



**ORDINARY MEETING OF THE COUNCIL**  
**GEWONE VERGADERING VAN DIE RAAD**  
**INTLANGANISO YESIQHELO YEBHUNGA**

**A G E N D A**

**I-AJENDA**

**DATE / DATUM / UMHLA : 28 SEPTEMBER / SEPTEMBER**  
**2022**

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

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

**TIME / TYD / IXESHA : 10:00**

# **MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND**

Office of the Municipal  
Manager  
Municipal Offices  
HERMANUS

21 September / Septemba 2022

## **NOTICE TO ALL ALDERMEN & COUNCILLORS**

### **ORDINARY MEETING OF THE OVERSTRAND MUNICIPAL COUNCIL**

**NOTICE IS HEREBY GIVEN** that an **ORDINARY MEETING** of the **OVERSTRAND MUNICIPAL COUNCIL** will be held in the **Banqueting Hall, Civic Centre, Hermanus**, on **WEDNESDAY, 28 SEPTEMBER 2022** at **10:00** to consider the business set forth in the subjoined agenda.

*The attention of Councillors is directed to the Code of Conduct for Councillors, Schedule 7 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998).*

**D O'NEILL**  
**MUNICIPAL MANAGER**

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## **KENNISGEWING AAN ALLE RAADSHERE & RAADSLEDE**

### **GEWONE VERGADERING VAN DIE OVERSTRAND MUNISIPALE RAAD**

**KENNIS WORD HIERMEE GEGEE** dat 'n **GEWONE VERGADERING** van die **OVERSTRAND MUNISIPALE RAAD** gehou sal word in die **Banketsaal, Burgersentrum, Hermanus**, op **WOENSDAG, 28 SEPTEMBER 2022** om **10:00** om die sake op meegaande sakelys te bespreek.

*Raadslede se aandag word gevestig op die Gedragskode vir Raadslede, Skedule 7 van die Wet op Plaaslike Regering : Munisipale Strukture, 1998 (Wet 117 van 1998).*

**D O'NEILL**  
**MUNISIPALE BESTUURDER**

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## **ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA**

### **INTLANGANISO YESIQHELO YEBHUNGA LIKAMASIPALA WE-OVERSTRAND**

**OKU KUKWAZISA** ukuba intlanganiso **YESIQHELO yeBHUNGA LIKAMASIPALA WE-OVERSTRAND**, iza kuba se **I-Banqueting Hall, kwiZiko LoLUNTU, eHermanus, uLWESITHATHU, Umhla we 28 SEPTEMBER 2022**, ngeye-**10:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

*OCeba bayacelwa ukuba baqwalasele isikhokelo sokuziphatha sooCeba, iShedyuli 7 kaRhulumente wooMasipala: uMthetho weeNkqubo zikaMasipala, uMthetho -1998 (uMthetho we-117 ka-1998).*

**D O'NEILL**  
**UMPHATHI KAMASIPALA**

**AGENDA/...**

**1. OPENING****2. APPLICATIONS FOR LEAVE OF ABSENCE****3. CONFIRMATION OF MINUTES**

3.1 Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Wednesday, 27 July 2022** at **10:00**

3.2 Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Monday, 29 August 2022** at **15:00**

3.3 Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 20 September 2022** at **10:00**

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

4.1 Schulphoek Housing Project

**5. 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 Council agenda** was done before the Mayoral Committee of 26 September 2022 had formally sat.

**5.1**

**OVERSTRAND MUNICIPALITY VEHICLE & EQUIPMENT MAINTENANCE AND REPLACEMENT POLICY FOR FIRE & EMERGENCY SERVICES, DISASTER MANAGEMENT AND SECURITY SERVICES**

**(ITEM 1 PAGE 1 : PROTECTION SERVICES PORTFOLIO - MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)**

**RECOMMENDATION TO THE COUNCIL:**

that the Overstrand Municipality Vehicle & Equipment Maintenance and Replacement Policy for Fire & Emergency Services, Disaster Management and Security Services, **be approved.**

**RESPONSIBLE OFFICIAL :**

**NJ MICHAELS  
L SMITH**

**TARGET DATE FOR IMPLEMENTATION :**

**1 OCTOBER 2022**

## 5.2

**POLICY FOR CREATING AND MAINTAINING FIRE WISE VACANT ERVEN IN URBAN AND SUBURBAN AREAS OF THE OVERSTRAND MUNICIPALITY**

**(ITEM 2 PAGE 55 : PROTECTION SERVICES PORTFOLIO - MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)**

**RECOMMENDATION TO THE COUNCIL :**

that the Policy for Creating and Maintaining Fire-Wise vacant erven in urban and suburban areas of the Overstrand Municipality, previously known as Policy for the Clearing and Maintenance of Vegetation Creating Fire Hazards, **be adopted.**

**RESPONSIBLE OFFICIAL :****L SMITH****TARGET DATE FOR IMPLEMENTATION :****1 OCTOBER 2022**

## 5.3

A PORTION OF ERF 533 FRANSKRAALSTRAND (SITUATED IN ROUSSOUW STREET, FRANSKRAAL): DEVIATION FROM PARAGRAPH 18 OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF 2015 ALLOWING THE MUNICIPALITY TO ENTER INTO A FURTHER LEASE AGREEMENT WITH VODACOM (PTY) LTD

(ITEM 5 PAGE 115 : INVESTMENT & INFRASTRUCTURE PORTFOLIO - MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)

**RECOMMENDATION TO THE COUNCIL:**

that the deviation from paragraph 18 of the Administration of Immovable Property Policy allowing a direct lease to Vodacom (Pty) Ltd, **be approved**.

<b>RESPONSIBLE OFFICIAL :</b>	<b>R OCTOBER</b>
<b>TARGET DATE FOR IMPLEMENTATION :</b>	<b>26 OCTOBER 2022</b>
<b>TARGET DATE TO INFORM APPLICANT :</b>	<b>15 OCTOBER 2022</b>
<b>TARGET DATE TO INFORM OBJECTOR :</b>	<b>N/A</b>

**5.4**

**APPROVAL FOR THE ALIENATION AND TRANSFER OF SEVERAL PORTIONS OF LAND TO THE DEPARTMENT OF TRANSPORT AND PUBLIC WORKS (WESTERN CAPE) FOR THE UPGRADE OF TRUNK ROAD 28/2 BETWEEN STANFORD AND GANSBAAI**

**(ITEM 12 PAGE 269 : INVESTMENT & INFRASTRUCTURE PORTFOLIO - MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)**

**RECOMMENDATION TO THE COUNCIL:**

1. that the direct alienation (sale) and transfer of the following properties to the Western Cape Government (Department of Transport and Public Works) for road widening purposes **be approved**:
  - (a) a portion of Remainder Farm No. 645 Stanford,  $\pm 2788\text{m}^2$  in extent, at an amount of R14.00/m<sup>2</sup> (FOURTEEN RAND PER SQUARE METRE) (VAT excluded);
  - (b) a portion of Remainder Erf 423 Stanford,  $\pm 668\text{m}^2$  in extent, at an amount of R450.00/m<sup>2</sup> (FOUR HUNDRED AND FIFTY RAND PER SQUARE METRE) (VAT excluded);
  - (c) a portion of Erf 1174 Stanford,  $\pm 97\text{m}^2$  in extent, at an amount of R450.00/m<sup>2</sup> (FOUR HUNDRED AND FIFTY RAND PER SQUARE METRE) (VAT excluded);
  - (d) a portion of Remainder Erf 294 Stanford,  $\pm 4019\text{m}^2$  in extent, at an amount of R14.00/m<sup>2</sup> (FOURTEEN RAND PER SQUARE METRE) (VAT excluded);
  - (e) a portion of Portion 18 of Farm No. 644 Stanford,  $\pm 164\text{m}^2$  in extent, at an amount of R15.00/m<sup>2</sup> (FIFTEEN RAND PER SQUARE METRE) (VAT excluded);
  - (f) a portion of Remainder Erf 1071 De Kelders,  $\pm 3901\text{m}^2$  in extent, at an amount of R18.00/m<sup>2</sup> (EIGHTEEN RAND PER SQUARE METRE) (VAT excluded); and
  - (g) portions of Remainder Erf 210 Gansbaai,  $\pm 1201\text{m}^2$  in extent, at an amount of R14.00/m<sup>2</sup> (FOURTEEN RAND PER SQUARE METRE) (VAT excluded).

2. that a condition be registered in the title deeds of the said portions of properties to be alienated and transferred that no structures of any kind may be erected thereon;
3. that the alienation and transfer of the said portions of properties be subject to obtaining the necessary subdivision, rezoning and consolidation approvals;
4. that the costs of the valuation, subdivision and possible consolidation, rezoning and transfer costs be paid by the Western Cape Government (Department of Transport and Public Works);
5. that, where necessary, servitudes be registered in favour of and to the satisfaction of the Overstrand Municipality in relation to any existing services on the properties, at the cost of the Western Cape Government (Department of Transport and Public Works);
6. that a condition be included in the Deed of Sale that the Western Cape Government (Department of Transport and Public Works), its agents and contractors must at own cost attend to the relocation of services where requested; and
7. that it be noted that the portions of municipal properties envisaged to be alienated is not required for the provision of the minimum level of basic services in terms of the provisions of paragraph 5 of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

**RESPONSIBLE OFFICIAL:****M ERASMUS****TARGET DATE FOR IMPLEMENTATION:****28 OCTOBER 2022****TARGET DATE TO INFORM APPLICANT:****21 OCTOBER 2022****TARGET DATE TO INFORM OBJECTOR:****N/A**

**5.5  
TELEPHONE POLICY AMENDMENT**

**(ITEM 1 PAGE 1 : MANAGEMENT SERVICES PORTFOLIO -  
MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)**

**RECOMMENDATION TO THE COUNCIL:**

that the amendments to the Telephone Policy **be approved.**

**RESPONSIBLE OFFICIAL :**

**J VAN ASPEREN**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2022**

**5.6****MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM)  
POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) FOR AUGUST 2022****(ITEM 1 PAGE 1 : FINANCE & TOURISM PORTFOLIO - MAYORAL  
COMMITTEE MEETING : 26 SEPTEMBER 2022)****RECOMMENDATION TO THE COUNCIL:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for August 2022, **be noted**;
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for August 2022, **be noted**; and
3. that the awards made through the Bid Committee system, and formal written price quotations in excess of R30 000 and all price quotations below R30 000 for August 2022, **be noted**.

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

**5.7****APPOINTMENT OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) CHAIRPERSON****(ITEM 1 PAGE 1 : MAYORAL COMMITTEE MEETING : 26 SEPTEMBER 2022)****RECOMMENDATION TO THE COUNCIL:**

that Council appoint Mr P Strauss as chairperson of the Joint Audit and Performance Audit Committee (JAPAC) of Overstrand Municipality.

**RESPONSIBLE OFFICIAL :****DC VAN DER HEEVER****TARGET DATE FOR IMPLEMENTATION :****28 SEPTEMBER 2022**

## 6. CONSIDERATION OF REPORTS

### 6.1

#### SCHULPHOEK DEVELOPMENT: CANCELLATION OF THE LAND AVAILABILITY AGREEMENT (LAA)

15/1/3/2/3/4

D O'Neill

16 September 2022

Municipal Manager

(028) 313 8003

#### 1. Executive Summary

The Executive Mayor directed that a land availability agreement (LAA) be concluded between the municipality and the Provincial Department of Human Settlements (DoHS) for the development and formalisation of the area known as Schulphoek in Hermanus for housing purposes. The LAA was signed by both parties on 28 February 2022. The project failed to get traction due to several reasons that will be discussed later and currently there is agreement between the DoHS and the municipality that a turn-key implementing agent be appointed to drive and deliver thereon.

#### 2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Investment and Infrastructure  
Engineering Services

#### 3. Compliance with Strategic Priority

The provision and maintenance of municipal services

#### 4. Delegated Authority

None

#### 5. Legal Requirements

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)  
Local Government: Municipal Finance Management Act, 2003 (Act 32 of 2003)

#### 6. Background/Discussion/Evaluation/Conclusion

The development of the Schulphoek after the 2018 invasion has been a difficult exercise from the start. The land, which at that time was privately owned, was purchased by the municipality with funds provided by the Western Cape Provincial Government. The Stakeholders Forum,

established by the then Premier and the Speaker of the Western Cape had to be disbanded and a social compact committee (SCC) established. However, in terms of actual movement on the ground, nothing but the further densification and additional informal structures occurred. Thus, when the new Mayor was elected and after consultations with Minister Simmers, it was decided that the DoHS was indeed better placed to manage the development and subsequently the LAA was agreed to and signed.

Still, the process was marred with delays as a new environmental practitioner had to be appointed after the previous one left, and the obvious changes in the department since the signing of the LAA, to name a few. After a meeting between the MM and the acting HOD of DoHS on 6 September 2022, there was agreement to explore the possibility of appointing a turn-key implementing agent to take control and move forward with the project.

The DoHS, after considering the pros and cons of the above, confirmed that it would be in the best interest of the project and the community to use the services of a turn-key implementing agent. At a meeting held on 12 September 2022, initiated by Minister Simmers and the Mayor, it was recommended that council revisit the LAA and start the process of appointing a turn-key implementing agent and that once this decision is taken, DoHS will adjust their budget to allow for an allocation to the municipality to allow for the appointment.

## **7. Financial Implications**

An amount of R 5 million is available in the current human settlements budget for the DoHS to spend in the Overstrand. There was acknowledgement that some of these funds were already spent on the technical team appointed by the DoHS and after reconciliation they would provide a final figure that will be re-allocated to OM to appoint a turn-key implementing agent. The rest of the project is subject to funding from the DOHS.

## **8. Staff Implications**

The implications on the staff will be minimal and the current staff is well capacitated and competent to realise the appointment of a turn-key implementing agent.

## **9. Comments from other Departments, Divisions and Administrations**

None at present. The DoHS needs a decision from council by 30 September 2022 as they need to start the adjustment budget process to re-allocate the provincial budget to the municipality.

**10. Annexures**

None

**RECOMMENDATION TO THE COUNCIL:**

1. that Council supports the mutual cancellation of the LAA;
2. that Council supports the prompt appointment of a turn-key implementing agent for the development of the Schulphoek human settlements project; and
3. that Council note that the funding of the project is subject to DOHS allocation for the project.

**RESPONSIBLE OFFICIAL :****D HENDRICKS****TARGET DATE FOR IMPLEMENTATION :****1 OCTOBER 2022**

**6.2****INVESTIGATION INTO THE INSTANCE OF IRREGULAR EXPENDITURE:  
NON-COMPLIANCE WITH CLAUSE 19 OF THE OVERSTRAND MUNICIPALITY  
SCM POLICY: PLACEMENT OF RECRUITMENT ADVERTISEMENTS****3/2/3/8****L Bucchianeri****Senior Manager: Human Resources****22 June 2022****(028) 313 - 8120**

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**1. Executive Summary**

The purpose of this report is to provide the necessary information and to request Council to write off expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003. This report contains the detailed background and reasons for the incurrence of the expenditure, when services were rendered regarding the overspending on formal quotation threshold of R200 000,00.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate: Economic and Social Development and Tourism  
Department: Tourism

**3. Compliance with Strategic Priority**

Provision of democratic, accountable, and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)  
Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended.

**6. Background/Discussion/Evaluation/Conclusion****Background/Discussion**

The Human Resources Department followed a formal quotation process to the value of R200 000,00 during the 2021/2022 financial year to procure for the advertising and placement of Recruitment Advertisements. The successful bidder was Ayanda Mbanga Communications Pty Ltd.

During March 2022, the department overspent to the amount of R33 750.75 (Incl. VAT) on the formal quotation contract. Due to the placement of the Examiner of Vehicles advertisement, the irregular expenditure were incurred. As this was a crucial position that had to advertised. The Traffic Department cannot do without an incumbent to the post, as it serves the Community in the examing of vehicles.

It was only discovered during the month of April that the formal quotation contract was overspend with R33 750,75 (Incl. VAT).

It is the opinion of the Human Resources Department that they received value for money through the formal quotation process.

### **Corrective Steps/Conclusion**

The Human Resources Department is in the process of a tender process for the services of Placement of Recruitment Advertisements in different Newspapers.

This process was stopped upon a letter from National Treasury that was issued that no tenders after 16 February 2022 should be issued before clarification from Concourt with regards to the decision pertaining to the Preferential Procurement Regulations.

On 31<sup>st</sup> May 2022 we received correspondence from Supply Chain Management pertaining to the outcome of the Concourt Judgement with reference to the Preferential Procurement Regulations,2017. The outcome implies that the Municipality will be able to continue as per normal with the implementation of the Preferential Procurement Regulations, 2017 (PPR) until 15/02/2022 or until the new Procurement Regulations have been promulgated. The tender has subsequently been awarded.

As it can be stated that the Municipality did not suffer any financial loss, as the municipality received value for money in this instance, it be recommended to Council that, since the municipality have received value for money, the irregular expenditure in the amount of R33 750,75 (Incl. VAT) for Human Resources Department, be certified as irrecoverable and be written off.

On 23 August 2022, the Municipal Public Accounts Committee (MPAC) consisting of Cllrs C Tafu-Nwonkwo, S Williams, M Nomatiti, K Ngqandana and Ald R de Coning considered a detailed report on the matter and came to the conclusion that the Municipality did not suffer any financial loss and was unanimous in its decision to recommend to Council that the irregular expenditure in the amount of R33 750.75 (Incl. VAT), be certified as irrecoverable and be written off.

**7. Financial Implications**

R33 750.75 (Incl. VAT)

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

None

**RECOMMENDATION TO THE COUNCIL:**

that, in view of the fact that the municipality have received value for money, the irregular expenditure in the amount of R33 750,75 (Incl. VAT) for human resources services, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****C LE ROUX  
B KING**

**6.3****INVESTIGATION INTO THE INSTANCE OF IRREGULAR EXPENDITURE:  
SCIE 2021.22.23: NON-COMPLIANCE WITH SUPPLY CHAIN MANAGEMENT  
POLICY WITH REGARDS TO: SUPPLY AND INSTALLATION OF GLUE DOWN  
VINYL CARPETING****3/2/3/8****S Muller****5 July 2022****Director : Infrastructure & Planning****(028) 313 8019**

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**1. Executive Summary**

The purpose of this report is to provide the necessary information and to request Council to write off expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003. This report contains the detailed background and reasons for the incurrence of the expenditure, when services were rendered for the supply and installation of vinyl glue down carpeting without an official order.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate: Infrastructure and Planning  
Department: Town Planning

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)  
Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended.

**6. Background/Discussion/Evaluation/Conclusion****Background/Discussion**

One of the offices at Town Planning suffered from dampness through the carpet floor. Quotes were requested to remove the carpets, screed the floor and to install glue down vinyl flooring. The reason for the request was that

Ms Gillion indicated in August 2021 that her office is permanently damp and mouldy that attributed to her sinusitis.

Supply Chain Management initialised the process to obtain quotations and a quote for R6 380 was received from Blinds and Flooring Studio on 8 March 2022 and this was approved and accepted.

Due to the possibility that the work could not be timeously finished before year end, the order was cancelled on 13 May 2022 by the Manager. Ms A Theart neglected to inform the Supplier that the order was cancelled due to her workload and did not update her database.

Mrs A Theart proceeded with the order due to the consistent dampness in the office, relying on her database and Me H van der Stoep not knowing the order was cancelled, signed off the work.

The supplier Blinds and Flooring proceeded with the work as per accepted quote.

### **Conclusion / Corrective Steps**

The Municipality did not inform Blinds and Flooring Studio that the order was cancelled and the service provider proceeded with the rendering of the service for the supply and installation of vinyl glue down carpeting and it is agreed that the expenditure was irregular.

The Municipality did not suffer a financial loss as the service was rendered efficiently and the constant dampness of the office has been resolved to the benefit of the employee's health.

The Administration will take care to adhere to correct steps in the procurement process in future.

On 23 August 2022, the Municipal Public Accounts Committee (MPAC) consisting of Cllrs C Tafu-Nwonkwo, S Williams, M Nomatiti, K Ngqandana and Ald R de Coning considered a detailed report on the matter and came to the conclusion that the Municipality did not suffer any financial loss and was unanimous in its decision to recommend to Council that the irregular expenditure in the amount of R6 380.00 (Incl. VAT), be certified as irrecoverable and be written off.

## **7. Financial Implications**

R6 380.00 (VAT Incl.)

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

None

**RECOMMENDATION TO THE COUNCIL:**

that, in view of the fact that the municipality received value for money, irregular expenditure to the amount of R6 380.00 (VAT Incl.) rendered for supply and installation of vinyl glue down carpeting without an official order, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****C LE ROUX  
B KING**

**6.4****INVESTIGATION INTO THE INSTANCE OF IRREGULAR EXPENDITURE:  
NON-COMPLIANCE WITH CLAUSE 17 OF THE OVERSTRAND MUNICIPALITY  
SCM POLICY: HIRING OF MACHINERY****3/2/3/8****J Solomons  
11 July 2022****Senior Manager: Operational Services, Gansbaai/Stanford  
(028) 384-8312**

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**1. Executive Summary**

The purpose of this report is to request Council to write off the expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003). This report contains the following in relation to SCIE 2021.22.21, for last-mentioned purposes:

- a) Detailed background and reasons for the incurrence of the expenditure,
- b) Corrective steps to be implemented to mitigate the risk of such an occurrence in the future.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate: Community Services  
Department: Operational Services, Stanford

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance  
Provision and maintenance of municipal services  
Creation and maintenance of a safe and healthy environment

**4. Delegated Authority**

None

**5. Legal Requirements**

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003) [MFMA]  
Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended

## 6. Background/Discussion/Evaluation/Conclusion

The possibility of Irregular Expenditure was reported to the SCM department on 5 May 2022. Services done by the supplier, Umzali Civils (Pty) Ltd was procured for the hiring of a grader, but a different machine (digger loader) was used in Stanford.

A grader was hired by Umzali Civils (Pty) Ltd for the routine maintenance of roads in Stanford, but the supervisor of the team needed a digger loader for the required maintenance. The last-mentioned request was due to the fact that the municipal digger loader was out of order at the time. An invoice dated 4 April 2022 was signed by Mr S Miller, the Superintendent: Stanford Operational, for the hiring of a grader as confirmation that the service was provided by the supplier. The budget holder did not approve the invoice for payment, as he was alerted that a different machine was used to perform the work. The official process would have been to cancel the order (hiring of grader) and request a new order for the hiring of a digger loader.

The relevant official indicated that the Operational Services section experienced a high volume of job requests for road maintenance, and both municipal digger loader and grader was in repair at the time. The actual construction occurred in the month of April 2022, with the official's cut-off date for new requisitions was 14 April 2022. There was limited time to cancel the order for the grader, and re-load a new order for a digger loader.

The **corrective steps** to be taken are to lodge a disciplinary investigation into this matter, to establish any deliberate financial misconduct by the officials involved. An additional corrective step will be to provide the implicated officials with training in terms of procurement in terms of the Municipal Supply Chain Policy, to avoid any similar actions in the future.

Value for money was received as maintenance on the road network was completed with the digger loader. An updated invoice was requested indicating the correct machine that performed the work. The expenditure was approved and paid to the supplier, Umzali Civils (Pty) Ltd, thus did the Municipality not suffer any monetary losses

On 23 August 2022, the Municipal Public Accounts Committee (MPAC) consisting of Cllrs C Tafu-Nwonkwo, S Williams, M Nomatiti, K Ngqandana and Ald R de Coning considered a detailed report on the matter and came to the conclusion that the Municipality did not suffer any financial loss and was unanimous in its decision to recommend to Council that the irregular expenditure in the amount of R26 105.92 (Incl. VAT), be certified as irrecoverable and be written off.

**7. Financial Implications**

R26 105.92 (VAT incl.)

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

None

**RECOMMENDATION TO THE COUNCIL:**

1. that, in view of the fact that the Municipality received value for money, the irregular expenditure in the amount of R26 105.92 (VAT incl.) for hiring a digger loader without following the official procurement process, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003; and
2. that a disciplinary investigation be lodged against the relevant officials as part of consequences management.

**RESPONSIBLE OFFICIAL:**

**C LE ROUX  
B KING  
J SOLOMONS**

## 6.5

**RECESS: SEPTEMBER / OCTOBER 2022**

3/2/1/4

H van Tonder

Manager : Council Support Services

20 September 2022

(028) 313 8037

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**1. Executive Summary**

The purpose of the report is to obtain confirmation of Council's recess from 28 September 2022 **(immediately after conclusion of the Council meeting)** to 9 October 2022 and related matters.

**2. Service Delivery and Budget Implementation Plan Reference - IGNITE**

Not applicable

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

- Constitution of the Republic of South Africa, 1996 (Constitution)
- Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (Structures Act)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Systems Act)
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) [MFMA]

**6. Discussion**

Section 18(2) of the Structures Act provides that a Municipal Council must meet at least quarterly.

Item 3 of the Code of Conduct for Councillors (Schedule 1 to the Systems Act) provides that a Councillor must attend each meeting of the Municipal Council and of a committee of which that Councillor is a member. Apart from the aforesaid, Overstrand Municipality's By-Law on Rules of Order for Internal Arrangements also addresses this matter. Should Council resolve to go into recess **immediately after conclusion of the council meeting on**

**28 September 2022 to 9 October 2022**, such a resolution will have no effect on Council's legal responsibility to meet at least quarterly.

During the proposed recess, all urgent matters shall be dealt with by the Executive Mayor in consultation with the Municipal Manager, except those reserved in terms of the provisions of Section 160(2) of the Constitution and Section 59 (1) (a) of the Systems Act for full Council.

**7. Financial Implications**

None

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

None

**RECOMMENDATION TO THE COUNCIL:**

1. that Council consider a period of recess, ie **28 September 2022, immediately after the Council meeting, to 9 October 2022 (the latter included)**; and
2. that, during the period of recess, all urgent matters / emergency situations be dealt with by the Executive Mayor in consultation with the Municipal Manager, except those reserved by law for full Council.

**RESPONSIBLE OFFICIAL :**

**H VAN TONDER**

**IMPLEMENTATION DATE :**

**28 SEPTEMBER 2022**

**7. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER (IF ANY)**

**8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS**

One (1) motion was submitted in terms of Section 26 of the Standard By-Law on Rules of Order for Internal Arrangements for consideration:

Motion : Composition of Schulphoek (Housing 'Social Compact') Committee

Attached as Annexure A

**9. CONSIDERATION OF MOTIONS OF EXIGENCY (IF ANY)**

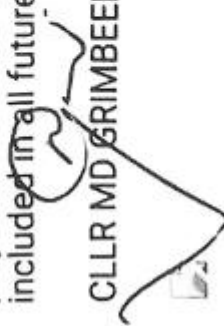
**MOTION: Composition of Schulphoek (housing 'Social Compact') committee**

Numerous complaints have been received by the Freedom Front Plus regarding the composition of Schulphoek housing 'Social Compact' committee and of decisions being taken in the absence of previously included interested & affected parties.

Original members of the committee have been and are still being excluded from being part of the committee and from partaking in decisions.

A motion is hereby forwarded: It is requested that all the original role players/interested & affected parties and committee members be reinstated and included in all future committee meetings and decision making.

CLLR MD GRIMBEEK



Annexure A