



SPECIAL MEETING OF THE COUNCIL

SPEZIALE VERGADERING VAN DIE RAAD

INTLANGANISO EKHETHEKILEYO YEBHUNGA

A G E N D A

I-AJENDA

**DATE / DATUM / UMHLA : 23 JANUARY / JANUARIE /
JANYUWARI 2017**

**VENUE / PLEK / INDAWO : BANQUETING HALL /
BANKETSAAL**

**CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU
HERMANUS**

TIME / TYD / IXESHA : 11:00

MUNISIPALITEIT OVERSTRAND MUNICIPALITY

Office of the Municipal
Manager
Municipal Offices
HERMANUS

18 January/Januarie/Janyuwari 2017

NOTICE TO ALL ALDERMEN & COUNCILLORS

SPECIAL MEETING OF THE OVERSTRAND MUNICIPAL COUNCIL

NOTICE IS HEREBY GIVEN that a **SPECIAL MEETING** of the **OVERSTRAND MUNICIPAL COUNCIL** will be held in the **Banqueting Hall, Civic Centre, Hermanus**, on **Monday, 23 January 2017** at **11:00** to consider the business set forth in the subjoined agenda.

The attention of Councillors is directed to the Code of Conduct for Councillors and Municipal Officials, Schedules 1 & 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

C GROENEWALD
MUNICIPAL MANAGER

KENNISGEWING AAN ALLE RAADSHERE & RAADSLEDE

SPESIALE VERGADERING VAN DIE OVERSTRAND MUNISIPALE RAAD

KENNIS WORD HIERMEE GEGEE dat 'n **SPESIALE VERGADERING** van die **OVERSTRAND MUNISIPALE RAAD** gehou sal word in die **Banketsaal, Burgersentrum, Hermanus**, op **Maandag, 23 Januarie 2017** om **11:00** om die sake op meegaande sakelys te bespreek.

Raadslede se aandag word gevestig op die Gedragskode vir Raadslede en Munisipale Beamptes, Bylae 1 & 2 van die Wet op Plaaslike Regering : Munisipale Stelsels, 2000 (Wet 32 van 2000).

C GROENEWALD
MUNISIPALE BESTUURDER

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

INTLANGANISO EKHETHEKILEYO YEBHUNGA LIKAMASIPALA WE-OVERSTRAND

OKU KUKWAZISA ukuba **INTLANGANISO EKHETHEKILEYO YEBHUNGA**, eza kuba **se Banqueting Hall, kwiZiko LoLUNTU, eHermanus ngoMVULO, 23 Janyuwari 2017 ngeye-11:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

OoCeba bayacelwa ukuba baqwalasele isikhokelo sokuziphatha sooCeba namaGosa kamasipala, amaXwebhu 1 & 2 kaRhulumente wooMasipala: uMthetho weeNkqubo zikaMasipala, 2000 (UMthetho 32 wowama-2000).

C GROENEWALD
UMPHATHI KAMASIPALA

AGENDA/...

- 1. OPENING**

- 2. APPLICATIONS FOR LEAVE OF ABSENCE**

- 3. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
SPEAKER / EXECUTIVE MAYOR**

4. **CONSIDERATION OF RECOMMENDATIONS MADE BY THE EXECUTIVE MAYOR TO COUNCIL, IN TERMS OF SECTION 160(2) OF THE CONSTITUTION, 1996, AND SECTION 59(1)(a) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 OF 2000)**

REMARK

Please note that the following recommendations contained in this agenda are subject to confirmation or amendment by the Special Mayoral Committee in view of the fact that the **compilation of the Special Council agenda** was done before the Special Mayoral Committee of 23 January 2017 had formally sat.

4.1

MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) FOR NOVEMBER 2016

(ITEM 4, PAGE 1 : SPECIAL MAYORAL COMMITTEE MEETING : 23 JANUARY 2017)

RECOMMENDATION TO THE COUNCIL:

1. that the deviations from the procurement processes, approved in terms of the delegated authority for November 2016, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for November 2016, **be noted**.

RESPONSIBLE OFFICIAL :

C LE ROUX

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

4.2

**MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM)
POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) FOR DECEMBER 2016**

**(ITEM 5, PAGE 7 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)**

RECOMMENDATION TO THE COUNCIL:

1. that the deviations from the procurement processes, approved in terms of the delegated authority for December 2016, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for December 2016, **be noted**.

RESPONSIBLE OFFICIAL :**C LE ROUX****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

4.3

**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2016/2017:
2nd QUARTER: 01 OCTOBER TO 31 DECEMBER 2016**

**(ITEM 6, PAGE 12 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)**

RECOMMENDATION TO THE COUNCIL:

that **cognisance be taken** of the activities undertaken and outcomes achieved in the implementation of the Overstrand Municipality's Supply Chain Management Policy for the 2nd Quarter of 2016/2017.

RESPONSIBLE OFFICIAL :**C LE ROUX****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

4.4

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA): PROGRESS ON STATUS OF THE mSCOA IMPLEMENTATION PROJECT

(ITEM 7, PAGE 26 : SPECIAL MAYORAL COMMITTEE MEETING : 23 JANUARY 2017)

RECOMMENDATION TO THE COUNCIL:

that the mSCOA Progress Report for the implementation of the mSCOA Regulations **be noted.**

RESPONSIBLE OFFICIALS:

**S REYNEKE-NAUDE
C LE ROUX
B KING
E HOONEBERG
H VORSTER**

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2017

4.5

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT 20 OF 1998):
DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS****(ITEM 8, PAGE 41 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

1. that the salaries and allowances in respect of the different members of Council as provided for in Government Notice 1600, dated 21 December 2016, (Annexure A), **be approved** and be made applicable **with effect from 1 July 2016**, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning; and
2. that, in terms of Section 13 of the government notice mentioned in 1 above, Councillors provide the Municipality with either all the necessary details regarding the councillor's property or assets to be covered by the special risk insurance to provide for the loss of or damage to a councillor's property, assets, life or disability arising from any riot, civil unrest, strike or public disorder, or with written confirmation that such cover is in place as part of a personal insurance portfolio arrangement already made by themselves.

RESPONSIBLE OFFICIAL :**J VORSTER /
RETHA RUST****TARGET DATE OF IMPLEMENTATION :****28 FEBRUARY 2017**

4.6**IRRECOVERABLE INTEREST ON ACCOUNT: MH ABDULLAH****(ITEM 9, PAGE 73 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

that interest to the value of R29 153.07 of Mr MH Abdullah be written off as Irrecoverable debt:

- i. Account Number 450000002908 (Erf 822): R14 052,07; and
- ii. Account Number 450000008423 (Erf 823): R15 101,00

RESPONSIBLE OFFICIAL :**EM HOONEBERG****TARGET DATE FOR IMPLEMENTATION :****31 JANUARY 2017**

4.7

BUDGET REPORT FOR THE QUARTER ENDED DECEMBER 2016**(ITEM 10, PAGE 76 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

that the budget report for the quarter ended December 2016, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

RESPONSIBLE OFFICIAL :**BA KING****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

4.8

QUARTERLY BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET FOR THE QUARTER ENDED DECEMBER 2016**(ITEM 11, PAGE 140 : SPECIAL MAYORAL COMMITTEE MEETING : 23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

that the consolidated quarterly report, as per Annexure A, in respect of Bank Account Withdrawals not in terms of an Approved Budget for the quarter ended December 2016, **be noted**.

RESPONSIBLE OFFICIAL :**BA KING****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

4.9

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR DECEMBER 2016

(ITEM 12, PAGE 143 : SPECIAL MAYORAL COMMITTEE MEETING : 23 JANUARY 2017)

RECOMMENDATION TO THE COUNCIL:

that the Mid-Year Budget and Performance Assessment Report **be noted**.

RESPONSIBLE OFFICIAL :

B KING

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

4.10

ADJUSTMENTS BUDGET 2016/2017 (WESTERN CAPE ADJUSTED ESTIMATES, 2016)**(ITEM 13, PAGE 191 : SPECIAL MAYORAL COMMITTEE MEETING : 23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

1. that, in terms of section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Adjustments Budget (WC Provincial allocations and adjusted estimates) for 2016/2017 **be approved** as set out in the following schedules:

- Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
- Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
- Schedule 3:** Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
- Schedule 4:** Budgeted financial position
- Schedule 5:** Budgeted cash flow
- Schedule 6:** Cash backed reserves and acc. surplus reconciliation
- Schedule 7:** Asset management
- Schedule 8:** Basic service delivery measurement

2. that the following schedules be noted:

- Schedule 9:** Budgeted financial performance (revenue & expenditure by standard classification)
- Schedule 10:** Budgeted capital appropriations by municipal vote

RESPONSIBLE OFFICIAL :**BA KING****TARGET DATE FOR IMPLEMENTATION :****31 JANUARY 2017**

4.11

**REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)
FOR 2016/17****(ITEM 14, PAGE 263 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)****RECOMMENDATION TO COUNCIL:**

1. that the revised SDBIP for 2016/17 **be approved**;
2. that the amendments to the Departmental and Top Layer SDBIP for 2016/17 **be approved**; and
3. that the Revised SDBIP for 2016/17 **be made public**.

RESPONSIBLE OFFICIAL :**R LOUW****TARGET DATE FOR IMPLEMENTATION :****2 FEBRUARY 2017**

4.12

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)
SECOND QUARTERLY REPORT: OCTOBER – DECEMBER 2016****(ITEM 15, PAGE 296 : SPECIAL MAYORAL COMMITTEE MEETING :
23 JANUARY 2017)****RECOMMENDATION TO THE COUNCIL:**

that the content of the report for the second quarter of the 2016/17 financial year on the top level Service Delivery and Budget Implementation Plan **be noted**.

RESPONSIBLE OFFICIAL :**R LOUW****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

5. CONSIDERATION OF REPORTS

5.1

SUBMISSION OF THE DRAFT AUDITED ANNUAL REPORT FOR THE FINANCIAL YEAR 2015/16

5/15/1/1

R Louw

(028) 313 8071

Corporate Head Office

12 December 2016

1. Executive Summary

The purpose of this report is to present the draft audited Annual Report, for the 2015/16 financial year to Council.

2. Service Delivery and Budget Implementation Plan Reference: IGNITE

Directorate: Management Services
Strategic Planning

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

Section 46 of the Municipal Systems Act 2000 (Act 32 of 2000)
Section 121 of the Municipal Finance Management Act (MFMA)
(Act 56 of 2003)

6. Background/Introduction/Discussion/Motivation/Proposal/Evaluation

In terms of the above legislation a Municipality must prepare an annual report for each financial year. Some of the key purposes of the annual report are:

- to provide a record of the activities of the municipality or entity
- to provide a report on performance in service delivery and budget implementation
- to provide information that supports the revenue and expenditure decisions made
- to promote accountability to the local community for decisions made.

The annual report provides an authoritative record of the activities and performance of the municipality for each financial year. In time it will serve as a key historical record on the municipality, revealing its progress, growth and development of municipal services and performance.

The MFMA requires that the annual report of a municipality must inter alia include the following:

- the annual financial statements
- the Auditor-General's audit report on the financial statements
- any explanations that may be necessary to clarify issues in connection with the financial statements
- an assessment by the accounting officer on any arrears on municipal taxes and service charges
- particulars of any corrective action taken or to be taken in response to issues raised in the audit reports
- other information as determined by the municipality or as may be prescribed
- any recommendations of the audit committee.

The format of the consolidated report is as follows:

Chapter 1: Mayor's Foreword and Executive Summary
Chapter 2: Governance
Chapter 3: Service Delivery Performance
Chapter 4: Organisational Development Performance
Chapter 5: Financial Performance
Chapter 6: Auditor-General Findings

National Treasury in September 2012 issued MFMA Circular 63- Annual Report-update that amongst other aims to expedite the timelines for producing the Annual Report.

Circular 63 states:

"Timelines for producing the Annual Report

The Annual Report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of Councils, please note that this must be interpreted as an outer deadline; hence municipalities must submit the Annual Reports as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. The activities, implications, process/role-player and timeframes are described below for

ease of reference and implementation. It is expected that effective management of performance will also result from this change.

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July
Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports).	MSA S41(1)(e)	MM Assisted by other s56 managers & The CFO	
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other s56 managers & CFO	
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information ¹ .	Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.	MM & CFO	
Municipal entities submit draft Annual Reports to MM.		Entity AO & CFO	
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant).		Audit and Performance Audit Committee	

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Mayor tables the unaudited Annual Report in Council	The Annual Report submitted complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September)	Mayor	August
Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into		CFO	
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity.	If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.	Council	
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.	Section 126(3)(b) require the Auditor-General to submit an audit report within three months after receipt of statements from the municipality.	Auditor-General	November for municipalities without entities & December for municipalities with entities
Annual Report and oversight	Section 127,128,129	Council	September

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
report process for adoption to be used as input into public participating meetings for the IDP review process.	and 130		November
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	MM	November/ December
Mayor tables audited Annual Report and financial statements to Council		Mayor	
Audited Annual Report is made public, e.g. posted on municipality's website.		IT Director Accounting officer	
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.			
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December
Oversight report is made public.		MM	
Oversight report is submitted to Legislators, Treasuries and DCoG		Mayor	

Extract, MFMA Circular 63, September 2012

Circular 63 addresses the need to streamline the Annual Report process by municipalities and municipal entities. In future, all municipalities and municipal entities are required to prepare and submit their draft Annual Reports to the Auditor-General by 31 August each year. Municipalities are encouraged to implement or phase-in the requirements of the new Annual Report by 2013/14 financial year. "

The draft unaudited annual report for 2015/16 was submitted to the Auditor-General on 31 August 2016 with the financial statements. The document presented now is the draft audited annual report for 2015/16.

7. Financial Implications

Not applicable

8. Staff Implications

Report complied in-house.

9. Comments from other Departments, Divisions and Administrations

Information was requested from various officials during the information gathering phase.

10. Annexures

CD copy: Draft audited Annual Report for 2015/16 to be tabled.

RECOMMENDATION TO THE COUNCIL:

1. that the tabling of the 2015/16 draft audited Annual Report in Council **be noted**;
2. that the draft audited annual report be **made public** immediately after the tabling in Council; and
3. that the local community **be invited** to submit representations in connection with the draft annual report.

RESPONSIBLE OFFICIAL :

R LOUW

TARGET DATE FOR IMPLEMENTATION :

2 FEBRUARY 2017