillor Vicky Morris dated 23 March 2017. It is worth noting that Councillor Vicky Morris does not necessarily deny the allegations but would like to explain his position in council.

**MATTER FOR DISCUSSION**

On 31 May 2017, **COUNCIL RESOLVED: (31 MAY 2017)**

1. That Council **APPOINTS** a Committee of five (5) members comprising of Cllr SJ Liphoko, Cllr HS Badenhorst, Cllr TJ Mosia, Cllr KSV Moipatle and Cllr SDM Taljaard which will further investigate the matter in line with Rule 100 (7) (c).
2. That the Committee must **BE CHAIRED** by Cllr TJ Mosia.
3. That the Committee will have **TO CONCLUDE** its investigation within 21 days after their appointment in line with (Rule 102(3)).

On the 30 August 2017, **COUNCIL RESOLVED: (30 AUGUST 2017)**

1. That Council **TAKES NOTE** of the report.

2. That Council **APPROVES** the extension of the Investigation Committee's 21 days mandate.
3. That the Investigation Committee **MUST COMPLETE** their investigation within 21 days, calculated from the 31<sup>st</sup> of August 2017 (Rule 102(3)).
4. That Council **MANDATES** the Municipal Manager to allocate the reasonable necessary resources in order for the appointed Committee to fulfill its mandate.
5. That the last sentence of the Item background should **BE CORRECTED** to read as follows:

*“Cllr PF Botha has also lodged a complaint for alleged breach of conduct by Councillor Vicky Morris dated 1 February 2017.”*

\*\*\* A Report is attached on page 1 to page 23 of the Annexures.

### **FINANCIAL IMPLICATION**

Financial implications were the cost of transporting one of the witnesses to attend the hearing.

### **LEGAL REQUIREMENT**

*Section 14 (1) (a) of Schedule 1 referred to above provides that a municipal council may investigate and make findings on any alleged breach of the provision of this code; or (b) establish a special committee (i) to investigate and make findings on any alleged breach of this code; and (ii) to make appropriate recommendation to the council.*

*The Speaker is enjoined in term of Rule 99 (2) (a) of the Standard Rules and Orders to investigate any alleged breach of the code of conduct by a Councillor. The Speaker is further required to write a letter to the person against whom the alleged breach of the code is levelled requesting for a comment/response to the allegations (rule 99(2) (b). The speaker is further enjoined to report to Council about the outcome of his investigation with recommendations. (Rule 99 (4) (a) & (b))*

### **SUBMITTED FOR CONSIDERATION**

A3 of 2018

**REPORT REGARDING DISPUTE OVER SITE 4589 AND 4590 K6 KUTLWANONG  
(DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/47/5)**

**PURPOSE OF REPORT**

To request Council to correct a mistake made in 2000 by a Contractor on sites 4589 and 4590.

**Description of the parties**

Complainant: Mr Sello Nkhatho the son of the late Kedibone Emily Nkhatho.

Defendant: Mrs Matsela Lydia Mosese daughter in law of the late Kedibone Emily Nkhatho.

**BACKGROUND**

The sites 4589/4590 K6 were allocated to the late Jappie Mosese in 1992 by the Kutlwanong Municipality.

\*\*\* A copy of permit holder **is attached on page 24 of the Annexures.**

The deceased was the elder son of the late Kedibone Emily Nkhatho. They were staying together with his mother and his wife.

The late Mr Japie Mosese bought the house at 3769 K5 and left his mother in sites 4589/4590 K6. His mother Kedibone Nkhatho applied for RDP house in the year 2000 for site 4589 K6 and it was approved

\*\*\* The HSS report **is attached on page 25 of the Annexures.**

However the house was wrongly built on site 4590 K6 instead of 4589 K6.

**PROBLEM STATEMENT**

- The problem is that the RDP house was built wrongly at site 4590 K6.
- The conflict between two families continued, because of the complicated matter.

**FINDINGS**

- The committee must note that site 4589 has a title deed issued out in the name of Kedibone Emily Nkhatho, Title Deed no: TE14862/2000

\*\*\* A copy of Deed Search **is attached on page 26 to page 27 of the Annexures.**

- The committee must note that although site 4590 was allocated to Mr Jappie Mosese and there is proof, the title deed is still with the Municipality.

- The committee must note that the Construction company that was allocated the work to build an RDP house for the late Kedibone Emily Nkhatho on site 4589 K6 made a mistake and built the said house on site 4590 K6.
- The committee must note that the Magistrate Court issued out the Letter of Authority as follows:
  - a) The estate of Emily Nkhatho Letter of Authority issued out to Sello Nkhatho on 22/07/2015 for site 4589 K6.
  - b) The estate of Jappie Mosese – Letter of Authority issued out to his wife Matsela Lydia Mafabatho on 21/01/2009 for site 4590.

\*\*\* Letters of Authority **are attached on page 28 to page 29 of the Annexures.**

- The RDP house was wrongly built at site 4590 K6 where the site is still under the name of the late Mr Japie Mosese, and has no Title Deed.
- Mr Japie Mosese died in 2009 while he left both sites 4589/4590 K6 Kutlwanong to his mother Kedibone Nkhatho.
- The internal transfer for site 4589/4590 K6 to Kedibone Nkhatho were not been processed by the Municipality.

## **LEGAL IMPLICATIONS**

\*\*\* Refer to the advice from Legal Services **on page 30 to page 31 of the Annexures.**

## **RECOMMENDATIONS**

1. That the title deed for site 4590 be issued to Sello Solomon Nkhatho.
2. That Sello Solomon Nkhatho as the executor of the estate of the late Kedibone Nkhatho transfer the title deed TE14862/200 to Lydia Mafabatho.
3. That whenever there is an RDP house to be built, stringent measures should be taken in future, in form of documentation to avoid such mistakes.
4. That the Municipality should carry the costs of registration and de-registration.

A4 of 2018

**REPORT REGARDING DISPUTE OF SITE 2588 MMAMAHABANE, VENTERSBURG  
(EXECUTIVE MAYOR) (8/3/2/48/2)**

**PURPOSE OF THE MEETING**

To present the report on site 2588 Mmamahabane, Ventersburg for Council to decide on the rightful owner.

**Description of the parties**

Complainant: Me Modiehi Koko

Defendant: Mr Nuwejaar Ramakgupane

**BACKGROUND**

The Municipal site 2588 Mmamahabane was not initially allocated to both complainant and defendant.

Both parties were illegally occupying the site.

In the departmental dispute committee meeting that was held on the 20 October 2016 at Ventersburg Unit, the following was discussed:

**DISCUSSION**

Me Modiehi Koko (**complainant**) stated that she was staying at the site since 2007 while it was an informal settlement. She further stated that the then Ward Councillor stated that all the people who do not have sites could identify the empty sites and occupy.

Me Modiehi Koko claimed that since she occupied the site nobody claimed that the site belongs to him or her.

Me Modiehi Koko stated that in 2013 Mr Ramakhupane came to her and claimed that the site belongs to him.

Mr Ramakhupane (**defendant**) claimed that the site was given to his late sister by the then Ward Councillor Me Nelly. He stated that he never occupied the site or registered it in his name.

Mr Ramakhupane stated that the then Ward Councillor Mabote came to him and stated that he can apply for subsidy for site no 2588 in his name.

**PROBLEM STATEMENT**

- Mr Ramakhupane wants to evict Mrs Koko from the site and stated that the site belongs to him.
- Mrs Koko refused and stated that she stayed in the site before him, therefore the site belongs to her.
- The construction of house is in hold because of the fighting between the parties.

## FINDINGS

- The site 2588 Mmamahabane belongs to the Municipality.
- The Municipality did not allocate site 2588 Mamahabane either to the complainant or defendant, they were both occupying it illegally.
- In 2010 the Housing Department filled the application for subsidy on behalf of Mr N Ramakhupane.

\*\*\* An application form **is attached on page 32 of the Annexures.**

- On 30 November 2010 the subsidy was approved in the name of the applicant.

\*\*\* The HSS report **is attached on page 33 of the Annexures.**

- The Contractor went on site on 2016 and a dispute arose as there was someone staying on site. The site belongs to the Municipality and it is not clear how both defendant and complainant came to occupy it. In their verbal testimony she claims that a Ward Councillor gave them permission to identify and occupy sites in the area.

## RECOMMENDATIONS

1. That both parties did not follow the proper procedures regarding the occupation of the site.
2. That the complainant be assisted in line with Council policy to get an alternative site.
3. That the matter be investigated thoroughly to find out which official assisted in this regard.

**A5 of 2018**

**REPORT REGARDING DISPUTE OVER SITE 2132 PHOMOLONG HENNENMAN  
BETWEEN AFRICAN CHURCH AND AFRICAN GOSPEL CHURCH (DISPUTE  
RESOLUTION CHAIRPERSON) (8/3/2/51/1)**

**PURPOSE OF THE MEETING**

To request Council to allocate site 2132 to either African Church or African Gospel Church.

**BACKGROUND**

On the 22<sup>nd</sup> September 2015 a meeting was held at the Matjhabeng Housing Department office. Present in the meeting were representatives of the African Church and the African Gospel Church. The issue was a dispute over site 2132 Phomolong, Henneman.

\*\*\* The Attendance register **is attached on page 34 of the Annexures.**

**African Church (complainant):**

1. The African church claims that site 2132 was allocated to them in 1980 by the then Phomolong Local Council. There is no documentary proof.
2. The church after allocation moved forward to buy bricks, cast foundation and erected a fence on the church site.
3. In 2011 after 31 years the African Church decided to host a Christmas ceremony on site 2132 only to discover that the site has been allocated to African Gospel church.

\*\*\* The proof of allocation **is attached on page 35 of the Annexures.**

**PROBLEM STATEMENT**

- The African Church wants to occupy the site to proceed with the construction of the building.

**FINDINGS**

- The African Gospel Church was given permission to occupy site 2132 in 1997 by the Municipality.
- At the time of occupation the site was abandoned.

**RECOMMENDATIONS**

1. That Council in line with its policy on the sale of church sites invites both churches to make an offer to purchase site 2132 Phomolong.
2. That Council should appoint a Committee that will deal with the allocation of sites for churches.

A6 of 2018

**DISPUTE OVER HOUSE 13263 CALABRIA MELODING (DISPUTE RESOLUTION CHAIRPERSON) (8/3/20/50/2)**

**PURPOSE OF REPORT**

To request Council to allocate site 13263 to Mr Melamu Jonas Morabane.

**Description of parties**

The complainant: Me Mpofi Evodia Sehole

The defendant: Mr Melamu Jonas Morabane currently staying at site 13263 Calabria Meloding.

**BACKGROUND**

The statement of Me Sehole (**complainant**) is that the site 13263 Meloding was allocated to her by the late housing official Mr Patrick Oliphant. Me Sehole have a receipt of R3.00 dated 20 April 2009 that was paid for the transfer of site into her name.

\*\*\* The receipt is **attached on page 36 of the Annexures.**

The housing file was not opened to prove the allocation of the site to Me Sehole, and she did not take occupation of site no. 13263 immediately, thus resulting in the site being vacant.

Mr Morabane the (**defendant**) stated that, he went to Matjhabeng Finance Department at Virginia to enquire about the vacant site 13263 Calabria Meloding. He was informed by Finance Department that the site belongs to the Municipality. He stated that he went to Finance Department to open the services account in his name so that he can be able to pay the Municipal services which was actioned by the Finance.

\*\*\* The Municipal services account **is the attached on page 37 of the Annexures.**

**PROBLEM STATEMENT**

The continuous fight between two parties regarding the site 13263 Calabria Meloding.

**FINDINGS**

- The site 13263 Calabria Meloding has no Title Deed it belongs to the Municipality.
- Presently the site 13263 Calabria Meloding is occupied by Mr Morobane and his family since 2013.
- According to housing records the site was not allocated to any one of the parties.

**LEGAL IMPLICATIONS**

Refer to the advice from Legal Services **on page 38 to page 39 of the Annexures.**



**RECOMMENDATIONS**

1. That site 13263 Calabria Meloding be allocated to the current occupant Mr Morabane.
2. That Me Sehole be prioritized in the next allocation of sites.
3. That the Finance Department should open an account for Mr Morabane.

A7 of 2018

**REPORT REGARDING DISPUTE OVER SITE 7279 THABONG (DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/45/7)**

**PURPOSE**

To report to Council the resolution of a dispute concerning site 7279, Ward 17 Thabong.

**Description of parties in dispute**

Complainant: Ms Rankhathali

Defendant : Mr Simon Bokhatsi

**BACKGROUND**

Me M.C. Rankhathali approached the Municipality to complain about site 7279 Thabong that is allocated to her, and is presently occupied by Mr S. Bokhatsi who is refusing to vacate.

\*\*\* The Proof of allocation **is attached on page 40 of the Annexures.**

A file was opened and subsequent to that a meeting was convened between the complainant and the defendant.

\*\*\* The Attendance register of the meeting **is attached on page 41 of the Annexures.**

In the meeting it was revealed that Mr Bokhatsi is the owner of site 27085 and the RDP house has been built in his name.

\*\*\* The Proof of subsidy **is attached on page 42 to page 43 of the Annexures.**

Mr Bokhatsi further agreed that site 7279 Thabong belongs to Ms MC Rankhathali.

**PROBLEMS STATEMENT**

Ms Rankhathali struggled to occupy her site because Mr Bokhatsi left his children in the site 7279 and refused to move out.

**FINDINGS**

- The site was allocated to Ms MC Rankhathali by the Municipality.
- Site 7279, ward 17 Thabong is still registered in the name of the Municipality.

**RECOMMENDATIONS**

1. That the site be allocated to Ms MC Rankhathali.
2. That the Municipality assists Ms MC Rankhathali to occupy 7279 Thabong.
3. That Mr Simon Bokhatsi must not be given the site as he is the beneficiary of an RDP house.

A8 of 2018

**REPORT REGARDING DISPUTE OVER HOUSE 1160 THABONG (DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/45/5)**

**PURPOSE OF THE MEETING**

To inform Council about a complaint lodged on site 1160 Thabong.

**Description of parties in dispute**

Complainant: Moleleki's family

Defendant : Tholani Moleleki

**BACKGROUND**

The Municipality housing file indicates that the house was allocated to the late Mr David Moleleki and Mrs Pascalina Moleleki in 1971 by the Municipality. They were survived by 6 children who are:

Elizabeth Semakaling Moleleki – deceased

Ermelda Tsokolo Moleleki – deceased

Celestina Feikie Moleleki

Augustina Matsele Moleleki

Martin Makalo Moleleki

Johannes Tsiliso Moleleki

\*\*\* The Proof of allocation is attached on page 44 of the Annexures.

The deceased left four children, but three children have moved out to their own permanent accommodation. Me Celestina Moleleki remained in the house to look after the house. The then Housing Committee in consultation with the Ward Councillor recommended on 20-03-1990 that though the parents are deceased and they left four children, the residential permit be issued to Celestina Moleleki to be responsible for the house.

\*\*\* Council Resolution 29/03/1990 is attached on page 45 of the Annexures.

In the year 1991 Me Celestina Moleleki bought this house 1160 Thabong for the amount of R2496.40 and stayed with her children. The house was registered in her name and the Title Deed was issued out under her name TL4331/98.

\*\*\* A copy of Title Deed is attached on page 46 to page 48 of the Annexures.

**PROBLEM STATEMENT**

- The Moleleki's family want to evict the children of the late Celestina Moleleki claiming that the house 1160 Thabong belongs to their parents David Moleleki and Pascalina Moleleki.
- They further stated that the late Celestina stole the house and registered it in her name without their permission.

- They claimed that the house should be a family house so that they can have access when they want to use it.

## **FINDINGS**

- The house 1160 was registered in Celestina Moleleki's name in 1991 by the Municipality to take the responsibility of the house and the Title Deed was issued out in her name TL4331/1998.
- The certificate of holder in the house file indicates that Celestina Moleleki was the holder of house 1160 Thabong, her children and her siblings were her dependents.

## **RECOMMENDATIONS**

1. That the house belongs to Celestina Moleleki as per the Deeds search and after going through the documentation it was found that there was no misrepresentation in the side of Me Celestina Moleleki.
2. That the house is having a title deed, therefore it is regarded as a private matter and Council cannot be involved.
3. That it should be in record that the defendant refused to attend the Dispute Committee meeting and the Speaker be requested not entertain him but should refer him to the Committee.
4. That the Conveyancer be consulted with regard to the document on page 30 of the Annexures written in Afrikaans, to find out why it said to be a leasehold instead of a right of ownership.

A9 of 2018

**REPORT REGARDING DISPUTE OVER SITE 3900 NYAKALLONG, ALLANRIDGE  
(DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/45/6)**

**PURPOSE OF THE MEETING**

To inform Council about a dispute on site 3900 Nyakallong owned by Mrs Dikeledi Rebecca.

**Description of parties in dispute**

Complainant: Lydia Naanyane

Defendant : Chale Bernado

**BACKGROUND**

According to the Matjhabeng Municipality records, site 3900 Nyakallong was allocated to the late Mr Komme Kameel Naanyane and Mrs Dikeledi Rebecca Naanyane in the year 2000. The site has Title Deed T27566/2001.

\*\*\* The Deed Search is attached on page 49 of the Annexures.

In the departmentally meeting that was held on 08 September 2016 at Nyakallong housing office the following were discussed:

Me Lydia Naanyane (complainant) the daughter of the late Mrs Naanyane claimed that she has been working in Gauteng since 1988. She stated that she got the information from strangers stating that her mother is selling the site. She stated that she came home later to talk to her mother regarding the matter, but her mother insisted that she is selling the site and if she is interested she can buy it. The latter said that she told her mother that she is not willing to buy the site since it was their home.

The latter stated that after her mother's death in 2015 she proceeded to register the estate of which she was appointed on the Letter of Authority. The site 3900 was including as part of the estate. She stated that she fully believed that the site 3900 belongs to Naanyane's family.

Mr Bernado (defendant) claimed that he bought the site 3900 Nyakallong from Mrs Dikeledi Naanyane with the amount of R3000.00 in 2011. Mrs Naanyane left the site with him and relocated to Bothaville to stay with her son. Mr Barnardo stated that the payments were done to Me Naanyane in the presence of his Lawyer and the granddaughter of Mr Naanyane. He claimed that the site was legally bought from Me Naanyane.

**PROBLEM STATEMENT**

- Me Lydia Naanyane wants the site back stating that her mother had no authority to sell the site alone without her children's permission.

**FINDINGS**

- That the site was allocated to Mr and Mrs Naanyane in 2000 by the Municipality.
- The Title Deed T27566/2001 was issued out under their names.

**RECOMMENDATIONS**

1. That site 3900 Nyakallong is registered in the names of the late Mr and Mrs Naanyane.
2. That the complainant Me Lydia Naanyane be advised to contact her Lawyer, hence the property is registered in the names of Mr and Mrs Naanyane and is no longer the Municipal property.

A10 of 2018

**REPORT REGARDING DISPUTE OVER SITE 20101 THABONG (DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/45/5)**

**PURPOSE OF THE MEETING**

To request Council to reconfirm site 20101 in Thabong as that of Mrs Mbali Mofokeng.

**Description of parties in dispute**

Complainant: Mrs Mbali Mofokeng  
Defendant : Mrs Nosipho Stemela.

**BACKGROUND**

The Municipality sold the following sites 20101, 20342, 20088, 20344 to African Life Homes in 1994 and the said company sold the sites to Antoinette Johanna Daffue.

\*\*\* An agreement of purchase **is attached on page 50 of the Annexures.**

Thereafter Daffue sold site 20101 to Mrs Mbali Mofokeng. The clearance certificate of site 20101 Thabong was issued out by the Municipality in 2014 as a proof of payment for settlement of Municipal services.

\*\*\* The clearance certificate **is attached on page 51 of the Annexures.**

In the departmental meeting that was held on 02 February 2016 at Procor housing office the following were discussed:

Mrs Mbali Mofokeng (**complainant**) stated that she bought the site from Daffue in 2014. She further stated that she made all the processes and procedures to purchase the site 20101 Thabong. The latter stated that she did not take occupation immediately because of personal problems that needed to be solved. She stated that she found somebody illegally occupying her site, and then she came to Housing office for assistance regarding the matter.

Mrs Nosipho Stemela (**defendant**) stated that she bought the site with the amount of R5000.00 from certain gentlemen called Tshokolo. She further stated that Mr Tshokolo gave her a letter to confirm that the site 20101 belongs to her.

\*\*\* The letter **is attached on page 52 of the Annexures.**

She stated that she fenced the site and started and laid the foundation.

**FINDINGS**

- That the site 20101 Thabong was bought by Antoinette Johanna Daffue from the Municipality and sold to Mrs Mofokeng in 2014.
- The documents that prove the purchase of site are available.

- The site has no Title Deed.
- That there is no information in Housing records indicating that Mrs Stemela has been allocated site 20101Thabong.
- The letter that Mrs Stemela has does not indicate the writer of the letter, and the office in which the letter was done.
- The alleged purchase of site by Mrs Stemela seems to be illegal.

## **RECOMMENDATIONS**

1. That site 20101 Thabong legally belongs to Mrs Mbali Mofokeng.
2. That the confirmation letter that Mrs Stemela has is not valid.
3. That the official who drafted or wrote the letter must avail himself/ herself to testify in Court.
4. That Mrs Stemela be instructed to vacate the site as it belongs to Mrs Mofokeng.
5. That Mrs Stemela be advised to register her name in waiting list of sites in Matjhabeng for the next allocation.



A11 of 2018

**REPORT REGARDING DISPUTE OVER SITE 31881 EXT 15 BRONVILLE (DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/12)**

**PURPOSE OF THE REPORT**

To resolve the dispute of site 31881 Ext 15 Bronville between Mr Shadrack Khoza and Moeti's family.

**Description of parties in dispute**

Complainant: Mr Shadrack Khoza

Defendant : Mrs Moeti's family

**BACKGROUND**

According to the Municipal records, site no. 31881 Bronville was allocated to Pulane Fair Khoza in the year 2000. The site has title deed T40671/2000.

\*\*\* The Deed Search report is attached on page 53 of the Annexures.

In the departmentally meeting that was held on 16 October 2013 at Housing Office Procor the following were presented:

Mr Shadrack Khoza (**complainant**) stated that he is the biological son of the late Mrs Pulane Fair Khoza. He further stated that he was under age when his mother died; therefore the family requested Mrs Vuyiswa Kheswa to look after the site until he grows up.

\*\*\* The Death certificate is attached on page 54 of the Annexures.

Mrs Kheswa, the family of Mr Shadrack Khoza stated that she met Me Maria Moeti in the year 2008 desperately looking for accommodation. They agreed that Me Moeti will stay temporarily at site 31881 until she found her own place.

Me Moeti (**defendant**) agreed that she was looking for accommodation, and she met Me Kheswa and they agreed for temporarily accommodation. She further said that she requested to buy the site and they agreed, but before the payment could be done Me Kheswa requested to wait for Shadrack to come back so that they could make an arrangement of payments. She further stated that she was so surprised when Me Kheswa came later with Shadrack the son of the late and requested her to vacate the site. The latter said that she refused to move out because the agreement was that she can buy the site but waiting for Shadrack to come back.

She further said that she requested Shadrack to give them a period of time to look for other accommodation because there is no place to stay.

**PROBLEM STATEMENT**

- Mr Seabata Shadrack Khoza stated that he struggled to occupy the site because Mrs Moeti refused to move out.

## FINDINGS

- That the site 31881 Ext 15 Bronville was allocated to Me Pulane Fair Khoza.
- The site has Title Deed no. T40671/2000.
- The Letter of Authority was issued under the name of Seabata Shadrack Khoza in 2007.

\*\*\* The letter of Authority **is attached on page 55 of the Annexures.**

## RECOMMENDATIONS

1. That Me Pulane Fair Khoza is the rightful owner of site 31881 Ext 15 Bronville.
2. That Mr Seabata Shadrack Khoza has the authority over the property of his mother.
3. That the site has Title Deed, therefore it is no longer under the Municipal properties.
4. That Mr Khoza be advised to consult his Attorney for the process of eviction.
5. That the committee advises Me Moeti to register her name in the Matjhabeng waiting list for next allocation.

A12 of 2018

**REPORT REGARDING DISPUTE OVER HOUSE 443 BLOCK 7 KUTLWANONG BETWEEN MRS MARIA MOTAUNG AND MRS RELEBOHILE NKUTA (DISPUTE RESOLUTION CHAIRPERSON) (8/3/2/47/5)**

**PURPOSE OF THE MEETING**

To resolve the dispute on house 443 Block 7 Kutlwanong between Mrs. Motaung and Mrs. Nkuta.

**Description of parties in dispute**

Complainant: Maria Motaung  
Defendant : Relebohile Nkuta

**BACKGROUND**

The house no. 443 Block 7 was allocated to the late Mr April Motaung in 1982 by the Municipality.

\*\*\* The Proof of permit holder **is attached on page 56 of the Annexures.**

In the departmental meeting that was held on 21 January 2016 at Kutlwanong Office Housing the following were discussed:

- Me Motaung (**complainant**) stated that they were staying with her family at house 443 Block 7 Kutlwanong and that was a three roomed house.
- She further stated that her family was growing and her late husband decided to buy a big house, so that it can accommodate the whole family.
- They moved to a new house and her husband rented the house no. 443 Block 7.
- In 1997 her husband died while the house was been rented.

\*\*\* The Death certificate **is attached on page 57 of the Annexures.**

- In 2011 Me Motaung received the appointment letter which was issued from the Magistrate Court as an Executor of the estate.

\*\*\* The appointment letter from Magistrate court **is attached on page 58 of the Annexures.**

**Mrs Nkuta (Defendant) declared as follows:**

- She stated that she rented the house since 2004 from the people who rented from Mr Motaung.
- She further stated that after the death of Mr Motaung she also rented the house from Mrs Motaung.
- She further stated that the agreement was to buy the house with the amount of R8 000.00, then the transfer would be done.

## PROBLEM STATEMENT

- Mrs Motaung wants to evict Mrs Nkuta at house 443 Block 7 stating that she wants to give it out to one of her children.

## FINDINGS

- The house 443 Block 7 according to the Municipality records is allocated to the late Mr Motaung and does not have a Title Deed.
- The Letter of Authority was issued out to Mrs Motaung.
- The Municipality transferred the house in her name in 2011 instructed by Letter of Authority. **The transfer form is attached on page 59 of the Annexures.**
- Mrs Nkuta rented the house for more than 12 years from Mr Motaung.
- Mrs Nkuta is not on the waiting list for allocation of site.

## RECOMMENDATIONS

1. That house number 443 Block 7 Kutlwanong belongs to Mrs Motaung.
2. That Mrs Motaung should apply for a Title Deed.
3. That the Municipality should evict the tenant.
4. That Mrs Nkuta has a right to claim for renovations done in the house.
5. That the house could not be transferred to her daughter while Mrs Motaung is still alive.
6. That Mrs Nkuta register her name in the Matjhabeng waiting list for next allocation.

A13 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.T. MACINGWANE (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr M.T. Macingwane and the response thereon by the Municipal Manager.

**BACKGROUND**

- \*\*\* A letter dated 18 December 2017 received from Cllr M.T. Macingwane, containing certain questions **is attached on page 60 to page 61 of the Annexures.**
- \*\*\* The Municipal Manager's response **is attached on page 62 to page 70 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

A14 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.T. MACINGWANE (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr M.T. Macingwane and the response thereon by the Municipal Manager.

**BACKGROUND**

- \*\*\* A letter dated 18 December 2017 received from Cllr M.T. Macingwane, containing certain questions **is attached on page 71 to page 72 of the Annexures.**
- \*\*\* Previous correspondence **is attached on page 73 to page 74 of the Annexures.**
- \*\*\* The Municipal Manager's response **is attached on page 75 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

**A15 of 2018**

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR A. STYGER (MM) (3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr A. Styger and the response thereon by the Municipal Manager.

**BACKGROUND**

- \*\*\* A letter dated 03 November 2017 received from Cllr A. Styger containing certain questions **is attached on page 76 to page 81 of the Annexures.**
- \*\*\* The Municipal Manager's response **is attached on page 82 to page 83 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

**A16 of 2018**

**MONTHLY FINANCE REPORT – NOVEMBER 2017 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council the Monthly Finance Report for November 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

**DISCUSSIONS**

\*\*\* The finance report for November 2017 is attached on page 84 to page 96 of the Annexures.



## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Actual For the Month (November 2017)</b>	<b>For Year to date (2017/2018)</b>
All Grants Received	-	<b>241 475 000</b>
Actual Revenue Received	<b>83 573 053</b>	<b>444 993 478</b>
Actual Expenditure	<b>102 356 169</b>	<b>578 363 376</b>
Salaries	57 129 073	282 617 811
Water	5 000 000	88 859 649
Electricity	1 586 635	37 935 694
Other Expenditure	38 640 461	268 950 222
<b>Sub-Total</b>	<b>-18 783 116</b>	<b>8 105 102</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>-18 783 116</b>	<b>8 105 102</b>
MIG Payments	<b>19 040 223</b>	<b>64 093 722</b>
INEG Payments	-	<b>882 659</b>
WSIG Payments	-	<b>2 198 641</b>
<b>Capital Assets procured - Equitable Share</b>	<b>1 013 544</b>	<b>2 334 389</b>
Fleet & Equipment	-	27 300
Office convention/ Furniture	1 013 544	2 307 089
<b>Net Surplus/(Deficit) after Capital payments</b>	<b>-38 836 883</b>	

Table 1: The municipality had a deficit of R38 836 883 for the month of November after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month.

<b>TABLE 2</b>	<b>Actual For the Month (November 2017)</b>	<b>For Year to date (2017/2018)</b>
Total Billings	135 859 891	754 984 745
Less: Indigent Billings	3 304 325	17 386 553
Actual Billings	<b>132 555 566</b>	<b>737 598 192</b>
Actual Revenue Received	<b>82 157 915</b>	<b>424 391 259</b>
Consumer Revenue	76 408 751	384 656 987
Other	5 749 164	39 734 272
Grants & Subsidies	-	<b>241 475 000</b>

<b>Pay rate for November 2017 (Total Billings)</b>	<b>62%</b>
<b>Total income percentage - November 2017</b>	<b>63%</b>
<b>Total income percentage – YTD</b>	<b>60%</b>

The pay rate for November 2017 was 62%

The total income percentage November 2017 was 63%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

## **RECOMMENDATIONS**

1. That the Finance Report for November 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for November 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A17 of 2018**

**MONTHLY FINANCE REPORT – DECEMBER 2017 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council the Monthly Finance Report for December 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

**DISCUSSIONS**

\*\*\* The finance report for December 2017 is attached on **page 97 to page 109 of the Annexures.**

## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Actual for the Month (December 2017)</b>	<b>For Year to date (2017/2018)</b>
All Grants Received	<b>162 746 000</b>	<b>404 221 000</b>
Actual Revenue Received	<b>82 779 656</b>	<b>527 773 134</b>
Actual Expenditure	<b>217 886 217</b>	<b>896 249 593</b>
Salaries	55 926 284	338 544 095
Water	55 000 000	143 859 649
Electricity	38 652 415	76 588 109
Other Expenditure	68 307 518	337 257 740
<b>Sub-Total</b>	<b>27 639 439</b>	<b>35 744 541</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>27 639 439</b>	<b>35 744 541</b>
MIG Payments	<b>3 725 823</b>	<b>67 819 545</b>
INEG Payments	-	<b>882 659</b>
WSIG Payments	-	<b>2 198 641</b>
<b>Capital Assets procured - Equitable Share</b>	<b>263 731</b>	<b>2 598 120</b>
Fleet & Equipment	-	27 300
Office convention/ Furniture	263 731	2 570 820
<b>Net Surplus/(Deficit) after Capital payments</b>	<b>23 649 886</b>	

Table 1: The municipality had a surplus of R23 649 886 for the month of December after capital payments. This surplus indicates that the expenditure incurred is less than the revenue received for month. This surplus is due to grants received for reporting period.

<b>TABLE 2</b>	<b>Actual For the Mont (December 2017)</b>	<b>For Year to date (2017/2018)</b>
Total Billings	136 739 739	891 724 484
Less: Indigent Billings	3 383 641	20 770 194
Actual Billings	<b>133 356 098</b>	<b>870 954 290</b>
Actual Revenue Received	<b>81 097 167</b>	<b>505 488 426</b>
Consumer Revenue	71 374 350	456 031 337
Other	9 722 816	49 457 088
Grants & Subsidies	-	<b>404 221 000</b>

<b>Pay rate for December 2017 (Total Billings)</b>	<b>61%</b>
<b>Total income percentage - December 2017</b>	<b>62%</b>
<b>Total income percentage – YTD</b>	<b>61%</b>

The pay rate for December 2017 was 61%

The total income percentage December 2017 was 62%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

**LEGAL IMPLICATIONS**

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

**RECOMMENDATIONS**

1. That the Finance Report for December 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for December 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A18 of 2018**

**THREE MONTHS FINANCE REPORT: OCTOBER-DECEMBER 2017 (EXECUTIVE MAYOR) (12/1/2/3)**

**PURPOSE**

To submit to Council the three Months Finance Report for October – December 2017 in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 52(d) of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that quarter and for the financial year up to the end of that quarter:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 52 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the Information Communication Technology Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 52(d) report is then compiled with all the information received from other sections and extracted from the Solar System

**DISCUSSIONS**

\*\*\* The finance reports for October – December 2017 are attached on **page 110 to page 120 of the Annexures.**

## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Budget for three months</b>	<b>Actual for three months (2017/2018)</b>
Actual Revenue Received	479 349 340	265 603 840
All Grants Received	140 748 000	2173 496 000
<b>Total Income</b>	<b>620 097 340</b>	<b>439 099 840</b>
<b>Actual Expenditure</b>	<b>580 705 415</b>	<b>431 222 971</b>
Salaries	176 727 823	169 372 564
Water	109 856 301	70 000 000
Electricity	103 016 971	40 778 776
Other Expenditure	191 104 320	151 071 631
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>39 391 925</b>	<b>7 876 870</b>
MIG Payments		<b>33 969 534</b>
INEG Payments		-
WSIG Payments		-
<b>Capital Assets procured - Equitable Share</b>		<b>1 717 992</b>
Fleet & Equipment		27 300
Office convention/ Furniture		1 690 692
<b>Net Surplus/(Deficit) after Capital payments</b>		<b>-27 810 656</b>

Table 1: The municipality had a deficit of R27 810 656 for the quarter after capital payments, this indicates that the expenditure incurred is more than the revenue received for quarter.

<b>TABLE 2</b>	<b>Actual for three months (2017/2018)</b>
Total Billings	417 390 651
Less: Indigent Billings	9 807 472
<b>Actual Billings</b>	<b>407 583 180</b>
<b>Actual Revenue Received</b>	<b>260 873 743</b>
Consumer Revenue	238 355 746
Other	22 517 997
<b>Grants &amp; Subsidies</b>	<b>173 496 000</b>

<b>Pay rate for second quarter (Total Billings)</b>	<b>64%</b>
<b>Total income percentage - second quarter</b>	<b>65%</b>
<b>Total income percentage – YTD</b>	<b>61%</b>

The pay rate for the second quarter 2015 was 64%

The total income percentage for the second quarter was 65%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The budget report is submitted in compliance with Section 52(d) of the MFMA no 56 of 2003. Section 52(d) stipulates that the mayor of the Municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of the Municipality.

## **RECOMMENDATIONS**

1. That the Finance Report for the Quarter (October - December 2017) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for the Quarter (October - December 2017) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.



**A19 of 2018**

**MID-YEAR BUDGET AND PERFORMANCE REPORT - 1 JULY 2017- 31 DECEMBER 2017 (EXECUTIVE MAYOR) (12/1/1)**

**PURPOSE**

To present to Council a report on the Mid- year Budget and Performance Report of the Municipality for the period 1 July 2017 to 31 December 2017 as required by Section 72 of the Municipal Finance Management Act No 56 of 2003 .

**BACKGROUND**

In accordance with Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), hereafter referred to as the “MFMA”, the Accounting Officer of a municipality must by 25 January of each year-

1. Assess the performance of a Municipality during the first half of the financial year, taking into account-
  - a) The monthly statements submitted for the first half of the financial year in accordance with Section 71 of the MFMA;
  - b) The Municipality’s service delivery targets and performance indicators set in the service delivery and budget implementation plan (SDBIP);
  - c) The past year's annual report, and progress in resolving problems identified in the annual report; and
  - d) The performance of every Municipal entity under the sole or shared control of the Municipality, taking into account reports in terms of section 88 of the MFMA from any such entities.

Section 72 further states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality’s budget reflecting the following particulars for the six month period from July 2016 – December 2016:

- Actual revenue per revenue source
- Actual borrowings
- Actual expenditure per vote
- Actual capital expenditure per vote
- The amount of any allocations received
- Actual expenditure on allocations received

The compilation of Section 72 report is as follows:

- After the billing cycle the Income Department compile the income reports debtors’ age analysis and the top 20 outstanding debtors.
- After month end the Information Communication Technology Department runs all the month end reports.

- The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
- The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
- The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
- The Section 72 report is then compiled with all the information received from other sections and extracted from the Solar System.

\*\*\* Attached on page 121 to page 131 of the Annexures is the Mid-Year Budget and Performance Report- 1 July 2017 - 31 December 2017.

\*\*\* Attached on SEPARATE COVER 1 is the section 72 non-financial performance report.

## DISCUSSIONS

The finance reports for July - December 2017

## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Budget for six months</b>	<b>Actual for six months (2017/2018)</b>
Revenue	958 698 680	527 773 133
Grants & Subsidies	281 496 000	404 221 000
<b>Total Income</b>	<b>1 240 194 680</b>	<b>931 994 133</b>
<b>Total Expenditure</b>	<b>1 018 367 192</b>	<b>896 249 593</b>
Salaries	353 455 647	338 544 095
Water	145 855 229	143 859 649
Electricity	192 362 881	76 588 109
Other/Stationery, Telephone	326 693 436	337 257 740
<b>Sub-Total</b>	<b>221 827 488</b>	<b>35 744 540</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital Payments</b>	<b>221 827 488</b>	<b>35 744 540</b>

<b>MIG Payments</b>	<b>67 819 544</b>
<b>INEG Payments</b>	<b>882 659</b>
<b>WSIG Payments</b>	<b>2 198 641</b>

<b>Capital Assets procured – Equitable Share</b>	<b>2 598 120</b>
Fleet & Equipment	27 300
Office convention / Furniture	2 570 820

<b>Net Surplus/(Deficit) after Capital Payments</b>	<b>-37 754 424</b>
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Table 1: The Municipality had a deficit of R37 754 424 for the period after Capital Payments. This means that the amount received is below the amount paid.

<b>TABLE 2</b>	<b>Actual for six months (2017/2018)</b>
Total Billings	891 724 483
<u>Less: Indigent Billing</u>	20 770 194
Actual Billings	<b>870 954 290</b>
Actual Revenue Received	<b>505 488 426</b>
Consumer Revenue	456 031 337
Other	49 457 089
Grants & Subsidies	<b>404 221 000</b>

  

<b>Pay rate – (July - December 2017) Billing</b>	<b>58%</b>
<b>Total income percentage – (July - December 2017)</b>	<b>61%</b>

The pay rate on consumer services for January – December 2017 was 58% and the total income percentage for January – December 2017 was 61%. In order for the Municipality to be financially sustainable the pay rate will have to be increased to 80% on the consumer services.

## LEGAL IMPLICATIONS

Both the financial and non-financial reports are submitted in terms of Section 72. (1), Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6 and Sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003).

## FINANCIAL IMPLICATIONS

The municipality has currently a pay rate of **58%** and a total income percentage of **61%** as at 31 December 2017 which below budgeted percentage of **80%**.

## RECOMMENDATIONS

1. That the financial and non-financial reports for period of six months (July - December 2017) in terms of Section 72 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That both the Financial and non-financial Reports for period of six months (July - December 2017) in terms of Section 72 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A20 of 2018**

**DRAFT AUDITED ANNUAL REPORT 2016/2017: MATJHABENG MUNICIPALITY (MM)**  
**(12/1/1)**

**PURPOSE**

The purpose of the item is to table the draft Annual Report of the financial year 2016/2017 to Council for consideration.

**BACKGROUND**

After the end of each financial year, the law requires Municipalities to develop draft annual reports for submission to Office of the Auditor General by the end of August which is the first two months of the succeeding financial year.

The purpose of drafting an annual report is to provide evidence of planned tasks and the actual achievements for work that was planned and achievements realized during the past financial year. In other words, the Municipality makes public a record of performance for the past financial year and in the report we indicate areas that were challenges and how we anticipate solving such challenges going forward.

According to the MFMA, the Annual Report should include:

- The Annual Financial Statements of the Municipality, and consolidated Annual Financial statements as submitted to the Auditor-General for auditing in terms of section 126(1) of the MFMA
- The Auditor General's Audit Report in terms of Section 126(3) of the MFMA on the financial statements in (a) above;
- The Annual performance report of the Municipality as prepared by the Matjhabeng Local Municipality in terms of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 (MSA)
- An assessment of the Municipality's performance against the measurable objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year 2013/2014

The Municipality submitted the draft annual report to the Office of the Auditor General which was audited during the months of August until November 2017. The draft unaudited annual performance report was also submitted to council of the 30<sup>th</sup> August 2017 and the following were the resolutions from the council meeting:

**COUNCIL RESOLVED: (30 AUGUST 2017)**

1. That Council **TAKES NOTE** of the draft unaudited annual performance report for the Financial Year 2016/17.
2. That the draft unaudited annual performance report **BE SUBMITTED** to Office of the Auditor General on or before the 31<sup>st</sup> of August 2017, for audit purposes.

There were audit steering committee meetings scheduled for Thursdays throughout the four months from August until end November 2017. In the last audit steering committee meeting, office of the Auditor General presented the final audit report which indicated that the municipality received an unqualified audit opinion. The report forms part of the audited draft annual report as presented.

## **LEGAL IMPLICATIONS**

### **Local Government: Municipal Finance Management Act 2003(Act No. 56 of 2003)**

Section 121(1) states as follows: ... “The council of a Municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control in accordance with section 129”.

### **Local Government: Municipal Systems Act 2000 (Act No 32 of 2000):**

Section 46 (1) “A municipality must prepare for each financial year a performance report reflecting-

(a) *The performance of the municipality and of each external service providers during the financial year;*

**(2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”**

\*\*\* Attached as **SEPARATE COVER 2** is the Draft Audited Annual Report 2016/2017.

## **FINANCIAL IMPLICATIONS**

There were no financial implications for the drafting of draft annual performance report as it was compiled internally.

## **RECOMMENDATION**

1. That Council adopts the Draft audited Annual Report for the Financial Year 2016/17.

**A21 of 2018**

**EXTENSION OF VUYO CHARLES STADIUM (EXECUTIVE MAYOR) (10/1/1/7)**

**PURPOSE**

The purpose of this item is to inform Council on the completed phase of the Upgrading of Vuyo Charles Stadium, the outstanding scope of works to complete the Stadium and also to request Council to allocate a budget to complete the works.

**BACKGROUND**

The upgrading of Vuyo Charles Stadium started in the 2012/2013 financial year with the project being registered for MIG funding under the project name Matjhabeng: Thabong (Thabong stadium, Zuka Baloi, Kopano Indoor Centre) Upgrading of sports and recreational facilities Phase 3.

Phase one of the Thabong (Vuyo Charles Stadium) commenced in the 2013/14 financial year and was completed in the 2014/15 financial year. Phase one of the project entailed construction of a boundary wall, storm water drainage and the platform for the pavilion.

On the 15<sup>th</sup> of October 2014 Khato Consulting Engineers were invited to the Mayoral Committee meeting to come and present a 30 000 seater facility which included VIP suites and a Media box. The Mayoral Committee then resolved that additional MIG funding be applied for, in order to complete the facility.

\*\*\* Kindly see the attached resolution **on page 132 to page 150 of the Annexures.**

Phase two of the project commenced in the 2016/17 financial year and was recently completed on the 30<sup>th</sup> July 2017. The scope of works included construction of a guard house and ticket office, a paved parking area, one pavilion complete with offices, ablution facilities, storage facilities and change rooms. The scope of works also included a grass pitch and athletic track with subsoil drainage and irrigation system. The pavilion currently seats 1200 spectators.

**DISCUSSIONS**

Community Services met with the Local Sports Council on the 7<sup>th</sup> November 2017 and agreed on the facilities that are required for the sporting codes in Thabong. Phase three of the project entails the construction of new basketball and netball courts, construction of new volleyball and tennis courts, construction of additional spectator seating for spectators for the courts side matches, installation of lights around the courts and paving. Extending the boundary wall and installing an entrance gate and the construction of new five aside grass pitch and irrigation system and lighting.

For phase three the Municipality has applied for a portion of the R300 million National Sports Grant. The sports grant however only fund two project per province as is limited to R15million per project. Municipality has not yet received the outcome of the application.

Currently the stadium offers limited facilities and it will be advantageous to construct additional seating accommodate more spectators and also to upgrade the stadium to Club/League level.

The proposed complete scope includes internal fencing, new pavilion with VIP suites and a media box, paved VIP parking area with a boom gate, landscaping, construction of braai areas, big screens and a 6 (six) lane tartan athletics track.

It must be noted that Phase 3 of the project is in the current IDP however the budget does not cover the additional scope for the stadium to be at Club/League level.

### **FINANCIAL IMPLICATION**

Estimated cost for Phase 3 is	R 14 997 559,83
The estimated cost of the final scope is	<u>R 62 729 501.59</u>
Total to complete	<u>R 76 727 061.42</u>

### **POLICY POSITION**

The Municipal Systems Act.

### **LEGAL IMPLICATION**

- As per Section 19 of the Municipal Finance Management Act 56 of 2003, as follows;

#### **Capital projects**

- (1) A municipality may spend money on a capital project only if-
  - (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
  - (b) the project, including the total cost, has been approved by the council;
  - (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and
  - (d) the sources of funding have been considered, are available and have not been committed for other purposes.
- (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider-
  - (a) the projected cost covering all financial years until the project is operational;  
And
  - (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.
- (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

- As per Section 29 of the Municipal Finance Management Act 56 of 2003, as follows;

#### **Unforeseen and unavoidable expenditure.—**

- (1) The mayor of a municipality may in emergency or other exceptional circumstance authorize unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

- (2) Any such expenditure—
- (a) must be in accordance with any framework that may be prescribed;
  - (b) may not exceed a prescribed percentage of the approved annual budget;
  - (c) must be reported by the mayor to the municipal council at its next meeting; and
  - (d) must be appropriated in an adjustments budget.
- (3) If such adjustments budget is not passed within 60 days after the expenditure was incurred the expenditure is unauthorized and section 32 applies.

## **RECOMMENDATIONS**

1. That the report be noted.
2. It is recommended that the additional estimated allocation of **R 76 727 061.42** be approved for the successful implementation of the project.



A22 of 2018

**REPORT ON THE POSSIBILITY OF GRANTING LONG TERM LEASE TO CGOC FOR MANAGEMENT OF WELKOM AIRPORT (EXECUTIVE MAYOR) (10/5/6)**

**PURPOSE OF REPORT**

To solicit the approval of Council for the long term lease with CGOC Aviation.

**BACKGROUND AND DISCUSSION**

The CGOC Aviation has made an application and presentations to the Land & Spatial Planning Section 80 Portfolio Committee and Mayoral Committee.

The Mayoral Committee then referred the presentation to the Executive Management for further engagement and the Executive Management has resolved as follows:

- That the presentation **BE NOTED**.
- That the municipality **WOULD CONTACT** CGOC Aviation for any further enquiries.

**Mayoral Committee of 22 March 2017 resolved that:**

1. The Acting Executive Director LED,P&HS, Me. Mothekhe **SHOULD ARRANGE** a meeting between Mr. Somhlahlo, the Acting Municipal Manager and herself to deal with the matter.
2. That the Acting Municipal Manager, Mr. ET Tsoaeli **SHOULD SUBMIT** a report to the Mayoral Committee on the outcome of the meeting.

Further, a meeting was scheduled to clarify outstanding issues on the 9<sup>th</sup> May 2017 and it was resolved that the matter be prepared for Mayoral Committee.

**Progress**

A meeting was duly convened between the Executive Director and the company in question and issues of long term lease and anticipated economic spin-offs were deliberated on. The strategies to be implored on, as contained in a document to be distributed in a meeting, were also clarified.

Subsequently an item was submitted to Council and it was deferred back on the 30<sup>th</sup> May 2017 as the lease agreement was not attached.

\*\*\* The item is now re-submitted for the consideration and the **long term lease is attached on page 151 to page 165 of the Annexures.**

**A. Location**

The current airport is situated on a portion of the Farm Theronia 71.

**B. SUPPORT FOR THE ECONOMIC ACTIVITY**

In terms of the contribution it can make towards the diversification and growth of the local economy the application of CGOC Aviation is strongly supported and it will be a financial relief to the municipality.

It is advisable that the potential of the airport by means of maximum utilisation of the land must be encouraged and explored in order to attract investment.

- Total area required for buildings, outside areas etc.
- Proposed layout plans of new developments
- Importance of access to both the airport runway (i.e. Gravel and surfaced)
- Potential use of the airport runway and other facilities.
- Requirements regarding municipal services with special reference to electricity and water demand.

The Development of the Aviation school in Welkom, has various economic spin offs where youth would be trained as pilots as opposed to having to go to other Provinces in order to obtain that training. A market has been identified and is being tapped into, in response to radical economic transformation. Additionally, there are various job creation opportunities ranging from air traffic controllers, aircraft mechanics, security and maintenance services etc.

## **LEGAL AND POLICY IMPLICATIONS**

1. Regulations and Legislations related to Aviation Authority,
2. Municipal Finance Management Act, Act 56 of 2003,
3. Supply Chain Management Policy

## **FINANCIAL IMPLICATIONS**

There will be no costs from the Municipality however the Municipality will benefit as the asset will be utilised to the maximum and the old from the lease agreements will be reviewed in accordance with market related values.

## **COMMENTS FROM OTHER DEPARTMENTS**

### **LEGAL SERVICES**

All lease agreements must be reviewed with the intention of arriving at market related prices.

## **RECOMMENDATIONS**

1. That Council approves the long term lease and Management of the asset by CGOC Aviation.
2. That the Management and Lease Agreement for the duration of 9 years and 11 months be concluded with CGOC Aviation.
3. The Municipal Manager be authorised to conclude the lease agreement with CGOC Aviation.