

Endumeni Municipality

Audit Committee

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY, 10 MARCH 2011 AT 10h00 IN THE COUNCIL CHAMBERS, CIVIC CENTRE, DUNDEE 3000

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PRESENT: Mr N Rajkumar, The Chairman
Mr V Mseleku, Member
Mr L Steenkamp, Member
Mr JB Maltman, Acting Municipal Manager
Mr I Grisdale, Chief Financial Officer
Mr Ryaan Lahidas, Gobodo Inc

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1. OPENING

Mr N Rajkumar, the Chairman welcomed everyone. Mr Mseleku opened the meeting with prayer.

2. NOTICE OF MEETING

Mr N Rajkumar, read the Notice of the Meeting aloud.

3. APPLICATION FOR LEAVE OF ABSENCE / APOLOGIES

Mr S Perumall who is away on official business and Mr CJ Carelse who is on leave.

4. OFFICIAL ANNOUNCEMENTS

None

5. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the meeting held on the 16th of February 2011 and attached to the Agenda as Annexure A was approved.

Verbal reports regarding the following items where requested by Mr N Rajkumar:

- AC 8(2) – as per Mr Grisdale, on track with issue
- AC 8(3) – follows up to be done by Gobodo will form part of visit 2
- AC 8(4) – Mr Rajkumar requested evidence (in writing) be submitted that respective staff member was requested to amend minutes of Safety Committee to include interventions taken
- AC 8(7) – progress by Gobodo; report currently with their management team for review. To be submitted to Endumeni Management in week beginning 14 March 2011

- AC 8(8) – Gobodo confirmed that documents submitted for reconciliation.
Report to be issued by 31 March 2011
- AC 8(12) – Report regarding purchase of CaseWare. Mr Grisdale confirmed that order was placed. Training programme to start 23 & 24 March 2011.

6. STATUTORY APPOINTMENTS AND ELECTIONS

Nil

7. QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

None

8. MATTERS ADJOURNED FROM PREVIOUS MEETING, INCLUDING MATTERS TO BE RE-CONSIDERED (MOTIONS) EXCLUDING DEFERRED MOTIONS

Nil

9. PECUNIARY INTEREST

None.

10. DETERMINATION OF AGENDA

AC 9(1)

INTERNAL AUDIT - FINDINGS, VISIT 1 2010/2011

The report was duly noted.

Gobodo's feedback due by 31 March 2011.

AC 9(2)

COLLECTION OF OUTSTANDING ACCOUNTS IRO RATES & SERVICES

Mr Rajkumar confirmed having met with Messrs Acutt & Worthington Inc., Council's attorneys who are currently handling all Council's debt collection matters. Mr Govender from Acutt & Worthington provided him with a list of concerns / issues to be looked at (copy annexed hereto).

Mr Rajkumar requested that Mr Grisdale provide the committee with his feedback regarding the list at the committee's next meeting.

Debt Collection Department to be assessed. 2 x positions advertised where no suitable candidates could be found, must be re-advertised, more widely to increase the chances of suitable applicants applying.

AC 9(3)

ORGANOGRAM – DEPARTMENTS @ ENDUMENI

Organogram for each department to be circulated to Mr Rajkumar.

Surina to make arrangements for meetings to take place between Managers & Mr Rajkumar.

AC 9(4)

AUDITOR GENERAL

Initial contact meeting to take place between audit team appointed to Endumeni and Mr JB Matman, Mr I Grisdale, Cllr Ms WN Mbatha (the Mayor), Cllr TB Mkhize (The Speaker) on Monday 14 March 2011.

Feedback regarding meeting will be given to the Audit Committee Meeting.

Issue regarding the liaising with Gobodo to obtain information will be raised.

AC 9(5)

ELECTRICITY

A. ELECTRICITY LOSSES

The Committee confirmed that the following Council Resolution was taken on 23 February 2011, regarding the electricity losses and problems with Sithembile:

C 02/23/02/11 ELECTRICAL LOSSES: SITHEMBILE (E1/1)

RESOLVED TO RECOMMEND

THAT the Communications Manager arranges a series of community meetings with residents in Sithembile during March 2011 to persuade them to pay for services and inform them that strict credit control measures will be implemented.

The committee further confirmed that the deadline for these meetings was 31 March 2011. The Committee expressed concern regarding the progress and seeing that this item is of extreme importance, the committee requested that the Manager Communications submit a process plan in order to detail the interaction to take place with Sithembile to fast track the process.

B. MEETING WITH NERSA

Regulations as set down by NERSA now requires Endumeni Municipality to implement step tariffs. A verbal explanation by Mr Grisdale was provided to the committee as to what this would entail.

Calculations are to be finalised by end of March 2011 as it has to be included in the Draft Budget. Mr Grisdale will provide the committee with a break-up of tariffs and various categories at the next Audit Committee meeting.

AC 9(6)

INTERNAL AUDIT UNIT

Mr Lahidas mentioned to the committee that Gobodo's contract expires at the end of this financial year and enquired as to whether the municipality has given any thought on extending the contract.

Discussions to take place at Municipal Manager's Forum and Chief Financial Officer's Forum between different parties concerned.

11. CLOSURE

There being no further items to discuss, the Chairman declared the meeting closed at 11h25.

Chairperson: 

Date: 16/03/2011

*MEETING WITH MR. V GOVENDEH
ACUTTS - COLLECTION OF OF ACCOUNTS
SERVICES & LATES.*

CONSUMER ACCOUNT

1. Increase deposit in respect of electricity/services;
2. Application for services must be signed by the applicant;
3. In our experience, the applicant/s details are incomplete and very vague and illegible;
4. The latter application is to be completed in a proper manner, allowing the person who is attending to the follow up or the recovering of the debt, sufficient information to trace and recover any amount outstanding;
5. Prior to the acceptance of the application, the contact numbers must be verified in that, numerous applications attended to have numbers that do not exist;
6. Proper legible copies of the identity documents must be obtained;
7. Once the applicant has terminated his services, the person must be contacted regarding the outstanding amount and if the matter is not resolved within 45 days, immediate action should be instituted as the applicant can be traced;
8. The amounts should not be retained for more than 45 days as the applicant/s normally abscond and on numerous occasions are untraceable;
9. It is also advisable that the owners authority is obtained before any services are authorised;
10. It is also suggested that the lawful owner be informed via registered mail that the applicant/tenant has defaulted with his/her payments.

RATES ACCOUNT

1. Regarding the rates, each lawful owner is to supply their full contact details, proper postal/residential address and or their agents details whereby their accounts can be forwarded to them. This information should be supplied by the Conveyancing Attorney. Further, in cases of unimproved immovable property, this information is of vital importance;
2. In respect of arrears, once it exceeds 60 days after the relevant notices have been complied with, the matter is to be dispatched for the recovery without further extension, unless the owner has made representation as to his reasons for non-payment;
3. Herein again, strict measures are to be adopted regarding the said extensions granted;
4. The reason for obtaining proper contact details is that, from experience it is noted that once the owner passes on, the occupiers continue to avoid payments of the outstanding rates;
5. It is also noted that the estates are not reported to the relevant authorities which make recovery very difficult and in this regard, the accumulation of rates is noted;
6. It is also noted that proceedings are stayed unnecessarily which prevents further recoveries and also giving the owner the position not to pay and thus accumulating the amount recoverable;
7. On the property, if there is an RDP house, it must be monitored and not handed over for recovery as majority occupying these type of houses do not have attachable assets an one cannot attach an RDP house in a Court of Law;
8. When the matter is handed over for recoveries, it must be noted with the cashiers that the matter is been dealt with legally to avoid any unpleasantness;
9. In this instance, when the person is making payment it must be immediately brought to the attention of the Credit Controller;
10. It is also noted that a number of properties that have been sold and houses erected but the owners have not taken transfer and the legal transfer thus prevents attachment.