



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OM 10:00 OP VRYDAG
31 JANUARIE 2020 IN DIE MUNISIPALE RAADSAAL TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON FRIDAY, 31 JANUARY 2020 AT 10:00
IN THE MUNICIPAL COUNCIL CHAMBERS, BREDASDORP**

RAADSLEDE / COUNCILLORS

MNR	R J BAKER	
MNR	G D BURGER	
MNR	D J EUROPA	
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 H Kröhn	Direkteur: Bestuursdienste
Mnr A Jacobs	Direkteur: Infrastruktuurdienste
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 Raadsdame Marthinus open die vergadering met gebed.

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

Raadslid C J Jacobs

3. **VOORLEGGING: ULTIMATE PROCUREMENT SOLUTIONS (“REVENUE ENHANCEMENT TURNAROUND STRATEGY”)**

Mnr Maurice Kannemeyer lig die Raad in oor die vordering wat die afgelope drie maande gemaak is ten opsigte van Masakhane personeel se ontwikkeling, opleiding en strategie. Hy dui ook aan dat die Masakhane personeel die afgelope twee maande bykans R2.6 miljoen agterstallige skuld gevorder het. Hy lig sekere aanbevelings aan die Raad uit wat tydens Februarie 2020 aangespreek sal word.

BESLUIT 1/2020

Die Raad neem met dank kennis van die voorlegging.

4. **OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE ANNUAL REPORT FOR 2018/19**

REPORT FROM THE OFFICE OF THE MUNICIPAL MANAGER

PURPOSE OF REPORT

To present the Oversight Report on the 2018/19 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 2018/19 Annual Report was tabled in Council on 10 December 2019, and constituted a report on the Municipality's performance for the period 1 July 2018 to 30 June 2019.

The draft annual report was made public on the Council's website as well as municipal offices and the libraries and was advertised in the press. The closing dates for comments was 13 January 2020. 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. Provincial Treasury submitted comments late, so their submission was not considered by MPAC. There concerns were however already identified by MPAC.

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 22 January 2020 to review the annual report and to compile the oversight report, including recommendations to Council on the adoption of the annual report.

The report of the MPAC is attached on **page 1 to 14**. The report also contains recommendations on additional information to be provided to MPAC with a view to improving governance.

MANAGEMENT RECOMMENDATION

Council, having fully considered the Draft 2018/19 Annual Report of Cape Agulhas Municipality resolves:

- (i) That the Council adopt the 2018/19 Oversight Report and approve the 2018/19 Annual Report without reservations in terms of Section 129 (1)(a) of the Local Government Municipal Finance Management Act, Act 56 of 2003.
- (ii) That the accounting officer submit copies of the minutes of this Council Meeting to the Auditor-General, the relevant Provincial Treasury and the Provincial Department responsible for Local Government in the Province.
- (iii) That the accounting officer make the Oversight Report public in accordance with section 21A of the Municipal Systems Act within seven days.
- (iv) That the recommendations made by MPAC in the 2018/19 Oversight Report be addressed.

RESOLUTION 2/2020

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

5. **MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: ADJUSTMENTS BUDGET FOR 2019/2020 FINANCIAL YEAR (DFS)**

The Director: Finance reports as follows -

PURPOSE OF REPORT

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.

BACKGROUND

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 2018/19 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 2019 reflects on page 23 of the mid-year report attached on **page 15 to 40**.

1.2 PROJECTED ESTIMATES: REVENUE AND EXPENDITURE - 2019/20

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 18 - 21 of the mid-year report attached as **Annexure** to this item.

1.3 ADJUSTMENT BUDGET 2019/20

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"** 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 on **page 41 to 80**.

3. MUNICIPAL ENTITY PERFORMANCE

The municipal entity - Southernmost Development Agency (SOC) LTD is still 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 Budget Assessment Report attached as Annexure "A".
- (ii) Council considers the approval of the adjustment budget (Page 17 and 18 of the Adjustments Budget Report) for the financial year 2019/2020, and indicative for the projected outer years 2020/2021 and 2021/2022 attached as Annexure "B".
- (iii) Council considers the content of the Mid-Year Performance Assessment Report attached as Annexure "C".
- (iv) Council resolves that a hard and electronic copy of the complete adjustment budget be submitted to National and Provincial Treasury respectively for information.
- (v) That the following changes be incorporated in the adjustment budget: LED Construction Project (capital) R300 000 - Additional; Electricity (professional services) R1,185 800 - Deduction.

RESOLUTION 3/2020

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

6. AMENDMENT OF THE 2019/20 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 2019/20 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 interalia 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:

“3 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 24 January 2020 with the recommendation that an adjustment budget and SDBIP amendments be submitted to Council. The Mid-Year Budget and Performance Assessment and adjustment budget will be submitted to Council on 31 January 2020.

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 the financial information are 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 goals, and 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, as well as lessons learnt from the 2017/18 and 2018/19 performance audit by the Auditor General which revealed potential problem areas with the consistency of some of our KPI's, units of measure, annual and quarterly targets. Attention was also given to further re-alignment of the National KPI's, Strategic goals, strategic objectives and municipal KPA's, which was an outcome of the 2017/18 audit. The National KPA Basic Service Delivery was audited and as a result, the audit sample was excessive and took considerable time to audit. The Auditor General then advised us to review our alignment and reduce the KPI's linked to basic service delivery. This has been done with cognizance of the framework provided in the IDP.

The proposed amendments to the SDBIP (Key performance indicators) are attached as **Annexure A** on **page 81 to 97** to this report. All amendments are in shaded blocks. Deletions are crossed out and amendments are underlined. The reason for amendments is indicated in the Reason Column.

MANAGEMENT RECOMMENDATION

That the amended 2019/20 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 4/2020

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

7. **UPDATED LONG-TERM FINANCIAL PLAN ASSESSMENT BASED ON THE 2018/19 PRE-AUDITED FINANCIAL RESULTS**

PURPOSE OF REPORT

For Council to take note of the updated long term financial plan assessment done by INCA Portfolio Managers in respect of the 2018/19 pre-audited financial statement results.

BACKGROUND

The long-term financial plan (LTFP) has been completed by INCA Portfolio Managers during May 2015 and in terms of the arrangement been updated on an annual basis to reflect any progress made with the implementation of the approved long term financial plan strategies.

The long term financial plan assessment has been completed for the period 1 July 2018 till 30 June 2019 and reflected a positive outcome with reference to the following comments made in the report:

“Cape Agulhas’ financial position and performance has improved year-on-year over the last few years and there are clear indications that the recommendations made in the LTFP and updates are implemented and is delivering positive results.

The recommendations made in the long-term financial plan are being addressed, specifically as it relates to -

- The building of liquidity and preservation of cash resources, evidenced in the growing cash balance and effective utilisation of borrowing to part-fund the capital programme, instead of over reliance on own cash resources;
- The curtailment and careful management of operating expenses, evidenced in the relatively low growth in expenditure compared to growth in revenue, which resulted in increased profits.”

For the municipality to maintain and / or even improve its financial sustainability it should keep the main focus on constantly improving the liquidity of the municipality, strive to improve the debt collection rate and intentionally keep implementing an unbalanced funding mix for capital investment, favouring capital grants and external borrowing as funding sources, over the utilisation of own cash resources.

It is further suggested to review and updated the long term financial plan strategy aligned with the key findings in the report for strategic decision making / policy formulation during the 2020/21 budget preparation process. A copy of the updated long term financial plan is attached as a **separate document**, for council’s consideration.

LEGAL IMPLICATION

Non-compliance to prescribed legislation and external loan conditions.

FINANCIAL IMPLICATION

Proposals to be review for updating the LTFP strategy and incorporation as part of the 2020/21 MTREF budget consideration aligned with the updated targets for implementation subject to availability of funding.

PRESENTATION: INCA PORTFOLIO MANAGERS

Mr Attie van Zyl and Charl Bouwer made a presentation to inform Council of the financial facts and predictions about the current financial status. They explain the process followed to do the analysis, which included historical financial assessments, IDP- and infrastructure master plans, long term financial planning and the asset register. They focussed on the debt collection rate as well as the rehabilitation- and future costs of the land-fill site.

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

MANAGEMENT RECOMMENDATION

- (i) Council takes note of the updated long term financial plan submitted by INCA Portfolio Managers and;
- (ii) Council resolves that the Chief Financial Officer reviews and update the LTFP strategy accordingly if so required.

RESOLUTION 5/2020

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

8. **RECOVERING OF AND/OR WRITING OFF IRREGULAR EXPENDITURE FOR 2018/19 FINANCIAL YEAR**

PURPOSE OF REPORT

For council to consider the unauthorised capital expenditure incurred by the municipality and investigate the irregular expenditure identified by the Auditor-General during the 2018/19 financial year audit for approval and / or to be written off.

BACKGROUND

In terms of section 32(1) of the MFMA any political office-bearer or official of a municipality is liable for unauthorized expenditure if -

- An office-bearer knowingly or after having been advised by the accounting officer that the expenditure is likely to result in unauthorized expenditure, instructed an official of the municipality to incur the expenditure;
- The accounting officer deliberately or negligently incurred unauthorized expenditure, subject to subsection (3) whereby the accounting officer has informed the Council in writing that the expenditure is likely to be unauthorized, irregular or fruitless and wasteful expenditure;
- Any political office-bearer or official deliberately or negligently committed, made or authorized an irregular expenditure; or
- Any political office-bearer or official deliberately or negligently made or authorized a fruitless and wasteful expenditure.

Furthermore section 32(2) of the MFMA prescribes that a municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure -

- (a) in the case of unauthorized expenditure, is -
 - (i) authorized in an adjustment budget; or
 - (ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and
- (b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

Unauthorised expenditure to the amount of R3,146 million took place mainly due the "Energy Efficiency Demand Side Management Grant" expenditure incorrectly been budgeted as part of operating expenditure whilst due to the nature of the expense been determined to be capital expenditure during the infrastructure unbundling process in line with GRAP 17 requirements.

Additional irregular expenditure to the value of R4,262 million was identified by the Auditor General mainly due to the change in the interpretation of SCM regulation 32 through high court judgements in respect of the procurement of goods and services under contracts by other organs of state which is now regarded as non-compliance with the Supply Chain Management Regulations as a result of an additional requirement whereby the award of these contracts are now limited to the portion forfeited by the other organ of state applied retrospectively as well as one instance whereby the municipality conduct business with a service provider without a valid contract to the value of R128k.

Attached on **page 98 and 99** is the updated and amended register in respect of unauthorized, irregular, fruitless and wasteful expenditure for the period July 2018 to June 2019 for Council's investigation and/or verification if so required.

LEGAL IMPLICATION

Non-compliance if not adhere to the prescripts as stipulated per above mentioned legislation.

FINANCIAL IMPLICATION

In terms of the prescribed legislation a Council must recover any unauthorized, irregular or fruitless and wasteful expenditure deliberately or negligently incurred by a political office-bearer or official of the municipality for which he / she will be held liable after a thorough investigation been completed.

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

MANAGEMENT RECOMMENDATION

- (i) Council considers the irregular expenditure identified by the Auditor General to the value of R4 390 267 as well as the unauthorized expenditure identified to the value of R3 145 970 (Updated and Amended register - Annexure "A") for recovery or certification as irrecoverable and written off.
- (ii) Council promptly informs the MEC for local government and Auditor-General in writing of the unauthorized, irregular, fruitless and wasteful expenditure incurred by the municipality for the periods under review inclusive of the council resolution on the outcome of finding.

RESOLUTION 6/2020

- (i) That Council approves the irregular expenditure identified by the Auditor General to the value of R4 390 267 as well as the unauthorized expenditure identified to the value of R3 145 970 (Updated and Amended register - Annexure "A") for recovery or certification as irrecoverable and written off.
- (ii) That the items that are still marked as "under investigation", be referred to MPAC for investigation and recommendations to Council.
- (iii) That Council promptly informs the MEC for local government and Auditor-General in writing of the unauthorized, irregular, fruitless and wasteful expenditure incurred by the municipality for the periods under review inclusive of the council resolution on the outcome of finding.

9. **UNFORESEEN EXPENDITURE IN TERMS OF SECTION 29 OF THE MFMA: INSTALLATION AND EQUIPMENT OF TWO BOREHOLES AT STRUISBAAI**

PURPOSE OF REPORT

To obtain the Executive Mayor's approval to proceed with the installation and equipment of two boreholes at Struisbaai in terms of Section 29 of the MFMA due to unforeseen circumstances which could not be foreseen.

BACKGROUND

The MFMA in terms of section 29 does allow that the Executive Mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget based on the following conditions that any of such expenditure:

- Must be in accordance with any framework that may be prescribed;
- May not exceed a prescribed percentage of the approved annual budget;
- Must be reported by the mayor to the municipal council at its next meeting; and
- Must be appropriated in an adjustments budget.

On Saturday, 13 December 2019 it was reported by the Manager: Water Services that the residents in Struisbaai started to experience water problems mainly as a result of the following unforeseen circumstances that attributed to the water problem prior to the actual reporting date:

- The sudden electricity load shedding experienced by the municipality without any notification from Eskom impacted negative on the water supply to the reservoir from the boreholes at Struisbaai. During 9 - 14 December 2019 South Africa experienced severe load shedding schedules as brought on by Eskom. So much so that at one stage Stage 6 load shedding was implemented for the first time in the country. Because the existing infrastructure has no back up power this meant that the water infrastructure in Struisbaai was not operational during load shedding. As a result, the water levels in the Struisbaai reservoirs dropped significantly;
- The influx of people during the festive season and the increased water demand further contributed to the fact that the water inflow to the reservoir is not sufficient to maintain the acceptable water level with enough pressure to provide water at the higher situated areas;
- The water flow from the L'Agulhas reservoir to the Struisbaai reservoir also had to be limited and managed to ensure that an acceptable water level remains to provide sufficient water in the L'Agulhas area;
- The one borehole (Borehole 4) becomes non-functional as a result of the water pump which fell in the borehole and could not be retrieved despite many efforts made by the municipality prior to the actual water crisis. Struisbaai water is normally supplied from 6 boreholes of which two were not operational due to the following reasons:
 1. Borehole 8 previously collapsed and has not been in operation for quite some time since 2016 and had no significant impact on the water provision over the past few years with everything normal;
 2. Borehole 4 experienced an electrical failure on 11 December 2019 brought on by load shedding. The Water department in Struisbaai tried to recover the borehole pump from borehole 4 for remedial work to commence. However, after failing to retrieve this pump assistance from an external contractor was called upon to help lift the pump out of the borehole. The external contractor tried to retrieve borehole 4 pump up until 13 December 2019 but also failed to do so. The Water department realised borehole 4 could not be retrieved and/or recovered.

Based on previous experiences it was envisaged that the remaining boreholes would not cope with the coming demand over the festive period and that the reservoirs would run dry at some stage if nothing serious is done to rectify the situation.

With the collapse of borehole 4 and the increasing demand for water provision due to the backlog experienced with the electricity load shedding it becomes more imperative not only to fix borehole 4 but also to get borehole 8 up and running to maximise the water inflow to the Struisbaai reservoir to provide water in all areas affected. On 16 December 2019 the reservoirs ran dry and there was no means to feed high rising areas in Struisbaai with water. The only solution is to drill two new boreholes next to the existing boreholes mentioned.

Due to this unforeseen circumstances it might be a challenge to appoint a suitable service provider through the correct supply chain management procedure due to the urgency of the matter and the health risk for having people without any water for a too long period of time. Because this problem occurred just before the builder's holiday (which started on 13 December 2019), appointing a contractor to assist with remedial work would be a great challenge. The municipality through enquiry could manage to find one drilling contractor who is willing to assist Cape Agulhas Municipality during this time and who can start with the drilling of two new boreholes next to the failed boreholes as an emergency action to assist with the high demand within the town.

The request is to appoint Drilling Master / Absolute Drilling who the only contractor willing to assist the municipality immediately with the drilling and equipment of the two boreholes as suggested. Furthermore also to condone the fact that Drilling Master is not registered and / or not willing to register on the prescribed central supplier database which might be regarded as irregular expenditure.

The impact of the unforeseen load shedding / power failure and the non-functional of all available resources definitely poses a huge risk to the continuous water provision in the Struisbaai area specific over the peak season.

The immediate risk the Municipality may face can include but are not limited to:

- Loss of critical assets
- Loss of water revenue
- Inability to provide services
- Client dissatisfaction
- Creation of liabilities
- Reputation risk
- Additional on-going costs
- Difficulty in providing services

All these risk can have an inherent risk that may lead to additional financial implications should this not be addressed immediately.

LEGAL IMPLICATION

Non-compliance to prescribed legislation and SCM regulations.

FINANCIAL IMPLICATION

Based on the quotation received from Drilling Master / Absolute Drilling for the drilling and equipment of the two boreholes the expenditure been estimated at a value of R800 000.

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

MANAGEMENT RECOMMENDATION

- (i) Council takes note of the Executive Mayor's approval of unforeseen expenditure to the estimated amount of R800 000 for the drilling and equipment of two boreholes at Struisbaai in terms of section 29 of the MFMA; and
- (ii) Considers the approval of the of irregular expenditure in terms of the SCM regulations whereby Drilling Master is not registered nor willing to register on the central supplier database to the amount of R526 222,75. (The only drilling contractor willing to assist the Cape Agulhas Municipality due to the start of the builder's holiday 13 December 2019).

RESOLUTION 7/2020

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

10. **AMENDMENT / EXTENTION OF CONTRACT: FIDELITY SECURITY SERVICES (SCM 12/2016/17)****PURPOSE OF REPORT**

To obtain approval in terms of Part 20.14 of the Municipal Supply Chain Management Policy and System [SCMP] issued in terms of section 111 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) - [MFMA] and adopted by Council in 2016 and section 116 (3) (a) of the Municipal Finance Management Act that the municipality intends to amend the existing contract with **Fidelity Security Services**.

BACKGROUND

On 2 February 2017, the Cape Agulhas Municipality [CAM] concluded a formal agreement with **Fidelity Security Services** for the transportation of cash. This agreement ends on 31 January 2020.

We want to start a process to get all contracts in line with the financial year because it will make the management of the contract and the budgeting for the service much easier.

The Municipality now wishes to invoke the aforementioned contractual condition and amend the service level agreement effectively from the date of signatory.

The rationale for the above conclusion is that Fidelity Security Services:

1. Confirmed in writing its willingness to render the services at the same terms and conditions.
2. Rendered adequate services till date.
3. Has initially been appointed after an open bidding process in terms of the abovementioned services.
4. Can ensure continuous service delivery.

FINANCIAL IMPLICATIONS

The extended contract will be funded from 01/3020/150000 (Security Services)

The cost will be R107 500 (February to June - R21 500 x 5) The cost is already included in the current budget.

MANAGEMENT RECOMMENDATION

That the proposed amendment / extension of the contract of **Fidelity Security Services**: as per Parts 20.14 of the Municipal SCM Policy and System and in terms of Section 116(3) of the Municipal Finance Management Act 2003 (Act 56 of 2003), be approved at the same terms and conditions.

RESOLUTION 8/2020

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

11. **AMENDMENT / EXTENTION OF CONTRACT: CAB HOLDINGS (SCM 11/2016/17)****PURPOSE OF REPORT**

To obtain approval in terms of Part 20.14 of the Municipal Supply Chain Management Policy and System [SCMP] issued in terms of section 111 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) - [MFMA] and adopted by Council in 2016 and section 116 (3) (a) of the Municipal Finance Management Act that the municipality intends to amend the existing contract with **CAB Holdings Pty Ltd**.

BACKGROUND

On 2 March 2017, the Cape Agulhas Municipality [CAM] concluded a formal agreement with **CAB Holdings Pty Ltd** for the printing and distribution of municipal account. This agreement ends on 29 February 2020.

We want to start a process to get all contracts in line with the financial year because it will make the management of the contract and the budgeting for the service much easier.

The Municipality now wishes to invoke the aforementioned contractual condition and amend the service level agreement effectively from the 1 March 2020 to 30 June 2020.

The rationale for the above conclusion is that CAB Holdings Pty Ltd:

1. Confirmed in writing its willingness to render the services at the same terms and conditions.
2. Rendered adequate services till date.
3. Has initially been appointed after an open bidding process in terms of the abovementioned services.
4. Can ensure continuous service delivery.

FINANCIAL IMPLICATIONS

The extended contract will be funded from 01/3020/292000 (Postage)

The cost will be R80 000 (March to June - R20 000 x 4) The cost is already included in the current budget.

MANAGEMENT RECOMMENDATION

That the proposed amendment / extension of the contract of **CAB Holdings Pty Ltd**: as per Parts 20.14 of the Municipal SCM Policy and System and in terms of Section 116(3) of the Municipal Finance Management Act 2003 (Act 56 of 2003), be approved at the same terms and conditions.

RESOLUTION 9/2020

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

12. **HERSIENING VAN RAADSBESLUIT: VERVREEMDING (VERKOOP): ERWE 4185, 4186, 4187, 4201, 4200, 4209 EN 4195, STRUISBAAI (15/5/R - BSSB) (WYK 5)**

DOEL VAN VERSLAG

Om Raadsbesluit 204/2019, gedateer 10 Des 2019 te hersien, aangesien die item foutiewelik bespreek en genotuleer is. Die item het gehandel oor:

“Om oorweging te skenk aan die vervreemding van erwe 4185, 4186, 4187, 4201, 4200, 4209 en 4195, Struisbaai.”

ITEM SOOS AAN DIE RAAD VOORGELê:

ALGEMENE INLIGTING

Eienaar	:	KAM
Eiendom	:	Erwe 4185, 4186, 4187, 4201, 4200, 4209 en 4195 Struis Crescent, Struisbaai
Erf Groottes	:	Erf 4185 = 1 258m ² Erf 4186 = 1 796m ² Erf 4187 = 1 144m ²

Erf 4201 = 945m²
 Erf 4200 = 945m²
 Erf 4209 = 2 403m²
 Erf 4195 = 1 701m²

Huidige Sonering : Industrieel

AGTERGROND

Verskeie versoeke is ontvang vir die beskikbaarstelling van verdere industriële erwe in Struisbaai. Die volgende erwe beskikbaar vir vervreemding: Erwe 4185, 4186, 4187, 4201, 4200, 4209 en 4195, Struisbaai.



MARKWAARDASIE: PHILIP ELOFF

Mnre Philip Eloff se waardasie met die vorige erwe verkoop op die veiling was as volg:

Property description: ERVEN 1825, 4199, 4198, 4197, 4196 AND 4210, STRUISBAAI

I, Philip Eloff, hereby certify that I have inspected the subject properties herein described, that I have no pecuniary interests in the property and that I have verified particulars contained herein, that I have valued the subject property to the best of my ability and knowledge and have found the market value of the subject properties at 22August 2018 to be:

- Erf 4184 (1 275m²) at R320 / m² compounding R408 000 rounded to R400 000
- Erf 4199 (946m²) at R350 / m² compounding R331 100 rounded to R330 000
- Erf 4198 (939m²) at R350 / m² compounding R328 650 rounded to R329 000
- Erf 4197 (936m²) at R350 / m² compounding R327 600 rounded to R328 000
- Erf 4196 (954m²) at R350 / m² compounding R333 900 rounded to R334 000
- Erf 4210 (2 849m²) at R300 / m² compounding R854 700 rounded to R855 000

PRYSE ONTVANG (ERWE IS REEDS VERKOOP)

Pryse ontvang tydens vorige veiling was as volg:

Erf 4199	946m ²	R 833 750
Erf 4210	2 848m ²	R1 495 000
Erf 4196	954m ²	R 517 500
Erf 4197	936m ²	R 575 000
Erf 4184	1 257m ²	R1 150 000
Erf 4198	939m ²	R 603 750

Dus 'n gemiddelde bedrag van R656,73/m².

VOORGESTELDE RESERWE PRYSE

Na aanleiding van die bogenoemde gemiddelde bedrag per vierkante meter, word die volgende bedrae voorgestel met Mnre Dealcor se voorgestelde waardes, aangesien die ligging van erwe ook die veilingswaarde beïnvloed:

ERF	R656,73/m ²	DEALCOR
4185	R826 166,34	R720 000,00
4186	R1 179 487,08	R940 000,00
4187	R751 299,12	R600 000,00
4201	R620 609,85	R500 000,00
4200	R620 609,85	R500 000,00
4209	R1 578 122,19	R1 100 000,00
4195	R1 117 097,73	R890 000,00

FINANSIËLE IMPLIKASIES

Vervreemdingsinkomste vir KAM.

WETLIKE IMPLIKASIES

Council policy	Alienation of land
MFMA	<ol style="list-style-type: none"> Sect 14(2)(a): asset not required for minimum level of basic services. Sect 14(2)(b): consider fair market value and economic and community value to be received in exchange for the asset. Items in 1 and 2 only to be complied with if the asset to be transferred is a high value asset (see definition of MATR below). Sect 33: Contracts having long term financial implications.
MATR	<ol style="list-style-type: none"> Definition of "high value asset": "fair market value of the capital asset exceeds any of the following amounts: a) R50 million; b) One percent of the total value of the capital assets of the municipality.... c) An amount determined by resolution of the council of the municipality ... which is less than (a) or (b). Definition of "realisable value": fair market value <u>less</u> estimated costs of completion. Definition of "right to use, control or manage": when granting such rights do not amount to permanent transfer or disposal. Regulation 5 (decision-making). Regulation 6 (public participation)
SCM Regulations SCM Policy	Regulation 40: (Disposal Management) Project for job creation, skills development, poverty alleviation and economic growth
Systems Act (public participation)	Section 21A: (1) All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal finance Management Act or other applicable legislation, must be conveyed to the local community: (a) by displaying the documents at the municipality's head and satellite offices and libraries; (b) by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21 B; and (c) by notifying the local community, in accordance with section 21, of the place, including website address, where detailed particulars concerning the documents can be obtained.
Town Planning legislation	No application is required.

BESTUURSAANBEVELING - RAADSVERGADERING: 10 DESEMBER 2019

- (i) Aangesien die eiendomme, ingevolge Art 14(2)(a) van die Plaaslike Regering: Munisipale Finansiële Bestuurswet nie vir die lewering van die minimum vlak van basiese dienste benodig word nie, in-beginsel-goedkeuring verleen word vir die verkoop van Erwe 4185, 4186, 4187, 4201, 4200, 4209 en 4195 Struisbaai.
- (ii) Dat die genoemde erwe op publieke veiling verkoop word.
- (iii) Dat die genoemde erwe vir industriële doeleindes aangewend word.

RAADSBESLUIT 204/2019: 10 DESEMBER 2019

- (i) Aangesien die eiendomme, ingevolge Art 14(2)(a) van die Plaaslike Regering: Munisipale Finansiële Bestuurswet nie vir die lewering van die minimum vlak van basiese dienste benodig word nie, in-beginsel-goedkeuring verleen word vir die verkoop van Erwe 4185, 4186, 4187, 4201, 4200, 4209 en 4195, Struisbaai.
- (ii) Dat die genoemde erwe op publieke veiling verkoop word.
- (iii) Dat die reserweprys soos volg sal geld:
 - Erf 4184 R400 000
 - Erf 4199 R330 000
 - Erf 4198 R329 000
 - Erf 4197 R328 000
 - Erf 4196 R334 000
 - Erf 4210 R855 000
- (iv) Dat die erwe aanliggend aan “pad D” ontwikkel word vir plaaslike entrepreneurs - Befondsing kan moontlik uit verkoopprijs van bogenoemde eiendomme reserveer word vir die voormelde ontwikkeling.

Dat die waardasies van “DEALCOR” wat gebaseer is op vorige verkope (R656,73/m²) gebruik word om die reserweprijs vas te stel.

BESTUURSAANBEVELING

- (i) Dat Raadsbesluit 204/2019, geneem op 10 Desember 2019, herroep word.
- (ii) Aangesien die eiendomme, ingevolge Art 14(2)(a) van die Plaaslike Regering: Munisipale Finansiële Bestuurswet nie vir die lewering van die minimum vlak van basiese dienste benodig word nie, in-beginsel-goedkeuring verleen word vir die verkoop van Erwe 4185, 4186, 4187, 4195, 4200, 4201 en 4209 Struisbaai.
- (iii) Dat die genoemde erwe op publieke veiling verkoop word.
- (iv) Dat die reserweprys soos volg sal geld:
 - Erf 4185 R 720 000
 - Erf 4186 R 940 000
 - Erf 4187 R 600 000
 - Erf 4195 R 890 000
 - Erf 4200 R 500 000
 - Erf 4201 R 500 000
 - Erf 4209 R1 100 000

BESLUIT 10/2020

Dat die bestuursaanbeveling as ‘n besluit van die Raad aanvaar word.

13. **VERSOEK: DROOGTEHULP DEUR KORTING OP HUUROOREENKOMSTE - BESTAANDE HUURDERS (BAO)**

DOEL VAN VERSLAG

Om oorweging te skenk om korting toe te staan aan bestaande huurders van meentgronde as gevolg van die droogte van 2019.

ALGEMENE INLIGTING

Die volgende versoeke is ontvang:

1. Agri Dwala (Pty) Ltd ook t/a Amaqhawe Agri
2. Umhlaba Wabizo Livestock Farming Primary Co-Op
3. AGV Boerdery (PTY) Ltd
4. Change Agri (PTY) Ltd

AGTERGROND

Die bogenoemde opkomende boere is almal bestaande huurders van Kaap Agulhas Munisipale meentgrond. 2019 Was in landboukringe geken as die droogste jaar die afgelope 20 jaar en die weersomstandighede en die tekort aan die regte hoeveelheid reën op die regte tye van die jaar, het 'n baie negatiewe uitwerking op die oeste gehad. Oeste wat wel ingesamel is, het bykans die helfte van die gemiddelde opbrengs gelewer. **Volgens meneer Johan Lusse (General Manager: Grain & Agri Services) by Overberg Agri, was die gemiddelde verlaging in normale huurwaardes 33%** (sien skrywe aangeheg op *bladsy 100*).

Hierdie negatiewe uitwerking op oeste het die volle landboubedryf negatief geraak, wat ook weer 'n wesentlike uitwerking op die hele gemeenskap se spandeervermoë gehad het. Die droogte het ook 'n direkte invloed gehad op die genoemde opkomende boere, aangesien hulle eerstens baie kleiner oeste gehad het, tweedens 'n baie laer inkomste gehad het en dertens 'n negatiewe uitwerking op hul beplanning en kosteberekening vir die komende 2020 seisoen.

Dis om hierdie rede dat die genoemde opkomende boere die raad genader het met die versoek om 'n addisionele korting te gee op die bestaande huurgeld betaalbaar.

Van die huurkontrakte maak voorsiening dat **"in gevalle waar die oes nadelig beïnvloed is deur uiterste weerstoestande, 'n voorlegging aan die Raad gedoen kan word vir die heroorweging van die huurtarief"**.

KONTRAKBEPALINGS

1. **Agri Dwala (Pty)Ltd ook t/a Amaqhawe Agri**
 Huur: Erf 513, Napier
 Grootte: 617Ha
 Termyn: 1 Januarie 2016 tot 31 Desember 2025
 Huurgeld: Jaar 4 - Vasgestel op R2 147/ha
 Betaal slegs op grond wat werklik bewerk is (paragraaf 2.4.)
2. **Umhlaba Wabizo Livestock Farming Primary Co-Op**
 Huur: Erf 1148, Bredasdorp
 Kampe: Bergtensgarden kamp 9 (39Ha)
 Moresonkampe 1 - 3 en 6 - 8 (88Ha)
 Grootte: 127Ha
 Termyn: 1 Januarie 2016 tot 31 Desember 2025
 Huurgeld: Jaar 4 - Vasgestel op R80 860,11 (ongeaag hoeveel geplant is)
3. **AGV Boerdery (PTY) LTD**
 Huur: Erf 1148, Bredasdorp
 Kampe: Kampe 1 tot 11, en 13
 Grootte: 349Ha
 Termyn: 1 Januarie 2016 tot 31 Desember 2020 (5 Jaar)
 Huurgeld: Jaar 4 - Vasgestel op R131 304 **OF**
 Opbrengs (Ton/ha) x Prys/ton x 2.5 = YYY x 3 % = **Jaarlikse huurgeld**
 (ongeaag hoeveel geplant is)

4. Change Agri (PTY) Ltd

Huur: Erf 1148, Bredasdorp
 Kampe: Kampe 12, 14 tot 17 en 19 tot 20
 Grootte: 302Ha
 Termyn: 1 Mei 2019 tot 30 April 2021 (2 Jaar)
 Huurgeld: Jaar 1 - Vasgestel op R194 553,92 (ongeaag hoeveel geplant is)

VERSOEK VAN HUURDERS

Die huurders versoek dat die Raad hul huurgeld eenmalig vir 2019 moet aanpas met 50% van die betaalbare huur. In Change Agri se geval is die versoek dat hul ooreenkoms eers in Mei 2019 gefinaliseer was en dat daar eers in die eerste week van JUNIE geplant kon word en nie die hele 302Ha kon geplant word nie. Slegs 238.5HA (van die 302Ha) van die grond kon geplant word as gevolg van die droogte, terwyl al die ander voorwaardes van instandhouding wel nagekom is.

SOOS VERSOEK:

HUURDER	PRYS	KORTING VERSOEK 50%	KORTING TOEGESTAAN 33%	POTENSIËLE FINANSIELE IMPLIKASIE: VERLIES
Agri Dwala (Pty)Ltd ook t/a Amaqhawe Agri	R 2 147/ha 2018 -226HA geplant 2018 – 95HA (Amaqhawe) = 321Ha + R689 187- korting = R372 054.44	R1073.50/ha R186 027.22	R122 778 (R372 054.44 X 33%) Betaalbaar R 249 276.44	R122 778
Umhlaba Wabizo Livestock Farming Primary Co-op	op R 80 860.11	R 40 430.00	R26 683.83 Betaalbaar R54 176.27	R26 683.83
AGV Boerdery (PTY) Ltd	R131 304 OF 2018 599.112 ton @ gemid prys van R3378.91 = Oeswaarde R2 024 347.44 x 2.5 x 0.03 = R 151 826.06 (BTW in R174 599.97)	R 87 300	R 57 618 Betaalbaar R 116 982.00	R57 618
Change Agri (PTY) Ltd	R 194 553.92 302Ha	R153 646.05 (238.5Ha) – Pro rata	R 50 703.19 Betaalbaar R102 942.85	R50 703.19
TOTALE MOONTLIKE VERLIES	Gebaseer op 2018 se oeste			R257 783.02

FINANSIËLE IMPLIKASIES

Dat die moontlike inkomstetekort vir die Raad meer as R257 783 kan beloop (tekort op posnommer 1/25/24/671/000 - 18% van die beoogte inkomste).

BESTUURSAANBEVELING

Dat die Raad goedkeuring gee dat 'n 33% eenmalige korting aan die volgende opkomende boerderye as gevolg van uiterste droogtetoestande, toegestaan word, nl. Agri Dwala (Pty) Ltd ook t/a Amaqhawe Agri, Umhlaba Wabizo Livestock Farming Primary Co-op, AGV Boerdery en Change Agri (PTY) Ltd.

BESLUIT 11/2020

Dat die bestuursaanbeveling as 'n besluit van die Raad aanvaar word.

14. **KWARTAALVERSLAG OOR DIE OUDITKOMITEE SE WERKSAAMHEDE VIR DIE KWARTAAL GEËINDIG 30 SEPTEMBER 2019 (MB)**

DOEL VAN VERSLAG

Verslagdoening aan die Raad oor die Ouditkomitee se werksaamhede en die uitvoering van die Komitee se pligte vir die kwartaal geëindig 30 September 2019.

AGTERGROND

In terme van Nasionale Tesourie se Omsendskrywe 65 van 2003 moet die Komitee op 'n kwartaallikse basis verslag aan die Raad doen oor die uitvoering van hulle funksies en werksaamhede asook werksaamhede van die interne oudit afdeling. Hierdie omsendskrywe is in 2012 aangepas om by die jongste verwikkelinge en verwagtinge rondom die Komitee, interne oudit en risiko bestuur aan te pas.

Op grond van hierdie skrywe het die komitee sy kwartaal verslag, soos aangeheg op **bladsy 101 tot 104** uitgebring vir bogemelde kwartaal en wat nou aan die Raad voorgelê word vir oorweging.

Die Raad se aandag word graag op die volgende pertinente punte gevestig:

"Par. 5(b):

However, the Committee does have concerns on the following issues:

- I. The vacancy of the Risk Management Shared Service Chief Risk Officer resulting in a lack of regional coordination;*
- II. The Committee still has concerns with unresolved matters regarding the new financial system. This includes, inter alia, difficulties with reporting requirements, reconciliations and the fact that certain modules had not been signed off. This can have a serious impact on the municipality's operational activities; and*
- III. Feedback required on the actual functionality and usage of the HR information systems."*

PERSONEEL IMPLIKASIES

Geen.

FINANSIËLE IMPLIKASIE

Geen.

WETLIKE IMPLIKASIE

Voldoening aan artikel 166 van die MFMA, 2003 (Wet No. 56 van 2003) en Nasionale Tesourie Omsendskrywe 56 van 2003.

BESTUURSAANBEVELING

Dat die Raad die inhoud van die Komitee se kwartaalverslag vir die tydperk geëindig 30 September 2019 oorweeg en aanvaar.

BESLUIT 12/2020

Dat die bestuursaanbeveling as 'n besluit van die Raad aanvaar word.

15. **UDITEUR-GENERAAL OUDITBEVINDINGE: 2018/19 - OUDIT AKSIEPLAN (OPCAR)**

DOEL VAN VERSLAG

Om die voorgestelde OPCAR vir 2018/19 ten opsigte van die Ouditeur-Generaal se ouditbevindinge vir die 2018/19 eksterne oudit aan die Raad voor te lê vir oorweging en goedkeuring.

AGTERGROND

Na aanleiding van die Ouditeur-Generaal (OG) se oudit van die 2018/19 finansiële jaar is daar sekere leemtes uitgewys wat aangespreek moet word. Hierdie bevindinge is in die Ouditeur-Generaal se finale bestuursbrief opgeneem en word nou saamgevat in die munisipaliteit se oudit bevindinge aksieplan (OPCAR), soos aangeheg op **bladsy 105 tot 113**.

Hierdie plan bevat 'n kort opsomming van die kern bevinding, die OG se siening rakende die oorsaak van die bevinding en die voorgestelde regstellende stappe om die gebreke aan te spreek. Die voorgestelde aksieplan is ook op 10 Januarie 2020 aan die Provinsiale Tesourie voorgelê en tot op hede is geen kommentaar terug ontvang nie. Die dokument is ook op 10 Januarie 2020 aan die munisipaliteit se Ouditkomitee voorgelê.

Daar is intussen ook vordering gemaak met sekere regstellende aksies wat ook op die plan aangedui word (vordering tot op 31 Desember 2019). Hierdie vordering sal ook aan die Ouditkomitee voorgelê word tydens hulle vergadering geskeduleer vir 7 Februarie 2020 asook op 'n periodieke grondslag aan die Provinsiale Tesourie en die OG. Die vordering met die plan word verder op 'n maandelikse basis aan die Raad voorgelê vir oorweging.

PERSONEEL IMPLIKASIES

Geen.

FINANSIËLE IMPLIKASIES

Geen.

WETLIKE IMPLIKASIES

Nakoming van toepaslike wetgewing wat deur die bevindinge geraak word.

BESTUURSAANBEVELING

Dat die Raad die 2018/19 oudit aksieplan oorweeg en goedkeur.

BESLUIT 13/2020

Dat die bestuursaanbeveling as 'n besluit van die Raad aanvaar word.

16. **UDIT- EN PRESTASIE-UDIT KOMITEE: AANSTELLING VAN MNR PIETER STRAUSS****DOEL VAN VERSLAG**

Om Raadsgoedkeuring te verkry vir die aanstelling van mnr Pieter Strauss vir 'n tweede termyn van drie jaar op die munisipaliteit se Oudit- en Prestasie-Oudit komitees en ook om hom weer aan te stel as Voorsitter van hierdie komitees.

AGTERGROND

Mnr Strauss was op 25 Oktober 2016 aangestel as 'n lid van die Oudit- en Prestasie-Oudit Komitees vir 'n tydperk van drie jaar per Raadsbesluit 211/2016. Hy was ook in Oktober 2017 aangestel as die Voorsitter van die komitees per Raadsbesluit 216/2017. Mnr Strauss se termyn het dus einde 2019 verstryk.

Die voorskrifte rakende Oudit Komitees maak voorsiening dat 'n lid vir 'n tweede termyn van drie jaar aangestel kan word mits die Raad tevrede is met die lid se prestasie tydens sy/haar eerste termyn en dat die Raad die aanstelling goedkeur.

Mnr Strauss is tans die mees ervare lid op die komitees en het homself bewys as 'n baie bekwame lid en Voorsitter.

Die Hoof van Interne Oudit, die Munisipale Bestuurder en ander lede van die Komitee het aangedui dat hulle geen probleem het met sy aanstelling vir 'n tweede termyn nie en beveel dit ook so aan.

Mnr Strauss dien ook tans as die Voorsitter van die komitees en daar is ook geen besware teen sy heraanstelling as Voorsitter tydens sy tweede termyn nie.

PERSONEEL IMPLIKASIES

Geen.

FINANSIËLE IMPLIKASIE

Geen - Voldoende begroting is voorsien.

WETLIKE IMPLIKASIE

Voldoening aan die MFMA, 2003 (artikel 166) en Tesourie Omsendskrywe 65.

BESTUURSAANBEVELING

Dat die Raad:

- (i) die aanstelling van Mnr Strauss op die munisipaliteit se Oudit- en Prestasieoudit Komitee vir 'n tweede termyn van 3 jaar goedkeur; en
- (ii) Mnr Strauss weer aanstel as die Voorsitter van die Komitees tydens sy tweede termyn.

BESLUIT 14/2020

Dat die bestuursaanbeveling as 'n besluit van die Raad aanvaar word.

Hierna verdaag die vergadering om 12:10

BEKRAGTIG op hierdie

dag van

2019

SPEAKER

DATUM: