



SPECIAL MEETING OF THE COUNCIL

SPEZIALE VERGADERING VAN DIE RAAD

INTLANGANISO EKHETHEKILEYO YEBHUNGA

A G E N D A

I-AJENDA

**DATE / DATUM / UMHLA : 22 JANUARY / JANUARIE /
JANYUWARI 2019**

**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 / Janurie / Janyuwari 2019

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 **Tuesday, 22 January 2019 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 **Dinsdag, 22 Januarie 2019 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 ngoLwesibini, Umhla we 22 Janyuwari 2019 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
LOMPHATHI 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 Executive Mayor in view of the fact that the **compilation of the Special Council agenda** was done before the Special Mayoral Committee of 22 January 2019 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 2018

(ITEM 4, PAGE 1 : SPECIAL MAYORAL COMMITTEE MEETING : 22 JANUARY 2019)

RECOMMENDATION TO THE COUNCIL:

1. that the deviations from the procurement processes, approved in terms of the delegated authority for November 2018, **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 2018, **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 2018**

**(ITEM 5, PAGE 8 : SPECIAL MAYORAL COMMITTEE MEETING :
22 JANUARY 2019)**

RECOMMENDATION TO THE COUNCIL:

1. that the deviations from the procurement processes, approved in terms of the delegated authority for December 2018, **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 2018, **be noted**.

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

4.3

**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2018/2019:
2nd QUARTER: 01 OCTOBER 2018 – 31 DECEMBER 2018**

**(ITEM 6, PAGE 15 : SPECIAL MAYORAL COMMITTEE MEETING :
22 JANUARY 2019)**

RECOMMENDATION TO THE COUNCIL:

that the activities undertaken and outcomes achieved in the implementation of the Overstrand Municipality's Supply Chain Management Policy for the 2nd Quarter of 2018/2019 **be noted**.

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

4.4

**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 7, PAGE 32 : SPECIAL MAYORAL COMMITTEE MEETING :
22 JANUARY 2019)****RECOMMENDATION TO THE COUNCIL:**

1. that the salaries and allowances in respect of the different members of Council as provided for in Government Notice 1426, dated 21 December 2018, **be approved** and be made applicable **with effect from 1 July 2018**, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning;
2. that, in terms of Section 14 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; and
3. that it be noted that there is no need to make any additional provision in the annual mid-year review and adjustment budget to accommodate the promulgated increase to the upper limits of the salaries, allowances and benefits of councillors.

RESPONSIBLE OFFICIAL :**J VORSTER
R RUST****TARGET DATE FOR IMPLEMENTATION :****28 FEBRUARY 2019**

4.5

QUARTERLY BANK ACCOUNT WITHDRAWALS IN TERMS OF SECTION 11(4) OF THE MFMA FOR THE QUARTER ENDED DECEMBER 2018

(ITEM 8, PAGE 57 : SPECIAL MAYORAL COMMITTEE MEETING : 22 JANUARY 2019)

RECOMMENDATION TO THE COUNCIL:

that the consolidated quarterly report in respect of Bank Account Withdrawals in terms of Section 11(4) of the MFMA for the quarter ended December 2018, **be noted**.

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

4.6

BUDGET REPORT FOR THE QUARTER ENDED DECEMBER 2018**(ITEM 9, PAGE 60 : SPECIAL MAYORAL COMMITTEE MEETING :
22 JANUARY 2019)****RECOMMENDATION TO THE COUNCIL:**

that the budget report for the quarter ended December 2018, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003 and additional information, **be noted**.

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

4.7

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR DECEMBER 2018

(ITEM 10, PAGE 117 : SPECIAL MAYORAL COMMITTEE MEETING : 22 JANUARY 2019)

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

4.8

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)
SECOND QUARTERLY REPORT: OCTOBER – DECEMBER 2018****(ITEM 11, PAGE 168 : SPECIAL MAYORAL COMMITTEE MEETING :
22 JANUARY 2019)****RECOMMENDATION TO THE COUNCIL:**

that the content of the report for the second quarter of the 2018/19 financial year on the top level Service Delivery and Budget Implementation Plan **be noted**.

RESPONSIBLE OFFICIAL :**R LOUW****TARGET DATE FOR IMPLEMENTATION :****28 JANUARY 2019**

5. CONSIDERATION OF REPORTS

5.1

SUBMISSION OF THE DRAFT AUDITED ANNUAL REPORT FOR THE FINANCIAL YEAR 2017/18

5/15/1/1

R Louw

11 December 2018

(028) 313 8071

Corporate Head Office

1. Executive Summary

The purpose of this report is to present the draft audited Annual Report, for the 2017/18 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

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.	MM & CFO	
Municipal entities submit draft Annual Reports to MM.	Annual Performance report needs to be included as per section 46 of the MSA.	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	MM & CFO	July/ August
Combined Audit/Performance committee considers unaudited	accountability and expedites corrective	Audit and Performance	

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Annual Report of municipality and entities (where relevant).	measures	Audit Committee	
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	Auditor-General	November for municipalities without entities & December for

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
	receipt of statements from the municipality.		municipalities with entities
Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.	Section 127,128,129 and 130	Council	September 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. “

Discussion

The draft unaudited annual report for 2017/18 was submitted to the Auditor-General on 31 August 2018 with the financial statements. The document presented now is the draft audited annual report for 2017/18.

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 for the compilation of this document.

10. Annexures

CD copy: Draft audited Annual Report for 2017/18 **to be tabled**.

RECOMMENDATION TO THE COUNCIL:

1. that the tabling of the 2017/18 draft audited Annual Report by the Executive Mayor, **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 :

31 JANUARY 2019

5.2**DECLARATION OF A LOCAL DISASTER DUE TO FIRES ACROSS THE OVERSTRAND****Background**

Section 55 of the Disaster Management Act, No. 57 of 2002, provides for a local state of disaster to be declared in order for Council to *inter alia* authorise the issue of directions provided for in section 55. It also provides for the funding of post-disaster recovery and rehabilitation by other spheres of government.

The declaration of a local state of disaster is a result of the wild fires experienced across the Overstrand over the past few weeks. The total costs at this stage, as estimated, amounts to R9 348 000. The exact details will be finalised as soon as possible and will be appropriated in a forthcoming adjustment budget at the end of February 2019.

The remaining process to be followed is:

- A council resolution is to be submitted to Overberg District Disaster Management Centre.
- If the District Disaster Management Centre supports the decision, they will forward their council resolution together with that of the Overstrand municipality to the Western Cape Disaster (WCDMC) Management Centre.
- The WCDMC will assess the situation in order to support / or not to support the request for a declaration.
- The WCDMC will recommend or not recommend the declaration process to the Provincial Cabinet. The WCDMC will submit the Cabinet recommendation to the NDMC for classification.

RECOMMENDATION TO THE COUNCIL:

that, as is provided for in the Disaster Management Act, No 57 of 2002 and the municipality's Disaster Management Policy, the necessary processes be implemented for the declaration of a state of local disaster as a result of the recent wild fires in the Overstrand.

RESPONSIBLE OFFICIAL:**N MICHAELS
L SMITH****TARGET DATE FOR IMPLEMENTATION:****IMMEDIATELY**