



**Raadslede van die Raad van die
Langeberg Munisipaliteit**

Kennis geskied hiermee van 'n Raadsvergadering
van die Raad van Langeberg Munisipaliteit wat gehou sal word op

10 DESEMBER 2018 om 10H00

in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson
om oorweging te verleen aan die items op die aangehegte agenda.

...

**Councillors of the Council of the
Langeberg Municipality**

Notice is hereby given of a Council Meeting
of the Municipal Council of the Langeberg Municipality to be held on

10 DECEMBER 2018 at 10H00

in the Council Chamber, Municipal Offices,
Church Street, Robertson to discuss the items on the appended agenda.

RDH / ALD S.W. VAN EEDEN
SPEAKER

BIRTHDAY LIST 2018

JANUARY	
04	Cllr Bulenlani Nteta
05	Mr Maynard Johnson
15	Cllr Esther Bosjan
17	Cllr Kobus DF van Zyl
FEBRUARY	
09	Mr Dave van Schalkwyk
09	Cllr Lettesia M Swanepoel
24	Mr Theuns Carstens
MARCH	
01	Cllr Wilma Strauss
11	Mr Neil Albertyn
23	Mr Peter W Salman
30	Mr Charl Martin
APRIL	
27	Mrs Celeste Matthys
MAY	
12	Mrs Suzette Kotzé
20	Mr Anton Everson
28	Cllr JJ Januarie
30	Ald Kosie D Burger
JUNE	
05	Mr Bradley Brown
16	Cllr Hetta F Mangenengene
19	Cllr Gideon Joubert
24	Ald Schalk van Eeden
30	Mr Kobus Brand

JULY	
AUGUST	
11	Cllr Mark van der Merwe
14	Mr Glenn Slingers
19	Mr Eugene Jooste
SEPTEMBER	
05	Ald Henry Jansen
07	Mr Zamuxolo Qhanqisa
10	Mr Corné Franken
18	Mr Izak van der Westhuizen
19	Cllr Dendeline B Janse
19	Cllr Samuel du Plessis
24	Cllr Judy Mafilika
OCTOBER	
05	Cllr Eric MJ Scheffers
17	Cllr Pauline Hess
NOVEMBER	
02	Cllr Nicky Beginsel
09	Mr Chris Vorster
18	Cllr Jacques Kriel
27	Mr Soyisile A Mokweni
DECEMBER	
05	Mr Sabelo Ngongolo
09	Mr Johan Coetzee
10	Cllr Andile Shibili
26	Cllr Christopher J Grootboom

AGENDA

~ 10 DECEMBER 2018 ~

1. Opening / *Opening*
2. Attendance / *Bywoning*
3. Applications for leave of Absence / *Aansoeke vir verlof tot afwesigheid*
4. Approval of Minutes / *Goedkeuring van Notule*
 - 4.1 *Confirmation of the Minutes of an Ordinary Meeting of Council of the Langeberg Municipality held on 30 October 2018 at 10h00 in the Council Chambers, Municipal Offices, Church Street, Robertson.* 18 - 29

Bekragtiging van die Notule van 'n Gewone Vergadering van die Raad van die Langeberg Munisipaliteit wat gehou was op 30 Oktober 2018 om 10h00 in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson.
5. Statements & Announcements by the Speaker / *Verklarings & Mededelings deur die Speaker*
6. Interviews with Delegations / *Onderhoude met Afvaardigings*
None / *Geen*
7. Statements & Announcements by the Mayor / *Verklarings & Mededelings deur die Burgemeester*
8. Urgent Matters & Reports, Statements & Announcements submitted by the Municipal Manager
Dringende Aangeleenthede & Verslae, Verklarings & Mededelings voorgelê deur die Munisipale Bestuurder

- | |
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| <p>8.1 Matters which must be handled in terms of Section 30(5) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), as amended. Aforesaid stipulation reads as follows: (5) Before a municipal council takes a decision on any of the following matters it must first require its executive committee or executive mayor, if it has such a committee or mayor, to submit to it a report and recommendation on the matter: (1) any matter mentioned in Section 160(2) of the Constitution; (2) the approval of an integrated development plan for the municipality, and any amendment to that plan; and (3) the appointment and conditions of service of the municipal manager and a head of a department of the municipality. <i>Sake wat hanteer moet word in terme van Artikel 30(5) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No 117 van 1998), soos gewysig. Voormelde bepaling lees as volg: (5) Alvorens 'n munisipale raad 'n besluit oor enige van die volgende aangeleenthede neem, moet hy eers sy uitvoerende komitee of uitvoerende burgemeester, indien hy so 'n komitee of burgemeester het, versoek om 'n verslag en aanbeveling oor die aangeleentheid aan hom voor te lê: (1) enige aangeleentheid genoem in Artikel 160(2) van die Grondwet; (2) die goedkeuring van 'n geïntegreerde ontwikkelingsplan vir die munisipaliteit, en enige wysigings van daardie plan; (3) die aanstelling en diensvoorwaardes van die munisipale bestuurder en 'n hoof van 'n departement van die munisipaliteit.</i></p> <p>8.2 Matters which must be handled in terms of Section 32(1) and (2) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) as amended, and approved per Council Resolution A82 of 19 March 2001. / <i>Sake wat hanteer moet word in terme van die delegasies toegestaan ingevolge Artikel 32(1) en (2) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No 117 van 1998), soos gewysig en aanvaar per Raadsbesluit A82 van 19 Maart 2001.</i></p> <p>8.3 Report on matters of concern by representatives at the Cape Winelands District Municipality.
<i>Rapportering aangaande sake van belang deur verteenwoordigers by die Kaapse Wynland Distrikmunisipaliteit.</i></p> <p>8.4 Other Matters / <i>Ander Sake</i></p> |
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9. Consideration of Notice of Motions / *Oorweging van Kennisgewing van Mosies*
None / Geen

10. Consideration of Notice of Questions / *Oorweging van Kennisgewing van Vrae*

10.1 QUESTIONS POSED BY CLLR S DU PLESSIS, ICOSA:
TARRING OF A SPECIFIC PORTION OF PAUL KRUGER STREET, ROBERTSON

INDEPENDENT CIVIC ORGANISATION OF SOUTH AFRICA (ICOSA)

Provincial Secretary

Mr. Samuel Du Plessis

Contact: 0661076113 / 0609923126

Email: samuelduplessis25@gmail.com



Provincial Chairman

Mr. David Kamfer

Contact: 0767662162

Email: daviekamfer453@gmail.com

To : Municipal Manager Mr Mokweni and Mayor Mr.H Jansen

Cc: Speaker of Council Mr.S.Van Eden

Date : 5 November 2018

From: Provincial Secretary of ICOSA

Clr. Samuel Du plessis

RE: QUESTION TO BE DISCUSSED IN THE NEXT COUNCIL MEETING AS PER RULES OF ODER

WE AS ICOSA WOULD LIKE THE FOLLWING QUESTION TO BE DISCUSSED IN THE NEXT COUNCIL MEETING

- 1. WE WOULD LIKE TO KNOW HOW IS IT POSSIBLE THAT ONLY A SMALL PIECE OF PAUL KRUGER STREET ARE TARRED AND MOSTLY INFRONT OF THE DEPUTY MAYORS HOUSE .**

While most of our streets in Robertson and ASHTON, ,Zolani, and Montagu, Bonnievale and McGregor are still dusty road in our communities.

ANSWER

The section of Paul Kruger Street from Voortrekker Street to Hoop Street will be rehabilitated and not only the section that is currently under construction. The intersection of Paul Kruger and Van Reenen Street is also included and currently under construction. The section of Barry Street from Voortrekker Street to Constitution Street is also included in this contract and has been completed. The section of Piet Retief Street from Voortrekker to Constitution Street is also part of this contract. These sections of streets in the CBD were identified as the most in need of urgent rehabilitation because of the bad condition of the surface and structural layers.

The other street sections in the CBD of Robertson that have been identified for urgent rehabilitation are as follows and will be done subject to future funding:

- Barry Street from Constitution to Victoria Street.
- Piet Retief Street from Constitution to Van Reenen Street.
- Constitution Street from Reitz to Dirkie Uys Street and also from Paul Kruger to Barry Street.
- Church Street from Paul Kruger to Dirkie Uys Street.
- Dirkie Uys Street from Constitution to Van Zyl Street.
- Industria Street from Church to Voortrekker Street
- De Jong Rylaan from the circle to Paul Kruger Street. This section will only be done after the completion of the construction works of the RU9 Development that is currently underway.

The streets in the CBD's of Bonnievale, Ashton and Montagu that must be urgently rehabilitated have also been identified and will be done subject to the availability of funding and after the provincial road contracts that are currently under way in these towns have been completed in order to limit the disruption of traffic and the inconvenience to residents

2. WAS THIS PART OF THE BUDGET AND IF YES WHY DONT WE BUDGET FOR THE STREETS THAT ARE DUSTY AND ARE HEALTH RISK.

ANSWER

Yes, it is part of the 2017/18, 2018/19 and 2019/20 capital budget under votes number 9/150-226-226 (2017/18) and 9/150-228-228 (2018/19 and 2019/20).

The paving of gravel streets in Robertson (Nkqubela, Môreson and Droë Heuwel), Ashton (Zolani), Montagu (Ashbury), Bonnievale (Happy Valley) and McGregor is done under a separate contract with MIG funding to the value of R 13 381 580 in 2018/19 and R 19 115 650 in 2019/20 as per Council Resolution A3494 of 24 October 2017 (Annexure A, attached pg 8).

The contract for the 2018/19 works has already been awarded (Tender T12/2018) and the works will commence in November 2018. (tender advertisement - Annexure D, attached pg 17)

3. WHERE WAS THIS TENDOR ADVERTISED AND WHAT IS THE COST OF THE TENDER AND WHAY ONLY INFRONT OF THE DEPUTY MAYORS DR. JOUBERTS GUEST HOUSE.

ANSWER

The tender was advertised in The Argus on 20 January 2018 as well as in/on the Gazette, the municipal website and municipal notice boards on 23 January 2018 (see copy of tender advertisement – Annexure B, attached pg 12). A compulsory clarification meeting was held on 31 January 2018 and the tender closed on 16 February 2018. The tender served before the Bid Adjudication Committee on 13 April 2018 and was awarded to P.R. Civils for the amount of R 6 696 386.95 (VAT inclusive) as per the municipal Supply Chain Management Policy (see copy of approval of tender – Annexure C, attached pg 13).

4. WANT TO KNOW WHAYNIS THIS A PRIORITY AND THE PROJECT THAT WAS SUPPOSED TO BE ROLLED OUT TO PAVE STREET THAT ARE DUSTY NOT A PRIORITY.

ANSWER

Both the resealing/rehabilitation project and the paving of gravel streets project are of high priority and will be done in the 2018/19 and 2019/20 financial years.

5. WANT TO KNOW WHY DO WE APPOINT CONTRACTORS WHO IN THIS CASE ARE PR CIVILS AND THEY BRING THEY OWN LABOUR FORCE AND OUR PEOPLE ARE DEPRIVED FROM ECONOMICAL BENEFITS IN OUR MUNICIPALITY.

ANSWER

The contract stipulates that maximum use of local labour must be made. The contractor will however utilize his own skilled personnel where required.

6. IF THIS QUESTION ARE RESPOND TO BY THE ADMINISTRATION PLEASE SUPPLY THE PROCUREMENT PROCESS PROOF OF THE APPOINTMENT AND COST RELATE TOMTHE PROJECT.

ANSWER

Already addressed under paragraph 3.

7. IF THE ANSWER IS THATBTHIS STREET ARE THE ECONOMICAL HUB THEN WHY NOT THE WHOLE STREET BECAUSE AT TNE ENTRANCE OF THE STREET IT PATCHED UP LIKE ALL OUR STREETS.

ANSWER

Already addressed under paragraph 1.

8. WHERE WAS THIS AUTHORISED BY WHO AND WHY WAS IT NOT ON THE REPORTS OR MAYBE I DID NOT NOTICE IT WHEN IT SERVED BEFORE COUNCIL.

ANSWER

Already addressed in paragraph 2 (refer to attached Council Resolution A3494 of 24 October 2017).

I WANT TO REMIND COUNCIL WE HAVE A DUTY TOWARD OUR COMMUNJTIES ALL COMMUNITIES NOT A SELECTION OR CERTAIN GROUP TO DELIVER SEVICES THST OUR CORE MANDATE.

AND AS COUNCILOR OF ICOSA I HAVE THE RIGTH TO ASK QUESTION AND KEEP THE COUNCIL AND ADMINSTRATION ACCOUNTABLE AND MY ROLE IS OVERSIGHT AND NOT INTERFERE BUT INTERVENE.

I WANT TO INFORM THAT THIS WAS ALSO IN THE NEWSPAPER WHERE THE ROBERTSON RESIDENCE ASK THE QUESTION AND WE HAVE A RESPONSIBILITY TO OUR RATE PAYER THIS IS THERE MONEY WE USE.

PLEASE ATTACHED PROCUREMENT TENDER PROCESS DOCUMENTS WITH REPLY AND THE REPORT OF HOW TENDER WAS AWARD DOCUMENTS AS PROOF TO ENSURE WE FOLLOW FINANCIAL MANAGEMENT ACT AS REQUIRED BY LAW.

AND THIS IS NOT PERSONAL IT PRINCIPLE WHY I HAVE TO ASK THE QUESTION .

REGARDS

CLR SAMUEL DU PLESSIS

PROVINCIAL SECRETARY : ICOSA

0661076113



5/11/2018

11. Consideration of Urgent Motions / *Oorweging van Dringende Mosies*
None / Geen

12. Consideration of Reports / *Oorweging van Verslae*

12.1	Reports submitted to Council for consideration (A Items) <i>Verslae voorgelê aan die Raad vir oorweging (A Items)</i>	31
12.2	Reports submitted to Council for consideration (AA Items) <i>Verslae voorgelê aan die Raad vir oorweging (AA-Items)</i>	---
12.3	Reports dealt with in terms of the delegated powers by the Mayoral Committee (B & BB Items) <i>Verslae afgehandel deur die Burgemeesterskomitee in terme van gedelegeerde bevoegdhede (B & BB-Items)</i>	147

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LABOUR INTENSIVE PAVING OF GRAVEL STREETS & REHABILITATION OF TARRED STREETS IN LANGEBERG MUNICIPALITY (16/3/5) DIRECTOR: ENGINEERING SERVICES

Purpose of the Report

To inform Council of the detail of the project regarding the labour intensive paving of gravel streets & the rehabilitation of tarred streets as per the Pavement Management System.

Background

There are various gravel streets in the previously disadvantaged communities that are in a very bad condition as well as tarred streets that urgently requires resealing in Langeberg and a project was thus identified to pave the gravel streets with precast paving blocks and to reseal the tarred streets by means of labour intensive construction methods through the employment of unemployed residents from the relevant communities.

The following areas with gravel streets have been identified for this project:

Robertson
Droëheuwel
Môreson
Nkqubela

Montagu
Ashbury

Ashton
Zolani

Bonnievale
Happy Valley

McGregor

Details of the project are as follows:

1. The project will be registered as an EPWP project and all workers will be employed under EPWP employment contracts. The details of these EPWP contracts will be explained in detail to all workers that are employed.
2. UDS Africa was appointed per tender as consulting engineers for their experience in the implementation of labour intensive construction projects.
3. All the identified gravel streets are surveyed, planned and designed. This is currently in process.
4. Unemployed persons from the relevant communities are employed and only one person per household is employed to maximise the financial impact of the project.
5. SETA accredited training by a specialist third party entity will be provided in various fields of road construction as well as life skills.

6. Training will be done as follows:

- The names of all unemployed persons in the relevant community where construction will take place, are listed (with the assistance of the ward councillors).
 - This list is then screened to ensure that only one person per household is identified.
 - The screened list is then circulated for comments to ensure transparency and acceptance by the community.
 - Council can also determine that there must be a focus on a certain age group e.g. youth (below age 35).
 - All persons on the final list are then evaluated for basic numerical and writing skills by a specialist service provider. This evaluation is not a test or exam, but merely to identify the best candidates for training.
 - Names are then listed according to the evaluation results.
 - A group of beneficiaries are then selected from this list for training according to criteria prescribed by Council. It is recommended that these criteria be 50% female and 50% male as well as any disabled persons.
 - The size of the group selected for training will be 20 males and 20 females per project. It must be stressed that not all of them will be employed from the start but that they will form the pool of labour for a specific project.
 - It is estimated that 20 persons (depending on the size of the project - 10 male and 10 female) will then be employed per project from this the pool of labour according to the list of names and any vacancies that may occur, will also be filled in the same way.
 - Local artisans (e.g. bricklayers) from the specific community can also be employed on a project for smaller building works e.g. catch pits etc. but only after they have been evaluated and found suitable in their specific trade.
 - Workers can also be employed only for a section of work or for a certain fixed period to give opportunities to more unemployed persons to earn an income, but this model has been found to have a negative impact on productivity/production.
7. A local main contractor is appointed with key personnel that have the required NQF qualifications in labour intensive projects. The relevant NQF qualifications is a requirement for registration (and funding) as an EPWP project.
8. Previous experience in labour intensive road construction projects will be one of the key requirements for the appointment of the main contractor as this type of contract differs substantially from a normal construction contract with unique challenges.
9. All appointed workers will be issued with the relevant required protective clothing.
10. The upgrading of gravel streets will be by means of layer works, the installation of kerbing (to handle storm water) and the laying of pre-cast paving blocks as the final layer.
11. The rehabilitation of tarred streets will be by means of resealing.

Funding:

Funding for the project is provided as indicated in the table below and it is recommended that only one town is done at a time (according to the available funding per town) as it is not cost effective to work in more than one town at a time.

It is recommended that the available CRR funding on the 2017/18 budget (R 1 815 000) be utilised to start this project and that the available CRR funding in 2018/19 and 2019/20 be utilised for the resealing of streets in the Central Business Districts of the town as MIG funding cannot be utilised for this. All MIG funding in 2018/19 and 2019/20 will be utilised for the labour intensive upgrading of streets in the previously disadvantaged areas.

The gravel streets in Nkqubela is in the worst condition at present and it is therefore recommended that the project commence in Robertson in Nkqubela, Môreson and Droëheuwel as it is not cost effective to work in more than one town at a time.

It is also recommended that the streets to be paved in each area be identified by the relevant ward councillor in conjunction with the Director: Engineering Services

Project Description	Budget Amount			Source of funding
	2017/18	2018/19	2019/20	
Upgrade of gravel streets	R 1 815 000	R 2 750 000	R 3 334 000	CRR
Rehabilitate Gravel Roads Ashton		R 2 631 579	R 3 508 772	MIG
Rehabilitate Municipal Roads Ashton		R 1 587 720	R 3 503 119	MIG
Rehabilitate Gravel Roads Bonnievale		R 1 595 760	R 2 643 372	MIG
Rehabilitate Municipal Roads Bonnievale		R 1 754 386	R 1 754 386	MIG
Rehabilitate Municipal Roads McGregor		R 378 103		MIG
Rehabilitate Gravel Roads Montagu		R 1 666 670	R 2 631 579	MIG
Rehabilitate Municipal Roads Montagu		R 1 754 386	R 2 631 579	MIG
Rehabilitate Municipal Roads Robertson		R 3 269 016	R 4 824 561	MIG

Recommendation

1. That the project commences in Robertson in Nkqubela, Môreson and Droëheuwel as it is not cost effective to work in more than one town at a time.
2. That the streets to be paved in each area be identified by the relevant ward councillor in conjunction with the Director: Engineering Services.
3. That the available CRR funding on the 2017/18 budget (R 1 815 000) be utilised to start this project and that the available CRR funding in 2018/19 and 2019/20 be utilised for the resealing of streets in the Central Business Districts of the town as MIG funding cannot be utilised for this.

This item served before the Engineering Services Portfolio Committee on 11 September 2017
Hierdie verslag het voor die Ingenieursdienste Portefeulje Komitee gedien op 11 September 2017
Recommendation / Aanbeveling

1. That the project commences in Robertson in Nkqubela, Môreson and Droëheuwel as it is not cost effective to work in more than one town at a time.
2. That the streets to be paved in each area be identified by the relevant ward councillor in conjunction with the Director: Engineering Services.
3. That the available CRR funding on the 2017/18 budget (R 1 815 000) be utilised to start this project and that the available CRR funding in 2018/19 and 2019/20 be utilised for the resealing of streets in the Central Business Districts of the town as MIG funding cannot be utilised for this.

This item served before the Executive Mayoral Committee on 10 October 2017
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 10 Oktober 2017
Aanbeveling / Recommendation

1. That the project commences in Robertson in Nkqubela, Môreson and Droëheuwel as it is not cost effective to work in more than one town at a time.
2. That the streets to be paved in each area be identified by the relevant ward councillor in conjunction with the Director: Engineering Services.
3. That all available CRR funding on the 2017/2018, 2018/2019 and 2019/2020 budget be utilised for the upgrading and tarring of streets in the central business districts of all 5 towns.

NOTE:

Relevant documentation was distributed as part of the addendum to the agenda for the Engineering Services Portfolio Committee of 11 Sept 2017 (pg 01) & also the Mayco agenda of 10 Oct 2017 (pg 331)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 24 Oktober 2017
This item served before an Ordinary Meeting of Council on 24 October 2017
Eenparig Besluit / Unanimously Resolved

1. That the project commences in Robertson in Nkqubela, Môreson and Droëheuwel as it is not cost effective to work in more than one town at a time.
2. That the streets to be paved in each area be identified by the relevant ward councillor in conjunction with the Director: Engineering Services.
3. That all available CRR funding on the 2017/2018, 2018/2019 and 2019/2020 budget be utilised for the upgrading and tarring of streets in the central business districts of all 5 towns.

(Paragraph 10 - Annexure B)



INVITATION FOR TENDERS

TENDER NUMBER: T60/2017

DESCRIPTION : Supply and delivery of materials, equipment and re-seal of roads by means of labour intensive construction methods for a period ending 30 June 2020.

CLOSING DATE : **16 February 2018**

CLOSING TIME : 12H00

Bids will be opened in public at 28 Main Road, Ashton.

CIDB : Tenderers must be registered with the CIDB in a **CE** class of construction works and have a grading designation equal to or higher than that determined in accordance with the sum tendered or a value determined in accordance with regulation 25(7A) of the Construction Industry Development Regulations, 2004. It is estimated that tenderers will need a grading designation of **6CE or higher**.

INFORMATION : **Obtain documentation:**

Langeberg Municipality
28 Main Road
Ashton
6715

Enquiries regarding tender documentation:

Mr. Cobus Louw
Tel: (082) 493 3263
Fax: (086) 523 8227
E-mail: cobus@udsafrika.co.za

Office hours for collection:

08h00 – 16h30 as from **26 January 2018** from Mr NW Albertyn, Langeberg Municipal Offices, 52 Church Street, Robertson. A non-refundable fee of R250 is payable to Langeberg Municipality for collection of documents.

A compulsory clarification meeting will be held on **31 January 2018 at 10:00** in the Robertson Municipal Offices, 52 Church Street, Robertson after which the site will be visited. Bidders that fail to attend the compulsory clarification meeting will be disqualified. A representative may only represent one tenderer at this meeting.

Bids may only be submitted on the bid documentation provided by the municipality and must remain valid for **120 days** after bid closing.

Telegraphic, telephonic, telex, facsimile, e-mailed or late tenders will not be accepted. The lowest, only or any bid shall not necessarily be accepted and the Council reserves the right to accept any part of the bid.

TENDERS TO BE DEPOSITED IN: The tender box of Langeberg Municipality, 28 Main Road, Ashton. The tender box is open from Mondays until Fridays from 08:00 until 16:30. This excludes weekends and public holidays.

NOTE: This tender will be evaluated in terms of the Preferential Procurement Regulations, 2017 that was promulgated by the Minister of Finance on 20 January 2017 in Government Gazette No 40553. Please take note of the responsiveness criteria as stipulated in the tender document.

PROCUREMENT PREFERENCE POINT SYSTEM: 80/20

SA MOKWENI
MUNICIPAL MANAGER

(Paragraph 10 - Annexure C) →

B Bown / S Nqongolo / J volwest
N Albetyn / C msothys

**TENDER T60/2017: SUPPLY AND DELIVERY OF MATERIALS, EQUIPMENT AND THE RE-SEAL OF ROADS.
LANGEBERG MUNICIPALITY**

OPENING OF BID

To submit a tender report regarding the awarding of T60/2017: SUPPLY AND DELIVERY OF MATERIALS, EQUIPMENT AND THE RE-SEAL OF ROADS, LANGEBERG MUNICIPALITY. This report is to be read in conjunction with Tender evaluation report as compiled by UDS Africa. (Attached to this report)

Background

The above mentioned tender was advertised in the Argus newspapers on the 20 January 2018 and was also advertised in the Gazette and on the Municipal Web site and Municipal Notice boards on the 23 January 2018. A compulsory clarifications meeting was held on 31 January 2018 at the Robertson Municipal offices. A closing date of 16 February 2018 was indicated within the advertisement and procurement documentation.

Funding:

An amount of R1 595 701.75 VAT excl is available on the 2017/2018 Capital Budget under Vote number 9/150-226-226 Upgrade Gravel Streets a further amount of R2 750 000 VAT excl has been budgeted for the 2018/2019 and a further amount of R3 334 000.00 VAT excl has been budgeted for the 2019/2020 budget cycle

The following compliant documents were received from the bid evaluation committee on 23rd February 2018:

Tenderer	Total Bid Price (Vat Included)
PR Civils cc	R6 669 368.95
WILLVEST TWENTY THREE (PTY) LTD - T/A URHWEBO E - TRANSAND	R9 789 879.68

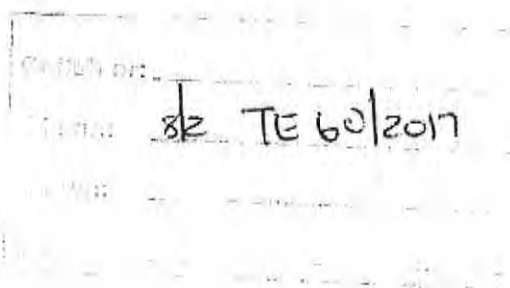
EVALUATION: ADMINISTRATIVE/LEGAL COMPLIANCE

The bids were evaluated in accordance with the Langeberg municipality supply chain policy. Bids were checked for completeness and responsiveness. The following statutory information was checked:

Bidder	Declaration "in the service of the State"	Stakeholders in the Service of the State	Original Valid TAX clearance certificate	Municipal Services Account	Declaration of interest	Contract form rendering of services	Bidders past SCM practices	Certificate of Independent Bid determination	Application for listing as provider	Certified Commissioner of Oaths	BBBEE Certificate	CIDB registered	Comments
1. WILLVEST TWENTY THREE (PTY) LTD	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	Compliant
2. PR CIVILS CC	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	Compliant

TECHNICAL EVALUATION:

Technical evaluation was done by Mr N Albetyn



Form of Offer and Acceptance:

Please see UDS Africa report page 2:

**All the tenderers completed the Form of Offer and Acceptance as per the requirements of clause F4.5 of the Tender Data.*

*PR Civils had a discrepancy between the amount in figures and the amount in words on their form of offer and acceptance. The amount in figures was R 6 669 368,95 while the amount in words read six million , six hundred and ninety six thousand, three hundred and eighty six rand and ninety five cents. According to clause F3.9 (T1-Page 21) of the tender data, the amount in words shall govern. The tenderer was asked to revise their rates in order to achieve the tender price in words.**

The amended tender amount therefore reads as:

Tenderer	Total Bid Price (Vat Included)
PR Civils cc	R6 696 386.95
WILLVEST TWENTY THREE (PTY) LTD – T/A URHWEBO E – TRANSAND	R9 789 879.68

CIDB requirements:

Please see UDS Africa report page 2 table 2 and item 3.2, all tenderers are deemed compliant with regards to the CIDB requirements.

Allocation of points

The allocation of points was based on the following:

POINTS AWARDED FOR PRICE THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 is allocated for price on the following basis:

80/20

$$P_s = 80 \left(1 - \left(\frac{P_t - P_{\min}}{P_{\min}} \right) \right)$$

Where

- P_s = Points scored for comparative price of bid under consideration
 P_t = Comparative price of bid under consideration
 $P_{\min}$ = Comparative price of lowest acceptable bid

Points awarded for B-BBEE Status Level of Contribution

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12



5	8
6	6
7	4
8	2
Non-compliant contributor	0

- PR Civils cc submitted an "Exempt Micro Enterprise – Affidavit" indicating BBEE Level 2 status and are therefore allocated 18 points.
- WILLVEST TWENTY THREE (PTY) LTD – T/A URHWEBO E – TRANSAND submitted an "Broad – Based Black Economic Empowerment Verification Certificate" indicating BBEE Level 4 status and are therefore allocated 12 points.

Tenderer	Verified BBEE contributor	Preference Points
PR Civils cc	2	18
WILLVEST TWENTY THREE (PTY) LTD – T/A URHWEBO E – TRANSAND	4	12

Total combined points:

BIDDER	PRICE MAX 80	B-BBEE STATUS LEVEL OF CONTRIBUTOR MAX 20 Point allocated	TOTAL
PR Civils cc	80.00	18	98.00
WILLVEST TWENTY THREE (PTY) LTD – T/A URHWEBO E – TRANSAND	43.04	12	55.04

Recommendation: Manager Project Management:

A detailed risk analysis was performed (Section 5 pages 3 -5) by UDS Africa, which included a financial and technical evaluation and was reported on as follows:

Financial evaluation:

PR Civils CC

- Rates are well balanced and tender offer is reasonable.
- The tenderer received a "C" bank rating.

Technical evaluation:

PR Civils CC

- The tenderer has experience in projects of a similar scope and nature. The tenderer has completed several similar projects for Matzikama Municipality and the Department of Rural Development.
- Tenderer possesses the required plant and equipment.

- c) The tenderer indicated that no portion of the project will be subcontracted.
- d) The proposed construction manager and general foreman have sufficient qualifications and experience in projects of similar scope and nature. The construction manager possesses a B Tech qualification and the general foreman a NQF level 5 qualification.

Taking the above mentioned report into consideration it is recommended that tender TENDER NO T60/2017: SUPPLY AND DELIVERY OF MATERIALS, EQUIPMENT AND THE RE-SEAL OF ROADS, LANGEBOURG MUNICIPALITY be awarded to PR Civils cc for the amount of R6 696 386.95 VAT inclusive, based on available funding.

BEC Recommendation

1. That tender TENDER NO T60/2017: SUPPLY AND DELIVERY OF MATERIALS, EQUIPMENT AND THE RE-SEAL OF ROADS, LANGEBOURG MUNICIPALITY be awarded to PR Civils cc for the amount of R6 696 386.95 VAT inclusive, based on available funding.
2. Amounts of R1 595 701.75 VAT excl is available on the 2017/2018 Capital Budget under Vote number 9/150-226-226 Upgrade Gravel Streets a further amount of R2 750 000 VAT excl has been budgeted for the 2018/2019 and a further amount of R3 334 000.00 VAT excl has been budgeted for the 2019/2020 budget cycle

This item served before the Tender Adjudication Committee on 13 APRIL 2018

Recommendation Tender Adjudication Committee

1. The tender adjudication committee confirmed that all the prescriptions of the council's procurement Policy had been adhered to, and the companies do not appear in list of restricted suppliers.
2. That T60/2017: SUPPLY AND DELIVERY OF MATERIALS, EQUIPMENT AND THE RE-SEAL OF ROADS, LANGEBOURG MUNICIPALITY FOR A PERIOD ENDING 30 JUNE 2020 be awarded to awarded to PR Civils cc for an amount of R6 696 386.95 (15 % VAT Inclusive), and the amount spend within the available budget per financial year.
 - i. Funds be commission against vote numbers : R1 595 701.75 (VAT excluding) is available on the 17/18 CAPEX budget under vote number 9/150-226-226 and further amount of R2 750 000 VAT excl has been budgeted for the 2018/2019 and a further amount of R3 334 000.00 VAT excl has been budgeted for the 2019/2020 budget cycle
3. That the award is subject to regulation 49: municipal Supply Chain Management Regulations and section 62 of the Local Government: Municipal Systems Act.

It is hereby certified that the above is the recommendation of the bid adjudication committee



B BROWN
CHIEF FINANCIAL OFFICER

Approved /Reject



MUNICIPAL MANAGER

2018/04/24
DATE

(Paragraph 10 - Annexure D)



INVITATION FOR TENDERS

TENDER NUMBER: T12/2018

DESCRIPTION : Upgrading of Roads and Stormwater by means of Labour Intensive Construction Methods in Robertson, Langeberg Municipality.

CLOSING DATE : **6 July 2018**

CLOSING TIME : 12H00
Bids will be opened in public at 28 Main Road, Ashton.

CIDB : Tenderers must be registered with the CIDB in a **CE** class of construction works and have a grading designation equal to or higher than that determined in accordance with the sum tendered or a value determined in accordance with regulation 25(7A) of the Construction Industry Development Regulations, 2004. It is estimated that tenderers will need a grading designation of **7CE or higher**.

INFORMATION : **Obtain documentation:**
Langeberg Municipality
23 Faure Street
Ashton
6715

Enquiries regarding tender documentation:

Mr. Cobus Louw
Tel: (082) 493 3263
Fax: (086) 523 8227
E-mail: cobus@udsafrika.co.za

Office hours for collection:

08h00 – 16h30 as from **11 June 2018** from Ms Anneli Mouries, Langeberg Municipal Offices, 23 Faure Street, Ashton. A non-refundable fee of R 250 is payable to Langeberg Municipality for collection of documents.

A compulsory clarification meeting will be held on **22 June 2018** at **10:00** in the Robertson Municipal Offices, 52 Church Street, Robertson after which the sites will be visited. Bidders that fail to attend the compulsory clarification meeting will be disqualified. A representative may only represent one tenderer at this meeting. Bids may only be submitted on the bid documentation provided by the municipality and must remain valid for **120** days after bid closing.

Telegraphic, telephonic, telex, facsimile, e-mailed or late tenders will not be accepted. The lowest, only or any bid shall not necessarily be accepted and the Council reserves the right to accept any part of the bid.

TENDERS TO BE DEPOSITED IN: The tender box of Langeberg Municipality, 28 Main Road, Ashton. The tender box is open from Mondays until Fridays from 08:00 until 16:30. This excludes weekends and public holidays.

NOTE: This tender will be evaluated in terms of the Preferential Procurement Regulations, 2017 that was promulgated by the Minister of Finance on 20 January 2017 in Government Gazette No 40553. Please take note of the responsiveness criteria as stipulated in the tender document.
PROCUREMENT PREFERENCE POINT SYSTEM: 80/20

SA MOKWENI
MUNICIPAL MANAGER

MINUTES OF AN ORDINARY MEETING OF COUNCIL OF THE LANGEBOEG MUNICIPALITY
HELD ON 30 OCTOBER 2018 AT 10H00 IN THE COUNCIL CHAMBERS
MUNICIPAL OFFICES, CHURCH STREET, ROBERTSON

1. Opening / Opening

The Speaker welcomed the Executive Mayor, the Deputy Executive Mayor, Councillors and the Administration to the meeting. He extended a special word of welcome to the newly appointed Councillor Owenita C Simpson. Pastor Paka of The House of Power Ministry, Nkqubela Congregation in Robertson opened the meeting with a reading and a message from The Book of James.

2. Bywoning / Attendance

Ald Van Eeden, SW	Speaker
Ald Jansen, HM	Executive Mayor
Cllr Joubert, GD	Deputy Executive Mayor
Ald Burger, JD	Councillor (Member of the Mayco)
Cllr Janse, DB	Councillor (Member of the Mayco)
Cllr Scheffers, EMJ	Councillor (Member of the Mayco)
Cllr Strauss, SW	Councillor (Member of the Mayco)
Cllr Beginsel, NJ	Councillor
Cllr Bosjan, E	Councillor
Cllr Du Plessis, S	Councillor
Cllr Grootboom, CJ	Councillor
Cllr Hess, P	Councillor
Cllr Kriel, J	Councillor
Cllr Maflika, JS	Councillor
Cllr Manganengene, HF	Councillor
Cllr Nteta, BH	Councillor
Cllr Simpson, OC	Councillor
Cllr Shibili, AJ	Councillor
Cllr Swanepoel, LM	Councillor
Cllr Van der Merwe, TM	Councillor
Mr Mokweni, SA	Municipal Manager
Mr Everson, AWJ	Director Corporate Services
Mr Brown, B	Chief Financial Officer
Ms Matthys, CO	Director Strategy & Social Development
Mr Mgajo, M	Director Community Services
Mr Johnson, M	Manager Civil Engineering Services
Ms Kotzé, S	Manager Administrative Support
Ms Burger, E	Chief Clerk General Administration
Mr Qhanqisa, ST	Translator

3. 3.1 Applications for leave of absence / Aansoek om verlof tot afwesigheid

Cllr Januarie, JJ	Councillor
Cllr Van Zyl, JDF	Councillor
Mr Van der Westhuizen, IAB	Director Engineering Services

3.2 Absent without leave / Afwesig sonder verlof

None / Geen

4. **Goedkeuring van Notule / Approval of Minutes:**

- 4.1 That the minutes of an Ordinary Meeting of Council of the Langeberg Municipality held on 25 September 2018 at 10h00 in the Council Chambers, Municipal Offices, Church Street, Robertson be approved and confirmed.

Dat die notule van 'n Gewone Vergadering van die Raad van die Langeberg Munisipaliteit wat gehou was op 25 September 2018 om 10h00 in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson goedgekeur en bekragtig word.

5. **Verklarings en Mededelings deur die Speaker / Statements and Announcements by the Speaker**

The Speaker wished Councillors Eric Scheffers and Paulina Hess a happy birthday and the best for the coming year.

The Speaker reprimanded Councillors for their poor attendance at recent portfolio committee meetings and said that meetings could not be held because there were no quorums. He said that he will in future not accept applications for leave of absence without a valid reason and emphasized that the meetings are important and must be attended.

6. **Onderhoude met Afvaardigings / Interviews with Delegations**

None / Geen

7. **Verklarings en Mededelings deur die Burgemeester / Statements and Announcements by the Mayor.**

Die Uitvoerende Burgemeester het Rdl Owenita Simpson verwelkom in die Raad en haar voorspoed toegewens. Hy het die Raad ingelig dat hy in verbinding was met die Tuinroete burgemeesters en die Langeberg inwoners se diepe meegevoel oorgedra met die brandslagoffers en omvangryke brandskade wat die afgelope dae daar gely is. Die Raad moet goeie buurmanskap aan die dag lê en hulpverlening aanbied.

In die lig van die afgelope week se versengende hitte het die Burgemeester ook sy diep kommer uitgespreek oor uiters swak skarebeheer by die swembad. Besoekersgetalle en -gedrag is buite beheer en veroorsaak 'n enorme probleem vir die Munisipaliteit. 'n Dringende plan van aksie moet gemaak word.

8. **Dringende Aangeleenthede en Verslae, Verklarings & Mededelings voorgelê deur die Munisipale Bestuurder.**
Urgent Matters and Reports, Statements & Announcements submitted by the Municipal Manager.

A 3720 - WATER EXCHANGE WITH UITSIG FARM, ROBERTSON (DIRECTOR ENGINEERING SERVICES)

9. **Consideration of Notice of Motions / Oorweging van Kennisgewing van Mosies**

Geen / None.

10. **Oorweging van Kennisgewing van Vrae / Consideration of Notice of Questions**

Geen / None.

11. **Oorweging van Dringende Mosies / Consideration of Urgent Motions**

None / Geen

12. **Oorweging van Verslae / Consideration of Reports:**

12.1 Reports submitted to Council for consideration (A Items)
Verslae voorgelê aan die Raad vir oorweging (A-items)

A 3703 MONTHLY REPORTS FROM THE LOCAL TOURISM ASSOCIATIONS – AUGUST 2018 (12/2/3/3)
MANAGER: SOCIAL DEVELOPMENT

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That the report from the Local Tourism Associations for August 2018 be noted

A 3704 CLOSING OF MUNICIPAL OFFICES: DECEMBER 2018 / JANUARY 2019 (4/7/1) (DIRECTOR CORPORATE SERVICES)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

- 1 That approval be granted that the municipal offices may close from 24 December 2018 and re-open on 07 January 2019. (Offices will therefore close on 21 December 2018 at 12h00 and re-open on 07 January 2019 at 08h00).

Dat goedkeuring verleen word vir die sluiting van die munisipale kantore vanaf 24 Desember 2018 en heropen op 07 Januarie 2019. (Kantore sal dus op 21 Desember 2018 om 12h00 sluit en op 07 Januarie 2019 om 08h00 heropen).

2. That normal standby, refuse removal and emergency services still be rendered during the period mentioned under point 1 above.

Dat die normale bystand, vullisverwydering en nooddienste steeds gedurende die periode soos onder punt 1 hierbogemeld gelewer word.

3. That proper notice of the closure of the Municipal offices be given to the public.

Dat behoorlike kennis rondom die sluiting van die kantore aan die publiek gegee word.

4. That in the event of some officials not wanting to take leave for the entire period mentioned above, they be allowed to return to work in the period 02 to 04 January 2019 on condition that there is official work for them to do during this period.

Dat in die geval waar amptenare nie vir die volle periode soos bo genoem verlof wil neem nie, hulle toegelaat word om terug te keer werk toe van 02 tot 04 Januarie 2019 op voorwaarde dat daar amptelike werk vir hulle sal wees om gedurende dié tyd te doen.

A 3705 PROGRESS REPORT - JOB OPPORTUNITIES CREATED – JULY TO SEPTEMBER 2018 (LED DEPARTMENT) (9/2/1/9)

Some discussion took place about details contained in the report such as the Early Childhood Project, a worker that is 68 years old and the fact that more names than are required for EPWP projects should be submitted to Ward Councillors. The Director Corporate Services will relay the request. *The War on Leaks* was also discussed briefly.

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That Council notes the contents of the progress report on job opportunities for the period July - September 2018.

A 3706 APPLICATIONS FOR WATER & SANITATION INFRASTRUCTURE GRANT (WSIG) - BULK SERVICES AT BOEKENHOUTSKLOOF HOUSING PROJECT BONNIEVALE & MANDELA SQUARE HOUSING PROJECT MONTAGU (5/15/2/3/5) (MANAGER CIVIL ENGINEERING SERVICES)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That applications for WSIG funding be approved by Council for the following capital projects:

1. Bulk Services Boekenhouts Kloof Housing Project, Bonnievale.
2. Bulk Services Mandela Square Housing Project, Montagu.

A 3707 QUARTERLY REPORT: LOCAL ECONOMIC DEVELOPMENT: JULY - SEPTEMBER 2018 (9/2/1/9), LED MANAGER

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That Council notes the contents of the report.

A 3708 MONTHLY REPORTS FROM THE LOCAL TOURISM ASSOCIATIONS – SEPTEMBER 2018 (12/2/3/3) MANAGER: SOCIAL DEVELOPMENT

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That the report from the Local Tourism Associations for September 2018 be noted

A 3709 RESUBMISSION: APPLICATION TO LEASE A PORTION OF MUNICIPAL LAND ADJACENT TO ERF 499, NKQUBELA, ROBERTSON (7/2/3/1/5) (MANAGER: ADMINISTRATIVE SUPPORT)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That it be confirmed that a portion of land ($\pm 106\text{m}^2$) north of erf 499, Nkqubela, which is a proclaimed road and a portion of land ($\pm 184\text{m}^2$) to the south west of erf 499, Nkqubela is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003).

Dat dit bevestig word dat 'n gedeelte grond ($\pm 106\text{m}^2$) noord van erf 499, Nkqubela wat 'n geproklameerde padreserwe is en 'n gedeelte van grond ($\pm 184\text{m}^2$) aan die suid-weste kant van erf 499, Nkqubela nie benodig word vir die verskaffing van die minimum vlak van basiese munisipale dienste nie. (S14 van die MFMA 2003, Wet 56 van 2003).

2. That the application received from Mr AS Mbi to purchase a portion of land ($\pm 106\text{m}^2$) north of erf 499, Nkqubela, which is a proclaimed road and a portion of land ($\pm 184\text{m}^2$) to the south west of erf 499, Nkqubela be approved at a market related price subject the following conditions:

Dat die aansoek ontvang vanaf Mnr AS Mbi om 'n grond ($\pm 106\text{m}^2$) noord van erf 499, Nkqubela wat 'n geproklameerde padreserwe is en 'n gedeelte van grond ($\pm 184\text{m}^2$) aan die suid-weste kant van erf 499, Nkqubela te koop, goedgekeur word word onderhewig aan die volgende voorwaardes:

- 2.1 That written notices be served on all adjoining property owners.

Dat skriftelike kennisgewings bedien word aan alle aanliggende eienaars.

- 2.2 That the selling price be determined based on a reasonable market value certificate.

Dat die verkoopprijs bereken word baseer word op 'n billike markwaardasie sertifikaat.

- 2.3 That a deposit of 10% be payable at the signing of the Deed of Sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar is met ondertekening van die Koopoorreenskoms en dat die restant betaalbaar is met registrasie van die eiendom.

- 2.4 That the purchaser be responsible for all connection fees for Municipal services rendered to the property.

Dat die Koper verantwoordelik sal wees vir alle aansluitingsfooie vir Munisipale dienste gelewer aan die eiendom.

- 2.5 The alienation of a portion of land ($\pm 106\text{m}^2$) north of erf 499, Nkqubela, which is a proclaimed road and a portion of land ($\pm 184\text{m}^2$) to the south west of erf 499, Nkqubela be subject to the prescribed Land Development Application ito the Langeberg Land Use By Law which will include closure of a portion of Mamombo Street, consolidation and rezoning.

Dat die vervreemding van 'n gedeelte grond ($\pm 106\text{m}^2$) noord van erf 499, Nkqubela wat 'n geproklameerde padreserwe is en 'n gedeelte van grond ($\pm 184\text{m}^2$) aan die suid-weste kant van erf 499, Nkqubela onderhewig sal wees aan die voorgeskrewe "Land Development Application ito the Langeberg Land Use By Law" wat insluit die sluiting van 'n gedeelte van Mamombostraat, konsolidasie en hersonering.

- 2.6 That the purchaser be responsible for all costs regarding the alienation.

Dat die Koper verantwoordelik sal wees vir alle koste met betrekking tot die vervreemding.

- 2.7 That no additional land use rights will vest with the transfer of the said portion of land.

Dat geen addisionele grondgebruik regte met die oordrag van die gedeelte grond geskied nie.

- 2.8 That the approval to purchase a portion of land ($\pm 106\text{m}^2$) north of erf 499, Nkqubela, which is a proclaimed road and a portion of land ($\pm 184\text{m}^2$) to the south west of erf 499, Nkqubela be subjected to the submission, payment and approval of building plans for the illegal structure (Boundary wall) after completion of the above processes.

Dat die goedkeuring om 'n gedeelte grond ($\pm 106\text{m}^2$) noord van erf 499, Nkqubela wat 'n geproklameerde padreserwe is en 'n gedeelte van grond ($\pm 184\text{m}^2$) aan die suid-weste kant van erf 499, Nkqubela te koop onderhewig sal wees aan die indiening, betaling en goedkeuring van bouplanne vir die onwettige struktuur (grensmuur) na voltooiing van voormelde prosesse.

- 2.9 That the purchase deal be finalized within a period of 8 months after signing the Deed of Sale, failing which the offer will expire irrevocably.

Dat die kooptransaksie binne 'n periode van 8 maande vanaf datum van ondertekening van die Koopoorreenskoms afgehandel word, by versuim waarvan die aanbod onherroeplik verval.

A 3710 QUARTERLY REPORT : BREËRIVIER WYNLAND LANDELIKE ONTWIKKELINGS VERENIGING : 01 JULY 2018 TO 30 SEPTEMBER 2018 (12/2/3/24) MANAGER: SOCIAL DEVELOPMENT

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That the quarterly report of the Breërivier Wynland Landelike Ontwikkelings Vereniging for the period 01 July 2018 to 30 September 2018, be accepted.

A 3711 FINANCIAL REPORTING IN TERMS OF SECTION 71 FOR THE MONTHLY BUDGET STATEMENT & SECTION 52 (D) FOR THE QUARTERLY BUDGET ASSESSMENT STATEMENT ~ SEPTEMBER 2018 (9/2/1/3) (CHIEF FINANCIAL OFFICER)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

A 3712 REQUEST TO EXTEND THE TERM OF OFFICE FOR MEMBERS OF THE LANGEBOG MUNICIPAL PLANNING TRIBUNAL (MANAGER TOWN PLANNING)

Some discussion ensued about the appointment of the Director Engineering Services on the tribunal as Cllr Shibili said that the Director is expected to retire in the near future. The Municipal Manager said that an anticipated retirement has no bearing on a person's intervening service on the tribunal. When a person retires or resigns from the Municipality he is no longer eligible to serve on the tribunal. In accordance with stipulations, the Municipality will then appoint another official in his stead.

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That the following persons, upon the respective approval of their decision makers, Carisa Pieters (Breede Valley Municipality), Quinton Balie (Cape Winelands District Municipality), Jeremy Benjamin (DEADP), Helene Janser (DEADP) and Hendrik Taljaard (Witzenberg Municipality), be appointed to serve for a further 3-year term from 29 April 2019 to 29 April 2022.
2. That Messrs. Isak van der Westhuizen, Jacobus Brand and Maynard Johnson, be appointed to serve a further 3-year term.
3. That Mr. Isak van der Westhuizen be appointed for a further 3-year term as chairperson of the Langebog Municipal Planning Tribunal.
4. That Mr. Maynard Johnson be appointed for a further 3-year term as deputy chairperson of the Langebog Municipal Planning Tribunal.

A 3713 REMUNERATION OF THE AUDIT & PERFORMANCE COMMITTEE MEMBERS OF LANGEBOG MUNICIPALITY – 2018 2019 (5/14/R) (CHIEF AUDIT EXECUTIVE)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That the contents of the report, REMUNERATION OF THE AUDIT AND PERFORMANCE COMMITTEE MEMBERS 2018 - 19 FINANCIAL YEAR, be approved by Council.
2. That the adjusted remuneration of the Audit & Performance Committee members as per the report, REMUNERATION OF THE AUDIT AND PERFORMANCE COMMITTEE MEMBERS 2018 - 19 FINANCIAL YEAR, be effective from 01 November 2018

EXPENDITURE OF THE 2018 / 2019 BUDGET MEASURED BY THE TOP LEVEL SDBIP - THE FIRST QUARTER (5/1/3) (DIRECTOR: STRATEGY AND SOCIAL DEVELOPMENT)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. Council notes the contents of the report

Dat die Raad kennis neem van die inhoud van die verslag.

2. That the following KPI's be amended and excluded in the TL SDBIP for 2018 / 2019.

KPI'S TO BE AMENDED ON THE TLSDBIP:

1.

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement
TL76	Community Services	Housing	Hold quarterly meetings with each informal settlement committee (7 informal settlement committees) during the 2018/19 financial year	Number of quarterly meetings held

To change to

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Reason for amendment
TL76	Community Services	Housing	Hold quarterly meetings with each informal settlement committee or ward committees (7 informal settlement committees) during the 2018/19 financial year	Number of quarterly meetings held	KPI to more realistic according to SMART principles

KPI'S TO BE REMOVED FROM THE TL SDBIP:

KPI Ref	Directorate	KPI	Unit of Measurement	Reason for removal
TL36	Engineering Services	Spend 100% of the total amount budgeted to replace the 11Kv switchgear of Ashton Main Substation by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL37	Engineering Services	Spend 100% of the total amount budgeted for the upgrade of the 11Kv Line in Stockwill by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL38	Engineering Services	Spend 100% of the total amount budgeted for the installation of the 11Kv switchgear in Brinks Substation by 30 June 2019 {(Total actual expenditure for the projects/Total amount budgeted for the projects)x100}	% of budget spent	KPI will not be completed during 2018/19

TL39	Engineering Services	Purchase and Replace 11Kv Oil Insulated Switchgears by 30 June 2019	Number of Oil Insulated Switchgears purchased	KPI will not be completed during 2018/19
TL40	Engineering Services	Spend 100% of the total amount budgeted for the upgrade of the 11Kv Line to Poortjieskloof by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL41	Engineering Services	Spend 100% of the total amount budgeted to upgrade the McGregor/Boesmansrivier 11Kv Line by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL42	Engineering Services	Spend 100% of the total amount budgeted to replace the 66Kv Switchgear (Goudmyn and Le Chasseur Substations) by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL43	Engineering Services	Spend 100% of the total amount budgeted to upgrade Bonnievale Main Substation by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL44	Engineering Services	Spend 100% of the total amount budgeted to re-route the McGregor 11Kv Line at McGregor Sport fields by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL45	Engineering Services	Spend 100% of the total amount budgeted to upgrade the 11Kv Cable Feeder from White Street Substation to Van Zyl Street Hospital Substation by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL46	Engineering Services	Spend 100% of the total amount budgeted for the upgrade of the Goedemoed 11Kv Line by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19
TL47	Engineering Services	Spend 100% of the total amount budgeted to replace the 66Kv Transformers at Robertson Main Substation by 30 June 2019 {(Total actual expenditure for the	% of budget spent	KPI will not be completed during 2018/19

		project/Total amount budgeted for the project)x100}		
TL48	Engineering Services	Spend 100% of the total amount budgeted for the upgrade of the 11Kv Line at Buitekantstraat in McGregor by 30 June 2019 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	KPI will not be completed during 2018/19

A 3715 INVESTIGATION BY THE SPEAKER: LATE SUBMISSION OF THE ANNUAL FINANCIAL STATEMENTS

On a question by Cllr Shibili, the CFO specified what the qualifications of an mSCOA official will have to be. Such a person will have a BComm accounting degree, with preferably an honours degree and will ideally focus on accounting standards, do interpretations and give guidance on the applications thereof.

The Municipal Manager said that the municipalities in South Africa has reached a cross road when it comes to mSCOA. Even National Treasury is questioning the companies they qualified to be the ones that can implement mSCOA. Is this now becoming irregular expenditures? So, it seems that National Treasury have implemented something but that they have not done their homework properly. We know that we must appoint a new accounting system, but do we proceed with it now? National Treasury is presently saying the tender must be audited to see whether the companies doing mSCOA accounting systems comply. We can just wait and see what the outcome will be

The Municipal Manager also informed Council that the Municipality has reached a very sticky point with the Auditor General. In 2017 the Municipality paid them R3.3 million and this year they increased their fees to R5.7 million. We said that we were not going to pay a 50% increase in fees, we will only pay a 6% increase as recommended by National Treasury. They responded by reducing their fees by R700 000.00 which amounts to a 33% increase. As we speak the matter has still not been resolved. The CFO has advised that the maximum we can afford is a 7% increase and that will be our top offer. The Municipal Manager said that by law he is obliged to follow the advice of the CFO because if he does not, he will be misconducting himself. He wished to inform Council that we will not grant an increase to the AG of more than 7%. That is his and the CFO's advice – that the Municipality can only afford a maximum 7% increase. He reminded Council that the increase does not buy a clean audit.

The Speaker invited questions and Cllr J Kriel said that he was in agreement with the Municipal Manager and wondered whether municipalities should not as a collective have a meeting with the AG about the exorbitant increase.

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018

This item served before an Ordinary Meeting of Council on 30 October 2018

Eenparig Besluit / Unanimously Resolved

1. The Council accepts the reasons for the late submission of the AFS.
2. That the required funding be made available in the February 2019 adjustments to fill the positions of the Senior Accountant (AFS and Reporting) and the GRAP / mSCOA specialist which are already on the approved structure. The filling of these positions will be to assist with the additional requirements and work load that comes along with mSCOA.
3. That for the 2017 / 2018 financial year a maximum increase of 7% on the actual costs paid to the Auditor General in the 2016 / 2017 financial year be approved, as this is the maximum amount the Langeberg Municipality can afford to pay.

A 3716 REQUEST TO NOMINATE COUNCILLORS TO JOIN CLINIC COMMITTEES (12/2/1/30) (MANAGER: SOCIAL DEVELOPMENT)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That the Ward Councillors be delegated to serve on the following Clinic Committees

Ward 2	- Nkqubela Clinic	- Councillor A Shibili
Ward 3	- Bergsig Clinic	- Alderman JD Burger
Ward 4	- Happy Valley Clinic	- Councillor JJ Januarie
Ward 5	- McGregor Clinic	- Councillor W Strauss
Ward 7	- Montagu Clinic	- Councillor J Kriel
Ward 9	- Cogmanskloof Clinic	- Councillor N Beginzel
Ward 10	- Zolani Clinic	- Councillor B Nteta

A 3717 FEEDBACK TO COUNCIL: EXECUTION OF COUNCIL RESOLUTIONS: JULY – SEPTEMBER 2018 (3/2/1/3) (MUNICIPAL MANAGER)

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That the contents of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

2. That this report be submitted quarterly to Council.

A 3718 BOARD MEMBERSHIP : CHARTERED INSTITUTE OF GOVERNMENT FINANCE, AUDIT & RISK OFFICERS (CIGFARO) (5/14/1/2/4) : DIRECTOR FINANCIAL SERVICES

The Council extended its compliments to the CFO, Mr Bradley Brown, for being elected chairperson of the Western Cape Regional Branch of this Institute, a high honour indeed.

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That approval be granted for the Director Financial Services (B Brown) to serve as Western Cape Regional Branch Chairperson for the term 2018 - 2020 and as Board Ex-officio member.
2. That approval be granted for the Director Financial Services (B Brown) to attend meetings of the Board, possible standing committees and those of the Western Cape Branch.
3. That approval be granted that traveling and accommodation costs be borne by the employer (Langeberg Municipality).

**A 3719 PROPOSED AMENDMENT OF THE LANGEBERG SPATIAL DEVELOPMENT FRAMEWORK (SDF):
(15/1/13/7) (DIRECTOR ENGINEERING SERVICES)**

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That Council, in terms of the Municipal System Act, Act 32 of 2000 (MSA), Section 28(1), proceed with the proposed amendment process of the Spatial Development Framework.
2. That no Intergovernmental Steering Committee be established.
3. That the Municipality establish a project committee consisting of the Municipal Manager (or a municipal employee designated by the Municipal Manager) and other employees appointed by the Municipal Manager.

A 3720 WATER EXCHANGE WITH UITSIG FARM, ROBERTSON (16/1/1) (DIRECTOR ENGINEERING SERVICES)

A long discussion took place. Alderman Burger said that ±R70 000.00 was already paid to tax on the water and asked if this amount is going to be paid by Mr Bruwer to the Municipality seeing that the tax has been paid during July 2018 in advance for this financial year. He also questioned why this report was submitted on a Friday afternoon.

Cllr Kriel also raised various questions which was responded to by Mr Johnson. Cllr Joubert said that there are other farmers in that area as well and that applications from them can also be expected.

Mr Johnson gave relevant details on the functioning of the water systems and extracting points and said that this exchange that Mr Bruwer is proposing is not assisting the Municipality at all. He said that if the Council decide to assist the applicant, it will have to be on other terms also taking into consideration the financial implications now and in future for the Municipality and ratepayers.

Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This item served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

1. That this report be referred to the Engineering Services Portfolio Committee meeting of 05 November 2018 for consideration and that the Manager: Engineering Services, Mr M Johnson also attend the meeting to provide the comments and inputs he has done in the Council meeting.
2. That the authority be delegated to the Executive Mayor and Municipal Manager to take a final decision in this regard.
3. That Cllr J Kriel be appointed as Chairperson of the Engineering Services Portfolio Committee for the meeting of 5 November 2018.
4. That Cllr O Simpson be appointed as a member of the Corporate Services Portfolio Committee.

**12.2 Reports submitted to Council for consideration (AA Items)
Verslae voorgelê aan die Raad vir oorweging (AA-items)**

None / Geen

12.3

Reports dealt with in terms of the delegated powers by the Mayoral Committee (B & BB Items)
Verslae afgehandel deur die Burgemeesterskomitee in terme van gedelegeerde bevoegdhede (B & BB-items)

Hierdie items het gedien voor 'n Gewone Vergadering van die Raad op 30 Oktober 2018
This items served before an Ordinary Meeting of Council on 30 October 2018
Eenparig Besluit / Unanimously Resolved

That Council note the B and BB reports that were dealt with by the Executive Mayoral Committee in terms of the delegated powers.

Dat die Raad kennis neem van die B en BB verslae wat deur die Uitvoerende Burgemeesterkomitee in terme van gedelegeerde bevoegdhede hanteer is.

The meeting ended at 11h37

SPEAKER

DATE

A ITEMS

A 3721	PROGRAMME OF DATES FOR MEETINGS 2019 ~ SECTION 79 COMMITTEES, EXECUTIVE MAYORAL COMMITTEE AND COUNCIL ~ JANUARY TO DECEMBER 2019 (3/2/3/1) (DIRECTOR CORPORATE SERVICES)	31
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PROGRAMME OF DATES FOR MEETINGS 2019 ~ SECTION 79 COMMITTEES, EXECUTIVE MAYORAL COMMITTEE AND COUNCIL ~ JANUARY TO DECEMBER 2019 (3/2/3/1) (DIRECTOR CORPORATE SERVICES)

Purpose of Report

To submit for consideration, a programme of proposed dates for the 2019 meetings of the Section 79 Committees, the Executive Mayoral Committee and Council.

Background

The following dates are proposed for the meetings of the Section 79 Committees, the Executive Mayoral Committee and Council from January to December 2019.

Recommendation / Aanbeveling

1. That the following dates for the meetings of the Section 79 Committees, MPAC, Mayoral Committee and Council for 2019 be approved.

Dat die vergaderingsdatums soos hieronder aangedui, van die Artikel 79 Komitees, MORK, Burgemeesterskomitee en Raad vir 2019 goedgekeur word.

2. That the proposed dates be compared with other known dates of meetings that councillors regularly attend throughout the year, in order to avoid the clashing of meetings.

<u>ART 79 COMMITTEES</u> Corporate Services, Strategy + Social Development, Community Services, Engineering Services, MPAC, Finance	<u>EXECUTIVE MAYORAL COMMITTEE</u> At 10h00	<u>COUNCIL MEETING</u> At 10h00	<u>STATUTORY COUNCIL MEETING</u> (Urgent matters) At 10h00
15 January 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 18 January 2019 = Finance Committee	22 January 2019	29 January 2019	
01 January 2019 = New Year's Day. Schools reopen on 09 January 2019			
05 February 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 20 February 2019 = Finance Committee	12 February 2019	26 February 2019	
05 March 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 20 March 2019 = Finance Committee	13 March 2019	27 March 2019	
21 March 2019 = Human Rights Day. Schools close 15 March 2019 (Autumn);			
08 April 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 24 April 2019 = Finance Committee	16 April 2019	30 April 2019	

Schools reopen on 02 April 2019, Good Friday = 19 April 2019, Family Day = 22 April 2019, Freedom Day = 27 April 2019			
06 May 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 21 May 2019 = Finance Committee	14 May 2019	28 May 2019	
Workers' Day = 01 May 2019			
03 June 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 21 June 2019 = Finance Committee	11 June 2019	21 June 2019	
14 June 2019 = Schools close, Youth day = 16 June 2019, Public holiday on Monday 17 June 2019			
08 July 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 19 July 2019 = Finance Committee	16 July 2019	23 July 2019	
09 July 2019 = Schools re-open			
05 Aug 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 16 August 2019 = Finance Committee	13 August 2019	20 August 2019	
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Schools reopen on 01 Oct 2019			
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December 2019	---	03 December 2019	---
Schools close on 04 Dec 2019 (Summer), 16 Dec 2019 = Day of Reconciliation, 25 Dec 2019 = Christmas Day. 26 Dec 2019 = Day of Goodwill. Schools re-open in mid-January 2020 (date to be confirmed).			

This item served before the Corporate Services Portfolio Committee on 05 November 2018
Hierdie item het gedien by die Korporatiewe Dienste Portefeulje Komitee op 05 November 2018
Aanbeveling / Recommendation

1. That the following dates for the meetings of the Section 79 Committees, MPAC, Mayoral Committee and Council for 2019 be approved.

Dat die vergaderingdatums soos hieronder aangedui, van die Artikel 79 Komitees, MORK, Burgemeesterskomitee en Raad vir 2019 goedgekeur word.

2. That the proposed dates be compared with other known dates of meetings that councillors regularly attend throughout the year, in order to avoid the clashing of meetings.

ART 79 COMMITTEES Corporate Services, Strategy + Social Development, Community Services, Engineering Services, MPAC, Finance	EXECUTIVE MAYORAL COMMITTEE At 10h00	COUNCIL MEETING At 10h00	STATUTORY COUNCIL MEETING (Urgent matters) At 10h00
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December 2019	---	03 December 2019	---
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Further comments Director Corporate Services

Following the aforementioned proposed dates during a further discussion with the Municipal Manager and Directors in the SMT, the Municipal Manager requested that an alternative program with dates be compiled where the portfolio committees be moved to the second week of the month where possible and to also address the proposed dates for the Finance portfolio committee meetings which were problematic in relation to the dates of the Council meetings. The following dates for the 2019 year are recommended:

<u>ART 79 COMMITTEES</u> Corporate Services, Strategy + Social Development, Community Services, Engineering Services, MPAC & Finance	<u>EXECUTIVE MAYORAL COMMITTEE</u> At 10h00	<u>COUNCIL MEETING</u> At 10h00	<u>STATUTORY COUNCIL MEETING</u> (Urgent matters) At 10h00
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December 2019	---	10 December 2019	---
Schools close on 04 Dec 2019 (Summer). 16 Dec 2019 = Day of Reconciliation. 25 Dec 2019 = Christmas Day. 26 Dec 2019 = Day of Goodwill. Schools re-open in mid-January 2020 (date to be confirmed).			

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gediën op 29 November 2018

Cllr GD Joubert said that the Executive Mayoral Committee wants the meetings of portfolio committees to be moved to Tuesdays; that no meetings should be scheduled for June 2019 and that the December 2019 Council meeting be held on 04 December 2019.

The Director Corporate Services said there might be a need to arrange a Statutory Council meeting in June 2019 if there is a compliance matter to be dealt with and that the reason for the Council meeting set for 10 December 2019 was to allow enough time to receive the Audit Report from the Auditor General, as 04 December 2019 may be too soon.

Aanbeveling / Recommendation

1. That the following dates for the meetings of the Section 79 Committees, MPAC, Mayoral Committee and Council for 2019 be approved.

Dat die vergaderingdatums soos hieronder aangedui, van die Artikel 79 Komitees, MORK, Burgemeesterskomitee en Raad vir 2019 goedgekeur word.

2. That the proposed dates be compared with other known dates of meetings that councillors regularly attend throughout the year, in order to avoid the clashing of meetings.

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21 March 2019 = Human Rights Day. Schools close 15 March 2019 (Autumn);			
09 April 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development	16 April 2019	30 April 2019	

09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 18 April 2019 = Finance Committee			
Schools reopen on 02 April 2019, Good Friday = 19 April 2019, Family Day = 22 April 2019, Freedom Day = 27 April 2019			
14 May 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 16 May 2019 = Finance Committee	21 May 2019	28 May 2019	
Workers' Day = 01 May 2019			
No Portfolio meetings in June 2019	No Mayco meeting in June 2019	No Council meeting in June 2019	14 June 2019
14 June 2019 = Schools close, Youth day = 16 June 2019, Public holiday on Monday 17 June 2019			
09 July 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 17 July 2019 = Finance Committee	23 July 2019	30 July 2019	
09 July 2019 = Schools re-open			
13 Aug 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 16 August 2019 = Finance Committee	20 August 2019	27 August 2019	
09 August 2019 = National Women's Day.			
10 September 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 16 September 2019 = Finance Committee	17 September 2019	25 September 2019	
24 Sept 2019 = Heritage Day. Schools close on 20 Sept 2019 (Spring)			
08 October 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 17 October 2019 = Finance Committee	22 October 2019	29 October 2019	
Schools reopen on 01 Oct 2019			
12 November 2019 08h00 – 08h45= Corporate Services Committee 08h45 – 09h30= Strategy + Social Development 09h30 – 10h45= Community Services Committee 10h45 – 11h30= Engineering Services Committee 11h30 – 12h15= MPAC 18 November 2019 = Finance Committee	26 November 2019	No Council meeting	
December 2019	---	04 December 2019	---
Schools close on 04 Dec 2019 (Summer). 16 Dec 2019 = Day of Reconciliation. 25 Dec 2019 = Christmas Day. 26 Dec 2019 = Day of Goodwill. Schools re-open in mid-January 2020 (date to be confirmed).			

3. That in the event there is a need for a Council meeting in June or December 2019 to address any compliance matters, statutory council meetings be arranged on dates as determined by the Municipal Manager and the Speaker.

**SUBMISSION OF THE AUDITED FINANCIAL STATEMENTS OF THE LOCAL TOURISM ASSOCIATIONS
FOR THE PERIOD 01 JULY 2017 TO 30 JUNE 2018 (12/2/3/3) (MANAGER: SOCIAL DEVELOPMENT)**

Purpose of the Report

To submit the Audited Financial Statements, as received from the Local Tourism Associations, to Council

Background

In accordance with Item 4 of the signed Memoranda of Agreement, for the period 1 July 2017 to 30 June 2018, between the Local Tourism Associations (LTA's) and Langeberg Municipality, these associations must provide Langeberg Municipality with their audited financial statements by 30 September each year.

Comments

The audited financial statements for the period 01 July 2017 to 30 June 2018 were received from the McGregor, Montagu and Robertson Local Tourism Associations.

The comments provided by the Langeberg Municipal Chief Audit Executive, Mr M Shude, **are attached to this report.**

The audited financial statements, of the McGregor, Montagu and Robertson Local Tourism Associations are attached to this report.

NOTE: Annexures were distributed as part of the agenda for the Strategy & Social Development Portfolio Committee meeting of 05 November 2018 (pg 10 - 48)

**This item served before the Strategy & Social Development Portfolio Committee on 05 November 2018.
Hierdie item het gedien by die Strategiese & Sosiale Ontwikkeling Portefeulje Komitee op 05 November 2018.
Aanbeveling / Recommendation**

1. That the audited financial statements of the Local Tourism Associations for the period 01 July 2017 to 30 June 2018 be noted and that the questions raised by the Chief Audit Executive be responded to at the Council meeting
2. That a quarterly presentation be made by the Chairperson of each Association to the Strategy & Social Development Portfolio Committee about the tourism projects that have been done in the preceding financial quarter and are planned for the next financial quarter.
3. That the quarterly presentation must include a report on the SMME development by the Association in terms of the service level agreement with the Municipality, i.e. what do they do to promote tourism in their previously disadvantaged areas with the funds they are receiving from the Municipality.

**This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation**

1. That the audited financial statements of the Local Tourism Associations for the period 01 July 2017 to 30 June 2018 be noted and that the questions raised by the Chief Audit Executive be responded to at the Council meeting
2. That a quarterly presentation be made by the Chairperson of each Association to the Strategy & Social Development Portfolio Committee about the tourism projects that have been done in the preceding financial quarter and are planned for the next financial quarter.
3. That the quarterly presentation must include a report on the SMME development by the Association in terms of the service level agreement with the Municipality, i.e. what do they do to promote tourism in their previously disadvantaged areas with the funds they are receiving from the Municipality.

~ MEMORANDUM ~			
<u>AAN / TO</u>	Mr S. A Mokweni Municipal Manager	<u>VAN / FROM</u>	Mr. M Shude Chief Audit Executive
<u>VERW / REF</u>		<u>DATUM / DATE</u>	04 October 2018
<u>ONDERWERP SUBJECT</u>	AUDITED FINANCIAL STATEMENTS FROM THE LOCAL TOURISM ASSOCIATIONS		

Sir

Below please find my comments.

McGregor Tourism Bureau

Statement of Financial Position as at 30 June 2018

- Cash & cash equivalents decreased by R36 919.12 mainly due to the Stanlib Investment being fully withdrawn. What was this withdrawal/cash outflow used for seeing that no new assets were bought and that there was no new investment?
- What was the cause of Trade and other receivables decreasing by 38% and where were these payments realized since there was no increase in cash and cash equivalents (actually a decrease of 26% in cash) nor an increase in bad debts (actually a decrease of 97% in bad debts)?

Statement of Comprehensive Income

- In terms of commission received, what is causing the decrease in the revenue for hiking (Accommodation decreased by 43% & Trails decreased by 95%), because the shop sales have done well by increasing with 63%?
- There is also a great concern in the decrease in Grants of 32%, which is the main reason for the net shortage for the year. If this does not change McGregor Tourism Bureau might not be a going concern as at 30 June 2019.

Montague Ashton Tourism Association

- The Stanlib investment has been fully withdrawn, is there perhaps a problem with this investment or what is the cause for this?
- What was the cause of the huge increase in sales of 1255% (from R1 287.20 to R17 442.11)?
- There is also a concern with the rent as the association previously was not committed to any rental expense. What asset or facility is being rented and does this have any contribution towards revenue creation, because if not, the rental agreement should be cancelled as it would not be making any financial sense?
- There is also a concern w.r.t. Montague Makiti en Mime Time as the revenue in this regard only increased by 29% whereas the expenditure related to this has increased by a shocking 109%. This has further resulted in the Montague Makiti en Mime Time revenue hub making a net loss of R1 085.35 (R35 790 – R36 875.35), compared to last year when it made a net profit of R9 998.19 (R27 650 – R17 651.81)
- The overall trend for Montagu Ashton tourism is a good one as we are witnessing an increase in the net surplus from the prior year's net shortage.

Yours faithfully



Mava Shude
Chief Audit Executive

~ MEMORANDUM ~			
<u>AAN / TO</u>	Mr S. A Mokweni Municipal Manager	<u>VAN / FROM</u>	Mr. M Shude Chief Audit Executive
<u>VERW / REF</u>		<u>DATUM / DATE</u>	11 October 2018
<u>ONDERWERP SUBJECT</u>	AUDITED FINANCIAL STATEMENTS FROM THE LOCAL TOURISM ASSOCIATIONS		

Sir

Below please find my comments.

Robertson Tourism Bureau

Statement of Financial Position as at 30 June 2018

- Cash & cash equivalents decreased by R188 879 mainly due to the ABSA investment and cheque account being withdrawn. What was this withdrawal/cash outflow used for seeing that the new assets bought were immaterial (In fact fixed assets decreased by 21% from prior year) and that there was no new investment? What is the petty cash policy of the Bureau seeing that a significant amount of petty cash is held?
- What was the cause of Trade and other receivables decreasing by 100% and where were these payments realized since there was no increase in cash and cash equivalents (actually a decrease of 58% in cash)?
- The projects fund remained the same from prior year and there was no income received from festivals in the current year. What was the project expenditure of R147 176 spent on?

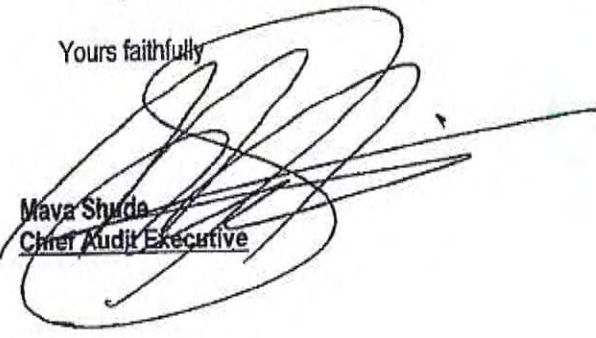
Statement of Comprehensive Income

- In terms of commission received, what is causing the decrease of 100%, because the bus bookings have done well by increasing by more than 100%?
- Total expenditure increased by 66% whilst total income merely increased by 20%. The Bureau is heavily reliant on contributions from Langeberg Municipality and Cape Winelands District Municipality since there was no income received from its own projects. This is a great concern as this might impact the going concern of the Bureau.
- Why is the profit on disposal of asset being equal to the proceeds on disposal of fixed assets? This means that the Bureau is recognizing assets at zero carrying value in their books which is not correct.
- All the items where movement from year to year is more than 2% of total income (R13 074) should have a disclosure note to enable the users to make informed decisions based on the financial statements.
- What caused the 105% increase in rent paid for buildings?
- Repairs and maintenance increase by 979%, what is the cause of spending a significant amount on repairs and maintenance whereas the fixed assets decreased? Why is the repairs and maintenance expenditure more than the carrying amount of fixed assets?
- Salaries and wages increased by 42%. Was this due to new appointments being made? And if so, why is the Bureau employing more staff whilst it is embarking on less cash generating projects?
- There is a great concern as the Bureau incurred a net loss for the current year and the cash generated from operations in the cash flow statements statement is a negative which means cash paid to suppliers and employees exceeds the cash received from operations.

Responsibility of the society's committee relating to internal control

- The society's committee should encourage donors to pay donations using the electronic funds transfer method (EFT) and use a register to record donations received. A reconciliation should be performed on a monthly basis between the donations register and bank accounts used for donations. This reconciliation and donations register should be reviewed by a senior official of the Bureau.

Yours faithfully



Maya Sharda
Chief Audit Executive

McGREGOR TOURISM BUREAU
ANNUAL AUDITED FINANCIAL STATEMENTS
AT
30 JUNE 2018



BARNARD

Geoktrooieerde Rekenmeesters
Chartered Accountants

McGREGOR TOURISM BUREAU

ANNUAL AUDITED FINANCIAL STATEMENTS - 30 JUNE 2018

REGISTERED ADDRESS

P.O. Box 264
McGregor
6708

AUDITORS

Barnard Chartered Accountants
P.O. Box 553
Robertson
6705

BANKERS

Standard Bank - Robertson

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McGREGOR TOURISM BUREAU

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2018

The Management Committee is responsible for the preparation, integrity and fair presentation of the annual financial statements of McGregor Tourism Bureau. The annual financial statements presented on page 6 to 10 have been prepared in accordance with International Financial Reporting Standard for Small to Medium-sized entities, and include amounts based on judgements and estimates made by management. The Management Committee also prepared the other information included in the annual reports and are responsible for both its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the financial statements. The Management Committee have no reason to believe that the organisation will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the Organisation.

The financial statements have been audited by the independent accounting firm, Barnard CA which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Management Committee and all other meetings. The Management Committee believe that all representations made to the independent auditors during their audit are valid and appropriate. Barnard's audit report is presented on page 3 to 5.

This report was approved by Management Committee and is signed on their behalf by:


CHAIRPERSON
28 August 2018


TREASURER

- 3 -

29 August 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGING COMMITTEE OF MCGREGOR TOURISM BUREAU

Opinion

We have audited the annual financial statements of McGregor Tourism Bureau set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of McGregor Tourism Bureau as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the entity in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In common with similar organisations, it is not feasible for the association to institute accounting controls over cash collected from donations and other sources prior to the initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Responsibilities of the Managing committee for the Annual Financial Statements

The Managing committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the association or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive of those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

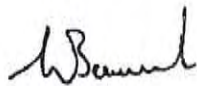
Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing committee.

Conclude on the appropriateness of the committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BARNARD
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS (SA)

McGREGOR TOURISM BUREAU

**STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2018**

	Notes	2018 R	2017 R
ASSETS			
Non-current assets			
Fixed assets	2.	14,804.50	22,125.50
		132,878.76	188,243.98
Current assets			
Trade - and other debtors		29,998.01	48,444.11
Cash and cash equivalents	3.	102,880.75	139,799.87
		<u>147,683.26</u>	<u>210,369.48</u>
EQUITY AND LIABILITIES			
Reserves			
Retained income		86,729.42	155,388.16
Current liabilities			
Trade- and other creditors		60,953.84	54,981.32
		<u>147,683.26</u>	<u>210,369.48</u>

McGREGOR TOURISM BUREAU

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	R	R
INCOME	382,021.08	510,486.20
Commission received	47,359.37	80,219.69
Accommodation	39,121.69	69,491.12
Shop	7,944.11	4,868.77
Trails	293.57	5,859.80
Fundraising income	32,366.52	25,510.40
Food and wine festival	32,366.52	25,510.40
Grants	235,000.00	343,920.00
Interest received	5,319.19	5,841.61
Membership subscriptions	56,646.00	49,142.50
Rentals - bicycle	3,160.00	3,452.00
Sundry income	2,170.00	2,400.00
	450,679.82	468,710.42
LESS: EXPENSES		
Admin fees	7,200.00	5,000.00
Audit fees	4,275.00	7,980.00
Auditor - other services	915.50	2,351.49
Bad debts	103.50	4,825.00
Bank charges	1,265.85	1,870.50
Consulting fees	1,525.00	5,000.00
Cleaning and gardening	858.30	646.80
Depreciation	7,321.00	7,866.00
Electricity and rent	25,531.89	5,891.76
Fundraising expenditure	51,593.60	54,325.74
Food and wine festival	51,593.60	54,325.74
General expenditure	-	2,045.20
Insurance	1,138.94	993.50
Marketing costs	20,373.00	40,386.47
Project expenditure	95,000.00	61,293.00
Public relations	3,645.00	2,319.00
Repairs and maintenance	776.00	7,042.40
Salaries and wages	161,635.77	153,521.85
Salaries - Temporary staff	7,750.00	4,680.00
Staff welfare	2,938.93	3,382.35
Stationery and printing	4,916.12	12,927.95
Telephone	16,932.60	25,569.81
Track- and trail expenditure	8,485.00	37,995.00
Travel and transport	11,421.00	7,271.60
Web and internet costs	15,077.82	13,525.00
	(68,658.74)	41,775.78
Nett surplus/(shortage) for the year		

McGREGOR TOURISM BUREAU

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2018**

	NON-DISTRI- BUTABLE INCOME	TOTAL
	R	R
Balance at 1 July 2016	113,612.38	113,612.38
Net surplus for the year	<u>41,775.78</u>	<u>41,775.78</u>
Balance at 30 June 2017	155,388.16	155,388.16
Net surplus/(shortage) for the year	<u>(68,658.74)</u>	<u>(68,658.74)</u>
Balance at 30 June 2018	<u><u>86,729.42</u></u>	<u><u>86,729.42</u></u>

McGREGOR TOURISM BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. Basis of preparation

The financial statements are prepared on the historical cost basis. These financial statements comply with International Financial Reporting Standard for Small and Medium Sized Entities. The following are the principal accounting policies used by the organisation:

1.1 Cash and cash equivalents

The cash and cash equivalents comprise of cash in hand, savings account and Stanlib investment account.

1.2 Fixed assets

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives.

Office equipment : 6 years

1.3 Trade and other debtors

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.4 Provisions

Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

McGREGOR TOURISM BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
2. FIXED ASSETS		
2.1 Office equipment		
Balance at the beginning of the year	22,125.50	22,581.50
Cost	51,210.30	43,800.30
Less: Accumulated depreciation	29,084.80	21,218.80
Plus: Additions	-	7,410.00
Less: Depreciation	7,321.00	7,866.00
Balance at the end of the year	14,804.50	22,125.50
Cost	51,210.30	51,210.30
Less: Accumulated depreciation	36,405.80	29,084.80
3. CASH AND CASH EQUIVALENTS		
Cash on hand	2,339.50	1,535.60
Standard Bank - Autobank Plusplan	100,541.25	79,207.72
Stanlib Investment	-	59,056.55
	102,880.75	139,799.87

4. TAX

No provision for taxation has been made as the bureau are exempt from income tax in terms of section 10(1) of the Income Tax Act.

**MONTAGU ASHTON TOURISM ASSOCIATION
053-274 -NPO**

ANNUAL AUDITED FINANCIAL STATEMENTS - 30 JUNE 2016

REGISTERED ADDRESS

24 Bath Sreet
Montagu
6720

AUDITORS

Barnard Chartered Accountants
P.O. Box 553
Robertson
6705

BANKERS

Standard Bank

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**MONTAGU ASHTON TOURISM ASSOCIATION
053-274 -NPO**

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2018

The Management Committee is responsible for the preparation, integrity and fair presentation of the annual financial statements of Montagu Ashton Tourism Association. The annual financial statements presented on pages 6 to 11 have been prepared in accordance with the International Financial Reporting Standard for Small to Medium-sized entities, and include amounts based on judgements and estimates made by the management. The Management Committee also prepared the other information included in the annual reports and is responsible for both its accuracy and its consistency with these annual financial statements.

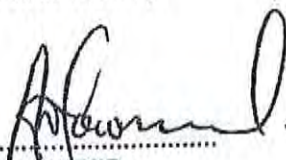
The going concern basis has been adopted in preparing the annual financial statements. The Management Committee has no reason to believe that the organisation will not be a going concern in the foreseeable future based on forecasts and available cash resources. These annual financial statements support the viability of the Association.

The annual financial statements have been audited by the independent accounting firm, Barnard Chartered Accountants, which was given unrestricted access to all financial records and related data including minutes of all meetings of the Management Committee and all other meetings. The Management Committee believes that representations made to the independent auditors during their audit are valid and appropriate. Barnard Chartered Accountants' audit report is presented on pages 3 to 5.

This report was approved by the Management Committee and is signed on its behalf by:


.....
CHAIRPERSON

31 August 2018


.....
TREASURER

31 August 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGING COMMITTEE OF MONTAGU-ASHTON TOURISM ASSOCIATION

Opinion

We have audited the annual financial statements of Montagu-Ashton Tourism Association set out on pages 6 to 11, which comprise the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Montagu-Ashton Tourism Association as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the entity in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In common with similar organisations, it is not feasible for the association to institute accounting controls over cash collected from donations and other sources prior to the initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Responsibilities of the Managing committee for the Annual Financial Statements

The Managing committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the association or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive of those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing committee.

Conclude on the appropriateness of the committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BARNARD
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS (SA)**

MONTAGU ASHTON TOURISM ASSOCIATION

**STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2018**

	Notes	2018 R	2017 R
ASSETS			
Non-current assets			
Fixed Assets	2.	10,192.00	15,235.00
		244,822.68	203,341.15
Current assets			
Trade - and other debtors		109,353.50	95,278.00
Cash and cash equivalents	3.	135,469.18	108,063.15
		<u>255,014.68</u>	<u>218,576.15</u>
EQUITY AND LIABILITIES			
Reserves			
Retained Income/(accumulated loss)		(61,281.71)	(66,288.02)
Current liabilities			
Trade- and other creditors		316,296.39	284,864.17
		<u>255,014.68</u>	<u>218,576.15</u>

MONTAGU ASHTON TOURISM ASSOCIATION

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2018**

	2018	2017
	R	R
INCOME	535,913.33	396,478.09
Advertising space	25,050.00	22,565.00
Commission received	72,071.17	19,205.10
Eroica cycle event	11,500.00	13,842.00
Grants (Municipality)	215,000.00	200,000.00
Interest received	5,348.23	1,701.33
Members contributions	151,671.82	100,247.46
Montagu Makiti and Mime Time	35,790.00	27,650.00
Sales	17,442.11	1,287.20
Sundry income	2,040.00	10,180.00
LESS: EXPENSES	530,907.02	447,569.84
Accounting- and audit fees	37,073.75	33,905.00
Advertising and promotions	3,594.50	8,710.40
Bank charges	12,183.28	15,042.51
Communications	37,930.68	40,062.63
Computer expense	4,811.40	4,335.40
Consultationfee - staff	6,355.00	-
Cleaning	1,831.82	1,017.65
Depreciation	5,743.00	5,237.78
Electricity and water	11,986.25	4,178.17
Fundraising expenditure	45,100.25	25,123.81
Montagu Makiti en Mime Time	36,875.35	17,651.81
Eroica Cycle event	8,224.90	7,472.00
General Expenses	3,192.00	3,760.62
Insurance	2,804.80	4,009.25
Media education	200.00	2,873.00
Office expenses	3,131.80	2,996.75
Penalties and Interest	-	4,406.63
Project expenditure	9,997.90	16,384.00
Rent paid	63,637.15	-
Repairs and maintenance	2,826.70	1,254.55
Salaries and wages	257,762.41	254,663.97
Staff welfare	4,976.83	5,045.74
Stationery and printing	4,407.70	6,291.48
Travel and accommodation	9,638.00	7,082.50
Web and Internet costs	1,922.00	1,188.00
Nett surplus/(shortage) for the year	5,006.31	(51,091.75)

MONTAGU ASHTON TOURISM ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2018**

	NON-DISTRI- BUTABLE INCOME R	TOTAL R
Balance at 1 July 2016	(15,196.27)	(15,196.27)
Net surplus/(shortage) for the year	<u>(51,091.75)</u>	<u>(51,091.75)</u>
Balance at 30 June 2017	(66,288.02)	(66,288.02)
Net surplus for the year	5,006.31	5,006.31
Balance at 30 June 2018	<u><u>(61,281.71)</u></u>	<u><u>(61,281.71)</u></u>

MONTAGU ASHTON TOURISM ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. Basis of preparation

The financial statements are prepared on the historical cost basis. These financial statements comply with International Financial Reporting Standard for Small and Medium Sized Entities. The following are the principal accounting policies used by the organisation:

1.1 Cash and cash equivalents

The cash and cash equivalents comprise of cash in hand, savings account and Stanlib investment account.

1.2 Fixed assets

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives.

Furniture and fittings	: 5 years
Computer equipment	: 3 years
Office equipment	: 10 years

1.3 Trade and other debtors

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.4 Provisions

Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

MONTAGU ASHTON TOURISM ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2018**

	2018 R	2017 R
2. FIXED ASSETS		
2.1 <u>Furniture and fittings</u>		
Balance at the beginning of the year	1.00	1.00
Cost	17,774.00	17,774.00
Less: Accumulated depreciation	17,773.00	17,773.00
Plus: Additions	-	-
Less: Depreciation	-	-
Balance at the end of the year	1.00	1.00
Cost	17,774.00	17,774.00
Less: Accumulated depreciation	17,773.00	17,773.00
2.2 <u>Computer equipment</u>		
Balance at the beginning of the year	2.00	2.00
Cost	16,739.00	16,739.00
Less: Accumulated depreciation	16,737.00	16,737.00
Plus: Additions	700.00	-
Less: Depreciation	175.00	-
Balance at the end of the year	527.00	2.00
Cost	17,439.00	16,739.00
Less: Accumulated depreciation	16,912.00	16,737.00
2.3 <u>Office equipment</u>		
Balance at the beginning of the year	15,232.00	12,534.30
Cost	55,679.78	47,744.30
Less: Accumulated depreciation	40,447.78	35,210.00
Plus: Additions	-	7,935.48
Less: Depreciation	5,568.00	5,237.78
Balance at the end of the year	9,664.00	15,232.00
Cost	55,679.78	55,679.78
Less: Accumulated depreciation	46,015.78	40,447.78
2.4 Total	10,192.00	16,235.00

MONTAGU ASHTON TOURISM ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2018**

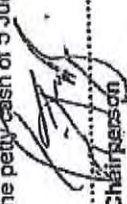
	2018 R	2017 R
3. CASH AND CASH EQUIVALENTS		
Cash on hand	4,239.82	2,623.20
Standard Bank	131,229.36	80,448.07
Stanlib Money Market	-	24,991.88
	<u>135,469.18</u>	<u>108,063.15</u>

4. TAX

No provision for taxation has been made as the association is exempt from income tax in terms of section 10(1) of the Income Tax Act.

MONTAGU-ASHTON TOURISM ASSOCIATION

Report to the Managing Committee - 30 June 2018

Problems	Risk	Recommendation
<u>Audit material</u> Ensure that all relevant audit material is handed to the auditors at the start of the audit.		The audit cost is time based and we kindly ask your co-operation to supply complete audit material to speed up the process.
<u>Petty cash sundry income</u> Recommendation to get a small pre numbered receipt book to receipt the daily cash takings individually.		Receipt book numbers to be crossreferenced in petty cash accounting to ensure complete and correct income allocation. See 2017 Management report.
<u>Petty cash payments</u> Petty cash payments eg wages - recommendation that recipients of cash sign as proof.		Recommendation to get a pre numbered book for payment of cash expenditure via the petty cash.
<u>Rent</u> A provision of R40,225.15 for the overdue rent to Langeberg Municipality was accounted for.		
<u>Petty Cash vouchers</u> Sampling of June 2018 petty cash vouchers showed that vouchers dated 20 June 2018 and 29 June 2018 was included in the petty cash of 5 July to 20 July.  Chairperson  TREASURER 18-09-2018 DATE		Ensure that all petty cash vouchers are accounted for in the correct period to ensure accurate management figures on month- and year end.

ROBERTSON TOURISM BUREAU
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018

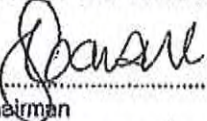
ROBERTSON TOURISM BUREAU

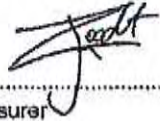
AUDITED FINANCIAL STATEMENTS
30 JUNE 2018

AUDITORS
Malan and Associates
P.O. Box 650
Robertson
6705

CONTENTS	PAGE
Report of the Independent auditors	2 - 3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8 - 10

The financial statements, as set out on pages 2 to 10, have been approved by all members of the board and are signed on their behalf by:


Chairman
10/10/2018
Date


Treasurer



Malan en Genote
Geoktrooieerde Rekenmeester
Chartered Accountant

Kerkstraat 21 Church Street
Postbus / P.O. Box 650
Robertson 6705
Tel. 023 - 626 5920
Fax 023 - 626 5930

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
ROBERTSON TOURISM BUREAU

We have audited the financial statements of Robertson Tourism Bureau, as set out on pages 4 to 9, which comprise the statement of financial position as at 30 June 2018, as well as the statement of comprehensive income and the notes, comprising a summary of significant accounting policies and other explanatory information.

Committee's responsibility for the financial statements

The society's committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

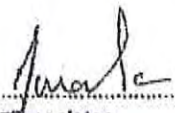
P.S. MALAN GR(SA)

Basis for Qualified Opinion

Cash donations are a significant source of fundraising revenue for the Robertson Tourism Bureau. The committee has determined that it is impracticable to establish internal controls over the collection of cash donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all cash donations were recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Robertson Tourism Bureau as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.


.....
Malan and Associates

Registered Auditors

21 Church Street, Robertson, 6705



ROBERTSON TOURISM BUREAU

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

<i>(Figures in Rand)</i>	Notes	2018	2017
ASSETS			
Non-current assets			
Fixed assets	2	24 710	31 377
Current assets			
Cash and cash equivalents	3	136 968	325 847
Trade and other receivables		-	9 743
		136 968	335 590
		161 678	366 967
EQUITY AND LIABILITIES			
Reserves			
Retained income	4	78 876	231 955
Projects fund		79 230	79 230
		158 106	311 185
Current liabilities			
Trade and other payables		3 573	55 782
		161 678	366 967

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ROBERTSON TOURISM BUREAU

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

(Figures in Rand)	Notes	2018	2017
INCOME		653 691	544 002
Bus bookings		67 022	33 273
Commission received		-	8 022
Contribution received from Langeberg Municipality		215 000	200 000
Contribution received from Cape Winelands District Municipality		113 000	-
Income received from festivals		-	24 260
Interest received	5	16 511	18 883
Joyrides		-	4 250
Membership fees		200 785	213 077
Profit on disposal of asset		2 522	6 500
Recoupment of losses due to theft		6 300	10 800
Sundry income		32 552	24 937
LESS: EXPENSES		(806 770)	(484 669)
Accounting fees		19 737	14 592
Advertising		42 103	33 844
Bank charges		20 381	15 660
Brochures		-	13 467
Consultancy fees		1 254	12 400
Computer expenses		5 704	5 460
Depreciation	2	16 487	14 327
Electricity		9 698	6 150
Entertainment expenses		2 604	598
Fuel		11 040	18 093
Insurance		12 952	9 274
Interest paid		11	115
Internet expenses and website maintenance		4 723	3 790
Office expenses		5 628	12 779
Project expenses		147 176	-
Rent paid: building		115 147	56 160
Rent paid: equipment		10 046	7 726
Repairs and maintenance		47 937	4 443
Salaries and wages		273 842	193 066
Security		2 376	1 348
Stationery and printing		3 749	8 594
Telephone and postage		54 175	52 784
NET INCOME(LOSS) FOR THE YEAR		(153 079)	59 333

ROBERTSON TOURISM BUREAU

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

<i>(Figures in Rand)</i>	Retained income	Funds: projects	Total
Balance on 1 July 2016	172 623	70 906	243 529
Net income/(loss) for the year	59 333	-	59 333
Movement in funds	-	8 324	8 324
Balance on 30 June 2017	231 956	79 230	311 186
Net income/(loss) for the year	(153 079)	-	(153 079)
Movement in funds	-	-	-
Balance on 30 June 2018	78 877	79 230	158 107

ROBERTSON TOURISM BUREAU

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

<i>(Figures in Rand)</i>	Notes	2018	2017
Cash flow from operating activities			
Cash flow from operating activities		(198 081)	93 887
Net Interest received/(paid)		16 500	18 768
Net cash generated by/(utilised in) operating activities		(181 581)	112 656
Cash flow from investing activities			
Proceeds from the disposal of fixed assets		2 522	6 500
Purchase of fixed assets		(9 820)	(33 468)
Net cash generated by/(utilised in) investing activities		(7 298)	(26 968)
Cash flow from financing activities			
Net proceeds raised/(repayment made): projects fund		-	8 324
Net cash generated by/(utilised in) financing activities		-	8 324
Net increase/(decrease) in cash and cash equivalents		(188 879)	94 012
Cash and cash equivalents at beginning of year		325 848	231 836
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	136 968	326 848



ROBERTSON TOURISM BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below and are consistent with the previous year:

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting and in accordance with the International Financial Reporting Standard for Small- and Medium-sized Entities.

1.2 Fixed assets

Fixed assets are stated at historical cost less depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset over its estimated useful life as follows:

Motor vehicles	: 5 years
Office equipment	: 5 years
Computer equipment	: 3 years

1.3 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services rendered in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns and discounts.

1.4 Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

1.5 Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

1.6 Cash and cash equivalents

Cash and cash equivalent includes cash on hand and deposits held at call with banks and other organizations, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.



ROBERTSON TOURISM BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (continued)

(Figures in Rand)				2018	2017
2. FIXED ASSETS					
	Motor vehicles	Office equipment	Computer equipment	Total 2018	Total 2017
Carrying value on 1 July	1	20 646	10 731	31 377	12 236
Cost price	90 000	83 273	25 386	198 659	168 481
Accumulated depreciation	(89 999)	(62 627)	(14 656)	(167 282)	(156 245)
Purchases/(disposals)	-	9 820	-	9 820	33 468
Depreciation	-	(8 025)	(8 462)	(16 487)	(14 327)
Carrying value on 30 June	1	22 441	2 269	24 710	31 377
Cost price	90 000	93 093	25 386	208 479	201 949
Accumulated depreciation	(89 999)	(70 652)	(23 118)	(183 768)	(170 572)
3. CASH AND CASH EQUIVALENTS					
Petty cash				20 379	2 001
ABSA Cheque account				2 610	44 328
ABSA Credit card				(54)	(1 804)
ABSA Investment account				114 033	281 322
				<u>136 968</u>	<u>325 847</u>
4. RETAINED INCOME					
Balance on 1 July				231 955	172 622
Net income/(loss) for the year				(153 079)	59 333
				<u>78 876</u>	<u>231 955</u>
5. INTEREST RECEIVED					
Cheque account				-	46
Investment account				16 511	18 837
				<u>16 511</u>	<u>18 883</u>
6. TRADE AND OTHER CREDITORS					
Trade creditors				3 573	55 532
Income received in advance				-	250
				<u>3 573</u>	<u>55 782</u>

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ROBERTSON TOURISM BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (continued)

(Figures in Rand)		2018	2017
7. CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss)		(153 079)	59 333
Adjustments		(2 535)	(10 941)
Depreciation		16 487	14 327
Interest paid		11	116
Interest received		(16 511)	(18 883)
Proceeds from disposal of asset		(2 522)	(6 500)
		(155 614)	48 391
Changes in working capital		(42 467)	45 496
(Increase)/decrease in trade receivables		9 743	(9 743)
Increase/(decrease) in trade payables		(52 209)	55 239
		(198 081)	93 887
Cash flow from operating activities		(198 081)	93 887

86



Tel: 023 625 1954
Fax: 086 612 9636
P.O. Box 264, McGregor,
6708



Email: info@tourismmcgregor.co.za
Web: www.tourismmcgregor.co.za
53 Voortrekker Street, McGregor

Mr. Dave van Schalkwyk
Langeberg Municipality
Email Address: dvschalkwyk@langeberg.gov.za
26 November 2018

Dear Mr. van Schalkwyk,

Here is our Treasurer's comments

1/ Statement of cash & cash equivalent
Stanlib

We also noticed a drop in our income which put us under pressure cash flow wise. I called in the stanlib investment as I was worried we were not going to be able to meet our monthly expenses. I didn't want payment to creditors and employees to be delayed. I attached a copy of my working paper, kindly look at the forecast section, based on cash in the bank and petty cash: minus our running expenses per month, and therefore doing a projection.

Loss of income: we are being put under pressure by the many websites such as air b n b, also offering booking facilities. We know have new committee members, and are trying to "renew" ourselves.

2/ Statement of comprehensive income.

Accommodations are indeed down, as we have lost members. Sales: incorrect allocation between the shop code and the permit code (by myself). The auditors did bring it to my attention and I did explain that the error was due to an code allocation, and suggested to reallocate, but they were not willing to do so. I am totally prepared to go through the past year papers and re do the allocation if necessary.

My comments

The decrease in Grants? I'm not sure of what prompted this query. Possibly because we did not, to the best of my knowledge get funding from Wesgro.

Our cash flow challenge is as a direct result of:

1. Decrease in accommodation bookings through our Tourism office. This is attributed to visitors using Air BnB and other direct booking options. This reduced our bookings commission income.
2. Langeberg's insistence, when our lease came up for renewal, on a market related rental. This increased our expenses by R24 000 per annum.

Kind regards
JP du Plessis
Chairman

[illegible]

(A 3722 2)



Tel: 023 614 2471
24 Bath Street
Montagu
6720

27 November 2018

TO WHOM IT MAY CONCERN – In response to Audit Report questions (5 Nov. 2018)

1. This only an administrative error – we have not been receiving regular statement from Stanlib, and was cautious not to run into cashflow problems.
2. This largely due to MATA receiving commission on booking for the BMW Motorrad Event – a once event that brought 1500 people to Montagu. Further to that – we have a wider range of products for sale, and hugely improved financial systems.
3. This is very relevant question for us – we have been asking exactly this question. Our landlord is the Municipality, and have been for 28 years. We were only charged a nominal fee – R500 per year up to 2016. After that we were invoiced market related rent, resulting in the rise in expenses. We have been in discussion with the municipality to waiver the rent, we see ourselves as a service provider for the municipality, just like a library. We are also a registered NPO.
4. This is not a profit driven festival, but a community festival funded by WESGRO. All funding received by WESGRO MUST be spent, all possible income from this festival is channelled to local charities.
5. This is due to strict financial systems, controls of our projects.

Further – as per the request of the Strategy and Social Portfolio Committee meetings – I as Chairman of MATA nominate Mareletta Munday (Montagu-Ashton Tourism Manager) to attend these meetings – for the sake of continuation (since Chairman's has a limited term and the manager at the office is hands-on and involved for more than 10 years already.

Trust this is in order.

Kindest Regards

PJ Basson
Chairperson
MATA Committee
manager@montagucountryhotel.co.za

Robertson Tourism

9 Voortrekker Avenue,
Robertson, Western Cape, 6705

Tel: +27 [0]23 626 4437
E-mail: info@robertson.org.za
Website: www.robertsontourism.co.za



23 November 2018

Your Ref 12/2/33

The Municipal Manager

Langeberg District Municipality

Attention : Mr Dave van Schalkwyk

Dear Sir

Thank you for your correspondence. Our answers to the comments raised by Mr Shude are listed below ::

Statement of Financial Position

1. Cash, decrease, please see profit and loss for general expenses loss for the year detail. Cashflow also shows that R 198 081 was used for operating activities. The loss had to be funded and that was done with cash and cash equivalents.
2. The 100% decrease of account receivables. The R 9743 Trade Receivables was the outstanding amount due by Members. The members indicated by either no response or no payment that they no longer want to be part of Robertson Tourism. For the year June 2018, all members were paid up, thus no Trade receivables on SOFP. Decrease of cash is due to operating activities.
3. Project fees R 147 176 are made up of the following:

Die "Project fee expenses" of R147 175.76 :	
Bier Brouery	49,018.12
Route 62 - MTB Meander	22,857.74
CWDM Projekte	75,299.90



valley of Wine and Roses"

Robertson Tourism

9 Voortrekker Avenue,
Robertson, Western Cape, 6705

Tel: +27 [0]23 626 4437
E-mail: info@robertson.org.za
Website: www.robertsontourism.co.za



Statement of Comprehensive Income

4. The Bus Booking commission is no longer shown under commission, but as part of Bus Booking Income. Reason for re-mapping - all amounts received for bus booking are taken to Bus Booking and all payments made to Translux are taken to Bus Bookings, the net effect should be the commission received.
5. Going Concern - Robertson Tourism is currently looking at renting space from Robertson Wine Valley Offices cut rental costs.. The Tourism Office is not out on making a profit, but rather to use all available resources to promote the town.
6. Profit on disposal of asset equal to proceeds, we will ask the Auditors to recognise a revalue reserve if I understand the comment correctly.
7. Disclosure note - Is this something we need to ask our auditors?
8. The offices moved from being on a desk in the hall to its own premises, thus the 105% increase. Repair and maintenance was all due to the move from office, there was not one move but 2 moves during the year.
9. The Bureau has appointed a manager, as the existing staff are only doing enquiries and bus bookings and the members were not seeing any marketing and advertising being done by the Bureau.
10. Great concern for loss – The Committee is also concerned about the loss and great time and effort is spent on possible projects to avoid a loss in the current year. The appointed manager is also assisting with new internal procedure and control.
11. Most members pay by EFT - the big amount of cash being handled in the office is because of bus bookings, making it a security risk for employees.



valley of Wine and Roses"

Robertson Tourism

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We trust the above answers the questions you have. May I add that, the Committee of Robertson Tourism act solely in the best interest of its members and of its funders and the funds received are managed in the strictest manner.

Yours faithfully

**SIBEL CONSUL
CHAIRPERSON**



"valley of Wine and Roses"

**APPLICATION TO PURCHASE OF A PORTION OF MUNICIPAL LAND (±180M²) SITUATED ON ERF 1
ADJACENT TO ERF 4341, ROBERTSON (7/2/3/2/4) (PRINCIPAL CLERK: PROPERTY ADMINISTRATION)**

Purpose of report

To submit a report to the Mayoral Committee for consideration regarding an application received from Mr R Eppel.

Background

The following letter was received from Mr R Eppel:

"We would like to make an application to purchase a portion of erf1 Robertson which is adjacent to erf 4341, which is the last house alongside the river.

We realise that this request must first have Council approval, and also be surveyed, however, it would be very much appreciated before we incur any costs, if you would kindly give us an approximate price should we be permitted purchase.

The portion of erf 1 which is required is 180 square metres."

Comments

A location map is attached to this report

The Directors and relevant Managers were requested to comment not later than 31 August 2018. The following comments were received:

Comments: Manager: Town Planning

The application was lodged on the Town Planning Department's recommendation. The applicant bought erf 4341 with all its current development at face value, without knowing that some of the buildings and paved garden area was actually on adjacent erven 4342 (still registered in the name of the original developer) and erf 1 (municipal land). He is now trying to rectify this by obtaining the portions involved and consolidating them with erf 4341. Erf 4342 is zoned Open space zone I (Public open space) and designated as Public Place on the General Plan. Erf 1 is zoned Undetermined zone. None of the portions is currently used for any purpose, save for the development encroaching from erf 4341.

The alienation of a portion of erf 1, Robertson is therefore supported, subject to the following special conditions:

- The relevant portion of erf 1 must be subdivided and rezoned from Undetermined zone to Single residential zone I.
- The portion of erf 4342 that lies between erf 4341 and erf 1, must also have been obtained by the applicant and be closed as a Public Place, subdivided and rezoned from Open space zone I to Single residential zone I.
- The abovementioned portions must be simultaneously registered and consolidated with erf 4341.
- The applicant will be responsible for the required applications in terms of the Langeberg Municipal Land Use Planning By-law, 2015 to give effect to the town planning actions mentioned above.
- The alienation and consolidation of the land will not exonerate the owner from having to rectify the illegal building work on the consolidated property as may be required by the Langeberg Municipality's Building Control Officer.

Comments: Manager: Electrical Engineering Services

The Electrical Department has no objection to the application.

Comments: Chief Financial Officer

Alienation of any capital asset takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any capital asset required to provide a minimum level of service. The municipality may alienate any other capital asset, provided the Council has considered the fair market value and the economic and community value to be received in exchange for the asset. In the event of alienation or leasing it must take place in accordance with Section 14 of the MFMA as the asset must not be used to provide a minimum level of service. The process must fair, open, competitive, transparent and market related rates must be used.

Comments: Director: Strategy & Social Development

If the land belongs to the municipality and we have no use for it, it is recommended that we sell at market related price via open processes

Comments: Manager: Civil Engineering Services

No services are available to this portion and a sewer connection is also not possible.

Comments: Cllr Burger

Hiermee het ek geen beswaar

Comments: Manager: Administrative Support

Seeing that the comments received from the Manager: Town Planning did not relate to the portion of land Mr Eppel requested, the report was sent to the Manager: Town Planning requesting that he consider his comment. The following comments was then received from the Assistant Manager: Town Planning:

"Kobus het jou versoek na my verwys vir afhandeling.

Die kommentaar is steeds van toepassing op die gedeelte van erf 1 waarvoor Mnr Eppel gevra het. Ek sien net dat daar verwys word na erf 4342, maar dit moet eintlik erf 4328 wees.

Dit is egter ook 'n goeie geleentheid om terselfdertyd te kyk na die eienaarskap van die gedeelte grond tussen Mnr Eppel se erf en erf 1 (erf 4328), wat nog verkeerdelik in die naam van die oorspronklike ontwikkelaar geregistreer is, al is dit POR wat eintlik by die munisipaliteit moet berus. Die ideaal is dat 'n gedeelte van erf 4328 ook nou reeds by die Raadsbesluit ingesluit word. Dan kan beide dele onderverdeel word van hul onderskeie erwe en op een slag met Mnr Eppel se erf konsolideer word. Jy sal self moet bepaal hoe die registrasie en oordrag van die gedeelte van erf 4328 moet geskied (direk vanaf Mnr Oehl na Mnr Eppel, of eers na die Mun. en dan na Mnr Eppel). As die onderverdeling van erf 4326 afgehandel is, sal die restant gedeelte wat nie na Mnr Eppel toe gaan nie, seker in elk geval in die Mun. se naam registreer moet word.

In dié verband word voorgestel dat die vorige kommentaar gewysig word om voorsiening te maak vir die verkoop van 'n gedeelte van erf 4328 ook. Die volledige kommentaar moet dan as volg lees:

Comments: Manager: Town Planning

The application was lodged on the Town Planning Department's recommendation. The applicant bought erf 4341 with all its current development at face value, without knowing that some of the buildings and paved garden area

was actually on adjacent erven 4328 (still registered in the name of the original developer) and erf 1 (municipal land). He is now trying to rectify this by obtaining the portions involved and consolidating them with erf 4341. Erf 4328 is zoned Open space zone I (Public open space) and designated as Public Place on the General Plan. Erf 1 is zoned Undetermined zone. None of the portions is currently used for any purpose, save for the development encroaching from erf 4341.

Erf 4328 was originally part of a group housing development that Mr Oehl built in the late 1980's /early 1990's (the subdivision plan was approved by the former Robertson Municipality on 4-1-1988). Erf 4328 was proposed as Public Open Space on the subdivision plan and accordingly designated Public Place on the General Plan (the General Plan is the official, co-ordinated plan approved by the Surveyor-general, upon which the township register is based in the Deed Office.)

Section 28 of the Land Use Planning Ordinance No 15 of 1985 (which was in force when this development was approved) determined that, after confirmation of a subdivision, ownership of all public streets and public places shall vest in the local authority. Confirmation of the subdivision took place when the first property in the development was registered and therefore erf 4328 should have been registered in the name of the Robertson Municipality. However, it seems that the developer's attorneys never officially transferred the land to the Municipality. Nevertheless, the intention of Section 28 was to pass ownership to the Municipality without the need for formal transfer (refer to Supreme Court of Appeal judgement in the case of City of Cape Town v Helderberg Park Developments Pty Ltd) and therefore the municipality can be regarded as the legal owner of the land.

Given the existing situation, it is clear that no other party other than the owner of erf 4341, Robertson can benefit from the alienation of the land.

It is therefore proposed that not only a portion of Erf 1 be alienated to the owner of erf 4341, but also the portion of erf 4328 that lies between erf 4341 and erf 1. The alienation of the two portions is supported, subject to the following special conditions:

- The relevant portion of erf 1 must be subdivided and rezoned from Undetermined zone to Single residential zone I.
- The portion of erf 4328 that lies between erf 4341 and erf 1, must also be closed as a Public Place, subdivided and rezoned from Open space zone I to Single residential zone I.
- The abovementioned portions must be simultaneously registered and consolidated with erf 4341.
- The applicant will be responsible for the required applications in terms of the Langeberg Municipal Land Use Planning By-law, 2015 to give effect to the town planning actions mentioned above.
- The alienation and consolidation of the land will not exonerate the owner from having to rectify the illegal building work on the consolidated property as may be required by the Langeberg Municipality's Building Control Officer.

Additional comments: Manager: Administrative Support

An attorney was appointed to contact Mr Oehl and proceed with the transfer of the property from Mr Oehl to the Municipality. The feedback received from the attorney is that the aforementioned process will be finalized within 4 – 6 weeks.

Clause 45 of the Administration of Immoveable Property Policy determine that closed streets and lanes, public open spaces and odd lots of land which can be of no practical use to any other person may be sold/leased out of hand to adjoining property owners, provided that (1) written notice have been served on all adjoining property owners and (2) the selling price/rental shall be at a market value, provided that the Municipality will determine the rental of land for gardens.

Taking the aforementioned into consideration, is the alienation of the portions of land subject to the conditions applicable recommended.

RECOMMENDATION / AANBEVELING

That the application received from Mr Eppel to purchase a portion of erf 1 Robertson (180m²) as well as a portion of erf 4328, Robertson at a market related price be approved once the process to transferred erf 4328, Robertson to the Municipality has been finalized subject to the following conditions:

- 1.1 That it be confirmed that a portion of Erf 1, Robertson (180m²) as well as a portion of erf 4328, Robertson is not needed to provide the minimum level of basic municipal services (S14 of the MFMA of 2003, Act 56 of 2003).

Dat dit bevestig word dat die gedeelte van Erf 1, Robertson (180m²) asook 'n gedeelte van erf 4328, Robertson nie benodig word vir die verskaffing van die minimum vlak van basiese munisipale dienste nie (S14 van die MFMA 2003, Wet 56 van 2003).

- 1.2 That written notices be served on all adjoining property owners.

Dat geskrewe kennisgewings aan al die aanliggende eienaars bedien word.

- 1.3 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die resant van die koopsom betaalbaar is by registrasie.

- 1.4 That the relevant portion of erf 1, Robertson must be subdivided and rezoned from Undetermined zone to Single residential zone I for the cost of the applicant.

Dat die relevante gedeelte van erf 1, Robertson onderverdeel en hersoneer word van Onbepaald 1 na Enkel Residensieël I vir die rekening van die aansoeker.

- 1.5 That the portion of erf 4328, Robertson that lies between erven 4341 and 1, Robertson, be closed as a Public Place, subdivided and rezoned from Open space zone I to Single residential zone I.

Dat die gedeelte van erf 4328, Robertson wat tussen erwe 4341 en 1, Robertson geleë is, gesluit word as Openbare Gedeelte, onderverdeel en hersoneer word vanaf Openbare Gedeelte 1 na Enkel Residensieël 1.

- 1.6 That a Land Surveyor be appointed to determine the portion of erf 4341, Robertson which has been exceeded for the cost of the applicant.

Dat 'n Landmeter aangestel word om te bepaal watter gedeelte van erf 4341, Robertson oorskry word vir die rekening van die aansoeker.

- 1.7 That the abovementioned portions be simultaneously registered and consolidated with erf 4341, Robertson.

Dat die bovermelde gedeeltes gelyktydig geregistreer en konsolideer word met erf 4341, Robertson.

- 1.8 The applicant will be responsible for the required applications in terms of the Langeberg Municipal Land Use Planning By-law, 2015 to give effect to the town planning actions mentioned above.

Dat die aansoeker verantwoordelik sal wees vir die vereiste aansoeke in terme van Langeberg Munisipaliteit Grondgebruik Beplannings By-Wet, 2015 om te voldoen aan bovermelde stadsbeplannings aksies.

- 1.9 That the applicant be responsible for all Town Planning cost involved which may include rezoning, subdivision, consolidation, surveying and registration of the property in his/her name.

Dat die aansoeker verantwoordelik sal wees vir alle Stadsbeplannings koste wat mag insluit hersonering, onderverdeling, konsolidasie, landmeter en registrasie van die eiendom in sy/haar naam.

- 1.10 That the applicant be responsible for all connection fees for municipal services rendered to the property.

Dat die aansoeker verantwoordelik sal wees vir alle aansluitingsfooie vir munisipale dienste gelewer aan die perseel.

- 1.11 That the purchase deal be finalized within a period of 8 months after allocation of the property, failing which the offer will expire irrevocably.

Dat die kooptransaksie binne 'n periode van 8 maande vanaf datum van toekenning van die erf afgehandel word, by versuim waarvan, die aanbod onherroeplik verval.

NOTE: Annexures were distributed as part of the agenda for the Corporate Services Portfolio Committee meeting of 05 November 2018 (pg 26)

This item served before the Corporate Services Portfolio Committee on 05 November 2018
Hierdie item het gedien by die Korporatiewe Dienste Portefeulje Komitee op 05 November 2018
Aanbeveling / Recommendation

That the application received from Mr Eppel to purchase a portion of erf 1 Robertson (180m²) as well as a portion of erf 4328, Robertson at a market related price be approved once the process to transfer erf 4328, Robertson to the Municipality has been finalized, subject to the following conditions:

- 1.1 That it be confirmed that a portion of Erf 1, Robertson (180m²) as well as a portion of erf 4328, Robertson is not needed to provide the minimum level of basic municipal services (S14 of the MFMA of 2003, Act 56 of 2003).

Dat dit bevestig word dat die gedeelte van Erf 1, Robertson (180m²) asook 'n gedeelte van erf 4328, Robertson nie benodig word vir die verskaffing van die minimum vlak van basiese munisipale dienste nie (S14 van die MFMA 2003, Wet 56 van 2003).

- 1.2 That written notices be served on all adjoining property owners.

Dat geskrewe kennisgewings aan al die aanliggende eienaars bedien word.

- 1.3 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die restant van die koopsom betaalbaar is by registrasie.

- 1.4 That the relevant portion of erf 1, Robertson must be subdivided and rezoned from Undetermined zone to Single residential zone I for the cost of the applicant.

Dat die relevante gedeelte van erf 1, Robertson onderverdeel en hersoneer word van Onbepaald 1 na Enkel Residensieël I vir die rekening van die aansoeker.

- 1.5 That the portion of erf 4328, Robertson that lies between erven 4341 and 1, Robertson, be closed as a Public Place, subdivided and rezoned from Open space zone I to Single residential zone I.

Dat die gedeelte van erf 4328, Robertson wat tussen erwe 4341 en 1, Robertson geleë is, gesluit word as Openbare Gedeelte, onderverdeel en hersoneer word vanaf Openbare Gedeelte 1 na Enkel Residensieël 1.

- 1.6 That a Land Surveyor be appointed to determine the portion of erf 4341, Robertson which has been exceeded for the cost of the applicant.

Dat 'n Landmeter aangestel word om te bepaal watter gedeelte van erf 4341, Robertson oorskry word vir die rekening van die aansoeker.

- 1.7 That the abovementioned portions be simultaneously registered and consolidated with erf 4341, Robertson.

Dat die bovermelde gedeeltes gelyktydig geregistreer en konsolideer word met erf 4341, Robertson.

- 1.8 The applicant will be responsible for the required applications in terms of the Langeberg Municipal Land Use Planning By-law, 2015 to give effect to the town planning actions mentioned above.

Dat die aansoeker verantwoordelik sal wees vir die vereiste aansoeke in terme van Langeberg Munisipaliteit Grondgebruik Beplannings By-Wet, 2015 om te voldoen aan bovermelde stadsbeplannings aksies.

- 1.9 That the applicant be responsible for all Town Planning cost involved which may include rezoning, subdivision, consolidation, surveying and registration of the property in his/her name.

Dat die aansoeker verantwoordelik sal wees vir alle Stadsbeplannings koste wat mag insluit hersonering, onderverdeling, konsolidasie, landmeter en registrasie van die eiendom in sy/haar naam.

- 1.10 That the applicant be responsible for all connection fees for municipal services rendered to the property.

Dat die aansoeker verantwoordelik sal wees vir alle aansluitingsfooie vir munisipale dienste gelewer aan die perseel.

- 1.11 That the purchase deal be finalized within a period of 8 months after allocation of the property, failing which the offer will expire irrevocably.

NOTE: Annexures were distributed as part of the agenda for the Corporate Services Portfolio Committee meeting of 05 November 2018 (pg 26)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gediën op 29 November 2018
Aanbeveling / Recommendation

That the application received from Mr Eppel to purchase a portion of erf 1 Robertson (180m²) as well as a portion of erf 4328, Robertson at a market related price be approved once the process to transfer erf 4328, Robertson to the Municipality has been finalized subject to the following conditions:

- 1.1 That it be confirmed that a portion of Erf 1, Robertson (180m²) as well as a portion of erf 4328, Robertson is not needed to provide the minimum level of basic municipal services (S14 of the MFMA of 2003, Act 56 of 2003).

Dat dit bevestig word dat die gedeelte van Erf 1, Robertson (180m²) asook 'n gedeelte van erf 4328, Robertson nie benodig word vir die verskaffing van die minimum vlak van basiese munisipale dienste nie (S14 van die MFMA 2003, Wet 56 van 2003).

- 1.2 That written notices be served on all adjoining property owners.

Dat geskrewe kennisgewings aan al die aanliggende eienaars bedien word.

- 1.3 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die restant van die koopsom betaalbaar is by registrasie.

- 1.4 That the relevant portion of erf 1, Robertson must be subdivided and rezoned from Undetermined zone to Single residential zone I for the cost of the applicant.

Dat die relevante gedeelte van erf 1, Robertson onderverdeel en hersoneer word van Onbepaald 1 na Enkel Residensieël I vir die rekening van die aansoeker.

- 1.5 That the portion of erf 4328, Robertson that lies between erven 4341 and 1, Robertson, be closed as a Public Place, subdivided and rezoned from Open space zone I to Single residential zone I.

Dat die gedeelte van erf 4328, Robertson wat tussen erwe 4341 en 1, Robertson geleë is, gesluit word as Openbare Gedeelte, onderverdeel en hersoneer word vanaf Openbare Gedeelte 1 na Enkel Residensieël 1.

- 1.6 That a Land Surveyor be appointed to determine the portion of erf 4341, Robertson which has been exceeded for the cost of the applicant.

Dat 'n Landmeter aangestel word om te bepaal watter gedeelte van erf 4341, Robertson oorskry word vir die rekening van die aansoeker.

- 1.7 That the abovementioned portions be simultaneously registered and consolidated with erf 4341, Robertson.

Dat die bovermelde gedeeltes gelyktydig geregistreer en konsolideer word met erf 4341, Robertson.

- 1.8 The applicant will be responsible for the required applications in terms of the Langeberg Municipal Land Use Planning By-law, 2015 to give effect to the town planning actions mentioned above.

Dat die aansoeker verantwoordelik sal wees vir die vereiste aansoeke in terme van Langeberg Munisipaliteit Grondgebruik Beplannings By-Wet, 2015 om te voldoen aan bovermelde stadsbeplannings aksies.

- 1.9 That the applicant be responsible for all Town Planning cost involved which may include rezoning, subdivision, consolidation, surveying and registration of the property in his/her name.

Dat die aansoeker verantwoordelik sal wees vir alle Stadsbeplannings koste wat mag insluit hersonerings, onderverdeling, konsolidasie, landmeter en registrasie van die eiendom in sy/haar naam.

- 1.10 That the applicant be responsible for all connection fees for municipal services rendered to the property.

Dat die aansoeker verantwoordelik sal wees vir alle aansluitingsfooie vir munisipale dienste gelewer aan die perseel.

- 1.11 That the purchase deal be finalized within a period of 8 months after allocation of the property, failing which the offer will expire irrevocably.

ALIENATION OF BUILDING SITUATED ON ERF 1128, ASHTON KNOWN AS HEIDILAND CRÈCHE (7/1/4/1/1)
(MANAGER: ADMINISTRATIVE SUPPORT)

Purpose of report

To submit a report to Council for consideration the alienation of the building situated on erf 1128, Ashton known as Heidiland Crèche.

Background

After an application was received from Me Julies from Heidiland Crèche for the renewal of the lease agreement, the Mayoral Committee resolved on 10 October 2017 under item B5271 as follows:

1. That the application received from Ms C Julies on behalf of Heidiland Crèche for the lease of the municipal building situated on erf 1128, Ashton not be approved.
2. That the building situated on erf 1128, Ashton be leased by way of public tender for the purpose of a crèche / community facility subject to the following normal conditions applicable to the leasing of Municipal buildings:
 - 2.1 That it be confirmed that the building situated on erf 1128, Ashton is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003).
 - 2.2 That the land be leased at a market related tariff and the Lessee be responsible for the cost of the lease related certificate. The rental amount will escalate annually with a percentage that will be determined by the yearly CPIX.
 - 2.3 That the Lessee is responsible for the payment of the insurance of the building.
 - 2.4 That the Lessee be responsible for maintenance, repairs and upgrading work to be done to the building.
 - 2.5 That no alterations be done to the building without the written consent of the Municipality.
 - 2.6 That the Lessee be responsible for the payment of all services rendered to the facility.
 - 2.7 That the main purpose of the utilization of this building must be for crèche / after school purposes.
 - 2.8 That the Lessee complies with all the conditions as contained in the Health By-laws, National Building Regulations and Standards, fire emergency requirements and any other conditions applicable for the usage of this building for a crèche purpose.

Comments

The above resolution could not be executed due to the fact that Heidiland Crèche would not vacate the property and legal actions had to be taken to force them to vacate the property. Before the final execution of the legal process could be taken, they vacated the property without informing this department. The building was severely vandalised and to prevent further vandalism, security guards have to be employed to safeguard the building. The Manager: Project Management was requested to provide a cost estimate to repair the building. The following information has been received in this regard:

"With reference to the mail below the estimate for the repairs amounts to R250 000.00 (VAT excluding). Furthermore, the fencing has also been partially stolen and it would be prudent to allow for a further R120 000.00 (VAT excluding) for the installation of similar fencing.

I must add that the roof structure has been compromised in places and therefore could pose a risk to persons entering the building illegally and that possibly signage should be installed and the site protected."

Taking into consideration that there is no money available on the budget to repair the building in this financial year, the costs of the salaries of temporary security guards as well as the unsafeness of the building, it is recommended that the property be alienated "voetstoots" by way of a public tender, subject to the standard conditions applicable for the alienation of Municipal property.

Attached hereto, please find a location plan.

The Directors and Managers were requested to comment by not later than 28 September 2018. The following comments were received.

Comments: Manager: Town Planning

According to the report, it is clear that there is non-compliance with the building that needs to be rectified, and possible structural problems affecting safety.

If the building is sold 'voetstoots', then the new owner may probably assume that the building may also be occupied (which will be in conflict with to the NBR).

Should the premises be occupied, the onus will then be on council to proceed with legal action against the new owner.

The onus must be placed on the new owner to obtain the necessary building plans approval together with the certification from the competent person (engineer), fire compliance requirements and electrical compliance certificate at his own expense before the premises may be occupied. The zoning of erf 2152 is Community Zone 1 (place of instruction) and can only be utilised for such purposes unless an application to rezone the property is submitted and approved.

Comments: Manager: Social Development

The need for facilities in the community for the safe care of toddlers and after school care for school going children of working parents, is of the utmost importance.

The building was visited on 19 September 2018 and the degree of vandalism, as explained in the report, is evident.

As a result of the degree of vandalism it is proposed that the building on erf 1128, Ashton, be alienated subject to the following:

- That the future utilization of the building be confined to a place of care for children, both pre-school and after school care, or community facility, for example; service centre for the aged, youth centre, soup kitchen etc.
- That the applicant/organization provide proof that they are financially in a position to renovate/upgrade the building to a standard that will ensure the safety of the occupants.

Alienating to someone or an organization who do not have the financial means to renovate/upgrade the building will only result in the building being further vandalized causing other concerns in the community.

Comments: Manager: Electrical Engineering

The electrical department has no objection to the proposed alienation of the property.

Comments: CFO

Alienation of any capital asset takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any capital asset required to provide a minimum level of service. The municipality may alienate any other capital asset, provided the Council has considered the fair market value and the economic and community value to be received in exchange for the asset. In the event of alienation or leasing it must take place in accordance with Section 14 of the MFMA as the asset must not be used to provide a minimum level of service. The process must fair, open, competitive, transparent and market related rates must be used.

Comments: Cllr N Beginse

Ek het geen beswaar dat die gebou vervreem kan word nie aangesien afbreuk en vandalisme aan die orde van die dag is, bevel ek aan vir die vervreemding van die gebou.

Additional comments: Manager: Administrative Support

Taking the comments received into consideration, is the following recommendation recommended:

Recommendation / Aanbeveling

1. That it be confirmed that the municipal building known as Heidiland Crèche situated on erf 1128, Ashton is not needed for the provision of the minimum level of basic municipal services (S14 of the MFMA 2003, Act 56 of 2003).

Dat dit bevestig word dat die munisipale gebou bekend as Heidiland Crèche geleë te erf 1128, Ashton nie benodig word vir die verskaffing van die minimum vlak van basiese dienste nie. (S14 van die MFMA, Wet 56 van 2003)

2. That the building situated on erf 1128, Ashton be alienated "voetstoots" by way of public tender subject to the following conditions:

Dat die gebou geleë erf 1128, Ashton by wyse van 'n openbare tender "voetstoots" verkoop word onderworpe aan die volgende voorwaardes:

- 2.1 That the selling price be determined based on a reasonable market value certificate.

Dat die verkoopprijs van die eiendom bereken word, baseer op 'n billike markwaarde sertifikaat.

- 2.2 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die resant van die koopsom betaalbaar is by registrasie.

- 2.3 That the Purchaser be responsible for the payment of all services rendered to the portion of land.

Dat die Koper verantwoordelik is vir die betaling van alle dienste gelewer aan hierdie gedeelte grond.

- 2.4 That the Purchaser be responsible for the cost involved for rezoning, subdivision, consolidation, surveying, registration of servitudes and registration of the property in his/her name where applicable.

Dat die Koper verantwoordelik sal wees vir alle kostes van hersonering, onderverdeling, konsolidasie, landmeter, registrasie van die servitude en registrasie van die eiendom in sy/haar naam waar van toepassing.

- 2.5 That the purchase deal be finalized within a period of 6 months after allocation of the property, failing which the offer will expire irrevocably.

Dat die kooptransaksie binne 'n periode van 6 maande vanaf datum van toekenning van die erf afgehandel word, by versuim waarvan, die aanbod onherroeplik verval.

NOTE: Annexures were distributed as part of the agenda for the Corporate Services Portfolio Committee meeting of 05 November 2018 (pg 30)

This item served before the Corporate Services Portfolio Committee on 05 November 2018
Hierdie item het gedien by die Korporatiewe Dienste Portefeulje Komitee op 05 November 2018
Aanbeveling / Recommendation

1. That it be confirmed that the municipal building known as Heidiland Crèche situated on erf 1128, Ashton is not needed for the provision of the minimum level of basic municipal services (S14 of the MFMA 2003, Act 56 of 2003).

Dat dit bevestig word dat die munisipale gebou bekend as Heidiland Crèche geleë te erf 1128, Ashton nie benodig word vir die verskaffing van die minimum vlak van basiese dienste nie. (S14 van die MFMA, Wet 56 van 2003)

2. That the building situated on erf 1128, Ashton be alienated "voetstoots" by way of public tender subject to the following conditions:

Dat die gebou geleë erf 1128, Ashton by wyse van 'n openbare tender "voetstoots" verkoop word onderworpe aan die volgende voorwaardes:

- 2.1 That the selling price be determined based on a reasonable market value certificate.

Dat die verkoopprijs van die eiendom bereken word, baseer op 'n billike markwaarde sertifikaat.

- 2.2 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die resant van die koopsom betaalbaar is by registrasie.

- 2.3 That the Purchaser be responsible for the payment of all services rendered to the portion of land.

Dat die Koper verantwoordelik is vir die betaling van alle dienste gelewer aan hierdie gedeelte grond.

- 2.4 That the Purchaser be responsible for the cost involved for rezoning, subdivision, consolidation, surveying, registration of servitudes and registration of the property in his/her name where applicable.

Dat die Koper verantwoordelik sal wees vir alle kostes van hersonering, onderverdeling, konsolidasie, landmeter, registrasie van die servitude en registrasie van die eiendom in sy/haar naam waar van toepassing.

- 2.5 That the purchase deal be finalized within a period of 6 months after allocation of the property, failing which the offer will expire irrevocably.

Dat die kooptransaksie binne 'n periode van 6 maande vanaf datum van toekenning van die erf afgehandel word, by versuim waarvan, die aanbod onherroeplik verval.

NOTE: Annexures were distributed as part of the agenda for the Corporate Services Portfolio Committee meeting of 05 November 2018 (pg 30)

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gediens op 29 November 2018

Aanbeveling / Recommendation

1. That it be confirmed that the municipal building known as Heidiland Crèche situated on erf 1128, Ashton is not needed for the provision of the minimum level of basic municipal services (S14 of the MFMA 2003, Act 56 of 2003).

Dat dit bevestig word dat die munisipale gebou bekend as Heidiland Crèche geleë te erf 1128, Ashton nie benodig word vir die verskaffing van die minimum vlak van basiese dienste nie. (S14 van die MFMA, Wet 56 van 2003)

2. That the building situated on erf 1128, Ashton be alienated "voetstoots" by way of public tender subject to the following conditions:

Dat die gebou geleë erf 1128, Ashton by wyse van 'n openbare tender "voetstoots" verkoop word onderworpe aan die volgende voorwaardes:

- 2.1 That the selling price be determined based on a reasonable market value certificate.

Dat die verkoopprijs van die eiendom bereken word, baseer op 'n billike markwaarde sertifikaat.

- 2.2 That a deposit of 10% be payable with the signing of the deed of sale and that the remainder of the purchase price be payable with registration.

Dat 'n deposito van 10% betaalbaar sal wees met ondertekening van die koop-ooreenkoms en dat die resant van die koopsom betaalbaar is by registrasie.

- 2.3 That the Purchaser be responsible for the payment of all services rendered to the portion of land.

Dat die Koper verantwoordelik is vir die betaling van alle dienste gelewer aan hierdie gedeelte grond.

- 2.4 That the Purchaser be responsible for the cost involved for rezoning, subdivision, consolidation, surveying, registration of servitudes and registration of the property in his/her name, where applicable.

Dat die Koper verantwoordelik sal wees vir alle kostes van hersonering, onderverdeling, konsolidasie, landmeter, registrasie van die servitute en registrasie van die eiendom in sy/haar naam, waar van toepassing.

- 2.5 That the purchase deal be finalized within a period of 6 months after allocation of the property, failing which the offer will expire irrevocably.

Dat die kooptransaksie binne 'n periode van 6 maande vanaf datum van toekenning van die erf afgehandel word, by versuim waarvan, die aanbod onherroeplik verval.

**MONTHLY REPORTS FROM THE LOCAL TOURISM ASSOCIATIONS – OCTOBER 2018 (12/2/3/3) MANAGER:
SOCIAL DEVELOPMENT**

Purpose of the Report

To submit the monthly reports to the Portfolio Committee for notification purposes.

Background

In accordance with the amended memoranda of agreement between the Local Tourism Associations and Langeberg Municipality, for the period 1 July 2018 to 30 June 2019, the Local Tourism Associations must submit a monthly report by the 10th of each month.

A template was compiled and provided to the Local Tourism Associations to be used as a guideline when submitting the reports.

Comments

The monthly reports for the period October 2018, as received from the Local Tourism Associations, are attached to this report.

Recommendation

That the contents of the report from the Local Tourism Associations for October 2018 be noted

NOTE: Annexures were distributed as part of the Mayco agenda of 29 November 2018 (pg 46 - 70)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

That the contents of the report from the Local Tourism Associations for October 2018 be noted

FINANCIAL REPORTING IN TERMS OF SECTION 71 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 – OCTOBER 2018 (9/2/1/3) (CHIEF FINANCIAL OFFICER)

Purpose of report

To submit a report in terms of the Monthly Budget Statement of the Local Government: Municipal Finance Management Act, 2003 to Council for information.

Comments

The report, as submitted to the Executive Mayor, National Treasury and Provincial Treasury, is attached to this report.

Aanbeveling / Recommendation

That the contents of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

NOTE: The annexures was part of the agenda for the Finance Services Portfolio Committee meeting of 21 Nov 2018 (pg 07 - 96)

This item served before the Finance Portfolio Committee on 23 November 2018
Hierdie item het gedien voor die Finansies Portefeulje Komitee op 23 November 2018
Recommendation / Aanbeveling

That the contents of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

SILWERSTRAND TIMELINE TO EXTENSION OF REBATES ON PROPERTY RATES (5/3/1/3) (CHIEF FINANCIAL OFFICER)

Purpose of Report

To resubmit a report for Council's consideration to give a deadline to Investec Bank for the extension of rebates on property rates for properties still in the name of the developer.

Background

Section 8.3 and 17 of the agreement for the Deed of Sale of land (Silwerstrand) between the Municipality and Silwerstrand Development Company (Pty) Ltd, dated 27 February 2006, read as follows:

8. Suspensive Conditions

The agreement is subject to the Developer receiving a 100% (one hundred percent) rebate from the Council for municipal rates and taxes on the Property or any sub-divisions thereof subject to clause 17 below.

17. Rates and Taxes

Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from the Developer into the name of the new owner.

Silwerstrand Development Company (Pty) Ltd has been in liquidation since 2011 and Investec Bank is the largest secured creditor and has a first covering mortgage bond over the properties that are still in the name of Silwerstrand Development Company (Pty) Ltd .

A letter has been received from Investec Bank Ltd (IBL) where the following was requested:

"

We therefore respectfully request that your Municipality extend the current 100% rebate on property rates, taxes and services charges that has been afforded the liquidated development of Silwerstrand Development Company (Pty) Ltd to IBL or its subsidiary"

On 24 June 2014 Council took the following decision:

That the current 100% rebate on property rates and taxes that has been afforded to Silwerstrand Development Company (Pty) Ltd be extended to Investec Bank Ltd or its subsidiary. Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from Investec Bank Ltd or its subsidiary into the name of the new owner.

Discussion

As on 16 November 2018 a number of 129 properties was still registered in the name of the developer and the amount of rebates on the property rates amounts to R 188 185. Currently there is no time limit to the decision made on 24 June 2014. It was important that Investec Bank acquire the property assets in Silwerstrand to ensure that the development of Silwerstrand can take place so that the tax base of the Municipality can be broadened and jobs can be created.

Aanbeveling / Recommendation

1. That the current 100% rebate on property rates and taxes that has been afforded to Silwerstrand Development Company (Pty) Ltd be extended to Investec Bank Ltd or its subsidiary. Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from Investec Bank Ltd or its subsidiary into the name of the new owner.
2. That a time limit be set to the recommendation in point 1 and that the decision to extent the 100% rebates lapses on 30 June 2021 and that Investec Bank Ltd will be liable for the full rates in terms of the approved budget and Rates policy applicable at the time.

This item served before the Finance Portfolio Committee on 23 November 2018

Hierdie item het gedien voor die Finansies Portefeulje Komitee op 23 November 2018

Recommendation / Aanbeveling

1. That the current 100% rebate on property rates and taxes that has been afforded to Silwerstrand Development Company (Pty) Ltd be extended to Investec Bank Ltd or its subsidiary. Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from Investec Bank Ltd or its subsidiary into the name of the new owner.
2. That a time limit be set to the recommendation in point 1 and that the decision to extent the 100% rebates lapses on 30 June 2021 and that Investec Bank Ltd will be liable for the full rates in terms of the approved budget and Rates policy applicable at the time.
3. That the report must be updated to include the following:
 - When the Silwerstrand Development started.
 - Total number of erven in the development
 - The number of erven still in the name of the developer where the 100% rebates are given.
 - That a sliding scale be applied to phase out the 100% over the next three years.

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018

Aanbeveling / Recommendation

1. That the current 100% rebate on property rates and taxes that has been afforded to Silwerstrand Development Company (Pty) Ltd be extended to Investec Bank Ltd or its subsidiary. Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from Investec Bank Ltd or its subsidiary into the name of the new owner.

2. That a time limit be set to the recommendation in point 1 above and that the decision to extent the 100% rebates lapses on 30 June 2021 and that Investec Bank Ltd will be liable for the full rates in terms of the approved budget and Rates policy applicable at the time.
3. That the report must be updated to include the following:
 - When the Silwerstrand Development started.
 - Total number of erven in the development
 - The number of erven still in the name of the developer where the 100% rebates are given.
 - That a sliding scale be applied to phase out the 100% over the next three years.

FURTHER DISCUSSION

The Silwerstrand Development consists of 434 properties inclusive of the roads and the open spaces within the development. Up to 03 December 2018 a total of 316 properties has been transferred from the developers to private owners.

As on 03 December 2018 a number of 118 properties were still registered in the name of the developer and the amount of rebates on the property rates amounts to R 197 400. Currently there is no time limit to the decision made on 24 June 2014.

It was important that Investec Bank acquire the property assets in Silwerstrand to ensure that the development of Silwerstrand can take place so that the tax base of the Municipality can be broadened and jobs can be created.

AANBEVELING / RECOMMENDATION

1. That the current 100% rebate on property rates and taxes that has been afforded to Silwerstrand Development Company (Pty) Ltd be extended to Investec Bank Ltd or its subsidiary. Each owner of an Erf shall become liable for municipal rates and taxes from the date on which the Erf is transferred from Investec Bank Ltd or its subsidiary into the name of the new owner.
2. That a time limit and phase-out approach be applied to the recommendation in point 1, and that the decision to extent the 100% rebates be recalled and that Investec Bank Ltd be liable for rates in terms of the approved budget and Rates policy applicable at the time as follows:
 - 2.1 01 July 2019 - Only eligible for a 50% rebate
 - 2.2 01 July 2020 - Only eligible for a 30% rebate
 - 2.3 01 July 2021 - 0% rebate

**RESUBMISSION - REMUNERATION OF THE AUDIT & PERFORMANCE COMMITTEE MEMBERS OF
LANGEBERG MUNICIPALITY (5/14/R) (CHIEF AUDIT EXECUTIVE)**

Purpose of report

To resubmit to Council for approval the remuneration payable to the Audit & Performance Committee members of Langeberg Municipality.

Background

A report was submitted and approved by Council on 30 October 2018 (resolution no A3713) stating that the fuel costs will be payable on a fixed amount.

However, due to fluctuations in the fuel prices, the tariffs are reviewed monthly as per the *Transport Circular*. It is therefore recommended that the approved remuneration be amended to reflect that the fuel cost payable to the Audit & Performance Committee members be based on the tariffs as per the latest circular approved by the Department of Transport.

The attached report was drafted and submitted for approval to the Municipal Manager to adjust the fuel cost payable to Audit & Performance Committee members to be in line with the circular issued monthly by Department of Transport.

Recommendation

1. That the contents of this report be approved by Council.
2. That the resubmission of the remuneration of the Audit & Performance committee members for the 2018-2019 financial year be effective from 01 November 2018.

NOTE: Annexures were distributed as part of the Mayco agenda of 29 November 2018 (pg 75 - 76)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

1. That the remuneration payable to the Audit & Performance Committee members be adjusted as follows with effect from 01 November 2018:

Chairperson	R4 317.00 per meeting per day
Member	R2 619.00 per meeting per day
Traveling time	R 220.00 per hour (applicable to members traveling more than an hour to attend meetings)
Fuel cost.	As a result of the fluctuations of the fuel price, the tariffs contained in Transport Circular No 1 of 1977 (<i>Transport Handbook on Tariffs for the use of Motor Transport</i>) are reviewed monthly. Hence, the fuel cost payable to Audit & Performance Committee members will be based on the tariffs as per the latest circular as approved by the Department of Transport.)
2. That the remuneration payable to the Risk Management Committee be adjusted as follows with effect from 01 November 2018 (4 meetings):

Chairperson	R4 317.00 per meeting per day x 4 meetings
Traveling time	R 220.00 per hour x 4 hours per meeting x 4 meetings
Fuel cost	As a result of the fluctuations of the fuel price, the tariffs contained in Transport Circular No 1 of 1977 (<i>Transport Handbook on Tariffs for the use of Motor Transport</i>) are reviewed monthly. Hence, the fuel cost payable to the Risk Management Committee chairperson will be based on the tariffs as per the latest circular as approved by the Department of Transport.)

KEY PERFORMANCE INDICATORS TO BE AMENDED (KPI's) - THE TOP LAYER SDBIP (2018 / 2019)
(DIRECTOR: STRATEGY & SOCIAL DEVELOPMENT)

Purpose of the Report

To submit a report to Council to consider the inclusion / removal / amendment of KPI's to the 2018 / 2019 Top Layer SDBIP (Service Delivery Budget Implementation Plan).

Background

The adjustment budget was compiled and submitted to Council on 22 August 2018 for consideration.

Legal Framework

Section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget —
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the budget 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 programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the financial year preceding the budget year, where the under-spending could not reasonably have been foreseen at the time when the annual budget for the budget 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.

S54 "Budgetary Control and early identification of financial problems"

On receipt of a statement or report submitted by the Accounting Officer of the municipality in terms of S71 and 72 the Mayor must:-

- (a) Consider the report;
- (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;**
- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;

Comments

The 2018/19 TOP LAYER SDBIP was approved by the Executive Mayor on 08 June 2018. There are KPI's that must be amended and Council's approval is requested to change these KPI's in the TL SDBIP for 2018 / 2019. The following KPI's must be amended:

KPI'S TO BE AMENDED ON THE TLSDBIP:

1.

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Calculation Type
TL23	Engineering Services	Civil Engineering	95% of water samples comply with SANS241 micro biological indicators {(Number of water samples that comply with SANS241 indicators/Number of water samples tested)x100}	% of water samples compliant	Last Value

To change to

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Calculation Type	Reason for amendment
TL23	Engineering Services	Civil Engineering	95% of water samples comply with SANS241 micro biological indicators {(Number of water samples that comply with SANS241 indicators/Number of water samples tested)x100}	% of water samples compliant	Stand-Alone	KPI needs to indicate the average value of reported performance and not indicate the last reported value as the correct performance

2.

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Calculation Type
TL31	Engineering Services	Civil Engineering	80% of effluent samples comply with permit values {(Number of effluent samples that comply with permit values/Number of effluent samples tested)x100}	% of effluent samples compliant	Last Value

To change to

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Calculation Type	Reason for amendment
TL31	Engineering Services	Civil Engineering	80% of effluent samples comply with permit values {(Number of effluent samples that comply with permit values/Number of effluent samples tested)x100}	% of effluent samples compliant	Stand-Alone	KPI needs to indicate the average value of reported performance and not indicate the last reported value as the correct performance

3.

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Annual Target
TL66	Finance	Budget Office	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	60

To change to

KPI Ref.	Directorate	Sub directorate	KPI	Unit of measurement	Annual Target	Reason for amendment
TL66	Finance	Budget Office	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	45	KPI target amended due to Audit

Recommendation / Aanbeveling

That Council approve the inclusion / removal / amendment to the KPI's on the Top level SDBIP's for 2018 / 2019, as reflected in the report.

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018

Aanbeveling / Recommendation

That Council approve the inclusion / removal / amendment to the KPI's on the Top level SDBIP's for 2018 / 2019, as reflected in the report.

PROVISION OF BASIC SERVICES TO INFORMAL SETTLEMENTS IN LANGEBERG MUNICIPALITY (DIRECTOR ENGINEERING SERVICES)

Purpose of Report

To inform Council on the status quo of the provision of basic services to informal settlements in Langeberg Municipality.

Background

The attached report A 3585 – *Addressing of Challenges Facing the Municipality* served before an Ordinary Meeting of Council on 27 March 2018 where it was unanimously resolved:

1. *That basic water, sanitation, refuse removal and electrical services be provided to all informal settlements.*
2. *That the required capital and operational funding for the provision of basic water, sanitation, refuse removal and electrical services to all informal settlements be provided on the 2018 / 2019 draft budget and the budgets thereafter.*
3. *That the flat rate for the provision of these basic water, sanitation and refuse removal services to informal settlements be increased to R 335/month/household to cover the operational costs of the proposed sanitation and refuse removal services and be implemented in 2018 / 2019.*
4. *That electrical services not be provided to illegal immigrants.*
5. *That electrical services be provided to the following informal settlements subject to the availability of funding.*
 - 5.1 *Nkanini, Robertson*
 - 5.2 *Môreson & Droëheuwel, Robertson*
 - 5.3 *Nkandla, Zolani*
 - 5.4 *Riemvasmaak, Ashton*
 - 5.5 *Informal Settlement, Bonnievale*
 - 5.6 *Mandela Square, Montagu*
 - 5.7 *Backyard Dwellers, Entire Langeberg Area*
6. *That Administration provides feedback on how far the Municipality is with the acquisition of the Bruwer land (Ashton) and Heyl land (Robertson).*
7. *That Council indicates at which informal settlement the provision of these basic municipal services should start.*

An amount of R 1 000 000 was provided on the 2018/19 Capital Budget under vote no. 9/140-197-197 (*Installation of Basic Services for Informal Settlements – Water Infrastructure*) for the provision of water by means of pre-paid communal stand pipes to all informal settlements. This tender was delayed due to the finalization of the tender specifications as the tender also includes the required software/programs for the implementation of a prepaid water system that will be also be used for all future prepaid water meters. The tender is now being advertised and closes on 30 November 2018.

An amount of R 1 000 000 was also provided on the 2018/19 Capital Budget under vote no. 9/140-281-281 (Installation of Basic Services for Informal Settlements – Refuse Removal) for the provision of centralized refuse collection facilities by means of 11m³ skips where residents from the informal settlements can place their refuse for weekly removal by the municipality. It was decided to use mobile skips instead of constructed permanent collection facilities in order to move the skips according to the needs of the residents. The tender is now being advertised and closes on 30 November 2018. The approved refuse removal tariff for informal settlements for 2018/19 is R 155.23/household/month for one removal per month.

An amount of R 2 000 000 was provided on the 2019/20 capital budget to commence with the provision of electricity to informal settlements.

The provision of a basic sanitation service to informal settlements is in the form of one chemical toilet per 5 households that is serviced three times per week. The chemical toilets will be rented as per the identified demand and a tariff of R 180/toilet/household/month is applicable. The tender for the rental of the chemical toilets closed on 21 September 2018 and served on the Bid Adjudication Committee on 30 October 2018 where it was decided as follow:

- That the tender be awarded and will only be utilised when the need arises once the issue of the monthly billing has been addressed.
- No toilets will be installed before the billing and the census has been concluded and the flat rate is billed.
- A vote number can be created with the February 2019 adjustments budget.

All indigent households in the informal settlements will receive 6 kL of water/month free and the flat rate of R 335/household/month for sanitation and refuse removal will not be applicable to them and must be financed from the equitable share allocation.

A Meeting was held on 1 August 2018 with the ward councillors of the informal settlements to explain how the provision of basic services to the informal settlements will be implemented as well as the approved flat rate of R 335/household/month. The ward councillors were also requested to schedule meetings with their respective informal settlements representative committees in order to explain the process to them as well. Meetings were subsequently held with the following informal settlement representative committees in conjunction with the relevant ward councillors to explain how the provision of basic services to the informal settlements will be implemented as well as the approved flat rate of R 335/household/month:

- Bonnievale, Boekenhoutskloof (Cllr. Januarie)
- Mandela Square, Montagu (Cllr. Scheffers)
- Nkandla, Zolani (Cllr. Nteta)
- Môreson, Droëhuwel and Robertson North (Cllrs. Janse, Hess and Burger as well as the Executive Mayor).

Cllr. Shibili indicated that no meeting is required for Nkanini, Nkqubela as he had already informed the residents on the process.

The provision of basic services to informal settlements was welcomed at the above mentioned meetings but the tariff of R 335/household/month was deemed to be too high and unaffordable. Some concerns were also expressed on the provision of one chemical toilet per 5 households and waterborne flush toilets were also demanded by some residents.

The following issues need to be addressed now in order to commence with the provision of the basic water, sanitation and refuse removal services after the relevant tenders have been awarded:

- The provision of the basic services to illegal immigrants in the informal settlements.
- The relocation of some households to areas that are accessible for the chemical toilet service truck.

- The approved tariff of R 335/month/household for the provision of basic services.
- The billing process for the flat rate.
- The relocation of the residents of Cogmanskloof as no water services can be provided cost effectively at the existing location due to the topography of the area. There are also no access roads to the existing location. It is proposed that the residents of Cogmanskloof be relocated to the Zandvliet Land (of which the acquisition is currently in process) in order to be able to provide basic services to them.

NOTE: Annexures were distributed as part of the Mayco agenda of 29 November 2018 (pg 83 - 87)

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018

Aanbeveling / Recommendation

That the report be referred to the Council meeting of 10 December 2018 for consideration.

Dat die verslag na die Raadsvergadering van 10 Desember 2018 verwys word vir oorweging.

**ALLOCATED FUNDING: HUMAN SETTLEMENTS DEVELOPMENT GRANT AGREEMENT OF DELIVERY DATES:
(17/5/8/5) (DIRECTOR: COMMUNITY SERVICES)**

Purpose of report

To inform Council of the amended allocation of Human Settlement Development Grant and the required agreement of delivery targets.

Background

The attached letter dated 22/10/2018 was received from the Western Cape Department of Human Settlements (DoHS) that indicated revised allocations for the listed housing projects in Langeberg Municipality.

The following projects are included in scope of works of the existing contract of Asla and all funding will be spent by 31 March 2019 as required by the DoHS:

- Robertson Kenana (505) UISP
- ISSP Montagu Mandela Square (100 + 73 sites) UISP
- ISSP Bonnievale Boekenhoutskloof (224)

The allocated funding of R 1 800 000 for Montagu Strydom Street (14) and McGregor housing construction of 20 units can however not be spend by 31 March 2019 as there are still outstanding issues to be finalised before any construction of these houses can commence e.g.

Strydom street project

- what type of houses are to be build?
- the houses that have been transferred and are now private property
- the temporary relocation of the residents while the existing houses are demolished/upgraded and the new houses are being constructed

McGregor housing 20 units

- at this stage only 10 approved beneficiary applicants.
- An item to serve at the council meeting of 10 December for extending the list to include other areas within Langeberg.

It is therefore proposed that the DoHS be requested to roll over the allocated R 1 800 000 for the Montagu Strydom Street and R2 600 000 McGregor housing 20 units' project into the 2019/20 financial year in order to first finalise all outstanding issues pertaining to these projects.

RECOMMENDED:

That the Department of Human Settlements be requested to roll over the allocated R 1 800 000 for the Montagu Strydom Street and R2 600 000 for McGregor project into the 2019/20 financial year in order to first finalise all outstanding issues pertaining to these projects.

NOTE: Annexures were distributed as part of the Mayco agenda of 29 November 2018 (pg 89)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

That the Department of Human Settlements be requested to roll over the allocated R 1 800 000 for the Montagu Strydom Street and R2 600 000 for McGregor project into the 2019/20 financial year in order to first finalise all outstanding issues pertaining to these projects.

McGREGOR HOUSING PROJECT – REQUEST FOR ALLOCATION OF THE OUTSTANDING 68 UNITS TO BE BUILT & ALLOCATION OF THE 10 SERVICE SITES TO THE NON-QUALIFIERS IN THE PROJECT (17/5/R) (SENIOR HOUSING CLERK: MONTAGU)

Purpose of report

To submit a list of identified beneficiaries for the above-mentioned housing project to Council for consideration.

Background

The McGregor Housing project was approved to build 496 (four hundred & ninety-six) units. Four hundred and eighteen (418) units have been completed and handed over to the qualifying beneficiaries.

A further sixty-eight (68) units must still be built, but because the McGregor Prioritized Housing Database list (571 applicants), approved by Council on 24 August 2015, are exhausted, Council's permission is required to move on with the Housing Database list up until 30 September 2016 to identify fifty-four beneficiaries to complete the project.

There are also ten (10) service sites that must be allocated to ten (10) non-qualifying beneficiaries in the project.

The lists were emailed with the agenda.

Above-mentioned identified beneficiaries were organized according to registration date and must still satisfy the requirements for subsidised housing.

Comments

A report (item A3679) served before Council's Community Services Portfolio Committee on 06 August 2018, Mayoral Committee on 14 August 2018 and Ordinary Council Meeting on 22 August 2018 and it was unanimously resolved:

1. That all beneficiaries who were originally invited, be re-invited by public notice at the Municipal offices in McGregor, the link be advertised on the social media platforms with the invitation to complete subsidy forms given 30 (Thirty) days to do so.
2. That where subsidies were declined those applicants be invited as well to determine whether their personal status has changed or not.
3. That the housing officials visit those that have not come out to ascertain their interest.
4. That should the beneficiaries as stated in Point 1,2 and 3 status stay the same, that we move on with the waiting list up until 30 June 2016.
5. That the applicants be made aware that the need to fulfil to the same criteria as laid down by the Department of Human Settlements.

Further Comments

The McGregor approved prioritised waiting list of 24 August 2015 was advertised on the public notice board at the McGregor municipal offices for two (2) months. Seven (7) beneficiaries on the list turned up and completed subsidy application forms. Housing officials visited those that have not come out but they are deceased or relocated and those applicants whose personal status have not changed, status are still unchanged for the qualifying criteria.

Another seven (7) beneficiaries on the approved prioritised list subsidies are approved and await to be provided with a house in the project.

All the above add up to 14 prospective beneficiaries with a further fifty-four (54) approved beneficiaries required to complete the sixty-eight houses to be built (Income R0.00 – R 3 500.00). The ten (10) beneficiaries (Income R3 501 – R 7 000) will be identified from the approved prioritized list (24 August 2015) to allocate the serviced sites in the project.

Also note that some of the above-mentioned beneficiaries will not satisfy the minimum registration period (MRP) on the housing database. The following email was received from Brian Denton of the Dept. Human Settlements.

"Housing Allocation McGregor

Morning

On a way forward let's agree that in view of the timing of the project that coincided with the implementation of the Aged Based prioritization circular, that the departmental will consider all applications notwithstanding the age on condition that persons are on the waiting list for a period of not less than two and a half years."

Email attached

Recommendation / Aanbeveling

1. That be proceeded with the McGregor Housing Database list up until 30 September 2016 to see whether 54 beneficiaries can be identified and approved, to complete the project.
2. That the new Housing Database list up until 30 September 2016 approved by Council, be advertised for thirty (30) days on the public notice board of McGregor municipal offices for notification.
3. That the allocation of the ten (10) service sites for the income group R3 501 – R 7 000 be allocated from the approved prioritized list by Council of 24 August 2015 and according to the date of registration on the Housing Database / Waiting list of McGregor.
4. That all applicants be made aware that they need to fulfil the same criteria as laid down by the Department of Human Settlements.

NOTE: Annexures were distributed as part of the Mayco agenda of 29 November 2018 (pg 92 & per email)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

1. That be proceeded with the McGregor Housing Database list up until 30 September 2016 to see whether 54 beneficiaries can be identified and approved, to complete the project.
2. That the new Housing Database list up until 30 September 2016 approved by Council, be advertised for thirty (30) days on the public notice board of McGregor municipal offices for notification.
3. That the allocation of the ten (10) service sites for the income group R3 501 – R 7 000 be allocated from the approved prioritized list by Council of 24 August 2015 and according to the date of registration on the Housing Database / Waiting list of McGregor.
4. That all applicants be made aware that they need to fulfil the same criteria as laid down by the Department of Human Settlements.

APPOINTMENT / DELEGATION OF COUNCILLORS AND REPRESENTATIVES ON PORTFOLIO COMMITTEES AND TO SERVE ON EXTERNAL BODIES (3/1/2 + 3/1/4)(DIRECTOR CORPORATE SERVICES)

Purpose of report

To submit to Council for consideration a report on the appointment / delegation of councillors and representatives to serve on portfolio committees and external bodies.

Background

Due to the resignation as councillor by AS Mbi and the removal of WZ Nyamana, consideration must be given to appoint councillors on the portfolio committees and to serve on external bodies where needed.

Currently the representation on the portfolio committees are as follows:

1. **Corporate Services**

Cllr NJ Beginsel (Chairperson)
Cllr JJS Januarie
Cllr OC Simpson
Cllr LM Swanepoel
Cllr JDF van Zyl

2. **Strategy and Social Development**

Cllr P Hess (Chairperson)
Cllr HF Mangenengene
Cllr BH Nteta
Cllr TM van der Merwe
Cllr *Vacant*

3. **Engineering Services**

Cllr *Vacant* (Chairperson)
Cllr NJ Beginsel
Cllr S Du Plessis
Cllr J Kriel
Cllr AJ Shibili

4. **Community Services**

Cllr HF Mangenengene (Chairperson)
Cllr NJ Beginsel
Cllr E Bosjan
Cllr P Hess
Cllr *Vacant*

5. **Finance Services**

Cllr J Kriel (Chairperson)
Cllr CJ Grootboom
Cllr P Hess
Cllr JS Maflika
Cllr JDF van Zyl

6. **MPAC**

Cllr LM Swanepoel (Chairperson)
Cllr NJ Beginsel
Cllr J Kriel
Cllr JS Mafilika
Cllr HF Mangenengene

Representatives to be delegated and nominated to serve on other committees and external bodies where there are vacancies.

1. **Rules Committee**

Was Cllr AS Mbi, Chief Whip of the ANC.

2. **Ad Hoc Committee for Urgent Matters**

Was Cllr WZ Nyamana.

3. **LA Pension Fund**

Was Cllr AS Mbi.

Comments

There is a need to appoint Councillors to serve on the following Portfolio Committees:

- Strategy and Social Development
- Engineering Services – Chairperson must also be appointed
- Community Services

Consideration should also be given to appoint and delegate councillors to serve on the following:

- Rules Committee
- Ad Hoc Committee for Urgent Matters
- LA Pension Fund

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Aanbeveling / Recommendation

That the report be referred to the Council meeting of 10 December 2018 for consideration.

Dat die verslag na die Raadsvergadering van 10 Desember 2018 verwys word vir oorweging.

AUDIT & PERFORMANCE COMMITTEE - QUARTERLY REPORT OF THE AUDIT & PERFORMANCE COMMITTEE (5/14/R) (AUDIT & PERFORMANCE COMMITTEE CHAIRPERSON)

Purpose of report

To submit to Council for noting, the Quarterly report of the Audit and Performance Committee detailing the operations of the Internal Audit Unit and Audit & Performance Committee for the First Quarter of the 2018/19 financial year.

Background

As per MFMA Circular 65, the chairperson of the Audit & Performance Committee will report on a quarterly basis, or more frequently if required, to the municipal council on the operations of the Internal Audit & Risk Management unit and the Audit & Performance Committee.

The report should include:

- A summary of the work performed by the Internal Audit & Risk Management unit and the Audit & Performance Committee against the annual work plan;
- Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
- A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;
- Progress with any investigations and its outcomes;
- Details of meetings and the number of meetings attended by each member; and
- Other matters requested of the Internal Audit & Risk Management unit and Audit & Performance Committee.

The quarterly report of the Audit & Performance Committee is submitted for noting by Council and **is attached to this report**

Recommendation

That Council takes note of the Quarterly report of the Audit & Performance Committee.

Ons verw nr / Our Ref No
Isalathiso Sethu

A&PC 3

Navrae / Enquiries
Internal Audit

09 October 2018

Langeberg Municipal Council

AUDIT & PERFORMANCE COMMITTEE QUARTERLY REPORT (Q1) – 2018/19

Background

In terms of section 166 of the Municipal Finance Management Act, No. 56 of 2003, an Audit Committee is an independent advisory which must:

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to:
- (i) internal financial controls and internal audits;
 - (ii) risk management;
 - (iii) accounting policies;
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;
 - (v) performance management;
 - (vi) effective governance;
 - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - (viii) performance evaluation; and
 - (ix) any other issues referred to it by the municipality.

Purpose

As per the MFMA Circular 65, the Chairperson of the Audit and Performance Committee will report on a quarterly basis, or more frequently if required, to the municipal council on the operations of the internal audit unit and the audit & performance committee. The report should include:

- A summary of the work performed by the internal audit and the audit & performance committee against the annual work plan;
- Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
- A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;
- Progress with any investigations and their outcomes;
- Details of meetings and the number of meetings attended by each member; and
- Other matters requested of the internal audit and audit & performance committee.

Scope

In terms of the legislative requirements and the Audit & Performance Committee Charter, an Audit & Performance Committee meeting was held on 28 September 2018 and the following were discussed.

Summary on progress of Risk-based Internal Audit Plan:

Below is a summary of the progress against the Risk-based Internal Audit Plan, outlining the audit areas covered and an assessment on the effectiveness of the control environment. Where applicable, additional measures were recommended by the Audit & Performance Committee that must be implemented to address key risks or areas.

The Risk-based Internal Audit Plan for the 2018/19 financial year was approved on 14 May 2018 and outlines the audits to be covered for each quarter, and also makes provision for ad hoc audits and other activities Internal Audit is responsible for. This report is a summary to Council on the progress on the implementation of the Internal Audit Plan as at the end September 2018, that is quarter one (1) of the 2018/19 financial year.

Progress Status

The table below provides the status on the progress of the audits scheduled as per the Risk-based Internal Audit plan for the 2018/19 financial year.

PERIOD	AUDIT AREA	RISKS COVERED	PROPOSED SCOPE OF AUDIT	AUDIT RECOMMENDATIONS	PROGRESS STATUS	ADEQUACY	EFFECTIVENESS
Quarter 1	Strategy and Social Development: Performance Management - Performance Management (Cyclical Audit) – Quarter 4 (2017/18)	Incorrect performance reporting monthly on the Ignite system	Determine whether an effective performance management system is in place and performance reporting is substantiated with sufficient appropriate evidence.	Reported performance should be substantiated with proof of evidence that should be readily available for audit purposes.	Completed	Yes	Yes
	Engineering Services: Civil Engineering Services - Stormwater Management	The risk is that Storm Water may cause Flood Damage due to the inadequate storm water systems.	To verify the effectiveness of processes and controls in place which would contribute to improved and adequate storm water management systems within the Langeberg Municipality area.	1. The municipality should make funding available in the budget to implement the Stormwater Master Plans. 2. Management should implement Stormwater Master Plans. 3. The Municipality should develop a Stormwater Management Policy for approval by Council.	Completed	No	No

PERIOD	AUDIT AREA	RISKS COVERED	PROPOSED SCOPE OF AUDIT	AUDIT RECOMMENDATIONS	PROGRESS STATUS	ADEQUACY	EFFECTIVENESS
				4. Daily maintenance should be done to mitigate the risk of pollution blocking the stormwater systems. 5. The Municipality should employ more people in McGregor for stormwater management. 6. Management should ensure that all complaints received are attended by performing a reconciliation on complaints received and job cards for each complaint attended to.			
	Engineering Services: Civil Engineering Services - Water Management	The risk is that water may not be sufficiently available	Determine whether adequate plans and measures are in place to restrict water usage and ensuring continued water supply.	Management should develop and implement standard operating procedures for implementing water restrictions.	Completed	Yes	Yes
Quarter 2	Finance: Budget and Support – Unregistered Properties	The risk is that there may be unregistered properties in the municipal area.	Perform physical verifications to identify whether there are any unregistered properties.	N/A	In progress	N/A	N/A
	Strategy and Social Development: Performance Management	The risk is that the municipality may report incorrect performance information on a monthly basis	Determine whether the Key Performance Indicators are SMART and that performance reporting is substantiated	N/A	Not yet started	N/A	N/A

PERIOD	AUDIT AREA	RISKS COVERED	PROPOSED SCOPE OF AUDIT	AUDIT RECOMMENDATIONS	PROGRESS STATUS	ADEQUACY	EFFECTIVENESS
		on the Ignite system.	with sufficient appropriate evidence.				
	Finance: Budget and Support	The risk is that the Municipality may have difficulties with implementing Municipal Standard Chart of Accounts (mSCOA), the new financial-reporting regulatory reform.	Determine readiness and implementation of mSCOA by the municipality. Verify whether directorates are transacting on the correct votes.	N/A	Not yet started	N/A	N/A
Quarter 3	Finance: Income	There is a risk that consumers may be charged incorrectly.	Review systems and controls in place which would contribute to the correct charging of consumer tariffs.	N/A	Not yet started	N/A	N/A
	Finance: Grants (DORA)	None identified.	Determine whether the different grants were utilised for the purpose they were obtained for.	N/A	Not yet started	N/A	N/A
	Strategy and Social Development: Performance Management	The risk is that the municipality may report incorrect performance information on a monthly basis on the Ignite system.	Determine whether an effective performance management system is in place and performance reporting is substantiated with sufficient appropriate evidence.	N/A	Not yet started	N/A	N/A
Quarter 4	Community Services: Community Facilities	The risk is that municipal facilities and installations	Review the adequacy and effectiveness of controls in place and also	N/A	Not yet started	N/A	N/A

PERIOD	AUDIT AREA	RISKS COVERED	PROPOSED SCOPE OF AUDIT	AUDIT RECOMMENDATIONS	PROGRESS STATUS	ADEQUACY	EFFECTIVENESS
		may be vandalized.	determine the adequacy of insurance cover on municipal properties.				
	Engineering Services: Solid Waste Management	The risk is that service delivery to the public may be unsatisfactory.	Determine from the Engineering organogram critical posts which are vacant and also the extent to which these posts are vacant. Review the recruitment and selection process of these posts.	N/A	Not yet started	N/A	N/A
	Strategy and Social Development: Performance Management	The risk is that the municipality may report incorrect performance information on a monthly basis on the Ignite system.	Determine whether an effective performance management system is in place and performance reporting is substantiated with sufficient appropriate evidence.	N/A	Not yet started	N/A	N/A

All audits planned for in the Risk-based Internal Audit Plan for quarter one of the 2018/19 financial year were completed.

Details of Meetings for 2018/19:

The following table provides details of the quarterly Audit and Performance Committee meetings held as well as attendance of members.

A & PC Meetings		Members Present
Quarter 1	16 July 2018	Mr. A Amod - Chairperson Mr. E Abrahams Mr. RG Nicholls Mr. W van Deventer
	24 August 2018	Mr. A Amod- (Electronic attendance via Telecom) Mr. E Abrahams Mr. W van Deventer - Acting Chairperson
	28 September 2018	Mr. A Amod- Chairperson Mr. E Abrahams Mr. RG Nicholls Mr. W van Deventer
Quarter 2	30 November 2018	Still to be held
	07 December 2018	Still to be held
Quarter 3	15 March 2019	Still to be held
Quarter 4	25 June 2019	Still to be held

A summary of key issues dealt with

Internal Audit conducted an audit on illegal electricity connections and found that the post audit residual risk rating is above the municipality's risk appetite. Therefore, internal audit recommended to management not to accept the risk and as per the Municipal By-law, Internal Audit recommended that:

- The municipality sends out notices for the disconnection of electricity supply to the identified households providing electricity by means of illegal connections.
- Disconnect electricity supply to households that did not remedy their default within the notice period.

Management agreed with the recommendation of Internal Audit, however due to the impact of the recommendation on the community the matter was escalated to council. Council resolved that the prepaid electricity meters of houses from where illegal electricity connections are made, be blocked until all such illegal connections are removed, but that the process only commence once there is a suitable alternative solution. Management indicated that there is no alternative solution at this moment.

The A&PC believe that with the above resolution made by Council on 31 July 2018 the Council has accepted a level of residual risk that may be unacceptable to the municipality and that If the decision regarding residual risk is not resolved, the Council should accept the risk formally.

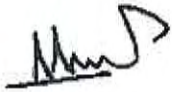
Investigations

Not applicable, as no investigations were conducted during the first quarter of 2018/19 financial year.

Other Matters:

Not applicable, as no other matters were identified during the first quarter of 2018/19 financial year.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Ameen Amod', with a stylized flourish at the end.

Chairperson: Audit & Performance Committee
Ameen Amod

AUDIT & PERFORMANCE COMMITTEE - RISK ACCEPTANCE CERTIFICATE – ILLEGAL ELECTRICITY CONNECTIONS (5/14/R) (CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Risk Acceptance Certificate to Council for approval to formally accept the risk of illegal electricity connections in the municipal area.

Background

Standard 2600 – Communicating the Acceptance of Risks states that:

“When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.”

In an Ordinary Meeting of Council on 31 July 2018 (Council resolution A3663), Council resolved that the prepaid electricity meters of houses from where illegal electricity connections are made, be blocked until such illegal connections are removed, but the process only commence once there is a suitable alternative solution.

Subsequently, Management indicated in an Audit & Performance Meeting held on 28 September 2018 that there is currently no alternative solution.

The Audit & Performance Committee is of the opinion that with the above resolution Council is accepting the residual risk that may be unacceptable to the Municipality and recommended that the risk be formally accepted by Council until such time as a suitable solution is found.

The Audit & Performance Committee further recommended that Internal Audit should initiate the formal risk acceptance process and replace this action in the Internal Audit follow-up tool.

The *Risk Acceptance Certificate – Illegal Electricity Connections* is submitted for approval by Council and **is attached to this report.**

Recommendation

That the *Risk Acceptance Certificate – Illegal Electricity Connections* be approved by Council as a means of formally accepting the risk until an alternative solution is found.

ACCEPTANCE OF RISK CERTIFICATE

Electrical Engineering Services – Illegal Electricity Connections Audit

05 October 2018

The Municipal Council
Langeberg Municipality
Private Bag X2
ASHTON
6715

ACCEPTANCE OF RISK CERTIFICATE

In terms of standard 2600 of the International Standards for the Professional Practice of Internal Auditing, the Chief Audit Executive (CAE) and Senior Management Team (SMT) must discuss with Council any matter where the CAE and SMT believes that Council has accepted a level of residual risk that may be unacceptable to the municipality. If the decision regarding residual risk is not resolved, the Council should accept the risk formally.

The matter reported here, was discussed with Senior Management and reported to the Audit & Performance Committee.

Details of the risk accepted by Council are as follows:

Audit Area: Electrical Engineering Services – Illegal Electricity Connections Audit

Audit Period: 2017/18

Finding No. 3: Disconnection of electricity supply

Description of finding:

In terms of section 15 - of the Langeberg Municipality: Standard By-law – Electricity Supply, if the consumer uses the electricity for any purpose or deals with the electricity in any manner which the Municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner with the efficient supply of electricity to any other consumer, the Municipality may, with or without notice, disconnect the electricity supply provided that supply shall be restored as soon as the cause for the disconnection has been permanently remedied or removed and any relevant fee has been paid.

Section 21 - of the Langeberg Municipality: Standard By-law – Electricity Supply states:

- (1) The Municipality has the right to disconnect the supply of electricity to any premises
 - a. Without notice where –
 - i. There is grave risk to a person or property if the supply is not disconnected; or
 - ii. There is evidence of tampering as contemplated in section 26; or
 - iii. For reasons of staff or community safety.
 - b. With reasonable written notice where –
 - i. The person liable to pay for such supply fails to pay any charge due to the Municipality in connection with any supply of electricity which he/she may at any time have received from the Municipality in respect of such premises, or
 - ii. The Municipality has requested to disconnect the supply of electricity where there are outstanding Municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties; or
 - iii. any provision of this by-law has been contravened and the customer has failed to remedy the default after proper notice has been given;
 - iv. access to inspect metering equipment has been denied.
- (2) Where any of the provisions of this by-law and/or regulations are being contravened the Municipality should give the person 7 (seven) days' notice to remedy his/her default prior to disconnection.

During the audit it was noted that there were notices to disconnect the supply of electricity to households providing electricity by means of illegal electricity connections to other households. However, the supply of electricity was not disconnected subsequently in the event where defaults were not remedied in the notice period.

Risk / Impact

Even though section 22 of the Langeberg Municipality: Standard By-law – Electricity Supply provides for limitation of the liability on the part of the municipality, section 26 of the Electricity Regulation Act, (Act no. 4 of 2006) and section 9 of the Occupational Health and Safety Act as amended, (Act no. 85 of 1993) imposes certain liability and duties on the municipality should any loss or damage, direct or consequential, suffered or sustained by a consumer as a result of or arising from the cessation, interruption or any other abnormality of the supply electricity (i.e. electrocution of a community member or children which could result in death).

The possible consequence for the municipality could be a lengthy law suit that could result in a hefty settlement amount.

Furthermore, not disconnecting the illegal electricity connections is a violation of the approved Langeberg Municipality: Standard By-law – Electricity Supply.

Recommendations

As per the Langeberg Municipality: Standard By-law – Electricity Supply, Internal Audit recommends that:

- (a) The municipality sends out notices for the disconnection of electricity supply to the identified households providing electricity by means of illegal connections.
- (b) Disconnect electricity supply to households that did not remedy their default within the notice period.

Management Comments

Management agrees with the recommendations and made the following comment:

- Notices (see attached copy) will be sent to all households from where illegal electricity connections are made as from 20 June 2018.

Council resolution of risk acceptance:

Resolution number

RISK MANAGEMENT COMMITTEE - RISK MANAGEMENT OPERATIONAL PLAN, RISK MANAGEMENT COMMITTEE REPORT FIRST QUARTER & RISK REGISTER – 2018 / 2019 (5/14/R) (CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Risk Management Operational Plan, the First Quarter Risk Management Committee report and the Risk Register to Council for information purposes.

Background

Section 62 (1) (c) (i) of the MFMA states that:

*"(1) the Municipal Manager of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure –
(c) that the municipality has and maintains effective, efficient and transparent systems –
(i) of financial and **risk management** and internal control".*

Furthermore, it is also states in the Risk Management Policy, page 6 that:

"Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Langeberg Municipality against significant risks".

The Risk Management Committee (RMC) approved the Risk Management Operational Plan, outlining the risk management activities to be completed within the 2018/19 financial year.

The Internal Audit & Risk Management Unit reports quarterly to the RMC on the progress of the implementation of the Risk Management Operational Plan. In these RMC meetings the Risk Register is reviewed and updated accordingly.

The Risk Management Operational Plan, Risk Management Committee Report and the Risk Register for the First Quarter are submitted for noting by Council and **are attached to this report.**

Recommendation

That the contents of the Risk Management Operational Plan, the Risk Management Committee Report and the Risk Register for First Quarter of 2018/19 be noted by Council.

(A 3736)



RISK MANAGEMENT ANNUAL OPERATIONAL PLAN

2018/2019

LANGEBERG MUNICIPALITY: RISK MANAGEMENT ANNUAL OPERATIONAL PLAN 2018/19

1. LEGISLATIVE BACKGROUND

Section 62(1)(c)(i) of the Municipal Finance Management Act states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and for this purpose take all reasonable steps to ensure the municipality has and maintains effective and efficient and transparent systems of financial and risk management and internal control".

2. INTRODUCTION

The Risk Management Annual Operational Plan is a tool that defines how the various risk management strategies, policies and procedures are to be implemented to address risks faced by the Langeberg Municipality. It sets how and when risk management activities will be performed, recorded and monitored throughout the 2018/19 financial year.

3. MONITORING, CONTROLLING AND REPORTING

The implementation of activities in the Risk Management Annual Operational Plan will be tracked, monitored and reported throughout the implementation of the plan.

Monitoring:

The Risk Management Committee and Audit & Performance Committee has the overall responsibility to monitor the various components as outlined in the Risk Management Annual Operational Plan. Monitoring will include identification of any threats or opportunities that have the potential to impact the success of the plan.

Controlling:

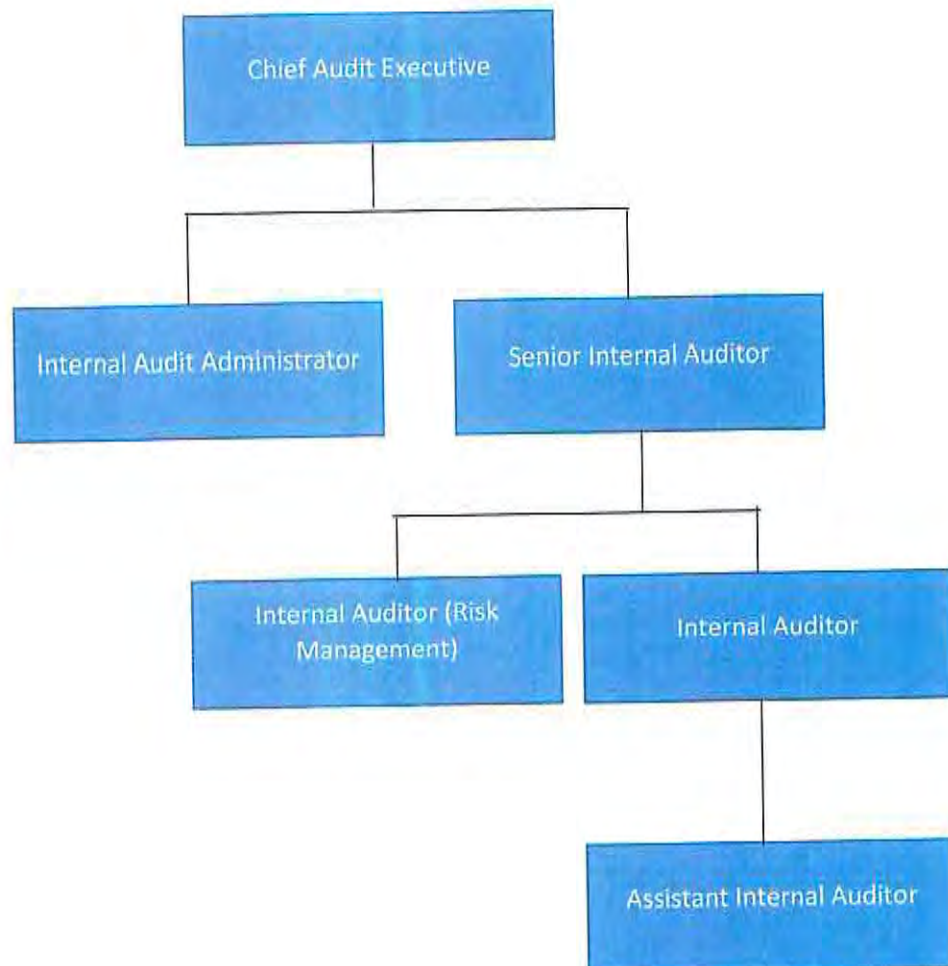
Control over the implementation of the plan will reside with the Internal Audit & Risk Management unit who will provide feedback on the implementation of the plan during Risk Management Committee meetings.

Reporting:

Quarterly reports on the implementation of the Risk Management Annual Operational Plan will be submitted to the Accounting Officer and Audit & Performance Committee.

4. ORGANISATIONAL STRUCTURE

The current organisational structure of the Internal Audit & Risk Management unit is as follows:



Please note as per the current structure of the Internal Audit & Risk Management unit that one Internal Auditor will be responsible for the Risk Management duties in the Municipality. Therefore, resources as per hours available are noted in the Risk Based Internal Audit Plan and hours are budgeted for the Chief Audit Executive, Senior Internal Auditor and Internal Auditor (Risk Management) in this plan.

5. ANNUAL OPERATIONAL PLAN

Sections	Activities	Timelines	Allocated hours		
			Internal Auditor	Senior Internal Auditor	Chief Audit Executive
Awareness	Perform survey in terms of risk management process	31-Jul-18	20	6	2
	Act on issues arising from survey i.e. training	31-Jul-18	48	40	40
	Present new developed strategic risk management documents to the management	30-Sep-18	8	8	8
	Review whether accountability for risks and associated controls are included in all risk owners' performance contracts/job descriptions. If applicable make HR aware of the appropriate amendments to be done.	30-Sep-18	16	8	4
	Facilitate orientation and training for RMC	31-Jan-19	16	8	8
	Facilitate orientation and training for AC	31-Jan-19	16	8	8
	Facilitate orientation and training for Council	31-Jan-19	16	8	8
	Facilitate orientation and training for other/new municipal staff (2 X trainings)	30-Jun-19	24	16	16
Risk Register	Proactively researching and communicating key strategic and operational issues to management and other stakeholders and make recommendations. Continuously updating of risk register by identifying changes in the environment that impact the municipality. Document progress made by the individual risk owners against their treatment action plans. Prompt risk owners for emerging risks for inclusion in the risk register. Communicate risk profile to risk owners.	30-Jun-19	384	192	96
Strategic Session	Develop risk management annual operational plan.	30-Jun-19	16	16	16
	Compile budget for risk management unit for submission to CAE/Senior Internal Auditor	30-Jun-19	16	8	4
	Develop training plan for risk management officials.	30-Jun-19	16	8	4
Strategic Documentation	Review the following documentation:				
	1. Risk Management Policy: ensure it contains the minimum content as detailed in the NT Risk Management Framework.	31-Aug-18	8	4	2
	2. Risk Management Strategy; ensure it focusses on recommended areas as per the best practice documents circulated.	31-Aug-18	8	4	2
	3. Ensure risk management strategy is supported by an action plan to implement and improve risk management.	31-Aug-18	8	4	2

LANGEBERG MUNICIPALITY: RISK MANAGEMENT ANNUAL OPERATIONAL PLAN 2018/19

Sections	Activities	Timelines	Allocated hours		
			Internal Auditor	Senior Internal Auditor	Chief Audit Executive
	4. Fraud Prevention Policy & Strategy	31-Aug-18	8	4	2
	5. Risk Management Charter	30-Jun-19	8	4	2
	Develop the following documentation:				
	1. Fraud Prevention Implementation Plan	31-Aug-18	8	4	2
	2. Risk identification and assessment methodology	31-Aug-18	8	4	2
Disaster Recovery	Compile and monitor Disaster Recovery Plan.	31-Oct-18	24	10	6
Business Continuity Model	Develop a business continuity model.	31-Mar-19	80	40	30
	Monitor on a continuous basis that controls in the BCM are working as intended, i.e. conduct drills	31-May-19	8	4	2
COSO framework	Monitor the implementation of the COSO framework via the COSO implementation plan	30-Jun-19	64	32	16
Provincial CRO Forum	Attend 2 CRO Forum meetings held by provincial treasury	30-Jun-19	16	0	16
MGRO	Complete the MGRO assessments that are conducted by PT	30-Jun-19	40	40	40
Reporting	To RMC	30-Jun-19	32	32	32
			916	512	370

The remaining hours per official is as follows and will be allocated for mentoring and coaching throughout the financial year:

Official	Available budget	Allocated hours	Remaining hours
Internal Auditor	1292	916	376
Senior Internal Auditor	732	512	220
Chief Audit Executive	584	370	214
	2608	1798	810

Ons verw nr / Our Ref No
Isalathiso Sethu

RMC Q1-2018/19

Navrae / Enquiries
Internal Audit

26 October 2018

Mr SA Mokweni
Municipal Manager

RISK MANAGEMENT QUARTERLY REPORT – 2017/18

In terms of the approved Risk Management Committee Charter and Risk Management Operational Plan, a Risk Management Committee (RMC) meeting was held on 16 October 2018. The meeting was attended by the following RMC members and delegates:

Mr. E Abrahams	Chairperson
Mrs. C Matthys	Member
Mr. I Van der Westhuizen	Member
Mr. A Everson	Member
Mr. M Mgajo	Member
Mr. Z Prins	Delegate
Mr. D Lakey	Risk Champion: Strategy & Social Development
Mr. C Franken	Risk Champion: Financial Services
Mrs. S Kotzé	Risk Champion: Corporate Services
Mr. M Johnson	Risk Champion: Civil Engineering Services
Mr. C Vorster	Risk Champion: Electrical Engineering Services
Mr. N Albertyn	Risk Champion: Project Management
Mr. K Brand	Risk Champion: Town Planning

Standing Invitees:	
Mr. M Shude	Internal Audit & Risk Management
Mr. D Engelbrecht	Internal Audit & Risk Management
Mr. A Mati	Internal Audit & Risk Management
Ms. L Matshanda	Internal Audit & Risk Management

BACKGROUND

The Municipality's objectives and the environment in which we operate are constantly evolving and as a result the risks we face are continuously changing.

S62(1) of the MFMA Act states that "*The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—*
(c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"

The above is further supported by other sections of the MFMA namely, Section 165 (2) (a); (2) (b)(iv) and Section 166 (2)(a)(ii).

PURPOSE

The purpose of this report is to present to the Municipal Manager (MM), the Audit and Performance Committee (A&PC) and Council an overview on progress of the risk management processes and the evaluation of the adequacy of the internal controls and to identify any improvement opportunities.

SCOPE

The RMC reviews the risk register on a quarterly basis and re-assesses the risks per directorate. Risk Management conducted combined assurance sessions during the first quarter of the 2018/19 financial year which included a re-assessment on all risks and their respective ratings. Key amendments made to the different risks and reported to the RMC are detailed below.

The Risk Management Unit is also required to provide feedback on the progress of the approved Risk Management Operational Plan to enable the RMC to fulfill its responsibility in terms of monitoring. Also included in this report is a summary of the progress against the Risk Management Operational Plan.

Key changes to risk register

Risk of unregistered properties in the municipal area:

The risk description was amended to clearly reflect that the risk relates to RDP houses not registered timely at the deeds office.

The risk that quotations may be awarded to suppliers that provide false declarations:

The following was added to the current control processes:

- SCM utilizes the Central Supplier Database (CSD) and Search work to identify whether suppliers are in the service of the state.

The municipality may have difficulties in implementing mSCOA:

Current control processes were added to the risk as follows:

- Logic was built into the vote numbers to ensure that the correct vote numbers are being used.
- SCM officials verify requisitions against the budget book to identify whether the correct votes are transacted against. Old vote numbers and old vote descriptions are included in the budget book with mSCOA vote numbers and descriptions for verification.

The financial viability of the municipality is put under strain by the additional influx of people not contributing to the revenue stream:

- The issue of land invasion was added to the root causes; and
- The appointment of the Red Ant Security Relocation and Eviction Services to assist with illegal land invasion was added as part of the control processes.

Unauthorised changes could be made to the financial system:

Added to the control processes is that the CFO reviews and signs off the change management reports to confirm that authorized changes were made on the system by the service provider.

The risk that management of user accounts for Promun and Syntell is inadequate:

The following recommendation made by Internal Audit & Risk Management Unit was agreed with management and included as part of the action plans:

- When it is impractical to request via email from the Senior Network Administrator to perform activities on Syntell, the Senior Network Administrator should send a notification email to the electrician. The electrician should then acknowledge receipt of such emails which would serve as the supporting evidence.

Storm water may cause flood damage due to inadequate storm water systems:

The residual risk rating increased from 12 to 16 subsequent to the audit performed by Internal Audit. The recommendations made by Internal Audit were agreed with management and included under action plans.

New risks added on the risk register

The following risks have been added to the risk register and will be assessed by the relevant risk champions.

- The risk of reputational damage was added under the Directorate: Office of the Municipal Manager.
- The risk of shortage of capacity at landfill sites was added under the Directorate: Engineering Services.

Removed risks

- The risk that the capital budget may not be utilised optimally was removed from the risk register as it is no longer applicable.

Progress on Implementation of Risk Management Operational Plan:

The table below provides the status for the first quarter on the implementation of activities as per the Risk Management Operational Plan approved for 2018/19.

Sections	Activities	Timelines	Status of implementation	Reason for missing deadline
Awareness	Perform survey in terms of risk management process	31-Jul-18	Completed	N/A
	Act on issues arising from survey i.e. training	31-Jul-18	Completed	N/A
	Present new developed strategic risk management documents to the management	30-Sep-18	Completed	N/A
	Review whether accountability for risks and associated controls are included in all risk owners' performance contracts/job descriptions. If applicable make HR aware of the appropriate amendments to be done.	30-Sep-18	Completed	N/A
	Facilitate orientation and training for RMC	31-Jan-19	Not started	N/A
	Facilitate orientation and training for AC	31-Jan-19	In progress (strategic workshop held 28/09/2018)	N/A
	Facilitate orientation and training for Council	31-Jan-19	Not started	N/A
	Facilitate orientation and training for other/new municipal staff (2 X trainings)	30-Jun-19	Not started	N/A
Risk Register	Proactively researching and communicating key strategic and operational issues to management and other stakeholders and make recommendations. Continuously updating of risk register by identifying changes in the environment that impact the municipality. Document progress made by the individual risk owners against their treatment action plans. Prompt risk owners for emerging risks for inclusion in the risk register. Communicate risk profile to risk owners.	30-Jun-19	In progress (On-going activity)	N/A
Strategic Session	Develop risk management annual operational plan.	30-Jun-19	Not started	N/A
	Compile budget for risk management unit for submission to CAE/Senior Internal Auditor	30-Jun-19	Not started	N/A

Sections	Activities	Timelines	Status of implementation	Reason for missing deadline
	Develop training plan for risk management officials.	30-Jun-19	Not started	N/A
Strategic Documentation	Review the following documentation:			
	1. Risk Management Policy: ensure it contains the minimum content as detailed in the NT Risk Management Framework.	31-Aug-18	Completed	N/A
	2. Risk Management Strategy; ensure it focusses on recommended areas as per the best practice documents circulated.	31-Aug-18	Completed	N/A
	3. Ensure risk management strategy is supported by an action plan to implement and improve risk management.	31-Aug-18	Completed	N/A
	4. Fraud Prevention Policy & Strategy	31-Aug-18	Completed	N/A
	5. Risk Management Charter	30-Jun-19	Not started	
	Develop the following documentation:			
	1. Fraud Prevention Implementation Plan	31-Aug-18	Completed	N/A
	2. Risk identification and assessment methodology	31-Aug-18	Completed	N/A
Disaster Recovery	Compile and monitor Disaster Recovery Plan.	31-Oct-18	Not started	N/A
Business Continuity Model	Develop a business continuity model.	31-Mar-19	In progress	N/A
	Monitor on a continuous basis that controls in the BCM are working as intended, i.e. conduct drills	31-May-19	Not started	N/A
COSO framework	Monitor the implementation of the COSO framework via the COSO implementation plan	30-Jun-19	Not started	N/A
Provincial CRO Forum	Attend 2 CRO Forum meetings held by provincial treasury	30-Jun-19	In progress (CRO forum 24 & 25 July 2018)	N/A
MGRO	Complete the MGRO assessments that are conducted by PT	30-Jun-19	Completed	N/A

Other Matters

- Risk champions were elected for all the directorates and are standing invitees to the quarterly RMC meetings.
- A risk management survey was conducted to identify any gaps as to where risk management awareness efforts should be focussed. Subsequent to analysing the results, action plans were developed to address areas that needs improvement.
- A review was performed on the job descriptions of managers and a standard requirement for the accountability of risks and related controls has been included.
- The following documents were developed and approved by the RMC which will be presented in the next Audit & Performance Committee and subsequently submitted to Council for final approval:
 - Risk Identification and Assessment Methodology; and
 - Fraud Prevention Implementation Plan.

Yours Sincerely



E Abrahams
Chairperson: Risk Management Committee



**Strategic & Operational Risk Register
ALL DIRECTORATES**

- 1 Strategic Risk Register**
- 2 Operational Risk Register**
- 3 Graphs**
- 4 Data - Strategic**
- 5 Data - Operational**
- 6 Risk Rating**

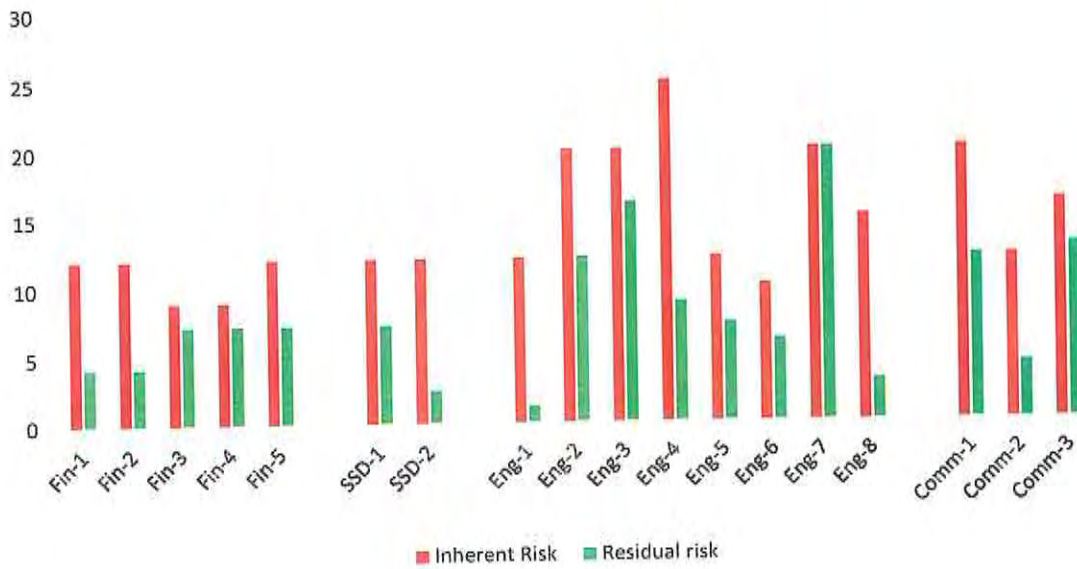
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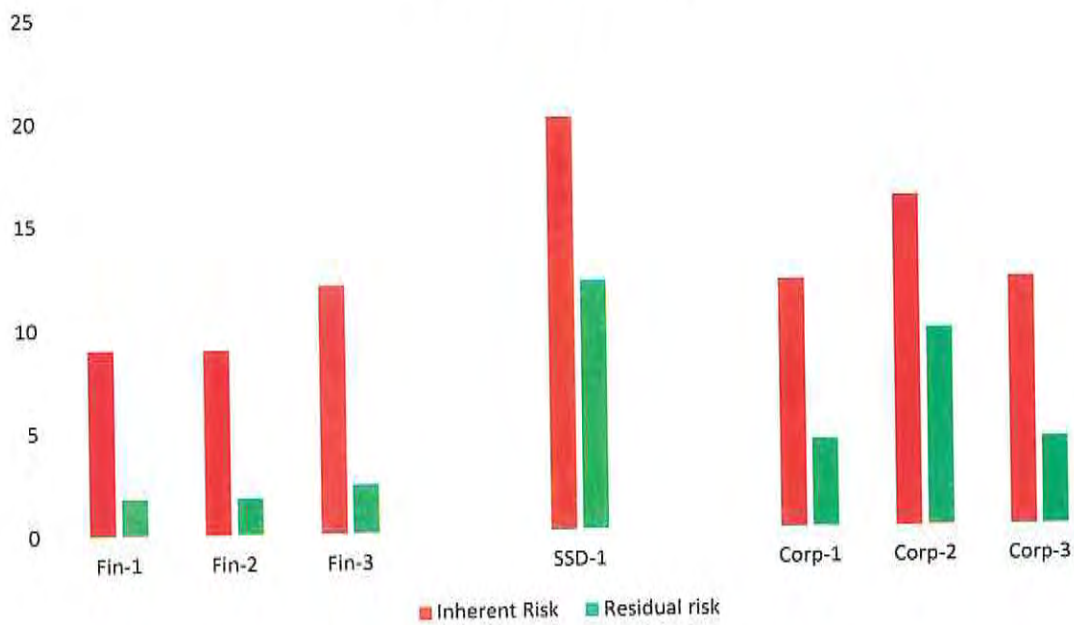
10. The risk appetite level of the municipality is 8 and the risk tolerance level is 12. Therefore, risks are categorized as follows at the risk registers:

Below the risk appetite level	= 12 (High)
Between risk tolerance and risk appetite levels	9-12 (Control)
Above risk tolerance	> 13 (Control)

Strategic Risks



Operational Risks



No

FINANCE DIRECTORATE

- 1 Fin-1
- 2 Fin-2
- 3 Fin-3
- 4 Fin-4
- 5 Fin-5

STRATEGY AND SOCIAL DEVELOPMENT

- 1 SSD-1
- 2 SSD-2

ENGINEERING DIRECTORATE

- 1 Eng-1
- 2 Eng-2
- 3 Eng-3
- 4 Eng-4
- 5 Eng-5
- 6 Eng-6
- 7 Eng-7
- 8 Eng-8

COMMUNITY SERVICES

- 1 Comm-1
- 2 Comm-2
- 3 Comm-3

Inherent Risk Residual risk

12	4.2
12	4.2
9	7.2
9	7.2
12	7.2
12	7.2
12	2.4
12	1.2
20	12
20	16
25	8.75
12	7.2
10	6
20	20
15	3
20	12
12	4.2
16	12.8

Factors used in Strategic Risk Analysis

Each risk is evaluated in terms of potential loss, likely hood of occurrence and the effectiveness of controls in place to manage the risks according to the criteria

Severity Ranking	Potential Loss / Impact explanations	Continuity of Supply	Major & Environmental	Technical Complexity	Financial
Catastrophic	Risk event will result in widespread and lengthy reduction in continuity of supply to customers of greater than 48 hours	Major environmental damage	Serious injury (permanent disability) or death of personnel or members of the public Major negative media coverage	Use of unproven technology for critical system / project components High level of technical interdependencies between system / project components	Significant cost overruns of >20% over budget. Affect on revenue / asset base of >10%. Affect on profit before tax of >5%.
Critical	Reduction in supply or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public Significant environmental damage	Significant negative media coverage	Use of new technology not previously utilised by Your company for critical systems / project components	Major cost overruns of between 10 % & 20 % over budget Affect on revenue / asset base of between 5% & 10% Affect on profit before tax of between 3% & 5%
Serious	Reduction in supply or disruption for a period between 8 & 24 hours over a regional area	Lower level environmental, safety or health impacts.	Negative media coverage	Use of unproven or emerging technology for critical systems / project components	Moderate impact on revenue, assets base and share price
Significant	Brief local inconvenience (work around possible) Loss of an asset with minor impact on operations	Little environmental, safety or health impacts Limited negative media coverage	Use of unproven or emerging technology for systems / project components	Minor impact on revenue, assets base and share price	Insignificant financial loss
Minor	No impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components		

Likelihood

Probability Factor	Qualification Criteria	Rating
Almost certain	The risk is almost certain to occur in the current circumstances	5
Likely	More than an even chance of occurring	4
Possible	Could occur quite often	3
Unlikely	Small likelihood but could happen	2
Rare	Not expected to happen - Event would be a surprise	1

Control Effectiveness

Effectiveness Factor	Qualification Criteria	Rating
Very Good	Risk exposure is effectively controlled and managed	90%
Good	Majority of risk exposure is effectively controlled and managed	80%
Satisfactory	There is room for some improvement	65%
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies	40%
Unsatisfactory	Control measures are ineffective	20%

COMPILING OF THE 2018 / 2019 ADJUSTMENT BUDGET (2018/2019) (CHIEF FINANCIAL OFFICER)

Purpose of Report

The purpose of the report is to submit an adjustment budget for 2018 / 2019 to Council for consideration.

Background

Some votes on the 2018 / 2019 budget need to be adjusted as a result of the following:

- An additional allocation which became available during the issuing of the Extra Ordinary Provincial Gazette approved on 22 November 2018;
- An additional allocation letter received from the Cape Winelands District Municipality dated 09 October 2019;
- An approved roll-over of unspent national conditional grant application received by the National Treasury dated 22 October 2018; and
- An approved roll-over of unspent provincial conditional grants application received by the Provincial Treasury dated 15 November 2018; and
- Unforeseeable and unavoidable expenditure in terms of section 29 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) authorised by the Mayor due to exceptional circumstances.

The Medium Term Revenue and Expenditure Framework (MTREF) report, which is compiled in terms of the Municipal Budgeting and Reporting Regulations (MBRR), **will be distributed prior to the council meeting of 10 December 2018.**

Legal Framework

Section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.
(2) An adjustments budget —
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the budget 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 programmes already budgeted for;***
 - (c) ***may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;***
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

- (e) may authorise the spending of funds that were unspent at the end of the financial year preceding the budget year, where the under-spending could not reasonably have been foreseen at the time when the annual budget for the budget 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.

In addition to Section 28 of the MFMA, Section 23 of the Municipal Budgeting and Reporting Regulations (MBRR) state as follows:

Timeframes for tabling of adjustments budgets

23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.

(3)¹⁵ If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

(4) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.

Comments

ADDITIONAL GRANT ALLOCATION

In terms of Section 28 (2) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Section 23 of the Municipal Budgeting and Reporting Regulations (MBRR) the municipality appropriates the following additional grant revenue which became available during the issuing of the Extra Ordinary Provincial Gazette approved on 22 November 2018 and the National and Provincial roll-overs process for unspent conditional grants:

OPERATING BUDGET

Human Settlements Development Grant (Beneficiaries)	R 5 251 053
Title-Deeds Restoration Grant	R 845 000
Human Settlements Development Grant (Beneficiaries) – Roll-over	R 82 646
Title-Deeds Restoration Grant – Roll-over	R 2 967 784
Municipal Infrastructure Grant – Roll-over	R 750 000
Western Cape Financial Management Capacity Building Grant – Roll-over	R 240 000
CWDM - Tourism Route Development Project	R 100 000

CAPITAL BUDGET

Human Settlements Development Grant (Beneficiaries)	R 18 088 947
Municipal Infrastructure Grant – Roll-over	R 4 250 000
Provincial contribution towards Acceleration of housing delivery – Roll-over	R 273 000
Fire Service Capacity Building Grant– Roll-over	R 140 702

The Grant will be included in the operating revenue and capital expenditure to make it possible to spend the funds.

Unforeseeable and Unavoidable Expenditure

Section 29 of the MFMA and Section 72 of the Municipal Budgeting and Reporting Regulations is applicable, the mayor can approve up to the limit of R 15 M as S 72(c) of the Municipal Budgeting and Reporting Regulations is applicable on Langeberg Municipality, but there must still go an adjustments budget to council within 60 days as prescribed by S 29 of the MFMA.

Section 29 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

Unforeseen and unavoidable expenditure

29. (1) The 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.
- (2) Any such expenditure-
- (a) must be in accordance with any framework that may be prescribed;
 - (b) may not exceed a prescribed percentage of the approved annual budget;
 - (c) must be reported by the mayor to the municipal council at its next meeting;
 - (d) must be appropriated in an adjustments budget.

Furthermore, Section 72 of the Municipal Budgeting and Reporting Regulations states the following:

Monetary limits on unforeseen and unavoidable expenditure

72. The amount of expenditure that a mayor of a municipality may authorise in terms of section 29 of the Act is limited to –

- (a) 5% of the municipality's own revenue in the case of a municipality with approved total revenue in its current annual budget not exceeding R250 million;
- (b) the greater of R 5 million or 4% of the municipality's own revenue in the case of a municipality with approved total revenue in its current annual budget greater than R250 million but not exceeding R500 million; and
- (c) R15 million in the case of a municipality with approved total revenue in its current annual budget greater than R500 million.

CAPITAL BUDGET

PROJECTS TO RECEIVE ADITIONAL FUNDING

Rehabilitation of Roads

R 1 167 000

Recommendation

1. That the Adjustments budget for 2018 / 2019 for additional allocations and the approval of unspent grants by National and Provincial Treasury as submitted be approved.
2. That in terms of Section 28 (2) (c) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Section 23 of the Municipal Budgeting and Reporting Regulations (MBRR) the municipality authorise the appropriation in the adjustments budget of the unforeseeable and unavoidable expenditure as approved by the mayor of the municipality.

FEEDBACK ON THE HAWKS RAID AND INVESTIGATION (_____)(MUNICIPAL MANAGER)

Purpose of report

To submit a report back to Council on the HAWKS raid on 7 June 2018 of Municipal Offices and private homes and business.

Background

The raid on municipal offices, private homes of officials, councillors and a private business and the seizure of documents and equipment on 7 June 2018 has reference.

Comments

A verbal report-back on this matter will be given to Council at the Council meeting.

Submitted for consideration

SLEGS VIR KENNISNAME • FOR INFORMATION ONLY

B & BB ITEMS

B 5446	DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES FOR SEPTEMBER 2018 – DIRECTORATE: CORPORATE SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)	147
B 5447	DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES FOR SEPTEMBER 2018 – DIRECTORATE: ENGINEERING SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)	147
B 5448	APPLICATION FOR THE LEASE OR PURCHASE OF A PORTION OF MUNICIPAL LAND (±11.9 HA) SITUATED ON ERF 330, MCGREGOR (7/2/3/2/3) (PRINCIPAL CLERK: PROPERTY ADMINISTRATION)	147
B 5449	APPLICATION TO LEASE A PORTION OF MUNICIPAL LAND SITUATED ON ERF 330 NORTH TO MCGREGOR KNOWN AS “DIE BRAK” (7/2/R) (PRINCIPAL CLERK: PROPERTY ADMINISTRATION)	147
A 3720	RESUBMISSION - WATER EXCHANGE WITH UITSIG FARM, ROBERTSON (16/1/1) (DIRECTOR ENGINEERING SERVICES)	148

SLEGS VIR KENNISNAME • FOR INFORMATION ONLY

B & BB ITEMS

- B 5446** DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES FOR SEPTEMBER 2018 –
DIRECTORATE: CORPORATE SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Eenparig Besluit / Unanimously Resolved

That the contents of the report of deviations from the procurement processes be noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

- B 5447** DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES FOR SEPTEMBER 2018 –
DIRECTORATE: ENGINEERING SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Eenparig Besluit / Unanimously Resolved

That the contents of the report of deviations from the procurement processes be noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

- B 5448** APPLICATION FOR THE LEASE OR PURCHASE OF A PORTION OF MUNICIPAL LAND (±11.9 HA)
SITUATED ON ERF 330, MCGREGOR (7/2/3/2/3) (PRINCIPAL CLERK: PROPERTY ADMINISTRATION)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Eenparig Besluit / Unanimously Resolved

That the application received from Ms E Farre for the lease or purchase of a portion of municipal land (±11.9 ha) situated on erf 330, McGregor, not be approved out of an environmental point of view due to the floodplain of the Houtbaai river and Critical Biodiversity Area.

Dat die aansoek ontvang vanaf Me E Farre vir die huur of koop van 'n gedeelte munisipale grond (±11.9ha) geleë te erf 330, McGregor nie goedgekeur word nie uit 'n ongewingsoogpunt in aggenome die vloedlyn van die Houtbaai rivier en Kritiese Biodiversiteit Gebied.

- B 5449** APPLICATION TO LEASE A PORTION OF MUNICIPAL LAND SITUATED ON ERF 330 NORTH TO
MCGREGOR KNOWN AS "DIE BRAK" (7/2/R) (PRINCIPAL CLERK: PROPERTY ADMINISTRATION)

This item served before the Executive Mayoral Committee on 29 November 2018
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 29 November 2018
Eenparig Besluit / Unanimously Resolved

That the applications received from Mr AB Page and A Booysen to lease portions of municipal property situated on portions of Erf 330 known as "Die Brak" be approved for a 3-year period, subject to the following conditions:

Dat die aansoeke ontvang van Mnre AB Page en A Booysen vir die huur van munisipale grond geleë te Erf 330, McGregor bekend as " Die Brak" goedgekeur word vir 'n 3-jaar periode, onderhewig aan die volgende voorwaardes:

1. That it be confirmed that the portions of land are not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003)

Dat dit bevestig word dat die gedeeltes grond nie benodig word vir die verskaffing van die minimum vlak van basiese munisipale dienste nie. (S14 van die MFMA 2003, Wet 56 van 2003)

2. That the Municipality's intention to lease the portions of Municipal land known as "Die Brak" out of hand to Mr AB Page and A Booysen be advertised for comments and if no legal and/or valid objections have been received the lease agreements be entered into.

Dat die Munisipaliteit se voorneme om die gedeeltes van Munisipale grond bekend as "Die Brak" uit die hand uit te verhuur aan Mnre AB Page en A Booysen adverteer word vir kommentaar en indien geen geldige / enof wettige besware ontvang word nie, daar voortgegaan word om die huurvereenkomste te finaliseer.

3. That the portions be leased at a market related tariff and the Lessee's be responsible for the cost of the lease related certificate. The rental amount will escalate annually with a percentage that will be determined by the yearly CPIX.

Dat die gedeeltes verhuur word teen 'n markverwante tarief en die Huurder verantwoordelik sal wees vir die koste verbonde aan die verkryging van die billike huurwaarde sertifikaat. Die huurtarief sal jaarliks eskaleer met 'n persentasie wat bepaal word deur die VPI.

4. That all cattle be branded and the brand mark with the owner's particulars be submitted to the Municipality for control purposes.

Dat alle beeste gebrandmerk word en dat die brandmerk met die eienaar se besonderhede by die Munisipaliteit ingedien word vir beheer doeleindes.

5. That all animals be kept and cared for in accordance with the requirements set out by the Department: Agriculture and the SPCA.

Dat alle diere aangehou en versorg word volgens die vereistes van die Departement Landbou en die DBV.

6. That all animals receive additional feed and not be dependant only on natural grazing and that the SPCA monitor that the cattle do indeed receive the additional feed.

Dat alle diere bykomstige voeding ontvang en nie net afhanklik van natuurlike weiding sal wees nie en dat die DBV monitor dat die beeste wel addisionele voeding ontvang.

7. That the portions of land be suitably fenced to ensure that the cattle remain on the land at all times and that the fencing cost as well as the maintenance thereof be for the Lessee.

Dat die gedeeltes grond behoorlik omhein word om te verseker dat die beeste ten alle tye op die grond bly en die koste hiervan sowel as die instandhouding daarvan deur die huurder gedra word.

8. That if any Municipal services are utilized, it be for the account of the Lessee.

Dat indien enige Munisipale dienste gebruik word, dit vir die rekening van die Huurder sal wees.

A 3720 RESUBMISSION - WATER EXCHANGE WITH UITSIG FARM, ROBERTSON (16/1/1) (DIRECTOR ENGINEERING SERVICES)

This item served before the Executive Mayoral Committee on 29 November 2018

Hierdie item het voor die Uitvoerende Burgemeesterskomitee gediens op 29 November 2018

Eenparig Besluit / Unanimously Resolved

1. That the municipal water from the Meulskloof Stream in De Hoop be made available to Poekel Bruwer Boerdery on a temporary basis.

2. That the water be sold at an applicable irrigation water tariff included in the 2018 / 2019 tariffs. This tariff was calculated at R 1.33 per kilolitre.
3. That the water be provided on a month to month basis and that the water situation be assessed weekly.
4. That the flow be measured daily and that this flow be accepted as the daily average flow for the calculation of the volume of water provided per month.
5. That a monthly report be submitted to Council on the water situation of this source.
6. That an agreement for the provision of this water be drafted by the applicant for approval by the Municipal Manager and the Executive Mayor.
7. That the authority be delegated to the Executive Mayor and the Municipal Manager to take a final decision in this regard.

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