

SPECIAL EXCO AGENDA

ALFRED DUMA LOCAL MUNICIPALITY

NOTICE IS HEREBY GIVEN THAT A **SPECIAL** MEETING OF THE EXECUTIVE COMMITTEE WILL BE HELD ON **THURSDAY 26 JANUARY 2017** IN THE COUNCIL CHAMBER, TOWN HALL BUILDING, COR. MURCHISON AND QUEEN STREETS, LADYSMITH AT **13:00** TO GIVE CONSIDERATION TO THE MATTERS SET OUT HEREUNDER



S S NGIBA
EXECUTIVE DIRECTOR CORPORATE SERVICES

Office of the Executive Director Corporate Services

23 January 2017

A G E N D A

1. NOTICE CONVENING THE MEETING
2. MOMENT OF SILENT REFLECTION
3. CREDENTIALS
4. LEAVE OF ABSENCE
5. PRESENTATION NIL
6. MOTION OF CONDOLENCES AND FELICITATIONS
7. MINUTES OF PREVIOUS MEETING NIL
8. REPORT OF THE MUNICIPAL MANAGER:
 - 8.1 A ITEMS - STANDING ITEMS NIL
 - 8.2 B ITEMS - RECOMMENDATIONS CONSIDERED BY EXCO AND REFERRED TO COUNCIL
 - 8.3 C ITEMS - RECOMMENDATIONS FINALISED BY EXCO UNDER DELEGATED POWERS NIL
 - 8.4 D ITEMS - REPORTS NIL
 - 8.5 E ITEMS - CONFIDENTIAL ITEMS - RECOMMENDATIONS CONSIDERED BY EXCO AND REFERRED TO COUNCIL NIL
 - 8.6 F ITEMS - CONFIDENTIAL ITEMS - RECOMMENDATIONS FINALISED BY EXCO UNDER DELEGATED POWERS NIL
 - 8.7 G ITEMS - CONFIDENTIAL REPORTS NIL
9. CONFIRMATION OF MINUTES

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B - ITEMS

Items considered by EXCO and referred to Council

B 7	APPOINTMENT OF AUDIT COMMITTEE MEMBERS
B 8	DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: CIRCULAR 3 OF 2017 DATED 12 JANUARY 2017: DETERMINATION OF ADDITIONAL FULL-TIME POSITIONS ON MUNICIPAL COUNCILS BY THE MEC FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

APPOINTMENT OF AUDIT COMMITTEE MEMBERS (OFFICE OF THE MUNICIPAL MANAGER – INTERNAL AUDIT SECTION)

ROUTING

EXCO	-	15 December 2016
COUNCIL	-	15 December 2016
EXCO	-	26 January 2017
COUNCIL	-	26 January 2017

PURPOSE

To obtain clarity whether management should re-advertise the appointment of the Audit Committee or whether the appointment of the Audit Committee members would be made from the interview process that had already taken place.

BACKGROUND

1. An advertisement was placed in the City Press and Times of Ladysmith newspapers.
2. The closing date of the advertisement was on 05/12/2016
3. Thirteen (13) applications were received from persons who wish to serve on our Audit Committee attached as **Annexure A - pages 1 to 6.**
4. Due to time constraints, all thirteen (13) applicants were invited to attend the interviews.
5. Only nine (9) applicants attended the interview process, which was held during the Executive Committee Meeting on Thursday, 15 December 2016.
6. Presentations in the form of interviews for the selection of Audit Committee Members were done at the Executive Committee Meeting.

The following candidates were interviewed:

Mr C NCIKI
Mr S SIMELANE
Mr C I NARRANDES
Ms T H NZUNZA
Mr S MNDAWENI
Mr D R LATCHMAN
Mr A ASVAT
Mr A KHARVA
Mr M F KHARVA

It was resolved that once the interviews were concluded, all the results had to be submitted to the Municipal Manager.

7. Council at its meeting held on 15 December 2016 resolved that the contracts in respect of the previous Audit Committee Members be extended until all the processes have been finalised.

8. Clarity is therefore sought on whether management should re-advertise, or whether the appointment of committee members will be made from the interview process that had already taken place.

FINANCIAL IMPLICATIONS

None

LEGAL COMMENTS

None

COMMENTS RISK SECTION

None

CHALLENGES

The audit committee term of office ended on 31 August 2016, therefore it is an important compliance requirement in terms of Section 166 of the Municipal Finance Management Act, Act no 56 of 2003, that a committee be appointed.

CONFIRMATION OF CREDIBILITY AND RELIABILITY OF INFORMATION: MANAGER INTERNAL AUDIT

1. I hereby confirm that according to the information availed to me in respect of this item that to the best of my knowledge the information submitted to the committee is acceptable and that the relevant stakeholders were performing their task/duties according to the Auditor-General instruction of 2011.
2. That should more information to the contrary to what was made available to the Committee becomes available at a later stage, I reserve the right to revisit my findings.

RECOMMENDATIONS BY EXCO-15 DECEMBER 2016

Presentations in the form of interviews for the selection of Audit Committee Members were done.

The following candidates were interviewed:

Mr C NCIKI
Mr S SIMELANE
Mr C I NARRANDES
Ms T H NZUNZA
Mr S MNDAWENI
Mr D R LATCHMAN
Mr A ASVAT
Mr A KHARVA
Mr M F KHARVA

Once the interviews were concluded, it was indicated that all the results had to be submitted to the Municipal Manager.

COUNCIL RESOLUTION: LC21/12/2016-15 DECEMBER 2016

That the contracts in respect of the previous Audit Committee Members be extended until all the processes have been finalised.

RECOMMENDATIONS BY MANAGER INTERNAL AUDIT

That clarity be provided whether option 1 or 2 should be implemented:

Option 1

1. That the appointment of the Audit Committee members be re-advertised with immediate effect.
2. That the contracts in respect of the previous Audit Committee Members be extended on a month-to-month basis until all the recruitment processes have been finalised upon the re-advertisement of the appointment of Audit Committee Members.

OR

Option 2

1. That the Executive Committee informs Council of the interview process conducted and make recommendations to council on the appointment of four (4) Audit Committee members from the list of interviewed candidates.
2. That the Audit Committee members be appointed for a period of three (3) years, after which council has the option to renew their contracts for a further period of three (3) years, not exceeding a maximum of six (6) years.
3. That the normal members be remunerated at R6 000 per day.
4. That the Chairperson be remunerated at R6 500 per day.
5. That the Chairperson be remunerated at R4 000 to do Audit Committee presentations to council, noting that should the chairperson not be available, he/she delegates one member of the committee to conduct the Audit Committee presentation to council.
6. That the remuneration in para (3), (4) and (5) be inclusive of travel time, preparation time, accommodation and printing.

FOR CONSIDERATION



**S MAHRAJ
MANAGER INTERNAL AUDIT**

Reference: Mrs S Mahraj

23/01/2017 / SL

File Ref No. 5/2/2/1/1

ANNEXURE A

SHORTLISTING SCHEDULE: CANDIDATE PROFILE

AUDIT COMMITTEE MEMBERS

1

NO	NAME & SURNAME	AGE	QUALIFICATIONS	RELEVANT EXPERIENCE	GENDER	ADDRESS
1.	C I Narrandes	72 yrs.	Matric, Sales and Business Management, Municipal Management and Legislation	<p>Current Employer: Not stated</p> <p>1966-2006</p> <p>1. Previous Employer: Maree & Pace Position: Accountant</p> <p>2. Previous Employer: Dunlop SA Position: Cost Accountant</p> <p>3. Previous Employer: Sage Life Position: Manager</p> <p>4. Previous Employer: Standard Bank Position: Financial Advisor</p> <p>Current: Serving on Endumeni Audit Committee from 2012 to date. Received Clean Audit 2015-2016</p> <p>Previous: Served on Mtshezi and Uthukela Audit Committee from 2006 - 2011. Received Clean Audit 2010-2011 at Mtshezi.</p>	Indian, Male	P. O. Box 811 Ladysmith, 3370
2.	T H Nzuz	40 yrs	Matric, Bachelor of Commerce Accounting, Honours Risk and Management Accounting	<p>Current employer: Ankone Consulting Position: Managing Director Period: February 2016 to date</p> <p>Previous Employer: Environmental Resources Accounting Position: Group Senior</p>	Black, Female	414 Friesland Lane, Lynnwood Crescent, Lynnwood 0081

				<p>Specialist Period: January 2012 – January 2016</p> <p>Previous Employer: Exaro Resources Position: Senior Management Accountant Period: June 2008 – December 2012</p>		
3.	S Mndaweni	34 yrs.	Matric, Diploma Public Management	<p>Current employer: Transnet Position: Risk, Assurance and Compliance Manager Period: From December 2013 to Date</p> <p>1.Previous employer: Prasa Cres Head Officet Position: Manager: Supply Chain Period: From April 2010 – November 2013</p> <p>2.Previous employer: KZN Provincial Treasury Position: Assistant Manager Compliance and Monitoring Period: From June 2008 – Match 2010</p>	Black, Male	No10 Avenue, Colenso
4.	D R Latchman	41 yrs.	Matric, Bachelor of Law (LLB)	<p>Current employer: Dinesh R Latchman Attorneys Position: Sole Proprietor Period: From July 2010 to Date</p> <p>1.Previous employer: Legal Aid Board Position: Attorney Period: From July 2006 – July 2010</p> <p>2.Previous employer: Legal Aid Board Position: Candidate</p>	Indian, Male	10 Madras Road, Ladysmith, 3370

				Attorney Period: From November 2001 – November 2002		
5.	A Asvat	44 yrs	Matric, Bachelor of Commerce (Accounting)	Current employer: Asvat & Associates Position: Sole Proprietor Period: From October 2004 to Date 1.Previous employer: Moola & Vawda C. A. SA – Auditing Firm Position: Senior Accountant Period: From January 1995 – July 2002 2.Previous employer: TFS Wholesalers Period: From August 2002- June 2004	Indian, Male	49 Francis Road, Ladysmith, 3370
6.	A Kharva	30 yrs	Matric, Degree of Bachelor of Accounting Science, Honours Bachelor of Commerce in Financial Accounting	Current employer: Baker Kharva Chartered Accountants Position: Auditing and Accounting Manager Period: February 2016 to date 1.Previous employer: Baker Kharva Chartered Accountants Position: General Clerk Period: December 2003 - January 2014 2.Previous employer: Lee Oosthuizen Chartered Accountants Position: Auditing Clerk Period: February 2014 January 2016	Indian, Male	01 Kandahar Avenue Ladysmith 3370
7.	MF Kharva	29 yrs.	Matric, Bachelor of Accounting Science (Accounting & Auditing), Honours	Current employer: Baker Kharva Chartered Accountants Position: Auditing and Accounting Manager Period: 2005 - 2016	Indian, Male	01 Kandahar Avenue Ladysmith 3370

			(Accounting & Auditing) SAIPA	Previous Employer: Not Stated		
8.	B Takang	30 yrs	Matric, Degree in Bachelor of Commerce (Accounting), Diploma in Financial Management	Current employer: Vuselela FET College Position: Accountant Period: From May 2012 to date Previous employer: Auditor General Position: Trainee Accountant Period: From January 2009– May 2012	African, Male	24 th Street Joubertton Klerksdorp 2574
9.	N T Mabunda	41 yrs	Matric, B Comm (Accounting) , Certificate in accountancy, Post graduate Certificate in Executive Leadership	Current employer: Statistics South Africa Position: Manager (Director) : Internal Audit Period: Feb 2009 to date 1. Previous Employer: Nestle SA (Pty) Ltd Position: Business Assurance Group – Internal Auditor Period: Sept 2004-April 2006 2. Previous Employer: City of Joburg Position: Manager: Internal Audit Period: May 2006- Jan 2009	African, Male	Box 19405 Pretoria West 0117
10.	J M Mokoena	49 yrs	Matric, Diploma (Financial management) Diploma in Bookkeeping and Accounts	Current Employer: Department of Correctional Services Position: Assistant treasurer Period: 2012 to date 1. Previous Employer: Not stated	African, Male	4 Whiterose Street Boltonia Krugersdorp 1739

11.	C Nciki	36 yrs	Matric, Bachelor of Law (LLB)	<p>Current employer: Collin Nciki Attorneys Position: Managing Director Period: present</p> <p>1. Previous employer: Nedbank Limited Position: Manager Compliance & Governance Period: Not stated</p> <p>2. Previous employer: KPMG Position : Manager Advisory, Compliance & Governance Period: Not stated</p>	African, Male	P O Box 7652 Halfway House 1685
12.	R Tshimomola	40 yrs	Matric, Bcom Accounting (Honours)	<p>Current Employer: Rustenburg City Local Municipality and Rustenburg Water Trust Position: Chairperson of Audit and Performance Committees Period: Aug 2015 to date</p> <p>1. Previous Employer City of Tshwane Metro Municipality Position: Audit and Performance Committee member Period: Feb 2008-Sept 2011</p> <p>2.Previous Employer: National Department of Military Veterans Position: Chief Financial Officer Period: Apr 2012- April 2015</p>	African, Male	P.O Box 30536 Sunnyside PRETORIA 0132
13.	S Simelane	34 yrs	Matric, Bachelor of Commerce (Honours) , MDP on BBBEE	<p>Current Employer: Not stated Position: Director of a Private Company</p>	African, Male	29 Cascais, Emfuleni Drive, Vanderbail

				Period : Not stated 1. Previous Employer : OR Tambo district Municipality Position: Chairperson of the audit Committee Period: not stated 2.Previous Employer: Airports Company South Africa (ACSA) Position : Board member Period : not stated		Park
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ITEM B 8

SPECIAL EXCO: 26-01-2017

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
CIRCULAR 3 OF 2017 DATED 12 JANUARY 2017: DETERMINATION OF ADDITIONAL
FULL-TIME POSITIONS ON MUNICIPAL COUNCILS BY THE MEC FOR CO-OPERATIVE
GOVERNANCE AND TRADITIONAL AFFAIRS
(DEPARTMENT CORPORATE SERVICES – ADMINISTRATION)**

ROUTING

SPECIAL EXCO 26 January 2017
COUNCIL 26 January 2017

PURPOSE

To obtain a Council resolution to submit to the Department of Co-operative Governance and Traditional Affairs (COGTA) to confirm which councillors are being paid full-time salaries and the effective date of such payment..

BACKGROUND

Attached Circular 3 of 2017 dated 12 January 2017 - pages 1 and 2 received from COGTA - Determination of Full-time Positions on Municipal Councils by the MEC for co-operative Governance and Traditional Affairs.

COGTA indicates that certain municipalities are implementing payment to full-time councillors which are in disregard of what has been determined by the MEC in terms of Section 12 of the Local Government Municipal Structures Act, No 117 of 1998 and Section 18(4) of the same Act, which notices were published on 28 and 29 July 2016.

The circular stipulates that a Councillor may only be paid a salary equal to that of a full-time Councillor after the requisite resolution has been taken by the Council to designate such Councillor as full-time and subsequent to that the MEC's Notice in the Provincial Gazette by amending the Section 12 establishment Notice.

COGTA highlights it that should a municipality be in contravention of these stipulations, it **will result in irregular expenditure that will have to be recovered from the relevant Councillors**.

FINANCIAL IMPLICATIONS

The following Councillors are being paid as full-time Councillor's for the Alfred Duma Local Municipality:

Mayor	-	18/08/2016
Deputy Mayor	-	18/08/2016
Speaker	-	18/08/2016
Whip	-	18/08/2016
MPAC Chairperson	-	21/10/2016

LEGAL COMMENTS

Noted.

RISK COMMENTS

Noted.

CHALLENGES

N/A

CONFIRMATION OF CREDIBILITY AND RELIABILITY OF INFORMATION: EXECUTIVE DIRECTOR CORPORATE SERVICES

- " 1. *I hereby confirm that according to the information availed to me in respect of this item that to the best of my knowledge the information submitted to the committee is acceptable and that the relevant stakeholders were performing their tasks/duties according to the Auditor-General's instruction of 2011.*
2. *That should more information to the contrary to what was made available to the committee becomes available at a later stage, I reserve the right to revisit my findings."*

RECOMMENDATION: EXECUTIVE DIRECTOR CORPORATE SERVICES

That the Department of Co-operative Governance and Traditional Affairs be informed that the Alfred Duma Local Municipality is in compliance with Circular 3 of 2017 dated 12 January 2017, noting that the following Councillors are currently being paid as full-time Councillors:

Mayor	-	18/08/2016
Deputy Mayor	-	18/08/2016
Speaker	-	18/08/2016
Whip	-	21/10/2016
MPAC Chairperson	-	21/10/2016

FOR CONSIDERATION



S S NGIBA
EXECUTIVE DIRECTOR: CORPORATE SERVICES

23 January 2017/sm
3/2/6



cogta

Department:
Cooperative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

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Postal. Private Bag X 9078, Pietermaritzburg, 3200
Office. Natalia Building, 330 Langalibalele Street,
Pietermaritzburg 3201

MINISTRY

Enquiries:	Mr L.E Pienaar	My Reference:	Inkomba Yami:	E-mail:	lionel.pienaar@kzncogta.gov.za
Imibuzo:		My Verwysing:			
Navrae:					

CIRCULAR NUMBER 3 OF 2017**TO THE MAYORS OF ALL MUNICIPALITIES IN THE PROVINCE OF KWAZULU-NATAL**

Dear Sir/Madam

DETERMINATION OF ADDITIONAL FULL-TIME POSITIONS ON MUNICIPAL COUNCILS BY THE MEC FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

1. I refer to my Department's previous Circular No. 14 dated 30 August 2016 and Circular No. 18 dated 25 October 2016, in the above-mentioned regard.
2. It has been brought to the attention of my Department that certain municipalities are implementing payment to full-time councillors that are in flagrant disregard of what has been determined by me in terms of Section 12 of the Local Government Municipal Structures Act, No. 117 of 1998 and Section 18(4) of the same Act, which notices were published on 28 and 29 July 2016.
3. I wish to re-iterate that no Council may designate a councillor as full-time until such time as the Section 12 Notice has been amended and promulgated in the Provincial Gazette. Municipalities are once again reminded that in respect of the current determination of full-time councillors in the Section 12 Notice, Councils may not deviate by designating, for example, an additional Exco member as full-time in the place of an already approved full-time Mayor, Deputy Mayor or Speaker.
4. A Municipality may only pay a Councillor a salary equal to that of a full-time Councillor, after the requisite resolution is taken by the Municipal Council to designate the relevant Councillor or Councillors as full-time, and subsequent to my determination giving effect to the said Resolution by way of a Notice in the Provincial Gazette, amending the section 12 establishment Notice of the relevant Municipality.
5. In the event that any Municipality has paid a full-time salary to a Councillor without having followed the above procedure, this will result in irregular expenditure that will have to be recovered from the relevant Councillors.

6. Overpayment

In terms of Government Gazette No. 1600 dated 21 December 2016, items 16 (1) (a), (b), (2), (a) and (b) make provision for remedial action that **must** be taken in the event of any overpayment/s that may have been made:-

- (1) Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the Local Government: Municipal Finance Management Act, 203 (Act No. 53 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the municipality:-
 - (a) **must recover that remuneration from the political office bearer or member**; and
 - (b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration.
- (2) The MEC must report to the Minister:-
 - (a) any transgression of subsection (1); and
 - (b) any non-compliance with this Notice.

7. I also draw your attention to the provisions of section 32 and Section 171 of the Municipal Finance Management Act, No. 56 of 2003, which deals with the repercussions for the failure by the accounting officer or his/her subordinates who fail to comply with a duty imposed by a provision of the Act.
8. Failure to comply with this directive will be regarded as irregular expenditure by the Auditor-General and recovery action in respect of any excessive level of payment being required to be instituted against those persons responsible.
9. Should any Municipal Manager have erroneously or otherwise implemented an irregular payment to a full-time councillor contrary to this directive, **then such payment must cease forthwith and be recovered immediately.**
10. Kindly table this circular at the next meeting of the full Council and arrange for my Department to be provided with a Council resolution and confirmation as to which councillors are being paid full-time salaries and the effective date of such payment, by way of a fax to the number: 033-355 6554 or e-mail to yovashini.sewsanker@kzncogta.gov.za by 31 January 2017.

Yours faithfully


MS. N. DUBE-NCUBE, MPL
MEC FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 19/1/2017

Cc Municipal Managers
The Auditor-General