



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OM 12:00 OP DONDERDAG
12 FEBRUARIE 2015 IN DIE MUNISIPALE RAADSAAL TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON THURSDAY, 12 FEBRUARY 2015
AT 12:00 IN THE MUNICIPAL COUNCIL CHAMBERS, BREDASDORP**

TEENWOORDIG

Me E Marthinus	Speaker
Mnr R G Mitchell	Uitvoerende Burgemeester
Mnr D Jantjies	Uitvoerende Onder-Burgemeester
Mnr R Mokotwana	Lid van die Uitvoerende Burgemeesterskomitee
Me P Atyhosi	Raadslid
Mnr D Burger	Raadslid
Mnr A Coetzee	Raadsheer
Mnr J Nieuwoudt	Raadsheer
Mnr W October	Raadslid

AMPTENARE

Mnr D O'Neill	Munisipale Bestuurder
Mnr S Ngwevu	Direkteur: Korporatiewe Dienste
Mnr N Kotze	Direkteur: Tegniese Dienste
Mnr H van Biljon	Direkteur: Finansiële Dienste
Mnr M Briers	Nms Direkteur: Gemeenskapsdienste
Mnr P Everson	Assistent Direkteur: Elektromeganiese Dienste
Mnr M Moelich	Komiteedienste

1. OPENING

Die Speaker heet die teenwoordiges welkom en Raadslid October open die vergadering met gebed.

2. AANSOEKE OM VERLOF TOT AFWESIGHEID

Geen.

3. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: ADJUSTMENTS BUDGET FOR 2014/2015 FINANCIAL YEAR (DFS)

The Director: Finance reports as follows:

"In terms of section 72 of the MFMA, the accounting officer must by **25 January** of each year assess the performance of the Municipality during the first half of the financial year and report thereon to the Mayor of the municipality, National Treasury and relevant Provincial Treasury, taking into account:

- the monthly financial performance statements referred to in section 71 of the MFMA;
- the municipality's service delivery performance as per approved Service Delivery and Budget Implementation Plan;
- the past year's annual report, and progress on resolving problems identified in the annual report;
- the performance of every municipal entity under the sole or shared control of the municipality.

The mid-year report must also include explanation of -

- any material variances from the municipality's projected revenue by source and expenditure per vote;
- any variances from the service delivery and budget implementation plan;
- any remedial corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the approved budget; and
- a projection of the relevant municipality's revenue and expenditure for the rest of the financial year and revision from the initial projections.

The focus of the mid-year report is to assess the Municipality's performance during the first half of the financial year based on the approved budget and service delivery plans in respect of the 2014/15 financial year.

An overview of Council's actual performance for the first six months of the year as well as projected revenue and expenditure for the rest of the financial year follows below:

1. FINANCIAL POSITION & PERFORMANCE

1.1 MONTHLY YEAR TO DATE (YTD) PERFORMANCE REPORT

The monthly report on Council's financial position and actual performance for the year to date till December 2014 reflects on page 15 of the mid-year report attached as **Annexure "A"** to this item.

1.2 PROJECTED ESTIMATES: REVENUE & EXPENDITURE - 2014/15

In terms of section 71 of the MFMA the following information must be taken into account when assessing the financial performance of the Municipality:

- actual revenue per source;
- actual expenditure per vote;
- actual capital expenditure per vote;
- the amount of any allocations received and the expenditure on those allocations.

The actual expenditure versus the budgeted amount reflects on pages 10-13 and the projected operating results per vote as required reflect on pages 30-36 of the mid-year report attached as **Annexure "A"** to this item.

1.3 ADJUSTMENT BUDGET 2014/15

As part of the review and performance assessment process the accounting officer must make recommendations as to whether an adjustment budget is necessary based on the following considerations:

An adjustment budget -

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending on programmes already budgeted for;
- (c) may within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorize the utilization of projected savings in one vote towards spending under another vote;
- (e) may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

When an adjustments budget is tabled, it must be accompanied by -

- (a) an explanation of how the adjustment budget affects the annual budget;
- (b) a motivation of any material changes to the annual budget;
- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- (d) any other supporting documentation that may be prescribed

In order to reflect on the outcome of the adjustment budgets submitted by the various unit / section managers, the following concerns / challenges relating to the proposed budget changes, projected spending patterns, oversight and internal controls measures needs to be reported for council's notification:

- Poor planning during the budget process which relates to the approval of unrealistic budgets and / or unauthorised expenditure as a result;
- Lack of project management in terms of clear implementation strategies, cash flow projections and target dates;
- Slow spending and /or changes to DoRA funded and capital projects that might posed a risk of non completion by financial year end;
- Lack of responsibility by section / unit managers to take ownership of its approved budgets for implementation,
- Lack of hands-on monitoring and internal control measures with regard to the implementation of approved unit / section budgets which relate to unrealistic budget projections towards spending at financial year; and
- Amendment / Change of projects link to the SDBIP with the risk of not considering any adjustment on the performance management objectives.

The following corrective steps in terms of council's oversight responsibility are suggested:

- Apply strong leadership in terms of monthly oversight and monitoring role – Executive Management / Council;
- Account for poor and / or non performance;

- Arrange internal awareness workshops for councillors / officials on financial management;
- Ensure an effective internal audit, audit committee and MPAC in order to identify and address gaps in consultation with management; and
- Reduce possible unauthorised, irregular, wasteful and fruitless expenditure.

The proposed adjustment is bound separately as **Annexure "B"** for council's consideration and approval.

2. **SERVICE DELIVERY PERFORMANCE**

Performance on the budget and service delivery plans for the first half of the financial year reflect on pages 41 of the mid-year report attached as **Annexure "A"** to this item.

3. **MUNICIPAL ENTITY PERFORMANCE**

The municipal entity - Southernmost Development Agency (SOC) LTD is in process of de-registration with no future budgetary implication.

The Municipal Manager, in consultation with the Director: Finance, recommends as follows:

MANAGEMENT RECOMMENDATION

- (i) Council considers the content of the Mid-Year Assessment Report attached as Annexure "A".
- (ii) Council considers the approval of the adjustment budget (Page 11 of the Adjustments Budget Report) for the financial year 2014/2015, and indicative for the projected outer years 2015/2016 and 2016/2017 attached as Annexure "B".
- (iii) Council resolves that a hard and electronic copy of the complete adjustment budget be submitted to National and Provincial Treasury respectively for information.

RESOLUTION 31/2015

- (i) That Management's recommendation be accepted.
- (ii) That Council approves the inclusion of the following two projects:
 - The fencing of the Safehouse (R65 000)
 - The replacement of the main electrical breaker in Struisbaai (R240 000)

4. **AANGELEENTHEDE DEUR DIE UITVOERENDE BURGEMEESTER AAN DIE RAAD VOORGELê VIR KENNISNAME**

4.1 **BESOEK ONTVANG VAN WYK 2 SE KOMITEELEDE**

Wykskomiteelede spreek hul kommer uit oor die veiligheidsituasie in Kaap Agulhas se regsgebied en versoek dat dringend aandag aan die volgende aangeleenthere gegee word:

- Handelstye van drankwinkels / shebeens.
- Versoek dat die oorgroeide gebied aanliggend aan Kleinbegin vir 'n 50m radius skoongemaak word.
- Dat Allpay nie weer op Sondae uitbetaal word nie.

4.2 **MEMORANDUM ONTVANG VANAF OPTOGGANGERS: KAYDE WILLIAMS**

Die Munisipale Bestuurder lê die Memorandum deur hom ontvang op 6 Februarie 2015 aan die Raad voor. Die gemeenskap verlang terugvoer binne sewe dae na ontvangs.

BESLUIT 32/2015

Na mondelingse terugvoer deur die Munisipale Bestuurder, neem die Raad kennis van bogenoemde aangeleenthede en versoek Raadslid Mokotwana dat die Raad die versoeke ten volle bespreek by 'n volgende Raadsvergadering.

Hierna verdaag die vergadering.

BEKRAGTIG op hierdie

dag van

2015

SPEAKER

DATUM: