



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OM 11:00 OP DINSDAG
30 JANUARIE 2018 IN DIE MUNISIPALE RAADSAAL TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON TUESDAY, 30 JANUARY 2018 AT
11:00 IN THE MUNICIPAL COUNCIL CHAMBERS, BREDASDORP**

RAADSLEDE / COUNCILLORS

MNR	R J BAKER	
MNR	G D BURGER	
MNR	D J EUROPA	
MNR	C J JACOBS	
MNR	D JANTJIES	
ME	E C MARTHINUS	
MNR	J G A NIEUWOUDT	(Speaker)
ME	M OCTOBER	
ME	E L SAULS	
MNR	P J SWART	(Burgemeester)
ME	Z TONISI	(Onder-Burgemeester)

AMPTENARE / OFFICIALS

Mnr D O'Neill	Munisipale Bestuurder
Mnr H Van Biljon	Direkteur: Finansiële- en IT Dienste
Mnr K Mrali	Direkteur: Bestuursdienste
Mnr S Cooper	Bestuurder: Elektries
Mnr B Swart	Interne Ouditeur
Mnr G M Moelich	Bestuurder: Admin Ondersteuning
Me T Stone	Afdelingshoof: Strategiese Dienste

1. **OPENING**

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

2. **AANSOEKE OM VERLOF TOT AFWESIGHEID / APPLICATIONS FOR LEAVE**

Geen.

3. **VERKLARINGS EN/OF MEDEDELINGS DEUR DIE VOORSITTER**

- (i) Daar sal op 12 Februarie 2018 'n werkswinkel plaasvind wat handel oor die maandelike herontwikkeling van die erwe aangrensend tot Ou Meulestraat.
- (ii) Die Raadsvergadering van Februarie 2018 is gekanselleer, maar die een geskeduleer in Maart 2018 sal wel plaasvind.

4. **DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

The Municipal Manager reports as follows:

“Government Notice No. 1440 in Government Gazette No. 41 335, dated 15 December 2017 dealing with the remuneration of councillors of municipal councils was received on 21 December 2017. A copy of the Notice is attached as annexure on **page 13 to 20**.

In terms of Section 4(1) of the notice Cape Agulhas Municipality is determined as a grade 3 municipality based on the following criteria:

1. Total Municipal Income (Excluding transfers and / or grants as well as VAT refunds); and
2. Total Population

(A copy of the Affordability Verification Certificate, signed by the Municipal Manager, is attached as annexure on page 21).

The net financial impact in respect of the proposed increase reflects at R438,937 or 9,17% compared to the previous financial year's increase. The main reason for the high increase in councillor salaries, allowances and benefits can mainly be attributed the steep increase of cellphone allowance at 78,95% compares to the previous financial year. A total amount of R5,144,700 was budgeted for council remuneration in the 2017/18 financial year whilst the actual cost based on a grade 3 municipality's increase reflects at R5,223,310 with an estimated under budget to the amount of R78,610 accordingly.

The total remuneration packages of the Executive Mayor, the Speaker, Deputy Mayor and the full-time members of the Executive Committee set out in Section 5 and Section 9 reflects at R795 913, R636 731 and R596 936 respectively. *(Increase of 5,00% compare to the previous financial year, excluding cellphone and mobile data bundles benefit)*

The allowances of councillors appointed to governance structures of organized local government are set out in Section 7. According to Section 7(1)(a & b) these councillors are entitled to receive an allowance of not more than R1020.00 per sitting of any governance structure of organized local government provided that this allowance is limited to R1020.00 per day regardless the number of meetings that are attended by such councillor.

However organized local government is responsible for the payment of above mentioned allowance, accommodation and the reimbursement of travel expenditure incurred by a councillor during performance of official functions. The prescribed allowance reflects an estimated increase of 6,00% compares to the 2017/18 financial year.

The total remuneration package of part-time councillors are set out in Section 8 and Section 9, reflected at R251 877. *(Increase of 6,00% compare to the previous financial year, excluding cellphone and mobile data bundles benefit)*

Councillors are allowed to structure their total remuneration package (see definition of “total remuneration package) to include a travelling allowance, a housing allowance, contribution to a pension fund and medical aid scheme as provided in the above mentioned Gazette.

Medical and pension benefits for councillors who wish to structure their total remuneration package to include such benefits are set out in Section 13. See definition of “total remuneration package”. Therefore councillors are entitled to contributions by Council to the pension fund and medical aid, should they be members of such funds. (Such contributions form part of the Total Remuneration Package.) Refer to the definition of Total Remuneration Package.

Cellphone allowances for councillors are stipulated in Section 11. This benefit is given **in addition** to the total remuneration package. The mentioned section stipulates that a councillor may be paid a cellphone allowance not exceeding R3 400 per month in accordance with the applicable council policy which is currently silent in respect of the payment of cellphone allowance to councillors. The proposed increase reflects at R1 500 per month or 78,95% if paid the maximum amount allowed in terms of section Section 11 for cellphone allowance. (Previously the fixed cellphone allowance was limited to R1 900 per month).

Furthermore section 12 of the mentioned Gazette allows for a fixed allowance to councillors of not more than R300 per month for the use of mobile data cards **in addition** to the annual total remuneration structure. *(No increase compare to the previous financial year)*

In summary, allowances payable are therefore as follows:

	Total Remuneration	Cellphone allowance (Maximum)	Mobile Data Card allowance (Maximum)
Exec. Mayor	795 913	3 400 x 12	300 x 12
Deputy Mayor & Speaker	636 731	3 400 x 12	300 x 12
Full-Time Executive Comm.	596 936	3 400 x 12	300 x 12
Other Part-Time Cllrs.	251 877	3 400 x 12	300 x 12

Certain key features of the notice compared to the previous financial year are the following:

1. The Councillor salaries, allowances and benefits reflects a nett increase of almost 7,62% in respect of the Executive Mayor, the Speaker, Deputy Mayor and the full-time members of the Executive Committee and 12,39% per annum for the other part-time councillors effected from the 1st July 2017 should council resolve to approve the cellphone allowance to be at the maximum of R3 400 per month;
2. Sitting allowance payable in respect of councillors appointed to governance structures of organized local government subject to the payment from organized local government increased to R1 020 or 6,00% per sitting provided that this allowance is limited to the same amount per day regardless the number of meetings attended;
3. The government gazette notice section Section 5 and Section 8 does make provision, among other, for the remuneration of a chairperson of a Section 79 Committee with specific reference to the Chairperson of MPAC which is a part time councillor to the additional cost of R71 365 per annum at R323 2425. However since the establishment of the MPAC at Cape Agulhas Municipality, council never applied the additional remuneration allowed for the Chairperson of a Section 79 Committee and should therefore resolved on the matter if so considered for implementation based on the criteria in terms of Section 33 of the Municipal Structures Act, 117 of 1998 as no provision was made in the 2017/18 budget year to carry this additional cost. (Council might resolve to apply the same principle and keep the Status Quo) ;
4. Cellphone allowance as reflected in section 11 of the government gazette allows for a maximum increase of R18 000 per annum or 78,95% compared to the previous financial year. Due to the huge increase council might resolve to keep the increase at a lower percentage as it is considered to be appropriate to cover for councillors cellphone expenses;
5. The fix allowance of not more than R300 per month for the use of mobile data cards remains unchanged;
6. In addition to the total remuneration package provided, a municipality must take out risk insurance cover to provide for the loss of or damage to a councillor's property or assets arising from any riot, civil unrest, strike or public disorder - Section 14 (A councillor's is obliged to submit the necessary details prescribied to the municipality and failure to do so will forfeit the benefits associated with the special risk insurance cover);

7. A Council may extend tools of trade to a councillor in consultation with the member of the Executive Council (MEC) responsible for local government in the province concerned and based on accessibility, affordability, cost control and value of tools of trade - Section 15;
8. A municipality may also contribute towards the payment of cost towards capacity building initiatives directed at councillors which must be informed by capacity building needs of a municipality and / or affordability levels of the municipality - Section 16; and
9. Any remuneration paid to a councillor otherwise than in accordance with section 167(1) of the MFMA, including any bonus, bursary, loan, advance or other benefit is an irregular expenditure and the municipality must recover it and may not be written-off - Section Section 17 have reference.

Provision has been made in the current budget for a seven point five percent (7,50%) increase for councillors which is less than the actual average percentile increase of 9,17%.

Payment will only be made once the concurrence of the member of the Executive Council (MEC) responsible for local government has been obtained, as stipulated in the preamble of the Government Notice.

Councillors preferring to restructure their Total Remuneration Package to include travelling allowances of not more than 25%, a housing allowance and/or pension fund and/or medical aid contribution will have to indicate same in writing to the Municipal Manager before 31 January 2018 and the failure to do so will result in the maintenance of the status quo.”

The Municipal Manager recommends as follows:

MANAGEMENT RECOMMENDATION

- (i) Council takes note of its classification as a grade 3 municipality.
- (ii) Council consider to grants approval for the remuneration of its councillors in accordance with Regulation Gazette Notice No. 1440 dated 15 December 2017 with retrospective effect from 1 July 2017.
- (iii) Council considers the additional remuneration, as allowed for in the Notice, applicable to the chairperson of a Section 79 Committee - part-time councillor with specific reference to the Chairperson of MPAC in line with the provision of notice 1440 or continue with the Status Quo by not implementing as per past application in this regard.
- (iv) Council consider to grants approval for the payment of a cellphone allowance at the maximum limit of R3 400 per month to the Executive Mayor, Speaker, Deputy Mayor, full-time members of the Mayoral Committee, Chairperson of the Section 79 Committee and all other councillors or at a lower percentage increase aligned with the average total remuneration cost increase of 5,50% at R2 000 per month.
- (v) Council grants approval for the payment of a mobile data card fix allowance of R300 per month to full-time and part-time councillors. (If a councillor receives a municipal tablet the monthly benefit may not exceed the value of the allowance stipulated).
- (vi) Council obtains the concurrence of the MEC for Cooperative Governance, Human Settlement and Traditional Affairs regarding recommendations 1 - 5 before implementation thereof as stipulated in the preamble of Notice No. 1440.

Raadsdame Marthinus stel 'n alternatiewe besluit voor (gesekondeer deur Raadsheer Jantjies).

Na die uitbring van stemme, word die volgende besluit geneem:

RESOLUTION 1/2018

- (i) Council takes note of its classification as a grade 3 municipality.
- (ii) Council grants approval for the remuneration of its councillors in accordance with Regulation Gazette Notice No. 1440 dated 15 December 2017 with retrospective effect from 1 July 2017.

- (iii) Council do not approves the additional remuneration, as allowed for in the Notice, applicable to the chairperson of a Section 79 Committee - part-time councillor with specific reference to the Chairperson of MPAC in line with the provision of notice 1440.
- (iv) Council grants approval for the payment of a cellphone allowance at the maximum limit of R2 400 per month to all councillors.
- (v) Council grants approval for the payment of a mobile data card fix allowance of R300 per month to full-time and part-time councillors (if a councillor receives a municipal tablet the monthly benefit may not exceed the value of the allowance stipulated).
- (vi) Council obtains the concurrence of the MEC responsible for Local Government before implementation of the above decisions.

(Die ANC en Diensleweringsparty teken hul teenstemme aan.)

5. **MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: ADJUSTMENTS BUDGET FOR 2017/2018 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 2017/18 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 AND 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 2017 reflects on page 17 of the mid-year report attached as **Annexure A on page 24 to 67** to this item.

1.2 PROJECTED ESTIMATES: REVENUE AND EXPENDITURE - 2017/18

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 12-15 and the projected operating results per vote as required reflect on pages 35-37 of the mid-year report attached as **Annexure "A"** to this item.

1.3 ADJUSTMENT BUDGET 2017/18

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 further 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.
- Apply strong cost containment measures in order to improve the financial viability aligned with the long term financial plan indicators.

The proposed adjustment is bound separately as **Annexure B on page 68 to 130** 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 reflects separately as part of the mid-year performance assessment report attached as **Annexure C on page 131 to 164** 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) That Council consider the content of the Mid-Year Budget Assessment Report attached as **Annexure "A"**.
- (ii) That Council consider the approval of the adjustment budget (Page 17 & 18 of the Adjustments Budget Report) for the financial year 2017/2018, and indicative for the projected outer years 2018/2019 and 2019/2020 attached as **Annexure "B"**.
- (iii) That Council note the 2017/18 Mid-year Budget and Performance Assessment Report submitted in terms of Sections 72(1) and 54(1)(f) of the Municipal Finance Management Act, (Act 56 of 2003) **Annexure "C"**.
- (iv) That a hard and electronic copy of the complete adjustment budget be submitted to National and Provincial Treasury respectively for information.
- (v) That the 2017/18 Mid-year Budget and Performance Assessment Report be made public by placing it on the municipal website in terms of Regulation 34 (1) of the Municipal Budget and Reporting Regulations of 2009.
- (vi) That the 2017/18 Top Layer SDBIP be revised and submitted to Council after the approval of the Adjustments Budget.

Raadshere Jantjies stel 'n alternatiewe besluit voor (gesekondeer deur Raadsdame Marthinus).

Na die uitbring van stemme, word die volgende besluit geneem:

RESOLUTION 2/2018

- (i) That Council approves the content of the Mid-Year Budget Assessment Report attached as **Annexure "A"**.
- (ii) That Council approves the adjustment budget (Page 17 & 18 of the Adjustments Budget Report) for the financial year 2017/2018, and indicative for the projected outer years 2018/2019 and 2019/2020 attached as **Annexure "B"**.
- (iii) That Council note the 2017/18 Mid-year Budget and Performance Assessment Report submitted in terms of Sections 72(1) and 54(1)(f) of the Municipal Finance Management Act, (Act 56 of 2003) **Annexure "C"**.
- (iv) That a hard and electronic copy of the complete adjustment budget be submitted to National and Provincial Treasury respectively for information.
- (v) That the 2017/18 Mid-year Budget and Performance Assessment Report be made public by placing it on the municipal website in terms of Regulation 34 (1) of the Municipal Budget and Reporting Regulations of 2009.
- (vi) That the 2017/18 Top Layer SDBIP be revised and submitted to Council after the approval of the Adjustments Budget.

(Die ANC, Diensleweringparty en KAPCO teken hul teenstemme aan.)

6. **AMENDMENT OF THE 2017/18 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) IN TERMS OF SECTION 54 (1) (C) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003)**

PURPOSE OF REPORT

To propose amendments to the key performance indicators as contained in the 2017/18 Service Delivery Budget Implementation Plan (SDBIP).

LEGAL AND REGULATORY FRAMEWORK

Section 54 of the Municipal Finance Management Act, 56 of 2003 (MFMA) regulates budgetary control and the early identification of problems. Subsection (1) (b) and (c) provides inter alia that -

"On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must -

- b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;*
- c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget."*

Section 54 (3) provides that -

"The Mayor must ensure that any revisions of the Service Delivery Budget Implementation Plan are made public promptly."

MFMA Circular 13 provides that: *"The top-layer of the SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). This council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance."*

DISCUSSION

The Mid-Year Budget and Performance Assessment was compiled in terms of Section 72 of the Municipal Finance Management Act, 56 of 2003 (MFMA) and submitted to the Mayor on 25 January 2018 with the recommendation that an adjustment budget be submitted to Council. The Mid-Year Budget and Performance Assessment and adjustment budget will be submitted to Council on 30 January 2018.

The Municipality's SDBIP comprises two distinct components, namely a financial and non- financial component. The financial component of the SDBIP comprises:

- Monthly projections of revenue by source and expenditure by type
- Monthly projections of expenditure and revenue (municipal Vote)
- Monthly capital expenditure per municipal vote
- Three-year capital works programme

The schedules comprising this information were contained in the adjustment budget.

The non-financial component comprises pre-determined objectives with key performance indicators and service delivery targets which are coupled to the national key performance areas of local government and the strategic objectives of the IDP. It has become necessary to make amendments and improvements to the Municipality's SDBIP as a result of the adjustment budget and lessons learnt from the 2016/17 performance audit which revealed potential problem areas with our KPI wording, evidence collation, targets and computation of actuals.

The proposed amendments to the SDBIP (Key performance indicators) are attached as **Annexure A on page 165 to 170** to this report. All amendments are in shaded blocks. Deletions are crossed out and additions are underlined. Revised targets are indicated in the column "Revised targets". The reason for amendments is indicated in the Comments / Reason for amendment Column.

MANAGEMENT RECOMMENDATION

That the amendments to the 2017/18 SDBIP attached as **Annexure A** be approved in terms of Section 54(1)(c) and made public in terms of Section 54(3) of the Municipal Finance Management Act, 56 of 2003 (MFMA).

RESOLUTION 3/2018

That the management recommendation be accepted as a resolution of Council.

(Raadslid Jacobs teken sy teenstem aan.)

7. **OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE ANNUAL REPORT FOR 2016/17**

PURPOSE OF REPORT

To present the Oversight Report on the 2016/17 Annual Report to the Municipal Council in terms of Section 129 of the Local Government Municipal Finance Management Act, Act 56 of 2003

LEGAL FRAMEWORK

Annual and Oversight Reports are regulated by the Local Government Municipal Finance Management Act No 56 of 2003 read together with the Local Government Municipal Systems Act, Act 32 of 2000 and MFMA Circular 32.

Local Government Municipal Finance Management Act No 56 of 2003 (MFMA):

1. Section 121 (1) requires every municipality to prepare an annual report. The municipal council must deal with this report within nine months of the end of the financial year.
2. Section 127 (5) (1) of the MFMA requires the accounting officer to make the annual report public and invite the local community to submit representations in connection with the annual report following the tabling thereof.
3. Section 127 (5) (b) of the MFMA requires that the tabled annual report also be submitted to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.
4. Section 129 (1) requires the municipal council to adopt an oversight report within 2 months of the tabling of the annual report which contains the councils comments on the annual report which must include a statement whether the council:
 - a) has approved the annual report with or without reservations; or
 - b) has rejected the annual report; or
 - c) has referred the annual report back for revision of those components that can be revised
5. Section 129(2) requires the Accounting Officer to attend the council meeting where the annual report is discussed, for the purpose of responding to questions concerning the report and submit copies of the minutes of the meeting to the Auditor-General, the relevant Provincial Treasury and the provincial Department of Local Government.
6. Section 129 (3) requires the accounting officer to make the Oversight Report public within seven days of its adoption.

Local Government Municipal Systems Act, Act 32 of 2000:

Section 46 of the Municipal Systems Act requires every municipality to prepare a performance report for each financial year which reflects the performance of the municipality and each of its external service providers during the financial year, as measured against predetermined targets as well as the performance of the previous year. The annual performance report must form part of the municipality's annual report.

DISCUSSION

The 2016/17 Annual Report was tabled in Council on 7 December 2017, and constituted a report on the Municipality's performance for the period 1 July 2016 to 30 June 2017.

The draft annual report was made public on the Council's website as well as municipal offices and the libraries and was advertised on 15 December 2017. The closing dates for comments was 16 January 2018. The draft annual report was also submitted to the Auditor-General, Provincial Treasury and the Department of Local Government as required in terms of Section 127 (5) of the MFMA. No comments were received by the due date. No comments were received.

The MPAC Committee, appointed in terms of section 79 of the Municipal Structures Act, 1998 was tasked to prepare an Oversight Report to Council. MPAC consists of:

NAME	DESIGNATION
Cllr Z Jacobs	Chairperson
Ald E Marthinus	Member
Cllr E Sauls	Member
Ald D Jantjies	Member

A special MPAC meeting was convened on 19 and 22 January 2018 to review the annual report and to enable the committee to compile the oversight report, including recommendations to Council on the adoption of the annual report.

The report of MPAC is attached as **Annexure on page 171 to 185**. The report includes a review of previous recommendations on the 2015/16 report, as well as its concerns and recommendation in relation to the 2016/17 report.

The recommendation of the Oversight Committee is as follows:

“After considering the 2016/17 Draft Annual Report, the Committee is satisfied that it reviewed all evidence and information provided and that it adequately performed its oversight function as envisaged by Section 129 of the MFMA.

MANAGEMENT RECOMMENDATION

The Committee is in a position to make an informed recommendation to Council to:

“Approve the 2016/17 Annual Report with reservations

The Committee’s reservation is as follows:

In general, we accept that the 2016/17 Annual Report is an accurate representation of the Municipality’s performance but that the processes for ensuring better performance, achievement of strategic goals and priorities as set by Council in the IDP and basic service delivery and accountability are inadequate. The Mayor and Executive have failed in their duty to resolve the performance failures.

The Council has the responsibility is to oversee the Executive but as an MPAC we are severely curtailed in the execution of our mandate as we are not allowed to interfere in the administration and have no power to politically influence the Executive. Where we are given a voice, such as Portfolio Committees our input is not recorded and lack of minutes of these meetings make them unproductive. The general detail and quality of reporting and performance in departments is therefore declining”.

Raadslid Tonisi stel ‘n alternatiewe besluit voor (gesekondeer deur Raadslid Burger).

Na die uitbring van stemme, word die volgende besluit geneem:

RESOLUTION 4/2018

- (i) That Council approves the 2016/17 Annual Report without reservations.
- (ii) That the reservations of the MPAC as mentioned in their report be discussed at a meeting to be held between the Executive Mayoral Committee and the MPAC.

(Raadsdame Marthinus en Raadsheer Jantjies teken hul teenstemme aan en kondig aan dat hulle gaan bedank as lede van die MPAC.)

8. OORWEGING VAN AANSOEKE OM DONASIES (5/18/1)

DOEL VAN VERSLAG

Om die aansoeke om donasies wat in terme van die Donasiebeleid ontvang is, te oorweeg.

AGTERGROND

Aansoeke om donasies in terme van die Raad se Donasiebeleid is soos per aangehegte skedule op **bladsy 186 tot 188** gedoen (volledige aansoeke is beskikbaar by Komiteedienste).

Die voorwaardes en terme waaraan die aansoeker moet voldoen is as volg. Genoemde voorwaardes en termes het as kennisgewing gedien waarmee voornemende aansoekers uitgenooi was om aansoek te doen vir die donasies:

- (i) Alle donasies sal onderhewig wees aan die bepalinge soos uiteengesit in Artikel 67 van die Munisipale Finansiële Bestuurswet (MFMA), Wet 56 van 2003;
- (ii) Die Raad bewillig jaarliks, binne sy finansiële vermoë, ‘n globale bedrag vir die toekenning van donasies;

- (iii) Skriftelik gemotiveerde aansoeke vir donasies wat voldoen aan die voorskrifte soos bepaal in artikel 67 van die MFMA, moet jaarliks voor einde September van die betrokke boekjaar ingedien word;
- (iv) Alle aansoeke ontvang tot en met einde September van elke betrokke boekjaar, sal gelyktydig oorweeg word vir organisasies wie se doelstellings en aktiwiteite versoenbaar is met daardie magte wat aan die munisipaliteit verleen is;
- (v) Donasies sal binne die begrote bedrag en volgens die Raad se uitsluitlike diskresie, slegs aan nie-winsgewende organisasies/instellings (welsyns-, diens-, liefdadigheidsorganisasies en opvoedkundige instellings) gemaak word;
- (vi) Donasies sal slegs toegeken word aan organisasies/instellings wat binne die regsgebied van Munisipaliteit Kaap Agulhas opereer;
- (vii) Slegs monitêre donasies sal toegeken word ter wille van deursigtigheid en om te verhoed dat nie-finansiële donasies ongelyke behandeling tot gevolg het.
- (viii) 'n Afskrif van u organisasie se jongste finansiële jaarstate moet die aansoek vergesel.

FINANSIËLE IMPLIKASIES

R120 000,00 is begroot vir die 2017/2018 boekjaar. (01/2010/200/001). Daar is 28 instansies wat in terme van die Raad se Donasiebeleid kwalifiseer en wat elk dus R4 000,00 kan ontvang.

Op 1 Desember 2017, Besluit BK215/2017, neem die UBK die volgende besluit:

- (i) *Dat die Finansies- en IT Dienste Komitee se aanbeveling nie as besluit van die Burgemeesterskomitee aanvaar word nie.*
- (ii) *Dat die aangeleentheid terug verwys word na die Komitee sodat alle aansoeke weer geverifieer kan word vir finale toekenning.*

BESTUURSAANBEVELING

- (i) Dat die volgende aansoeke oorweeg word:
 1. Kindersorg : Liefdesnessie Dienssentrum
 2. Kindersorg : Suiderster Bejaarde Klub
 3. Kindersorg : Bredasdorp
 4. Kindersorg : Nompumelelo
 5. Kindersorg : Lesedi Educare
 6. Kindersorg : Struisies Day Care
 7. Kindersorg : Kaap Agulhas Tuisversorging
 8. Kindersorg : Kammaland Versorgingsoord
 9. Kindersorg : Kammaland Educare
 10. Kindersorg : Emmanuel Dienssentrum
 11. Kindersorg : Napier
 12. ACVV
 13. ACVV : Ons Huis
 14. ACVV : Suideroord
 15. ACVV : Dienssentrum
 16. ACVV : Strandlopertjie Dienssentrum
 17. Bredasdorp Gesondheid en Welsynskomitee
 18. Huis Klippedrift
 19. Babbel en Krabbel Kleuterskool
 20. Wieggel en Waggel
 21. Lions Klub Bredasdorp
 22. Hoërskool Bredasdorp Joshua Groep
 23. Geluksoord Dienssentrum Elim
 24. Sea Hawks Rugbyklub
 25. Napier Rugbyklub

- 26. Meals on Wheels
- 27. Breyani
- 28. Southernmost Foundation
- 29. VG Kerk Napier

- (ii) Dat kennis geneem word dat nr. 29 (VG Kerk, Napier) op die skedule nie in terme van die beleid kwalifiseer nie (kerke is uitgesluit).
- (iii) Dat kennis geneem word dat dit in die verlede praktyk was dat toekennings aan instansies gemaak is ongeag of hulle oor finansiële state beskik het al dan nie. Die voorlegging van 'n bankstaat was voldoende.
- (iv) Dat die Raad dit oorweeg om die Donasiebeleid te hersien ten einde instansies wat nie oor finansiële state beskik nie, wel te kan akkommodeer.

BESLUIT 5/2018

- (i) Dat die bestuursaanbeveling as besluit van die Raad aanvaar word.
- (ii) Dat die begrote bedrag gelykop deur die 28 organisasies gedeel word.
- (iii) Dat die Donasiebeleid dringend deur die Raad hersien word.

(Raadslid Jacobs teken sy teenstem aan en wel omrede die beleid bepaal dat finansiële state voorgelê MOET word en daarom is die besluit teenstrydig met die beleid.)

Die vergadering verdaag om 12:15

BEKRAGTIG op hierdie

dag van

SPEAKER

DATUM: