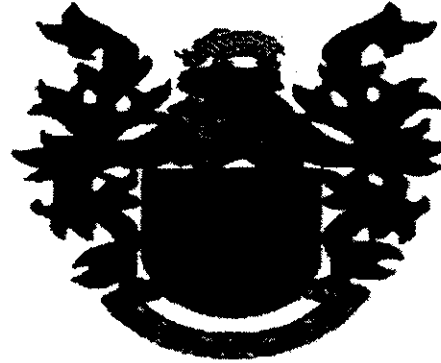


150211 SC on Co-operative Governance & Traditional DPUs



Mtubatuba

Mtubatuba Local Municipality

STATUS QUO REPORT TO NCOP

11th FEBRUARY 2015



Mtubatuba

STRUCTURE OF OUR PRESENTATION

- INTRODUCTION AND BACKGROUND
- FINANCIAL MANAGEMENT
- SERVICE DELIVERY MATTERS
- COUNCIL FUNCTIONALITY
- COMMITMENT TO THE RECOVERY PLAN

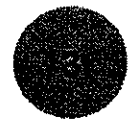




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o Introduction

We have been advised that the Select Committee on Cooperative Governance and Traditional Affairs will be briefed by the MEC for the Provincial Department of Cooperative Governance and Traditional Affairs on the procedural, substantive and the constitutionality of the notice of the intervention issued in terms of section 139 (1)(c) of the Constitution, 1996 to Mtubatuba Local Municipality.



INTRO CONTINUED



Mtubatuba

- o The dissolution of a Municipal Council and the appointment of an administrator must be warranted by exceptional circumstances
- o Whether these circumstances exist is objectively determinable
- o The onus is on the provincial executive to show the existence of such circumstances
- o In the absence of the existence of exceptional circumstances, it may not be appropriate for the provincial executive to dissolve the Municipal Council.
- o Accordingly, this presentation, seeks to present and argue against the validity of the grounds presented by the Hon MEC Nomusa Dube-Ncube as reasons for the dissolution of the Council. The Hon MEC N Dube-Ncube, in her letter dated 05 November 2015, presented the following reasons for the dissolution of Council :
 - o 1) Financial Difficulty
 - o 2) Service Delivery Difficulty
 - o 3) Lack of Commitment to the Municipal Recovery Plan
 - o 4) Council Oversight or lack thereof .



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FINANCIAL MISMANAGEMENT AND AUDIT OPINIONS

FINANCIAL MISMANAGEMENT AND AUDIT OPINIONS		
2011/12	Disclaimer	Negative
2012/13	Qualification	Positive Movement
2013/14	Unqualified	Positive Movement

In its meeting of the 29th January 2014 the council approved the Audit Action plan to address issues raised by the Auditor General, the council further approved the 2013/14 Annual Report.

CASH AND CASH EQUIVALENTS

The financial position of the municipality has tremendously improved, from what it was three years ago. As at June 2012 the Municipality had R6m bank overdraft; as at June 2013 the municipality had R1,6m at the bank and R894 000 at the end of June 2014. The bank balance as at 31st January 2015 was R23m. *



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o **BUDGET**

- o The municipal council approved its 2014/15 budget as per legislative requirements on the 03rd June 2014. - *Congratulate*

o **SERVICE DELIVERY**

- o Mtubatuba municipal council approved its 2014/15 Integrated Development Plan review on the 03rd June 2014 and was submitted to the MEC Corporative Governance and Traditional Affairs for her comment. The MEC has provided her comment and Non of the matters raised by the MEC lately were raised in her comments of the recent IDP comments. *Congratulate*
- o For the purposes of service delivery, Mtubatuba Municipality is heavily reliant on the Municipal Infrastructure Grant (MIG). In the financial year under review (2013/14), Mtubatuba Municipality was provincially rated to be in the Top 3 for - *Prava* performance and expenditure on the Municipal Infrastructure Grant. On the grant received for capital projects aimed at accelerating service delivery, 100% of the *22* Grant was spent as per the IDP and as a result thereof, it is rather difficult to understand anyone who could argue that there are challenges regarding service delivery. Attached to this report is a table of all completed projects which attest to the claims made herein that there was 100% expenditure on the grant received.



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COUNCIL FUNCTIONALITY

DATES	NATURE OF THE MEETING
14 July 2014	Special
22 July 2014	Special
05 September 2014	Special
30 September 2014	Full council
20 October 2014	Special
02 December 2014	Special
12 December 2014	Full council
15 January 2014	Special
29 January 2015	Full council
02 February 2015	Special council



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RECOVERY PLAN

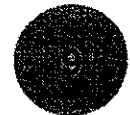
- o The Recovery Plan was presented to the municipal council on the 27th June 2014 and it was adopted by the council in that meeting. The Item on the Progress report, 20 October 2014 was presented. Item on Progress report 12 December 2014 was presented. *minutes*
- o In terms of the Terms of reference regarding the duties and functions of the Ministerial Representative (also known as the Administrator), the Administrator "Ratifies all decisions of the Municipal Council and its committees, prior to implementation." The Administrator of Mtubatuba who is, by virtue of his appointment, the eyes and ears of the MEC for KZN COGTA has continuously been submitting reports to council regarding the Municipal recovery plan and these plans have received cooperation from the Municipal Council. His most recent report (November 2014), tabled by the Ministerial Representative, gives a detailed account of progress made in so far as the recovery plan is concerned. To make reference to the matters raised by the MEC Versus her Representative (The Administrator), the following can be noted as the Administrator's summary:
 - o Leadership and Oversight – 56%
 - o Governance and Compliance - 56%
 - o Financial Management - 77%
 - o Service Delivery - 45%
 - o Overall performance - 59%



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CONCLUSION

- The above figures presented by the Administrator give a clear indication that “of the troubled Municipalities in KZN, Mtubatuba cannot be amongst those which warrant the MEC to invoke Section 139 (1) C and dissolve the Municipality.
- It would seem to be in the best interest of the NCOP to further consult on the matters before ratifying this decision which the MEC has already declared. We refuse to believe that the NCOP blindly rubber-stamps decisions without applying its own collective wisdom on such matters.
- We believe that it would be in the best interest of the NCOP to consider conducting its own working visit to Mtubatuba. There are other political matters at play that we cannot bring to this dignified house however we believe that if the NCOP could conduct such a visit than it would so appear that there are absolutely no reasons to dissolve Mtubatuba Municipality.





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We thank you

