

8.4	CONSIDERATION OF IRREGULAR EXPENDITURE DISCLOSED IN THE ANNUAL FINANCIAL STATEMENTS OF 2014/2015 FOR WERNER ZYBRANDT
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1. PURPOSE OF THE REPORT

To provide information regarding “irregular expenditure” for oversight by MPAC. Council needs to consider and approve that the expenditure is deemed irrecoverable and be written off in terms of the MFMA Section 32 (2).

2. BACKGROUND

The Committee was established to deal with expenditure not aligned or non-compliant with Council’s approved policies and the Municipal Finance Management Act, herein after referred to as the “Act” and “Policies”.

2.1 Legislation

The Act (Section 32) stipulates the following with regard to unauthorized, irregular or fruitless and wasteful expenditure:

- “(1) without limiting liability in terms of the common law or other legislation-
- (a) *a political office-bearer of a municipality is liable for unauthorized expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorized expenditure, instructed an official of the municipality to incur the expenditure;*
 - (b) *The accounting officer is liable for unauthorized expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*
 - (c) *Any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure, is liable for that expenditure; or*
 - (d) *Any political office-bearer or official of a municipality who deliberately or negligently made or authorized a fruitless and wasteful expenditure is liable for that expenditure”.*

In terms of Section 32 (2)

“A municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure-

- (a) *In the case of unauthorized expenditure, is-*
 - (i) *authorized in an adjustments budget; or*
 - (ii) *Certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and*

- (b) *In the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council”.*

A further stipulation, Section 32(4) compels the accounting officer to

“Promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of-

- (a) *Any unauthorized, irregular or fruitless and wasteful expenditure incurred by the municipality;*
- (b) *Whether any person is responsible or under investigation for such unauthorized, irregular or fruitless and wasteful expenditure; and*
- (c) *The steps that have been taken-*
- (i) *To recover or rectify such expenditure; and*
- (ii) *To prevent a recurrence of such expenditure”.*

1.1 Irregular expenditure as defined under Chapter 1 of the Act:

- a)** *Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;*
- b)** *Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal systems Act, and which has not been condoned on terms of that Act;*
- d)** *Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law”.*

3. DISCUSSION

Management disagreed with the audit finding based on the following:

DSM07/15 was handled as a deviation as per SCM Regulation 36 which allows: “the Accounting Officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process.”

It is not necessary for a deviation to obtain three different quotes or whose names appear on the list of accredited prospective service providers as per SCM regulation 17 (a). Deviation is reported monthly to CFO, Accounting Officer and Council and it’s not necessary to adhere to SCM

Regulation 17 (Deviation was approved based on the following classification (v) "in any other exceptional case where it is impractical or impossible to follow the official procurement processes".

The request to deviate was based upon the discussion which alluded to the following:

- Current System of Delegations (SOD) and policies did not comply with all legislative requirements and refers to some Ordinances/Acts that was either repealed or amended
- Various versions of (SOD) were in circulation causing confusion
- Policies are not incorporated in the document

The above made it critical that the System of Delegations be updated immediately as the out-dated document created more risk and shortfalls whereby officials could authorise requests which didn't fall in their statutory requirement. Impending SPLUMA for Planning were also critical to implement as quick as possible.

An FQ process could easily consume at least 3 weeks in terms of compiling the specifications; advertising; compiling the technical evaluation and then approval of the FQ.

As it turned out the work done was way in excess what was quoted for. In fact probably double which would have taken the scope of works into a bidding procurement process which would have taken longer than 3 months which could be ill afforded.

Two other experts were also approach, but were not available or more expensive.

The actual work at the end entailed about 20 workshops with various stakeholders by a technical expert and a leader in the field of municipal governance. These workshops included at least 2 sessions per directorate plus 3 sessions with the political leadership including 3 sessions with the (Mayor and Speaker); Mayco and also the Council to promote the required Council approval of the delegations.

The Municipality obtained excellent value for money given the time spent by an expert workshoping the delegations with various parties including various political engagements to promote Council approval all in an effort to address critical service delivery governance shortcomings and impending new legislation implementation like SPLUMA successfully which have put the Municipality at great risk.

Deviations don't need comparison quotes to evaluate based on the SCM regulation: "the Accounting Officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process."

This initial discovery of SOD shortfalls is in relation to historic inadequacies/shortfalls and needed to be corrected sooner than later.

4. FINANCIAL IMPLICATIONS

The overall financial implications as follow:

<u>Werner Zybrandts</u>	<u>R 120 000.00</u>
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5. CONCLUSION

Value was obtained through this appointment.

6. COMMENTS FROM OTHER DIRECTORATES**6.1 COMMENTS FROM DIRECTORATE: STRATEGIC & CORPORATE SERVICES**

National Treasury Circular 68 states the following:

“In terms of section 32(2)(b) irregular expenditure may only be written-off by Council if, after an investigation by a council committee, the irregular expenditure is certified as irrecoverable.

“All instances of irregular expenditure must be recovered from the liable official or political office-bearer, unless the expenditure is certified by the municipal council, after investigation by a council committee, as irrecoverable and is written off by the council. In other words, the expenditure that is written off is therefore condoned.”(page 10).

The relevant parts of Section 32 further states:

“A municipality must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure-

(a) ...; and

(b) In the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council”.

The circular further states that write off may only take place if the irregular expenditure is certified by Council as irrecoverable, based on the findings of an investigation.

Investigation of Irregular Expenditure

Section 32(4) requires that the municipal manager must report to Council and the MEC whether any person is responsible or under investigation for the, irregular expenditure.

In the current matter the AGSA investigated the matter and compiled a full report as per their “Communications of Audit Findings” as part of their regulatory audit and further investigation of this particular matter is therefore not needed. I am respectfully of the view that their investigation was complete and can be tabled in its current form to a council committee for its recommendation to council.

Recover or rectify such expenditure

In the current matter the system of delegations was approved by council. Council therefore did receive the goods and services they contracted for. Council can therefore not recover the expenditure as the goods was received and approved by council.

Council will rectify the expenditure if condoned by council.

Prevent a recurrence of such expenditure:

The administration has since the finding taken specific steps to minimise deviations in general. The current deviation report is clear evidence that very specific steps are taken to prevent a possible recurrence of any irregular expenditure.

RECOMMENDED

that Council certifies the expenditure to the amount of R120 000.00 as irrecoverable and that it is written off.

(CHIEF FINANCIAL OFFICER TO ACTION)

42ND COUNCIL MEETING: 2016-06-15: ITEM 8.6**RESOLVED** (nem con)

that the matter be referred to the next MPAC meeting whereafter same be recommended to Council for consideration.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 2016-06-23: ITEM 4**RESOLVED** (nem con)

that this matter be referred back to allow the Administration to submit a breakdown of the following documents at a Special MPAC meeting on 2016-07-07 at 15:30:

- Letter of appointment of Mr W Zybrandt;
- Proof of payments; and
- Proof of alternative experts that were approached.

The requisite supporting documentation is attached as APPENDICES 1 & 2.

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 2017-04-20:
ITEM 5.2****RECOMMENDED**

that Council certifies the expenditure to the amount of R120 000.00 as irrecoverable and that it be written off.

Meeting: Ref No:	<i>8TH COUNCIL: 2017-04-26</i>	Submitted by Directorate: Author: Referred from:	<i>Office of the Municipal Manager MPAC: 2017-04-20</i>
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AMPTELIKE BESTELLING
OFFICIAL ORDER

Stellenbosch

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY



Stellenbosch

17, STELLENBOSCH 7599
 021 808-8520
 021 808-8688

BESTEL NR. / ORDER NO.
289458

DATE / DATE
26/08/2014

KREDITEUR NR. / CREDITORS NO.
010932

WERNER ZYBRANDS CONSULTUS (EDM)
POSBUS 325
HERMANUS
7250

KONTAKPERSOON / CONTACT PERSON
LEGAL - CHRISTELLE
Requisition No. 309189

BEWYSINGS- / REQUISITION LINE	VOORRAAD NR. / STOCK NO.	BESKRYWING / DESCRIPTION	POSNR. / VOTE NO.	HOEWELHEID / QUANTITY	REKESOMMER PRISIE / UNIT PRICE	BRONNINGS- / TOTAL PRICE	REKESOMMER PRISIE / UNIT PRICE	BRONNINGS- / TOTAL PRICE
		DEVIATION: D/SM 07/15 - SYSTEM OF DELEGATIONS AND POLICIES		1	145000.00		145000.00	

NAMENS / FOR: _____
STADSRAAD / TOWN COUNCIL: **STELLENBOSCH**

HANDTEKENING / SIGNATURE: _____
DEPARTEMENT / DEPARTMENT: _____

TOTAAL / TOTAL: 145000.00

REKVISISIE VIR VOORRADE: Werner Zybrands

309189

Bestelvorm Nr.: 289458 Departement: Legal C de Villiers Gereedschap Reg.:

Kode Nr.:	Goedere	Hoeveelheid	Tarief	Waarde	Pos Nr. en Beskrywing
	Deviasies : D/SM on/IS → System of delegations and policies (W. Zybrands)		R145000.00		1/1120/1206
				Total :	
				R145000.00	

C de Villiers
Aangevra deur

14/8/14
Datum

[Signature]
Goedgekeur deur

Ontvang deur

Datum



MEMORANDUM
 DIRECTORATE
 STRATEGIC AND CORPORATE SERVICES

BUDGET (SAMRAS)	✓
GOVERNMENT TICKET (GMR 2(1))	
CASHFLOW	
REGISTERED ON DATABASE	X
LETTER - SOLE	X
VALID TAX CERTIFICATE	A
QUOTE/INVOICE ATTACHED	
SIGNATURES	

To : MUNICIPAL MANAGER
From : Mrs Christelle de Villiers
Job Title : Senior Legal Advisor
Date : 29 July 2014
Re : **DEVIATION: SYSTEM OF DELEGATIONS AND POLICIES**

1. PURPOSE

To obtain approval in terms of Supply Chain Management Policy, to deviate from the official procurement process, 4.36.1(a)(v) to deviate from the tender process in any other case where it is impossible or impractical to follow an official procurement process due to the urgent nature of the work

2. BACKGROUND

Stellenbosch Municipality is at risk in terms of the current system of delegations in that this document is lacking information and/or inadequate for proper functioning, in that:

- 2.1 it does not comply with all legislative requirements and refers to some Ordinances / Acts that was either repealed or amended;
- 2.2 The Section 53 document must be revised and workshop for better understanding and functioning;
- 2.3 Various versions (thus interpretations) of the system of delegations are in circulation causing confusion;
- 2.4 Policies are not incorporated in the Systems of Delegations.

3. DISCUSSION

Due to the critical function of the System of Delegations, time is of the essence and the above company is available to immediately assist and start on the re-writing and legalizing of the current System of Delegations.

4. FINANCIAL IMPLICATIONS

The total cost will be R145 000.00

RECOMMENDATION

That the approval, from vote 1/7720/206 ¹²⁰⁶ be granted in terms of the Municipality Supply Chain Management Policy 4.36.1(a)(v) for the deviation of the formal procurement process, which amounts to R145 000.00 (VAT not applicable).



Date: 29/7/2014

Luzuko Mdunyelwa
DIRECTOR OF STRATEGIC AND CORPORATE SERVICES

Supported Yes No

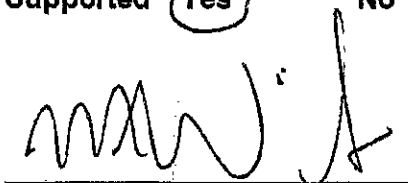


Date: 30/07/2014

Israel Saunders
HEAD: SUPPLY CHAIN MANAGEMENT

Waiting on his TCC & MBD 4 which will be handed in soon.

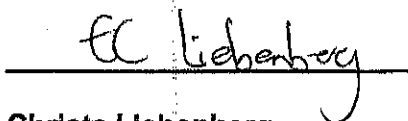
Supported Yes No



Date: 1/8/14

Marius Wüst
CHIEF FINANCIAL OFFICER

Recommended Yes No



Date: 4/8/14

Christa Liebenberg
MUNICIPAL MANAGER

Approved Yes No

It is urged to start with the SPLUMA and Planning delegations. Mr. Zehrandt can start immediately and has as an MM extensive LG's experience.



WERNER ZYBRANDS

(T/A WZC(PTY)LTD)

P O Box 325

Hermanus 7200

21 July 2014

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The Municipal Manager

Stellenbosch Municipality

QUOTE FOR REVIEW OF SECT 53 ANALYSIS AND DELEGATIONS

Thank you for your enquiry regarding the above matter. Herewith my quote as requested.

NOTES:

All inclusive tariff of R1250.00 per hour

Working day of 8 hours

1 day's work = R10 000.00

½ day's work = R5 000.00

DESCRIPTION	ACTION TO BE TAKEN	DAYS/HRS	AMOUNT (R)
Section 53 review and rewrite	Preparation for workshop	½ day	5 000.00
	Presentation of workshop	1 day	10 000.00
	Processing of results	1 day	10 000.00
	Final presentation	½ day	5 000.00
	Rewrite and finalisation	½ day	5 000.00
Delegation system	Consultation with each Director & managers where applicable	4 days	40 000.00
	Review of policies applicable to delegations	1 ½ days	15 000.00
	Amendments	2 days	20 000.00
	Workshop	1 ½ days	15 000.00
	Finalising , Indexing with cross reference	2 days	20 000.00
TOTAL			145 000.00

ELL P

Rochelle Nichols

From: Israel Saunders
Sent: Friday, August 01, 2014 9:55 AM
To: Rochelle Nichols
Subject: FW: TAX Clearance Certificate (TCC)

fyi

I.B.J Saunders
Supply Chain Management
Stellenbosch municipality
Tel: 021-808 8137

From: Werner Zybrands [mailto:wernerzy@iafrica.com]
Sent: 31 July 2014 11:26 AM
To: Israel Saunders
Subject: Re: TAX Clearance Certificate (TCC)

Hi Israel

I have a TCC but will only be back in office Friday afternoon and will then submit with MBD4.

Regards

Werner Zybrands
083 631 0667
Posbus / PO Box 325
Hermanus
7200

From: Israel Saunders
Sent: Wednesday, July 30, 2014 12:49 PM
To: wernerzy@iafrica.com
Subject: TAX Clearance Certificate (TCC)

Hi Werner Zybrands

Before we can make an award to you we need a copy of a valid TCC from you. If possible can you plz scan in and send us a copy .

Attached is also a document (MBD4)you must complete and forward to us. Please this is urgent. Regards

I.B.J Saunders
Supply Chain Management
Stellenbosch municipality
Tel: 021-808 8137

Disclaimer

Israel Saunders

From: Werner Zybrands <wernerzy@iafrica.com>
Sent: 02 August 2014 10:36 PM
To: Israel Saunders
Cc: Christelle Devilliers
Subject: Re: TAX Clearance Certificate (TCC)
Attachments: StellenboschMBD4 NEW.docx; WZC Tax ClearanceBBBEEScan0026.pdf

Hi Israel

Attached please find completed MDB4 ,TCC and BEE certificate.

Trust all is in order

Werner Zybrands

083 631 0667

Posbus / PO Box 325

Hermanus

7200

From: Israel Saunders
Sent: Wednesday, July 30, 2014 12:49 PM
To: wernerzy@iafrica.com
Subject: TAX Clearance Certificate (TCC)

Hi Werner Zybrands

Before we can make an award to you we need a copy of a valid TCC from you. If possible can you plz scan in and send us a copy .

Attached is also a document (MBD4)you must complete and forward to us. Please this is urgent. Regards

I.B.J Saunders
Supply Chain Management
Stellenbosch municipality
Tel: 021-808 8137

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South African Revenue Service

Tax Clearance Certificate Number
0084/2/2014/0005820646

Tax Clearance Certificate - Good Standing

Enquiries
0800 00 7277
Approved Date
2014-03-24
Expiry Date
2015-03-24

Company Registration Number

1997/021188/07

Income Tax

9184933846 WERNER ZYBRANDS CONSULTUS
PTY LTD

VAT Registration

7830734849 WERNER ZYBRANDS CONSULTUS
(EDMS)BPK

UIF Registration

U530734849 WERNER ZYBRANDS CONSULTUS
(EDMS)BPK

SDL Registration

L530734849 WERNER ZYBRANDS CONSULTUS
(EDMS)BPK

Trading Name

WERNER ZYBRANDS CONSULTUS

Tender Number

Good Standing

At Your Service

If it is hereby confirmed that, on the basis of the information at my disposal, the above-mentioned taxpayer has complied with the requirements as set out in section 256(3) of the Tax Administration Act.

This certificate is valid for a period of 12 months unless otherwise communicated by SARS.

Verification of this certificate can be done at any SARS Revenue office nationwide.

Photo copies of this certificate are not valid.

SARS reserves the right to withdraw this certificate at any time should any taxes, levies or duties become due and outstanding by the above taxpayer during the one year period for which the certificate is valid.

This certificate is issued free of charge by SARS.

MEINTJES, PUTTER & KOCH INCORPORATED

Chartered Accountants (S.A.)
Registered Accountants & Auditors

Reg. No. 1996/004942/21

Date : 24 March 2014

Your Ref. :

Our Ref. : AV/456

Member of



The South African Institute of Chartered Accountants
Practice Number: 804112

TO WHOM IT MAY CONCERN

The Directors
Werner Zybrands Consultus (Pty) Ltd
P.O. Box 325
Hermanus
7200

Dear Sir

BEE CERTIFICATE FOR EXEMPTED MICRO ENTERPRISES:

We confirm that we are the duly appointed auditors of the above-mentioned business entity.

We hereby confirm that the annual turnover of the above-mentioned entity was below R5,000,000-00 (Five Million Rand) for the latest recorded financial year.

The enterprise is not a value added supplier in terms of the dti Codes of Good Practice.

We trust that you will find the above to be in order.

Yours faithfully

PER:


MEINTJES, PUTTER & KOCH INC.
Chartered Accountants (S.A.)

Local Authority : STB

Remittance Advice : 0000212571

Date : 22/10/2014

Creditor : 010932

WERNER ZYBRANDS CONSULTUS (EDMS) BPK

Type of Payment : A

Payment Amount : 32500.00

Cheque Number/Ref.: 87284

Type	Reference	Date	Amount
Trn.	Number		
O	1/2014/201	23/09/2014	32500.00

Total : 32500.00

=====



Local Authority : STB

Remittance Advice : 0000213496

Date : 17/11/2014

Creditor : 010932

WERNER ZYBRANDS CONSULTUS (EDMS) BPK

Type of Payment : A

Payment Amount : 52500.00

Cheque Number/Ref.: 88190

Type	Reference	Date	Amount
Trn.	Number		
O	2/2014/201	07/11/2014	52500.00

Total : 52500.00

=====



Local Authority : STB

Remittance Advice : 0000216606

Date : 04/03/2015

Creditor : 010932

WERNER ZYBRANDS CONSULTUS (EDMS) BPK

Type of Payment : A

Payment Amount : 25000.00

Cheque Number/Ref.: 91205

Type	Reference	Date	Amount
Trn.	Number		
O	4/2014/201	25/02/2015	25000.00

Total : 25000.00



Local Authority : STB

Remittance Advice : 0000218630

Date : 18/05/2015

Creditor : 010932

WERNER ZYBRANDS CONSULTUS (EDMS) BPK

Type of Payment : A

Payment Amount : 10000.00

Cheque Number/Ref.: 93153

Type	Reference	Date	Amount
Trn.	Number		
O	5/2014/201	04/05/2015	10000.00
Total :			10000.00



* End of Report: Stellenbosch Municipality *

8.5	UNAUTHORISED EXPENDITURE AS DISCLOSED IN NOTE 53 OF THE AUDITED 2014/2015 ANNUAL FINANCIAL STATEMENTS
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1. PURPOSE OF REPORT

To submit to the Council a report on the unauthorised expenditure as disclosed in Note 53 of the audited 2014/2015 Annual Financial Statements that cannot be authorised by Council through another adjustments budget for the 2014/2015 financial year but needs to be certified by Council as irrecoverable unauthorised expenditure and to be written off.

2. BACKGROUND

Section 32(1)(a) of the Municipal Finance Management Act (MFMA) determines that a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure.

Section 32(1)(b) of the MFMA also determines that the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer.

Section 32(2)(a) of the MFMA further determines that a municipality must recover unauthorised expenditure from the person liable for that unauthorised expenditure unless the expenditure in the case of unauthorised expenditure is authorised in an adjustments budget (which cannot take place anymore); or, after investigation by a committee of council, is certified by the council as irrecoverable and to be written-off.

3. DISCUSSION

Section 1 of the Municipal finance Management Act (MFMA) defines that-

“unauthorised expenditure”, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes-

- (a) *overspending of the total amount appropriated in the municipality's approved budget [which is not the case]*
- (b) *overspending of the total amount appropriated for a vote in the approved budget [which is the case]*
- (c) *expenditure from a vote unrelated to the department or functional area covered by the vote [which is not the case];*
- (d) *expenditure of money appropriated for specific purpose, otherwise than for that specific purpose [which is not the case]*
- (e) *spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of allocations [which is not the case]; or*

- (f) *a grant by the municipality otherwise than in accordance with this Act [which is not the case].”*

Unauthorised expenditure was disclosed as legislatively required in the financial statements and due to prior period corrections, the comparatives (2013/2014) and opening balances (2012/2013) were affected and updated accordingly. This resulted in unauthorised expenditure being disclosed for the following Vote/Directorate:

- Engineering Services
Overspending on non-cash items namely Depreciation and Contributions to Provisions contributed to the overspending per vote for the year 2014/2015 and 2013/2014 financial year.
- Community and Protection Services
The overspending for 2013/2014 is due to the implementation of iGRAP 1 and the impact on the accounting treatment of non-cash revenue and expenditure (Traffic Fines and Bad Debt Provision).

4. Financial Implications

Unauthorised expenditure per Vote/Directorate

Unauthorised expenditure	2014/2015	2013/2014
Civil Engineering Services	49,806,155	32,294,361
Community and Protection Services		25,898,883
	49,806,155	58,193,244

5. Legal Input (provided by the Director Strategic Support Services)

In addition to the definition of unauthorised expenditure and S32 of the Local Government: Municipal Finance Management Act 56 of 2003 set out above, National Treasury Circular 68 provide further guidance on how council should deal with *inter alia* unauthorised expenditure. Circular 68 provide *inter alia* that when Council consider unauthorised expenditure it must consider:

“Are there good grounds shown as to why an unauthorised expenditure should be authorised? For example:

- the mayor, accounting officer or official was acting in the best interests of the municipality and the local community by making and permitting unauthorised expenditure;*
- the mayor, accounting officer or official was acting in good faith when making and permitting unauthorised expenditure; and*
- the municipality has not suffered any material loss as a result of the action.*

In these instances, the council may authorise the unauthorised expenditure. If unauthorised expenditure is approved by council, there would be no further consequences for the political office-bearers or officials involved in the decision to incur the expenditure.”

The unauthorised expenditure relates to non-cash items and the above cited paragraph would clearly apply. The recommendation is therefore supported.

RECOMMENDED

- (a) that Council certify the unauthorised expenditure amount per Vote (Directorate) of R 49 806 155 (2014/2015) and R 58 193 244 (2013/2014) as set out above as irrecoverable and to be written off; and
- (b) that Council accept the reasons in the report and record that no political office-bearer or official of the Municipality deliberately or negligently incurred the over-expenditure and unauthorised expenditure to be written-off as irrecoverable.

(CHIEF FINANCIAL OFFICER TO ACTION)**42ND COUNCIL MEETING: 2016-06-15: ITEM 8.7****RESOLVED** (nem con)

that the matter be referred to the next MPAC meeting whereafter same be recommended to Council for consideration.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 2016-06-23: ITEM 5**RESOLVED**

- (a) that Council certify the unauthorised expenditure amount per Vote (Directorate) of R 49 806 155 (2014/2015) and R 58 193 244 (2013/2014) as set out above as irrecoverable and to be written off; and
- (b) that Council accept the reasons in the report and record that no political office-bearer or official of the Municipality deliberately or negligently incurred the over-expenditure and unauthorised expenditure to be written-off as irrecoverable.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 2017-04-20: ITEM 5.3**RECOMMENDED**

- (a) that Council certifies the unauthorised expenditure amount per Vote (Directorate) of R 49 806 155 (2014/2015) and R 58 193 244 (2013/2014) as set out above as irrecoverable and to be written off; and
- (b) that Council accepts the reasons in the report and record that no political office-bearer or official of the Municipality deliberately or negligently incurred the over-expenditure and unauthorised expenditure to be written-off as irrecoverable.

Meeting: Ref No:	8 TH COUNCIL: 2017-04-26	Submitted by Directorate: Author: Referred from:	Office of the Municipal Manager MPAC: 2017-04-20
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8.6	MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS
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1. PURPOSE OF REPORT

To review and rescind Council's previous resolution in this regard;

To inform Council of the progress with regard to Stellenbosch Municipality's implementation of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings as per the Government Gazette dated 30 May 2014;

To appoint the Disciplinary Board and the Designated Official as per the regulation.

2. BACKGROUND

The above-mentioned regulation R430 Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings hereto attached as **APPENDIX 1** for your information and attention and has been enforceable with effect from 1 July 2014. These regulations replace R425. In order to give effect to these regulations Stellenbosch municipality needs to:

- (a) Establish a disciplinary board and its functioning in terms of regulation 4 of these regulations;
- (b) Identify the designated official to whom reports on alleged financial offences against councillors should go to;
- (c) Ensure that any allegation of financial misconduct be reported in terms of these regulations.

3. DISCUSSION

There has been much deliberation and discussion on different forums and with the SALGA HR Development and Collective Bargaining Work Group in the pursuit of good governance and to ensure that these regulations do not override or contradict existing legislation and regulations.

The City of Cape Town made a presentation to the SALGA HR Development and Collective Bargaining Work Group and it was agreed to support the City's concerns regarding the shortcomings in the Regulations. This presentation would have been sent to the other Municipalities in the WC and they would be given 7 days to add their comments/concerns, if any. Thereafter SALGA would address a letter to the Minister to (1) seek clarity on the issues as highlighted in the presentation, (2) acknowledge that the Municipalities are not yet compliant with the Regulations as a result of the clarity being sought/concerns expressed and (3) requesting the Minister to revoke the Regulations for the reasons as set out in the presentation.

Some of the concerns relate inter alia to the disciplinary processes and procedures applicable on officials and the collective agreements in this regard which may be in conflict with these regulations.

In view of this and other concerns, all municipalities in Western Cape including the City of Cape Town are currently grappling with the implementation of these regulations. Municipalities have requested SALGA to contact National Treasury in order to seek clarity and guidance regarding the concerns raised by MM's and CFO's throughout the province.

4. COMMENTS BY APPLICABLE DIRECTORATES

Legal Department

Section 55(1) of the Local Government Municipal Systems Act, 32 of 2000 ("the Systems Act") provides that the Municipal Manager is the head of the municipality, subject to the policy directions of the municipal council, responsible and accountable for –

“(g) the maintenance of disciplinary of staff.”

In terms of regulation 4(1) of the Regulations, the municipal council must establish a disciplinary board to investigate allegations of financial misconduct in the municipality and to monitor the institution of disciplinary proceedings against an alleged transgressor. Regulation 4(2) provides further that a disciplinary board is an independent advisory body that assists the council with the investigation of allegations of financial misconduct and provides recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.

Clause 5(1) provides that on receipt a report in terms of regulation 3(1), if the municipal council or accounting officer of the municipality is satisfied that there is reasonable cause to believe that an act of financial misconduct has been committed, it must within seven days refer the matter to the disciplinary board to conduct a preliminary investigation into the allegation as envisaged in terms of section 171(4)(a) or 172(3)(a) of the Act. Regulation 4 provides that if the disciplinary board determines that the allegation is founded, a full investigation must be conducted by-

“(a) The disciplinary board

(b) ...

(c) Where the cost, the seniority of the alleged transgressor and the seriousness or sensitivity of investigating the alleged financial misconduct, warrants such a step, by-

(i) A person appointed by the council who has appropriate specialist expertise and who is not an official of the municipality; or

(ii) An independent team of investigators appointed by the council

In accordance with the applicable supply chain management prescripts.”

In terms of regulation 6(1) a municipality must develop terms of reference for an investigation, in terms of regulation 5, within seven days of receipt of a referral from a disciplinary board for approval by the council. Regulation 3(b) submits its report to the mayor and the accounting officer together with its findings and recommendation, if applicable, regarding disciplinary steps that

should be taken against the alleged transgressor. In terms of regulations 6(2)(c) the speaker of the council should be immediately inform of the submission of the report and submit a copy of the report to the provincial treasury and National Treasury. Regulation 6(4) provides that the mayor, speaker, accounting officer must table the report of the investigation referred to in sub regulation (3)(b) in the council at the first sitting after the report is finalized. Regulation 6(8) provides that if the investigator recommends that disciplinary proceedings be instituted against the alleged transgressor the council must by way of resolution institute the disciplinary proceedings-

- (a) In the case of a senior manager, in accordance with the Local Government: Disciplinary Codes and Procedures for Senior Managers Regulations made in terms of the Municipal Systems Act; or
- (b) In the case of an official who is not a senior manager, in accordance with the applicable collective bargaining agreement concluded in the bargaining council establish for municipalities.

In light of the above we are of the opinion that these Regulations are in direct contradiction of the Systems Act, which is national legislation applicable on all municipalities and supersedes these Regulations.

The above reflects to some of the discrepancies/contradictions as depicted in the Regulations with national legislation which needs to be further clarified. The Municipal Manager in terms of the Systems Act is as head of the administration responsible for *inter alia* the maintenance of discipline of officials. The aforementioned is not the responsibility of Council. In this regard SALGA should solicit input from all municipalities and obtain and provide legal advice in order to ensure that the Regulations are aligned with national legislation.

The item is supported.

Finance

The item is supported.

5. APPLICABLE LEGISLATION

R430 Local Government: Municipal Finance Management Act (56/2003): Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings.

6. FINANCIAL IMPLICATION

- (a) Additional remuneration for a member of the Audit Committee if elected to serve on the disciplinary board;
- (b) Budget for independent investigation by third parties if required.

RECOMMENDED

- (a) that Council takes note of Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings (R430);

-
- (b) that Council takes note of the progress made by Stellenbosch Municipality with regard to the implementation of the Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings;
 - (c) that Council establishes the Disciplinary Board pending the direction SALGA and/or National Treasury;
 - (d) that the Disciplinary Board has as its members the following:
 - (i) The Chief Audit Executive
 - (ii) A member of the Audit Committee as elected by the Audit Committee
 - (iii) A senior manager from the legal division as determined by the Director Corporate and Strategic Services
 - (iv) A representative from Provincial Treasury as nominated by Province.
 - (e) that Council designates the Chief Audit Executive as the designated official to whom reports on alleged financial offences against councillors should go.

(MUNICIPAL MANAGER TO ACTION)

23RD COUNCIL MEETING: 2014-09-23: ITEM 8.5

RESOLVED (nem con)

- (a) that a Workshop be conducted with regard to the R430 Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings which was enforced with effect from 1 July 2014; and
- (b) that Councillor DA Hendrickse be appointed as the Chairperson of the Workshop and that the Administration assist him in this regard.

(MUNICIPAL MANAGER TO ACTION)

FURTHER COMMENTS BY THE MUNICIPAL MANAGER

Subsequent to the Council resolution above, a workshop has been scheduled for 2 December 2014 to give effect to the resolution. Council is however non-compliant with the Regulations and the Disciplinary Board, as required by the Regulations must be appointed in line with the requirements so as to give effect to the Regulations.

FOR CONSIDERATION

(MUNICIPAL MANAGER TO ACTION)

25TH COUNCIL MEETING: 2014-11-26: ITEM 8.5

During debate on the matter, the DA requested a caucus which the Speaker allowed. After the meeting resumed, it was

RESOLVED (nem con)

- (a) that the Disciplinary Board has as its members the following:
- (i) The Chief Audit Executive
 - (ii) A member of the Audit Committee.
 - (iii) A representative from Provincial Treasury as nominated by Province.
 - (iv) Two credible and knowledgeable members of the public as determined by Council.
- (b) that Council designate the Chief Audit Executive as the designated official to whom reports on alleged financial offences against councillors should go.

(MUNICIPAL MANAGER TO ACTION)**FURTHER COMMENTS BY THE ACTING MUNICIPAL MANAGER**

The Stellenbosch Municipality approved that a disciplinary board be appointed in line with the resolution of Council dated 2014-11-26. It has however been problematic to implement this resolution. Guidance on the terms of reference of the disciplinary board was sought from Salga and Provincial Treasury. Clear guidance with regards to discrepancies/ contradictions has not yet been received.

The Council also resolved that two (2) knowledgeable members of the community be appointed to serve on the board. According to the advice received this would not necessarily be in the interest of Council given the sensitive and confidential nature of the matters that would serve before this disciplinary board. Recruitment of such members of the community has also proven to be difficult given the skill set required to deal with matters relating to financial misconduct.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (See **APPENDIX 1**) also gives guidance as to who could potentially serve on this disciplinary board.

These regulations have already been effected from 01 July 2014 and Stellenbosch Municipality do not currently have the necessary board in place to give effect to these regulations. All matters regarding financial misconduct are currently being dealt with in terms of older legislation and regulations. This however can still be deemed as a non-compliance with these regulations.

RECOMMENDED

- (a) that Council review and rescind its resolution taken in this regard on 2014-11-26;
- (b) that Council takes note of the progress made by Stellenbosch Municipality with regard to the implementation of the Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings;
- (c) that Council establishes the Disciplinary Board pending the direction SALGA and/or National Treasury in line with these regulations;
- (d) that the Disciplinary Board has as its members the following:

-
- (i) The Chief Audit Executive
 - (ii) A member of the Audit Committee as elected by the Audit Committee
 - (iii) A senior manager from the legal division as determined by the Director Corporate and Strategic Services
 - (iv) A representative from Provincial Treasury as nominated by Province;
 - (v) A retired senior legal expert, e.g. judge or advocate resident in the area with knowledge of the related field.
- (e) that Council designate the Chief Audit Executive as the designated official to whom reports on alleged financial offences against Councillors should go.

(ACTING MUNICIPAL MANAGER TO ACTION)

35TH COUNCIL MEETING: 2015-10-28: ITEM 8.7

During deliberations on the matter, the DA requested a caucus, which the Speaker allowed.

After the meeting resumed, it was

RESOLVED (majority vote with 10 abstentions)

- (a) that Council review and rescind its resolution taken in this regard on 2014-11-26;
- (b) that Council take note of the progress made by Stellenbosch Municipality with regard to the implementation of the Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings;
- (c) that Council establish the Disciplinary Board pending the direction SALGA and/or National Treasury in line with these regulations;
- (d) that the Disciplinary Board has as its members the following:
 - (i) The Chief Audit Executive
 - (ii) A member of the Audit Committee as elected by the Audit Committee
 - (iii) A senior manager from the legal division as determined by the Director: Corporate and Strategic Services
 - (iv) A representative from Provincial Treasury as nominated by Province;
 - (v) A retired senior legal expert, e.g. judge or advocate resident in the area with knowledge of the related field.
- (e) that Council designate the Chief Audit Executive as the designated official to whom reports on alleged financial offences against Councillors should go.

(ACTING MUNICIPAL MANAGER TO ACTION)

FURTHER COMMENTS BY THE MUNICIPAL MANAGER

It has proven to be quite difficult to implement the resolution of Council due to two (2) reasons.

The first being that it has been difficult to source the member as required in point (d) (v) of the resolution. This is however not a requirement in terms of the said regulation and I request that it be removed as it has proven to be very difficult to find such person who is willing to serve in the greater WC024.

The second relates to the (e) part of the resolution whereby my concern is that the Chief Audit Executive cannot operate in the domain of Council and therefore cannot be the designated official. It also has an impact on the independence of the Chief Audit Executive whom is already going to be part of the disciplinary board. I would suggest that the designated official be the Municipal Manager.

RECOMMENDED

- (a) that Council reviews and rescinds its resolution taken in this regard on 2015-12-28;
- (b) that Council takes note of the concerns raised by the Municipal Manager with regard to the implementation of the Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings;
- (c) that Council establishes the Disciplinary Board based on the last inputs of the Municipal Manager in line with these regulations;
- (d) that the Disciplinary Board has as its members the following:
 - (i) The Chief Audit Executive
 - (ii) A member of the Audit Committee as elected by the Audit Committee
 - (iii) A senior manager from the legal division as determined by the Director Corporate and Strategic Services
 - (iv) A representative from Provincial Treasury as nominated by Province; and
- (e) that Council designate the Municipal Manager as the designated official to whom reports on alleged financial offences against Councillors should go.

Meeting: Ref No: Collab:	<i>8th Council: 2017-04-26</i>	Submitted by Directorate: Author: Referred from:	<i>Municipal Manager Chief Audit executive</i>
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GOVERNMENT NOTICE

NATIONAL TREASURY

CORRECTION NOTICE

In Ordinary (National) Government Gazette No. 37682, of 30 May 2014, Government Notice No. 425 is hereby withdrawn and replaced with the following:

No. R. 430

30 May 2014

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS

The Minister of Finance has, in terms of sections 168 and 175, of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, made the regulations as set out in the Schedule.

SCHEDULE

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CHAPTER 1 INTERPRETATION

Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and—

“**Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“**designated official**” means the official identified in a municipality or municipal entity to receive reports of allegations of financial offences against councillors or members of the board of directors of municipal entities;

“**disciplinary board**” means a disciplinary board established in terms of regulation 4(1) or a disciplinary board of a district municipality or provincial structure referred to in regulation 4(8);

“**financial misconduct**” means any act of financial misconduct referred to in—

- (a) section 171 of the Act committed by an official of a municipality; or
- (b) section 172 of the Act committed by an official of a municipal entity;

“**financial offence**” means any offence referred to in section 173 of the Act committed by—

- (a) an official of a municipality or municipal entity;
- (b) a councillor of a municipality;
- (c) a member of the board of directors of a municipal entity; or
- (d) any other person;

“**investigator**” means the board, treasury, person or team conducting a full investigation in terms of regulation 5(4).

CHAPTER 2 FINANCIAL MISCONDUCT PROCEDURES

Application of Chapter

2. This Chapter applies to alleged financial misconduct.

Reporting of allegations of financial misconduct

3. (1) Any person must report an allegation of financial misconduct against—
- (a) the accounting officer, a senior manager or the chief financial officer of a municipality, to the municipal council of the municipality, the provincial treasury and the national treasury;
 - (b) an official of a municipality other than its accounting officer, to that accounting officer;
 - (c) the accounting officer of a municipal entity, to the chairperson of the board of directors, the mayor and the accounting officer of the entity's parent municipality;

- (d) an official of a municipal entity other than its accounting officer, to that accounting officer.
- (2) The mayor, the accounting officer or chairperson of the board of directors, as the case may be, must table an allegation referred to in sub-regulation (1) before the municipal council or, board of directors in the case of municipal entities, not later than seven days after receipt thereof or at the next sitting of the council or the board of directors.
- (3) The person to whom an allegation of financial misconduct has been reported in terms of sub-regulation (1) must ensure that the report is treated in a confidential manner.
- (4) This regulation must not be read as preventing a person from laying a criminal charge with the South African Police Service against any councillor, member of the board of directors of a municipal entity, or official of a municipality or municipal entity in relation to any conduct that may constitute an offence in terms of Part 2 of Chapter 15 of the Act.
- (5) An official against whom an allegation of financial misconduct is made must be given an opportunity to make written representation to the municipality or municipal entity as to why he or she should not be suspended, within seven days of being notified of the allegation.

Establishment of disciplinary board and its functioning

4. (1) A municipal council or board of directors of a municipal entity must establish a disciplinary board to investigate allegations of financial misconduct in the municipality or municipal entity, and to monitor the institution of disciplinary proceedings against an alleged transgressor.
- (2) A disciplinary board is an independent advisory body that assists the council or the board of directors with the investigation of allegations of financial misconduct, and provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.
- (3) A disciplinary board must consist of maximum five members appointed on a part-time basis by the council or board of directors for a period not exceeding three years, in accordance with a process as determined by the municipal council or board of directors.
- (4) A member of a disciplinary board must-
- (a) be a natural person;
 - (b) be a citizen or permanent resident of the Republic and resident in the province where the municipality is situated; and
 - (c) not be disqualified under sub-regulation (5).
- (5) The following persons are disqualified from membership of a disciplinary board:
- (a) a person who has been convicted of an offence in terms of this regulation or any other legislation;

- (b) a person who, whether in the Republic or elsewhere, has been convicted of theft, fraud, forgery, the uttering of a forged document or any offence of which dishonesty is an element;
- (c) a person who has at any time been removed from any office of trust on account of misconduct or dishonesty;
- (d) an accounting officer of a municipality or municipal entity;
- (e) a political office-bearer or a member of a board of directors; and
- (f) a person who is an office-bearer in a political party.

- (6) A disciplinary board may consist of-
- (a) the head of the internal audit unit within the municipality or municipal entity or representative of an organisation performing internal audit functions for the municipality or municipal entity if the internal audit function is outsourced;
 - (b) one member of the Audit Committee of the municipality or municipal entity;
 - (c) a senior manager from the legal division in the municipality or municipal entity;
 - (d) a representative of the National Treasury or the provincial treasury; and
 - (e) any other person as may be determined by the municipal council or board of directors of a municipal entity.

(7) If an official referred to in sub-regulation (6)(a) or (c) is implicated in the financial misconduct, the municipality or municipal entity may co-opt a senior manager in another unit, who does not have a conflict of interest.

(8) If a municipality or municipal entity does not have sufficient capacity to establish a disciplinary board, a disciplinary board established by a district municipality or an equivalent provincial or national structure established for a similar purpose may, with approval of the district municipality or provincial or national structure, be used as a disciplinary board for the municipality or municipal entity.

Preliminary investigation of allegations of financial misconduct

5. (1) On receiving a report in terms of regulation 3(1), if the municipal council, board of directors or accounting officer of the municipality or municipal entity, is satisfied that there is reasonable cause to believe that an act of financial misconduct has been committed, it must within seven days refer the matter to the disciplinary board to conduct a preliminary investigation into the allegation as envisaged in terms of section 171(4)(a) or 172(3)(a) of the Act.
- (2) A disciplinary board must conduct a preliminary investigation to determine whether or not the allegation is founded and make a recommendation to the council or board of directors as to whether sufficient grounds exists to warrant a full investigation into the allegation.
- (3) If, during a preliminary investigation, the disciplinary board determines that the allegation is frivolous, vexatious, speculative or obviously unfounded, the investigation must be terminated.
- (4) If the disciplinary board determines that the allegation is founded, a full investigation must be conducted by-
- (a) the disciplinary board;
 - (b) the provincial treasury or the National Treasury, but only if the conditions specified in regulation 19 apply; or

- (c) where the cost, the seniority of the alleged transgressor and the seriousness or sensitivity of investigating the alleged financial misconduct, warrants such a step, by—
- (i) a person appointed by the council or board of directors who has appropriate specialist expertise and who is not an official of the municipality or municipal entity; or
 - (ii) an independent team of investigators appointed by the council or the board of directors;
- in accordance with the applicable supply chain management prescripts.
- (5) A team of investigators appointed in terms of sub-regulation (4)(c)(ii) may include—
- (a) a person, other than an official of the municipality or municipal entity, with appropriate specialist expertise, designated by the municipal council or the board of directors; or
 - (b) an official of the department responsible for local government in the relevant province, designated by the department; or
 - (c) an official of the provincial treasury or the National Treasury, designated by the relevant treasury.
- (6) The investigator or investigating team appointed in terms of sub-regulation (4)(c) must, within a period of 30 days of the appointment, submit a report with recommendations to the mayor or accounting officer as may be appropriate.

Investigation of allegation of financial misconduct and submission of reports

6. (1) A municipality or municipal entity must develop terms of reference for an investigation, in terms of regulation 5, within seven days of receipt of a referral from a disciplinary board for approval by the council or the board of directors.
- (2) If the council or the board of directors has not acted on the recommendation by the disciplinary board that the financial misconduct is founded and sufficient grounds exist to warrant a full investigation into the allegation, the disciplinary board may request the provincial treasury or the National Treasury for assistance and a possible intervention in terms of regulation 19.
- (3) After completion of a full investigation, the investigator must—
- (a) compile a report on the investigation;
 - (b) submit its report to the mayor or the chairperson of the board of directors and the accounting officer together with its findings and recommendations, if applicable, regarding disciplinary steps that should be taken against the alleged transgressor; and
 - (c) immediately inform the speaker of the council of the submission of the report referred to in paragraph (b), and also submit a copy of the report to the provincial treasury and the National Treasury.
- (4) The mayor, speaker, accounting officer or the chairperson of the board of directors must table the report of the investigation referred to in sub-

regulation (3)(b) in the council or the board of directors at the first sitting after the report is finalised.

(5) If the report that is tabled in the council or the board is amended, the person tabling the report must provide written reasons for the amendments to the council or the board.

(6) If the findings or recommendations of the report referred to in sub-regulation (3)(b) are rejected by the council or the board, reasons for the rejection must be provided to the investigator within five days of the rejection.

(7) Where the recommendations of the report referred to in sub-regulation (3)(b) regarding disciplinary steps against the alleged transgressor are not implemented, the investigator must notify the provincial treasury and the National Treasury for a possible intervention in terms of regulation 19.

(8) If the investigator recommends that disciplinary proceedings be instituted against the alleged transgressor the council or board of directors must by way of resolution institute the disciplinary proceedings-

- (a) in the case of a senior manager, in accordance with the Local Government: Disciplinary Codes and Procedures for Senior Managers Regulations made in terms of the Municipal Systems Act; or
- (b) in the case of an official who is not a senior manager, in accordance with the applicable collective bargaining agreement concluded in the bargaining council established for municipalities and municipal entities.

(9) Where the alleged transgressor is found guilty of financial misconduct after the disciplinary proceedings, he or she may not be re-employed in any municipality for a period of ten years as provided in section 57A(3) of the Municipal Systems Act.

Purpose of investigations

7. An investigation in terms of regulations 5 and 6 must establish-
- (a) whether the allegation of financial misconduct has any substance; and
 - (b) if it has substance, whether sufficient grounds exist for instituting disciplinary proceedings against the alleged transgressor.

CHAPTER 3 CRIMINAL PROCEEDINGS

Application of Chapter

8. This Chapter applies to alleged financial offences.

Reporting of allegations of financial offences

9. (1) Any person may report an allegation of a financial offence against-

- (a) a councillor of a municipality, to the designated official, the Minister of Finance and the MEC for finance;
- (b) the speaker of a municipality, to the mayor of the municipality;
- (c) a member of the board of directors of a municipal entity, to the designated official or, if the designated official is implicated, to the mayor and the accounting officer of the entity's parent municipality.

(2) An allegation referred to in sub-regulation (1)(a) or (b) must be dealt with in terms of the Code of Conduct for Councillors in Schedule 1 to the Municipal Systems Act.

(3) An allegation referred to in sub-regulation 1(c) must be dealt with in terms of the Code of Conduct for directors and members of staff of municipal entities in section 93L of the Municipal Systems Act.

Reporting of alleged financial offence to South African Police Service

10. (1) Where a financial offence has been committed by any person referred to in section 173 of the Act, the accounting officer or, if the accounting officer is involved, the municipal council or board of directors of the municipal entity, as the case may be, must report the alleged financial offence to the South African Police Service.

(2) If there is a likelihood of further financial loss for a municipality or municipal entity as a result of a financial offence, the accounting officer, council or board of directors must report the matter without delay to the South African Police Service and not await the completion of any investigation referred to in regulations 5 and 6 related to the financial offence.

(3) Where a financial offence is successfully prosecuted, the judgment must be reported to the National Treasury, together with full details of the convicted person, the name of the municipality where the offence was committed and the sanction that was imposed.

Allegations of financial offences not amounting to breaches of Code of Conduct for Councillors

11. (1) The designated official must, on receipt of a report of alleged financial offence referred to in section 173(4) or (5) of the Act by a councillor—

- (a) authorise an investigation of the facts and circumstances of the alleged financial offence; and
- (b) give that councillor an opportunity to make, within five days, a written submission with regard to the alleged financial offence.

(2) As soon as the designated official has complied with sub-regulation (1), the designated official must submit a report, within five days of completing the investigation, on the outcome of the investigation to the municipal council.

(3) The designated official must ensure that the public has access to the report referred to in sub-regulation (2).

(4) The designated official must, within five days of submitting the report to council, submit the report on the outcome of the investigation to—

- (a) the MEC for finance in the province;
- (b) the MEC for local government in the province;
- (c) Minister of Finance, and
- (d) Minister responsible for local government.

Allegations of financial offences not amounting to breaches of Code of Conduct for members of the board of directors of municipal entities

12. (1) The designated official must, on receipt of a report of alleged financial offence referred to in section 173(5) of the Act by a member of the board of directors or any other person referred to in that section—

- (a) authorise an investigation of the facts and circumstances of the alleged financial offence; and
- (b) give that member of the board of directors or other person the opportunity to make, within five days, a written submission with regard to the alleged financial offence.

(2) As soon as the designated official has complied with sub-regulation (1), the designated official must, within five days of completing the investigation, submit a report on the outcome of the investigation to the board of directors.

(3) The designated official must ensure that the public has access to the report referred to in sub-regulation (2).

(4) The designated official must, within five days of submission to the board of directors, furnish a report on the outcome of the investigation to—

- (a) the board of directors;
- (b) the municipal council of the entity's parent municipality;
- (c) the MEC for finance in the province;
- (d) the MEC for local government in the province;
- (e) the Minister of Finance; and
- (f) the Minister responsible for local government

CHAPTER 4

GENERAL

Application of Chapter

13. This Chapter applies to alleged financial misconduct and financial offences.

Preparation of information document on alleged financial misconduct and financial offences

- 14.** (1) The municipality or municipal entity must prepare an information document on any alleged financial misconduct or financial offence stating—
- (a) the name and position of the person against whom the allegation was made;
 - (b) a summary of the facts and circumstances of the alleged financial misconduct or financial offence, including the monetary value involved;
 - (c) any disciplinary steps taken or to be taken against the person concerned, or if no disciplinary steps have been or are to be taken, the reasons for that decision;
 - (d) in the case of a financial offence, the case number issued by the South African Police Service; and
 - (e) any steps taken or to be taken to recover any unauthorised, irregular or fruitless and wasteful expenditure incurred as a result of the alleged financial misconduct or financial offence in terms of section 32 of the Act.
- (2) The municipality or municipal entity must within five days of finalising the information document submit it, together with any investigation report compiled in terms of regulation 5 and 6 to—
- (a) the mayor of the municipality;
 - (b) the accounting officer of the parent municipality;
 - (c) the chairperson of the board of directors;
 - (d) the MEC for local government in the province;
 - (e) the national department responsible for local government;
 - (f) the provincial treasury;
 - (g) the National Treasury; and
 - (h) the Auditor-General;

Tabling of information document in municipal council or board of directors of municipal entities

- 15.** (1) The mayor of a municipality or the chairperson of the board of directors must table the information document submitted in terms of regulation 14(2) in the municipal council or the board of directors at the first meeting of the council or the board of directors after receipt of the document.
- (2) Any resolutions taken by the municipal council or the board of directors relating to the information document referred to in sub-regulation (1) must be reported to the provincial treasury and the national treasury.
- (3) If the mayor, the accounting officer or the chairperson of the board of directors, as the case may be, is of the view that the alleged financial misconduct or financial offence may have a significant impact on the finances of the municipality, and that the funds need to be recovered from the alleged transgressor concerned, the mayor must request the speaker of the municipal council to convene a special meeting of the council to discuss the recoverability of the funds in accordance with section 32 of the Act.

Reports on disciplinary proceedings and criminal charges

16. (1) The municipality or municipal entity must report to the institutions referred to in regulation 14(2) (a) to (h)–
- (a) any decision to institute or not to institute disciplinary proceedings against the person who allegedly committed a financial misconduct;
 - (b) the reasons for the decision;
 - (c) the outcome where disciplinary proceedings have been instituted; and
 - (d) whether a charge has been laid against the person concerned with the South African Police Service, if the alleged financial misconduct constitutes a financial offence in terms of section 173 of the Act.
- (2) Municipalities and municipal entities must report on all suspensions, disciplinary or criminal proceedings instituted in cases of financial misconduct in their annual reports.

Procedures for confidential reporting financial misconduct and financial offence

17. (1) A municipality must–
- (a) establish reporting procedures for persons to report allegations of financial misconduct and financial offences on a confidential basis; and
 - (b) make public the reporting procedures in accordance with section 21(1)(a) and (b) of the Municipal Systems Act.
- (2) A parent municipality together with its municipal entity, must establish reporting procedures to allow persons to report allegations of financial misconduct and financial offence on a confidential basis and the municipal entity must make the reporting procedures public.
- (3) When establishing reporting procedures in terms of sub-regulation (1) or (2), a municipality or municipal entity must take into account its financial and administrative capacity.

Protection of officials reporting allegations of financial misconduct and financial offence

18. The Protected Disclosures Act 2000 (Act No. 26 of 2000) applies to an official who makes a report or disclosure against a political office-bearer, a member of the board or an official who is alleged to have committed financial misconduct or a financial offence.

Interventions by treasury

19. If a municipality, designated official or municipal entity fails to investigate an allegation of financial misconduct or financial offence, the provincial treasury or the National Treasury may direct that the allegation be investigated.

Transitional arrangements

20. Any disciplinary process instituted before the commencement of these Regulations and not yet completed—
- (a) must be finalised in terms of the prescripts applicable at the time when the process was instituted; or
 - (b) may, by agreement in writing between the affected official, political office-bearer or director of the municipal entity and the municipal council or board of directors, be finalised in terms of these Regulations.

Short title and commencement

21. These Regulations are called the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and takes effect on 1 July 2014.
-

NOTICE – CHANGE OF TELEPHONE NUMBERS: GOVERNMENT PRINTING WORKS

As the mandated government security printer, providing world class security products and services, Government Printing Works has adopted some of the highly innovative technologies to best serve its customers and stakeholders. In line with this task, Government Printing Works has implemented a new telephony system to ensure most effective communication and accessibility. As a result of this development, our telephone numbers will change with effect from 3 February 2014, starting with the Pretoria offices.

The new numbers are as follows:

- Switchboard : 012 748 6001/6002
- Advertising : 012 748 6205/6206/6207/6208/6209/6210/6211/6212
- Publications Enquiries : 012 748 6052/6053/6058 GeneralEnquiries@gpw.gov.za
 - Maps : 012 748 6061/6065 BookShop@gpw.gov.za
 - Debtors : 012 748 6060/6056/6064 PublicationsDebtors@gpw.gov.za
 - Subscription : 012 748 6054/6055/6057 Subscriptions@gpw.gov.za
- SCM : 012 748 6380/6373/6218
- Debtors : 012 748 6236/6242
- Creditors : 012 748 6246/6274

Please consult our website at www.gpwonline.co.za for more contact details.

The numbers for our provincial offices in Polokwane, East London and Mmabatho will not change at this stage.

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
 Publications: Tel: (012) 748 6052, 748 6053, 748 6058
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 Advertensies: Tel: (012) 748 6205, 748 6208, 748 6209, 748 6210, 748 6211
 Subskripsies: Tel: (012) 748 6054, 748 6055, 748 6057

9.	MATTERS FOR NOTIFICATION
9.1	REPORT ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR
9.1.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FROM 01 FEBRUARY UNTIL 28 FEBRUARY 2017

1. PURPOSE OF REPORT

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 4.36.2 of the Supply Chain Management Policy 2016/2017.

2. BACKGROUND/DISCUSSION

Reporting the deviation as approved by the Accounting Officer for the period of 01 February until 28 February 2017. The following deviation was approved with the reason as indicated below:

Deviation Number	Contract Date			Name of Contractor	Contract Description	Reason	Total Contract Price R
D/SM: 32/17	16	02	2017	Angel Shack & Urban World	Office Relocation to Eikestad Mall for Planning and Economic Development	Revamping of space for composite desks and special storage equipment.	R 514.644.75 excl VAT
				Urban World		Soft seating and reception desks	

MAYORAL COMMITTEE MEETING: 2017-04-19: ITEM 5.4.2

RECOMMENDED

that the deviation as listed above, **BE NOTED**.

Meeting: Ref no:	Mayco: 2017-04-19	Submitted by Directorate: Author Referred from:	Finance Acting CFO: A. Treurnich
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9.1.2	mSCOA PROJECT PROGRESS REPORT AS AT 31 MARCH 2017
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1. PURPOSE OF THE REPORT

The purpose of this report is as follows:

- (a) To inform Council of the mSCOA progress leading up to 1 July 2017, since the last mSCOA project update provided for the period up to October 2016;
- (b) To inform Council of mSCOA documents issued by National Treasury since October 2016;
- (c) To inform Council of anticipated National Treasury documents/outcomes that will impact on our mSCOA project phase progress;
- (d) To inform Council of internal processes that has a potential material impact on mSCOA compliance.

2. BACKGROUND: LEGISLATIVE FRAMEWORK

The Local Government: Municipal Finance Management Act (56/2003): Municipal Regulations on Standard Chart of Accounts (mSCOA) was issued on 22 April 2014. The mSCOA regulation takes effect on 1 July 2017 and applies to municipalities and municipal entities.

The objective of mSCOA *“is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities which-*

(a) are aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and

(b) enable uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.”

3. DISCUSSION**3.1 mSCOA project phase progress as at 31 March 2017 and a preview of the core activities up to 30 June 2017**

Since the last mSCOA update as at October 2016, the mSCOA project phase has effectively been divided in a budget phase on the one hand and on the other hand a transactional phase. This effectively led to two main streams of resource division.

The budget resource stream primary focus is the successful compilation of the 1st draft mSCOA Budget for the 2017/2018 period. With this in mind the mSCOA team and staff of the Budget section has consulted municipal departments for their budget needs of 2017/2018. The preparation for the compilation of the operational and capital budgets has commenced in

January 2017 and is based on the latest mSCOA Version 6.1. Finalisation meetings for the 1st draft mSCOA budget continued into March 2017.

The transactional phase is primarily focused on ensuring that the municipality is able to continue with its financial transactions from 1 July 2017 (the date mSCOA will be applicable to actual financial transactions). One of the crucial aspects of this phase is the testing of the difference transactional cycles like billing, expenditure, SCM, payroll etc. based on mSCOA requirements. To this end, the foremost important transactional cycle is the billing cycle. The municipality has concluded a billing assessment mSCOA readiness in December 2016, which results were positive, as it confirmed that the municipality had to make minor adjustments for mSCOA readiness.

The municipality also successfully uploaded their draft mSCOA budget string to the National Treasury website on 31 March 2017. See annexure hereto “**Annexure A**” proof of successful upload of mSCOA data string submission. The mSCOA draft budget data string will be subjected to further validation revisions and will be merged to the final IDP outcomes for alignment to the final May 2017 budget.

The five principle mSCOA activities up to 30 June 2017 are the following:

<u>No:</u>	<u>Activity:</u>	<u>Apr 2017</u>	<u>May 2017</u>	<u>Jun 2017</u>
1.	Draft budget preparations			
2.	Final budget preparations (incl IDP considerations)			
3.	Transactional cycle testing (incl. billing, SCM, payroll etc.)			
4.	Asset function/ item alignment			
5.	July 2017 opening balance review			

3.2 mSCOA documents issued by National Treasury since the last mSCOA council item as at 31 October 2016

a) *Release of mSCOA classification framework – Version 6.1*

The mSCOA classification framework – Version 6.1 was released November 2016. The classification framework defines the posting level for a transaction based on the definitions provided under each applicable mSCOA segment. Version 6.1 is the mSCOA version that must be used for 2017/2018 budget preparation.

The municipality has compared its current vote structure to Version 6.1 and have identified some anomalies which are currently being reviewed for a proper conclusion. Version 6.1 is also used to populate our mSCOA structure on the mSCOA-SAMRAS version.

3.3 Anticipated National Treasury documents/outcomes that will impact on our mSCOA project phase progress

The following National Treasury documents/outcomes will have a direct impact on our mSCOA project phase progress:

-
- The release of future mSCOA circulars;
 - The conclusion of the mSCOA position papers;
 - mSCOA training interventions up to June 2017;
 - The municipality did attend a mSCOA National Treasury Workshop from 9 to 10 March 2017.

4. CRUCIAL OWN-CONTROL PROCESSES THAT WILL MATERIALLY IMPACT mSCOA COMPLIANCE

4.1 The alignment of the 2017/2018 budget to the Integrated Development Plan (IDP)

The completion of the IDP process in conjunction with the compilation of 2017/2018 budget must lead to total objective congruence between the two important processes. The IDP department have commenced with their community engagements and is in the process of completing the output documents based on the outcomes of these community engagements.

The 2017/2018 budget must accordingly reflect the needs of the Stellenbosch community based on the outcomes of the IDP process. The project segment of the mSCOA budget will accordingly require special attention to ensure congruence to the IDP outcomes, as concluded by the Council.

4.2 Effective budget spent by departments

The effective budget spent by departments remains one of the crucial internal processes that will impact mSCOA readiness. It is crucial that the municipality makes provision for all its financial transaction types, which can only be done by reference to spent budgets.

The failure to properly spend a department's budget may potentially lead to a transactional account type not being made provision for under mSCOA, due to no financial transaction being recorded. Departments are accordingly continuously informed by the finance directorate to spend their budgets not just for mSCOA but for normal budget spent requirements.

4.3 Other internal processes that will materially impact on mSCOA compliance

- The review of the staff establishment as contemplated by the Local Government: Regulations on appointment and conditions of employment of senior managers;
- The successful billing module testing and control processing thereof up to June 2017;
- The successful SCM; Expenditure and Payroll etc. business cycle testing up to June 2017;
- Fruitful engagements with our service providers to ensure the necessary system changes are made to ensure mSCOA compliance;
- Successful user training on the new mSCOA regulations requirements.

5. CONCLUSION

- a) The municipality like all other municipalities are at the business-end of mSCOA readiness.

-
- b) It is crucial to understand that mSCOA is not a once-off item, but is a regulation like any other regulation and must accordingly become part of our daily municipal activities in terms of budgeting and daily financial transactions.

MAYORAL COMMITTEE MEETING: 2017-04-19: ITEM 5.4.2**RECOMMENDED**

that the mSCOA updated report as at March 2017, **BE NOTED**.

<i>Meeting: Ref no:</i>	<i>Mayco: 2017-04-19 Unfiled</i>	<i>Submitted by Directorate: Author Referred from:</i>	<i>Acting CFO VAT & Accounting Specialist</i>
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Johan Van Wyk

From: Donovan Stuurman <Donovan.Stuurman@westerncape.gov.za>
Sent: 01 April 2017 10:11 PM
To: Johan Van Wyk
Subject: [EX] RE: Budget Data Strings Submission

SUCCESS! Well done.

Log Detail for Log ID 2747

Log File Message	LOG: Data successfully loaded into Reporting Table
Demarcation Code	WC024
Financial Year	2018
Submission Code	TABB
Upload Source File Name	WC024_2018_TABB_G_20170331T152445Z_PRUDENCE_PIENAAR.TXT
Upload Source File Date	2017/03/31 15:24:45.000
Upload User ID	prudence_pienaar
Date Uploaded	2017/04/01
Physical Row Count	39464
Staging Row Count	39464
Number of Valid Records	39464
Number of Invalid Records	0
Records with Zero Values	0
Reporting Table Row Count	39464
Validation Successful?	-1
Account Number Type	GUID
Upload Process File Name	2747_WC024_2018_TABB_G_20170331T152445Z
Log Entry Status	SUCCESSFUL

From: Donovan Stuurman
Sent: 31 March 2017 02:18 PM
To: 'Johan Van Wyk'
Subject: RE: Budget Data Strings Submission

Hi Johan

Please see below and attached file.

Log Detail for Log ID 2723

Log File Message	
Demarcation Code	WC024
Financial Year	2018
Submission Code	TABB
Upload Source File Name	WC024_2018_TABB_G_20170331T134958Z_PRUDENCE_PIENAAR.TXT
Upload Source File Date	2017/03/31 13:49:58.000
Upload User ID	prudence_pienaar
Date Uploaded	2017/03/31
Physical Row Count	39466
Staging Row Count	39466
Number of Valid Records	39436
Number of Invalid Records	30
Records with Zero Values	0
Reporting Table Row Count	
Validation Successful?	
Account Number Type	GUID
Upload Process File Name	2723_WC024_2018_TABB_G_20170331T134958Z
Log Entry Status	SOME INVALID

9.2	REPORT BY THE MUNICIPAL MANAGER
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NONE

10.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER
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10.1	MOTION BY COUNCILLOR CLLR F ADAMS: CHANGING NAME OF BIRD STREET TO CHRIS HANI STREET
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A Notice of a Motion, dated 2017-04-10, was received from Councillor F Adams regarding the changing of the name Bird Street to Chris Hani Street.

The said Motion is attached as **APPENDIX 1**.

FOR CONSIDERATION

Meeting:	<i>8th Council: 2017-04-26</i>	Submitted by Directorate:	<i>Office of the Municipal Manager</i>
Ref No:	<i>3/4/1/4</i>	Author:	<i>MM: (Ms G Mettler)</i>
Collab:		Referred from:	



CONTACT: oackcity2010@yahoo.com
 P.O BOX 12445
 DIE BOORD
 7613

10 April 2017



Without Prejudice:

RE: Motion

I hereby submit the following Motion in terms of the Rules of Order to serve at the April 2017 Council Meeting.

Motion: That Council agrees to Honour comrade Chris Hani by changing bird street to Chris Hani street.

Background:

This year is the 24 year celebration of the death of one of South Africa's Greatest Hero's and Leaders.

Comrade Chris Hani was an leader with moral principles and consciousness.

He was murdered by cowards who oppose change and freedom for the majority people in this country.

Although, Chris was not born in Stellenbosch, he can be seen as a son of the soil. He got a deep rooted history within this town, that is undisputable.

Motivation:

This is Chris Hani month and also the 24 th celebration of his death.

It is a fact that our beloved town struggle to sack off its evil apartheid history.

Transformation is literary non- existence. Today we have an opportunity to bring some Justice and Redress. The acknowledgment of a street name is but a small jester, but of historical significance.

To apply our minds as councilors, we can Honor his Legacy and show to the world, that we are open for change.

It will have various positive spinoffs for the town and at least the majority of its resident's e.g. educational, tourism and transformation.

*Chantelle
16:21*



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

Recommendations:

1. That Council agrees to adopt a process to rename Bird street to Chris Hani street.
2. That the Council mandate the MM to start a public participation process and also to formalize a process for the election of a panel to facilitate such process by at least end of July 2017.

Clr. Franklin Adams

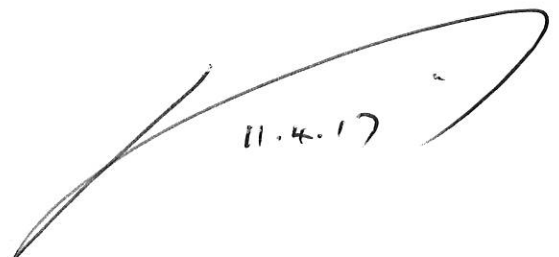


A handwritten signature in black ink, appearing to be "F. Adams", written over a horizontal dashed line.

Secunder.



A handwritten signature in black ink, appearing to be "D. A. Hardrickse", written over a horizontal dashed line.



A large, stylized handwritten signature in black ink, with the date "11.4.17" written in the middle of the signature.

ALUTA CONTINUA

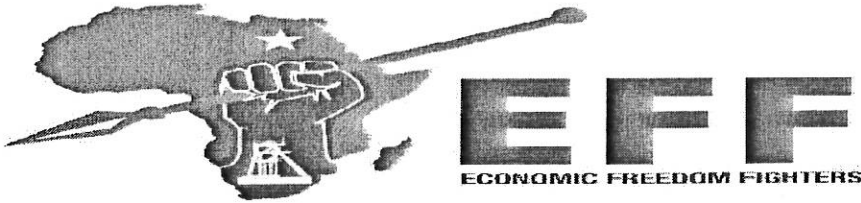
10.2	MOTION BY COUNCILLOR CLLR DA HENDRICKSE: LEASE AGREEMENT - STELLENBOSCH GOLF CLUB
------	--

A Notice of a Motion, dated 2017-04-11, was received from Councillor DA Hendrickse regarding Stellenbosch Golf Club.

The said Motion is attached as **APPENDIX 1**.

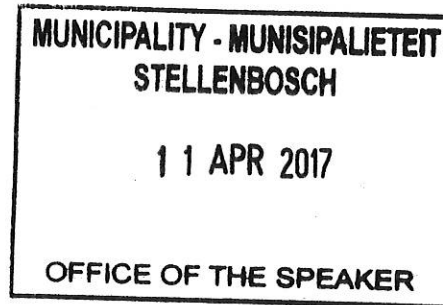
FOR CONSIDERATION

Meeting:	8 th Council: 2017-04-26	Submitted by Directorate:	Office of the Municipal Manager
Ref No:	3/4/1/4	Author:	MM: (Ms G Mettler)
Collab:		Referred from:	



11 April 2017

The Single Whip
Stellenbosch Municipal Council
Plein Street
STELLENBOSCH
7600
Attention : Clr W Pietersen (Ms)



Dear Whip

RE NOTICE OF MOTIONS TO SERVE AT THE APRIL 2017 COUNCIL MEETING
Motion NO 1

That Council instruct the municipal Manager to institute proceeding to cancel the lease agreement entered into with the Stellenbosch Golf Club (SGV) due to their failure to pay their outstanding debts which by now in all likely would exceed R1,5 Million.

MOTIVATION

It is common knowledge that the Stellenbosch Golf club is getting preferential treatment from the municipal officials and Geodebt, as no action has been taken thus far against the Stellenbosch Golf Club for their outstanding debt.

No legal action has been taken against the SGC, nor has their electricity supply been blocked as the administration do to even indigent residents that owes the municipality moneys

Likewise the SGC has been making millions of Rand profit annually and this against the fact that the SGC is not even paying market related rental for the almost 80 Hectares municipal lad the lease .

It is a disgrace that the SGC has been paying rent of R100 per year in 1994 and this escalation to R1000 a year in 2010.

Legislation determine that SGC must pay market related rent and property rate.

The lease agreement also state that the lease must be cancelled when SGC do not pay their outstanding debt . In this regard the SGC has debt outstanding for more than 5 years.

Mover

Clr DA Hendrickse

Seconded

10.3	MOTION BY COUNCILLOR CLLR DA HENDRICKSE: FAILURE OF LESSEES TO PAY THEIR OUTSTANDING DEBT
-------------	--

A Notice of a Motion, dated 2017-04-11, was received from Councillor DA Hendrickse regarding the failure of lessees to pay their outstanding debt.

The said Motion is attached as **APPENDIX 1**.

FOR CONSIDERATION

Meeting:	8 th Council: 2017-04-26	Submitted by Directorate:	Office of the Municipal Manager
Ref No:	3/4/1/4	Author:	MM: (Ms G Mettler)
Collab:		Referred from:	



11 April 2017

The Single Whip
Stellenbosch Municipal Council
Plein Street
STELLENBOSCH
7600
Attention : Clr W Pietersen (Ms)



Dear Whip

RE NOTICE OF MOTIONS TO SERVE AT THE APRIL 2017 COUNCIL MEETING
Motion NO 2

That Council instruct the municipal Manager to institute proceedings to cancel the lease agreements of all leasees due to their failure to pay their outstanding debt .

MOTIVATION

No report has served before Council over the past 6 years as to actions has been taken by the municipality to cancel the leases of all those leases that owes the municipality moneys. Nor has any reports served before Council as to what Geodebts has done over the past 10 years to recover the debts from these leases.

The administration has failed to act consistently against these leasees in so far as they have not been taken to court or their municipal services blocked.

Mover

Clr DA Hendrickse

Seconded

11.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
12.	CONSIDERATION OF MOTION OF EXIGENCY
13.	CONSIDERATION OF REPORTS
13.1	CONSIDERATION OF REPORTS SUBMITTED BY THE SPEAKER

NONE

13.2	CONSIDERATION OF REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
13.2.1	TERMS OF REFERENCE SECTION 80 COMMITTEES

1. PURPOSE OF REPORT

For the Council to approve the draft Terms of Reference for the Section 80 Committees in terms of Municipal Structures Act No 117 of 1998.

2. BACKGROUND

Section 80 of the Municipal Structures Act provides for:

“Committees to assist executive committee or executive mayor

- (1) *If a municipal council has an executive committee or executive mayor, it may appoint in terms of section 79, committees of councillors to assist the executive committee or executive mayor.*
- (2) *Such committees may not in number exceed the number of members of the executive committee or mayoral committee.*
- (3) *The executive committee or executive mayor -*
 - (a) *appoints a chairperson for each committee from the executive committee or mayoral committee;*
 - (b) *may delegate any powers and duties of the executive committee or executive mayor to the committee;*
 - (c) *is not divested of the responsibility concerning the exercise of the power or the performance of the duty; and*
 - (d) *may vary or revoke any decision taken by a committee, subject to any vested rights.*
- (4) *Such a committee must report to the executive committee or executive mayor in accordance with the directions of the executive committee or executive mayor.”*

3. DISCUSSION

The Section 80 Committees for the Municipality was approved at the Urgent Meeting of Council held on 16 February 2017. Resolution as follows:

“URGENT COUNCIL MEETING: 2017-02-16: ITEM 5.1

The Speaker **RULED** that the Terms of Reference (**APPENDIX 1** on pages 25-27) be withdrawn from the Agenda, as it is not applicable to the Section 80 Committees. The Executive Mayor undertook to submit the Terms of Reference for Section 80 Committees at a next Council meeting.

RESOLVED (nem con)

- (a) that Council approves the establishment of the Section 80 committees and its composition as recommended in paragraph 4.4 (a) above;
- (b) that the following Section 80 committees, with the names of councillors per committee as set out hereunder, BE ESTABLISHED and APPOINTED:

COMMUNITY DEVELOPMENT & COMMUNITY SERVICES

- | | | |
|----|---------------------------|-----|
| 1. | Cllr GN Bakubaku-Vos (Ms) | ANC |
| 2. | Cllr A Crombie (Ms) | DA |
| 3. | Cllr AR Frazenburg | DA |
| 4. | Cllr E Fredericks (Ms) | DA |
| 5. | Cllr MD Oliphant | ANC |

CORPORATE AND STRATEGIC SERVICES

- | | | |
|----|------------------------------|-----|
| 1. | Cllr MB De Wet | DA |
| 2. | Cllr E Groenewald (Ms) | DA |
| 3. | Cllr J Hamilton | DA |
| 4. | Cllr L Maqeba | ANC |
| 5. | Cllr FT Bangani-Menziwa (Ms) | ANC |

ECONOMIC DEVELOPMENT AND PLANNING

- | | | |
|----|------------------------|------|
| 1. | Cllr F Adams | DNCA |
| 2. | Cllr FJ Badenhorst | DA |
| 3. | Cllr AJ Hanekom | DA |
| 4. | Cllr L Maqeba | ANC |
| 5. | Cllr RS Nalumango (Ms) | ANC |
| 6. | Cllr S Schäfer | DA |
| 7. | Cllr JP Serdyn (Ms) | DA |

FINANCIAL SERVICES

- | | | |
|----|------------------------|-----|
| 1. | Cllr FJ Badenhorst | DA |
| 2. | Cllr P Crawley (Ms) | DA |
| 3. | Cllr J Hamilton | DA |
| 4. | Cllr RS Nalumango (Ms) | ANC |
| 5. | Cllr M Oliphant | ANC |
| 6. | Cllr S Peters | DA |

HUMAN SETTLEMENTS

- | | | |
|----|------------------------|-----|
| 1. | Cllr PW Biscombe | DA |
| 2. | Cllr R Du Toit (Ms) | DA |
| 3. | Cllr E Fredericks (Ms) | DA |
| 4. | Cllr LK Horsband (Ms) | EFF |
| 5. | Cllr P Sitshoti (Ms) | ANC |

INFRASTRUCTURE

- | | | |
|----|-----------------------------|-----|
| 1. | Cllr GN Bakubaku-Vos (Ms) | ANC |
| 2. | Cllr F Bangani-Menziwa (Ms) | ANC |
| 3. | Cllr J De Villiers | DA |
| 4. | Cllr A Florence | DA |

- | | | |
|----|-----------------|----|
| 5. | Cllr AJ Hanekom | DA |
| 6. | Cllr C Manuel | DA |

PROTECTION SERVICES

- | | | |
|----|------------------------|------|
| 1. | Cllr DS Arends | ACDP |
| 2. | Cllr J Hendriks | DA |
| 3. | Cllr C Manuel | DA |
| 4. | Cllr NE McOmbring (Ms) | DA |
| 5. | Cllr N Sinkinya (Ms) | ANC |
| 6. | Cllr Q Smit | DA |

YOUTH, SPORT AND CULTURE

- | | | |
|----|-----------------------|-----|
| 1. | Cllr XL Mdemka (Ms) | DA |
| 2. | Cllr MM Pietersen | DA |
| 3. | Cllr DA Hendrickse | EFF |
| 4. | Cllr N Sinkinya (Ms) | ANC |
| 5. | Cllr E Vermeulen (Ms) | DA |

- (c) that it **BE NOTED** that councillors that are appointed to serve on MPAC are automatically excluded from serving on any of the Section 80 committees, although theretofore appointed; and
- (d) that it **BE NOTED** that the Executive Mayor has appointed the following Mayco members as Chairpersons of the Section 80 Committees –

Community Development and Community Services Committee

Cllr Aldridge Frazenburg

Corporate and Strategic Services Committee

Cllr Esther Groenewald

Economic Development and Planning Committee

Cllr Johanna Serdyn

Financial Services Committee

Cllr Salie Peters

Human Settlements Committee

Cllr Paul Biscombe

Infrastructure Committee

Cllr Jan De Villiers

Protection Services Committee

Cllr Quinton Smit

Youth, Sport and Culture Committee

Cllr Xoliswa Mdemka “

It is herewith recommended that Council approve the Terms of References of the Section 80 Committees attached as **Appendix 1**.

4. LEGAL INPUT

Item is legally compliant.

5. FINANCIAL IMPLICATIONS

No financial implications.

MAYORAL COMMITTEE MEETING: 2017-04-19: ITEM 6.3**RECOMMENDED**

that Council approves the Terms of References of the Section 80 Committees attached as **APPENDIX 1**.

<i>Meeting:</i> <i>Ref no:</i>	<i>8TH COUNCIL: 2017-04-26</i>	<i>Submitted by Directorate:</i> <i>Author</i> <i>Referred from:</i>	<i>Office of the EM</i> <i>Office of the EM</i> <i>Mayco: 2017-04-19</i>
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Annexure A

TERMS OF REFERENCE**SECTION 80 COMMITTEES****GENERIC DELEGATIONS APPLICABLE TO ALL SECTION 80 COMMITTEES**

To advise the Executive Mayor, as and when required, on any matter relating to the committees functional area.

1. COMMUNITY DEVELOPMENT AND COMMUNITY SERVICES COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

- Parks and Recreation which includes –
 - Zoned public open spaces
 - Community parks
 - Cemeteries, funeral parlours and crematoria
 - Soft/Green landscape areas on roads
 - Street trees
 - Landscaped areas adjacent to rivers and inland water bodies
 - Swimming pools
 - Public toilets
 - Community centres
 - Halls
 - Resorts
 - Recreation on water bodies
 - Pontoons, ferries, jetties and piers
 - Skills training / transfer
- Library and Information Services
- Municipal health services limited to monitoring of services rendered by the district municipality
- Customer Relationship Management

2. CORPORATE AND STRATEGIC SERVICES COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

Human Resources, which include -

Personnel Services which include -

- Employee Wellness
- Education, Training and Development
- Payroll and Personnel Administration
- Operational Support
- Occupational Health and Safety

Collective Bargaining

HR Strategy programmes

Quality Management

Communication and Change Management

Labour Relations

Recruitment and selection

Employment Equity which includes –

- Affirmative Action & Disability;
- Gender and Diversity Initiatives

Legal Services, which include -

- Litigation
- Statutory Compliance
- Legislation and Legal Research
- Municipal Courts
- Planning and Property Services
- Contract management
- Supply Chain Support
- Admin Support

Integrated Development Planning (IDP)

- IDP
- SDBIP
- Performance Management
- Public Participation

Support services which include -

- Secretariat Services;
- Records Management and Registry Services
- Document management
- Printing and Advertising
- Councilor support
- Ward committees
- General support services

Information Systems and Technology.

Communication which includes-

- Media;
- Communication, both internal and external
- Website management
- Municipal Events;
- E-Communication;
- Marketing;
- Newsletters;
- Administration and Production

Customer Relationship Management

- ICT Infrastructure
- ICT Systems
- Telephony
- ICT Security
- ICT Strategy

3. PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

The Planning function which includes –

Municipal wide planning and urban design

Town Planning

Land use management

Building development management

Development projects

Land information

Planning legislation and enforcement

The Strategic Development & GIS function which includes -

- Spatial data management (including cadastral data)
- GIS and strategy coordination
- Strategic development information and knowledge management
- Geomatics (maintenance of town survey marks, global positioning surveys, photogrammetry)

The Environment Planning function which includes -

- Environmental resource management and planning
- Environmental planning policy
- Environmental and heritage impact assessment
- Outdoor advertising and signage (environmental control)
- Heritage resource management and urban conservation
- Environmental monitoring
- Environmental Heritage and Outdoor Advertising Projects

Fencing and Fences

Economic Development which include –

- Trade and investment promotion
- Small business support
- Economic information and research

Local Tourism which include –

- Tourism Development
- Destination Marketing
- Visitor Services & Information
- Informal traders markets
- Street trading

Customer Relationship Management

4. FINANCE COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

Budgets which includes:

- Operating and Capital Budget
- Budgetary control and accounting

Revenue which includes:

- Debt Management

Treasury and Accounting which includes:

- Insurance

Valuations which includes:

- General and Interim Valuations

Supply Chain Management which includes:

- Procurement and Stock Management
- Stock Levels
- Expenditure

Customer Relationship Management

5. HUMAN SETTLEMENTS COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

Immovable Property Asset Management which includes –

- Property Administration
- Property Development
- Facilities Management
- Acquisitions
- Disposals
- Housing which includes -
 - the provision of new housing opportunities to address the housing backlog
 - project co-ordination
 - informal settlement upgrades
 - emergency housing programmes
 - other provincial and national housing programmes
 - housing planning function which is the project planning and programming
 - land invasion
 - informal settlements management
 - Housing Administration
 - Management of rental stock
 - Housing consumer education

- Housing subsidy administration

Customer Relationship Management

6. INFRASTRUCTURE COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

The Electricity and Energy function which includes –

- Gas reticulation
- Electrification and Electricity distribution services
- Public and street lighting
- Renewable energy/green electricity
- Electronic and radio function

The Water and Sanitation function which includes –

- Bulk water
- Wastewater treatment
- Water and wastewater reticulation
- Water and sanitation technical services

The Solid Waste Management function which includes –

- Refuse removal and disposal
- Illegal dumping

The Roads and Stormwater function which include–

- Systems monitoring and information management
- Demand and access management
- Infrastructure budgeting
- Infrastructure construction including project and asset management
- Road traffic infrastructure management
- Regulatory and direction signage
- Catchment, stormwater and river management
- Public transport service design
- Street sweeping

Fleet and Mechanical Function

Customer Relationship Management

7. PROTECTION SERVICES COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

- Facilities for the accommodation, care and burial of animals
- Pounds
- Emergency Services Function which includes -
 - Disaster management
 - Fire fighting services
 - Veld fires
- Land Invasions
- Law Enforcement which includes –
 - The policing of municipal by-laws and regulations
 - Security Services
- Traffic and Parking which include –
 - traffic management
 - traffic policing
 - traffic licensing
 - testing of vehicles
 - road traffic signalization and management
- Facilitation of neighbourhood watches
- Community police forums
- Regulation of gatherings
- Control of undertakings that sell liquor to the public
- Control of Nuisances

Customer Relationship Management

8. YOUTH SPORT AND CULTURAL COMMITTEE

The terms of reference and functions of this committee is to advise the Executive Mayor on the formulation and implementation monitoring of policies when requested to by the Executive Mayor, in the following functional areas:

- Sports venues
- Sports fields
- Stadiums
- Swimming pools
- Community centres
- Sports Councils
- Contracts with sports councils
- Youth development programmes - sport
- Youth skills training / transfer through sport
- Cultural events and activities
- Heritage and events

Customer Relationship Management

14.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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(SEE PINK DOCUMENTATION)

ADDITIONAL ITEMS

7.5	HUMAN SETTLEMENTS: [CLLR PW BISCOMBE]
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7.5.6	IDAS VALLEY HOUSING PROJECT
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1. PURPOSE OF THE REPORT

To obtain approval from the Municipal Council to amend the tender of B/SM 246/09B as envisaged in terms of section 116(3)(a) and (b) of the Municipal Finance Management Act, 56 of 2003 ("MFMA") to obtain the following:

- a) To adjust the selling prices of the housing units in line with a reasonable, average yearly escalation rate.
- b) To revise the percentage of house typologies in the different income bands in order to provide an affordable, marketable spread of units.

2. BACKGROUND

Idas Valley is a well-established traditional community and has been protected as a heritage site since 1976. During 1980, Council developed 'treintjiesdorp' in Newman Street for the poor community of Idas Valley. Thereafter the development of Lindida was implemented to make provision for the middle income families in Idas Valley. This development started in 1990 whereby families had an opportunity to buy properties in the Garden Cities development.

The municipality has for the past 25 years trying to get a project started in Idas Valley. There was political pressure on delivering a project in Idas Valley, as well as a result of the increased backyard dwellers. The current project started 10 years ago and the municipality requested several proposal calls to get a turnkey developer appointed.

2.1 Project summary

The Developer submitted a Development Proposals dated 31 August 2009. Stellenbosch Municipality accepted the proposals subject to certain conditions as per SCM letter ref number 6/1/1. A Land Availability Agreement was signed on 12th of March 2014.

The original tender allowed for the development of subsidised and affordable houses on the two respective sites as stipulated in the bid received. During the tender stage the developers was responsible to obtain the land use rights before the project could be implemented.

The Municipality faced particular bulk issues from the date of appointment, in particular sewer capacity, and as such the project implementation was stifled up to 2016 due to no fault of any of the contracting parties.

In the tender it was stipulated that the amount of units are only estimated amounts and that it would be finalised based on approved designs and

application approvals. The tender also made provision for escalation under schedule 11 in their business plan that confirms that the market forces will determine the final mix of units and tempo of development. It must be noted that the proposal that was submitted in 2009 was therefore based on the market related values of houses that could be delivered.

In the Environmental approval stage, it came to light that several appeals were received against the proposed developments. This had a major impact on the final proposal that was planned for specifically the Lindida site. The surrounding owners were against any subsidised housing development adjacent to their established properties. The subsidy housing component was therefore removed from the proposed development at the site in Lindida.

During the original drafting of the tender, the drafting of the flood-line was not indicated on the site and this also led to the amendment of the final layout plan due to the wetlands area on the site.

The Planning application was submitted during December 2015, and the layout plans had to change ten (10) times in order to accommodate all the conditions of the external state departments involved. It was a lengthy process to obtain the final approval from DEA&DP and with the assistance of the monthly Municipal Outreach Program (MOP) meetings a final approval for both sites were received in February 2017.

Human Settlements submitted the final Planning application on 6 March 2017 and the proposed developments were advertised on 16 March 2017.

2.2 Status of the project

Adjust the appointment of the developer from SAM JV to ASLA Magwebu

The Developer SAM JV, was a joint venture between Asla Magwebu and Shatel Property Development. Shatel Property Development Shatel Property Development was placed under provisional liquidation by the High Court on 11 July 2015 and later declared insolvent

Asla submitted a Portfolio of evidence indicating capacity to deal with the housing implementation requirements to Stellenbosch Municipality on 23 November 2015. In the Portfolio Asla proved that it could implement a project of this nature, providing all the necessary resources to successfully conclude this project in its entirety without Shatel Property Development being a part of the developer. The Bid Adjudication Committee (BAC) approved an item supporting ASLA Magwebu to implement the project. As such it is proposed that ASLA Magwebu will be the company implementing the project.

Asla Magwebu as the Project Managers has appointed the following professional team:

a) Architects

Prepare house typologies

b) Town Planners – Nuplan Africa

Appointed to assist with the Planning applications for funding, to the Provincial Department of Human Settlements (PDoHS). Prepared the town layout and discuss with the Planning department of the Municipality. Land Use Planning Act (LUPA) application in process.

c) Civil Engineers – DECA Engineers

Design the internal services based on the latest town layout in order to provide cost estimates. Assisted in the planning application for funding and well as the NEMA application. Prepare and submit the traffic impact assessment report.

Prepare and submit a storm water management plan.

d) Electrical Engineers – Lyners Engineers

Provide an estimate of the anticipated internal electrical network. Confirm bulk availability.

e) Land Surveyor – RAB Land Surveyors

Prepare the topo-graphical survey to enable an optimum town layout. Prepare and submit the general plans to the Surveyor General for approval.

f) Environmental consultant – ECO Impact Consultants

Prepare and submit the National Emergency Management Agency (NEMA) applications, meet with all interested and affected parties. Participate in Public participations and engagements. Appoint all specialists as dictated by Department of Environmental Affairs and Development Planning (DEA&DP) and Department of Water Affairs (DWA).

g) Urban Designers – Urban Designs

Give input in the overall urban design concepts of the layout.

h) Geotechnical Consultants – Core Geotechnical Consultants

Investigate and report on the geotechnical issues of the ground conditions of the development area.

3. DISCUSSION**3.1 Increased subsidy amounts**

The provision of subsidise housing developments are in accordance with the Housing Code and funded from the provincial/national subsidies. The subsidy amount, per opportunity, is amended from time to time by the government, to allow for changed standards and rising cost of implementation. Since the award of the tender, this subsidy amount has been adjusted and the latest subsidy amount is applicable to the contract with Asla Magwebu Pty Ltd.

The additional specifications that must be addressed when the subsidy houses will be constructed are amongst the following:

- Concrete aprons around the house (storm water reticulation management)
- Electrification throughout the entire house
- Ceilings in the house
- Cornice at ceilings
- Sink below kitchen tap
- Back door

3.2 Adjustment of the selling price/unit

The Bid proposal was done in 2009/10 and the following subsidy quantum were applicable at the time:

- B Grade engineering services: 2010 Quantum = R22 162.00
- Subsidy quantum for a 40m² House from 1 April 2010 = R55 706.00

The Provincial Department of Human Settlements use the indices as provided by the Buro of Economic Research (BER) and determined the escalation in costs of the subsidy quantum from 2010 to 2014 as follows:

Subsidy Quantum 2014 to present:

- B Grade engineering services 2014 = R34 401.00
- Pre-Sans houses: May 2014 = R86 640.00

Escalation

The delayed implementation from 2009 to date had an impact on the escalation of the price of the units that can be delivered. According to the Municipal valuations, the market value of the surrounding properties adjacent to the proposed developments escalated between 45-55% from 2009 – 2016.

The indices of the Buro of Economic Research were used to determine the escalation of prices in the building industry. It was determined that an average of 6% increase occurred from 2009 – 2016.

Using the Buro of Economic Research's escalation rate, the increase in unit cost in the various categories are as follows:

Selling Price as per Tender document	Increase by 6%/year
Up to R100 000 (Subsidy unit)	R155 000 (subsidy from 2014)
R100 001 – R350 000	Units less than R521 000.00
R350 001 – R500 000	Units less than R751 800.00
R500 001 – R750 000	Units less than R1 000 000.00

Escalation from 1 July 2010 until 30 June 2016.

It is requested that the original tender categories are adjusted in line with the escalated categories as contained in the right hand column.

The development proposal at the time made provision for various typologies, ranging between R155 000 and more than R1 000 000.00. The objective of the Municipality at the time of tender was to provide subsidy and affordable housing in an integrated residential development project. Taking this into account as well as the escalation in cost, the following spread of typologies are requested:

Tender proposal		Nr of units	Revised proposal		Nr of units
Subsidy units	35%	158	Subsidy unit	21%	89
100 – 350	50%	225	100 – 350	None	0
350 – 500	5%	22	Units less than R521 000	73%	±315
500 – 750	5%	22	Units less than R751 000	5%	±25
Plot and plan	5%	23	Plot and plan	None	0

It is imperative to note that a definite price indication of the proposed housing units will only be made available once the internal services have been installed.

4. COMMENTS BY RELEVANT DEPARTMENTS

FINANCIAL SERVICES

Item is supported.

LEGAL SERVICES

In terms of section 116(3) of the MFMA a contract or agreement procured through the supply chain management policy of a municipality may be amended by the parties, but only after –

- (a) the reasons for the proposed amendments have been tabled in the council of the municipality; and
- (b) the local community –
 - (i) has been given reasonable notice of the intension to amend the contract or agreement; and
 - (ii) has been invited to submit representations to the municipality.

In terms of circular 62 Municipalities may expand or amend contracts for construction related goods by not more than 20%. Anything above the aforementioned threshold must be reported to Council.

The item and recommendations are supported.

RECOMMENDED

that Council approve that the tender be amended by following the section 116(3)(a) and (b) of the Municipal Finance Management Act, 56 of 2003.

7TH COUNCIL: 2017-03-29: ITEM 8.5**RESOLVED** (majority vote)

that Council approve that the tender be amended by following the Section 116(3)(a) and (b) of the Municipal Finance Management Act, 56 of 2003.

Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

FURTHER COMMENTS FROM THE DIRECTOR: HUMAN SETTLEMENTS & PROPERTY MANAGEMENT

Subsequent to the Council decision, an advertisement was placed in 'Die Burger' on 6 April 2017 (see attached, **APPENDIX 1**) in accordance with Section 116(3)(a) and (b) of the Municipal Finance Management Act, 56 of 2003.

An overwhelming amount of objections/comments were received from the various stakeholders and the neighbouring land owners were investigated and herewith below the correspondence on the major aspects raised in accordance with the date received:

- ***Advocate L Persensie, Ward 5 committee member (APPENDIX 2)***

The objection from Adv L Persensie was received on 7 April 2017 and was supported by ninety one (91) community member of Idas Valley (see attached **APPENDIX 2**). The main concerns raised in the objection were the fact that the original house prices changed without consultation with the community. The escalation in price was also a major concern and according to the signed objection the community will not be able to afford the escalation in the proposed project.

- ***Mr P Herandien on behalf of Ward 5 committee and affected community (APPENDIX 3)***

The objection from Mr P Herandien was received on 19 April 2017 and was signed by ninety two (92) community members of Idas Valley (see attached **APPENDIX 3**). According to the objection received the procedure that was followed by the municipality to place the advertisement of the Section 116 notice in 'Die Burger' of 6 April 2017 was not accessible to the local community.

Substantive concerns raised – The main concerns of the community are the fact that the community was not consulted of the amendments of the change in the house prices, sizes and the reduction of subsidise houses that will be constructed. The community also requested that they be consulted before the contract is amended.

- **Mr Derrick Hendrickse (APPENDIX 4)**

The objection from Mr Derrick Hendrickse was received on 20 April 2017. The main concerns raised by Mr Hendrickse are the fact that there is no detail on the size of the houses and the specifications of the houses that will be delivered. He also highlighted the availability of bulk infrastructure for the proposed project before implementation and the schedule for the delivery of houses in conjunction with the construction of civil works.

Mr Hendrickse enquire on administration to advise Council as to why the tender should not be cancelled and re-advertised once the Engineering department has delivered the required upgrade in infrastructure capacity for the proposed project?

RESPONSE TO OBJECTIONS RECEIVED

OBJECTOR	RESPONSE
Objection Adv L Persensie, Ward 5 committee member	The matter was discussed during a meeting held between the Municipal Manager and the Developer on 19 April 2017 and the proposed amendment received on 20 April 2017 from Asla Magwebu (Pty) Ltd will accommodate the various income groups in Idas Valley.
<i>Objection from Mr P Herandien on behalf of Ward 5 community members</i>	The matter was addressed during the meeting that was held on 19 April 2017 and the proposed amendment received on 20 April 2017 from Asla Magwebu (Pty) Ltd will accommodate the various income groups in Idas Valley.
<i>Objection from Mr P Herandien on behalf of Ward 5 community members</i>	It is noted that the advertisement was only placed in 'Die Burger'. The Department: New Housing followed the Supply Chain Management procedure as prescribed. The Ward Councillors did however inform their respective ward committees of the Agenda item and the advertisement that was placed in 'Die Burger'. The matter was addressed during the meeting that was held on 19 April 2017 and the proposed amendment received on 20 April 2017 from Asla Magwebu (Pty) Ltd will accommodate the various income groups in Idas Valley. During the meeting the Municipal Manager also instructed that a public meeting be arranged to inform the community of the proposed revised categories, before the implementation of the project.
<i>Objection from Mr D Hendrickse</i>	The revised typologies will be consulted with the community before finalising the products. It must be noted that the required bulk services will be installed parallel with the implementation of the project. The budget in the new financial year makes provision for the proposed developments as per proposed engineering budget. The tender with Asla Magwebu (Pty) Ltd is a valid contract and it is in the best interest of the community to implement the project with the appointed developer. During the meeting of 19 April 2017, it was determined that the developer want to deliver a product that will cater for the various household incomes in Idas Valley.

Given the fact that Stellenbosch Municipality is anxious to develop the first mixed-use development in Idas Valley, the Municipal Manager met with the developer ASLA Magwebu (Pty) Ltd on Wednesday, 19 April 2017 to discuss the issues raised by the community and concerned individuals.

During this engagement, the developer conveyed that they are planning to present a variety of unit type sizes and cost in both phases of the project, and the majority of the units planned will be less than R521 000/unit (the escalated cost to the end of June 2016). The final selling prices of the units have not been determined as yet.

The cost of the various units will be workshopped and decided in partnership with the Municipality and the affected community before any final decisions are made as to the product price. The Developer indicated that they will follow an open and transparent process to ensure that all role players are satisfied that the product price is fair and reasonable.

The Developer stressed that they would provide a good quality product to a variety of income groups in keeping with the objectives of the Municipality, which is to provide affordable housing to first time home owners. They would also like to provide a development with a central theme, where the residents can be proud to own a property.

Abrie Jordaan Architects are in the process of developing the various typologies and plan to submit these typologies to a Quantity Surveyor for pricing as soon as possible. After which they will be meeting with the Municipality to discuss the various options and costs of the units planned for Phase 1 (near Lindida).

According to the developer, Phase 2 (near The Ridge) of the project presents an opportunity to incorporate a wider variety of units, as there are more erven available as well as the apartment complex. The apartment complex could have units ranging from bachelor to 1 to 2 bedroom apartments, providing opportunities in the lower end of the GAP market.

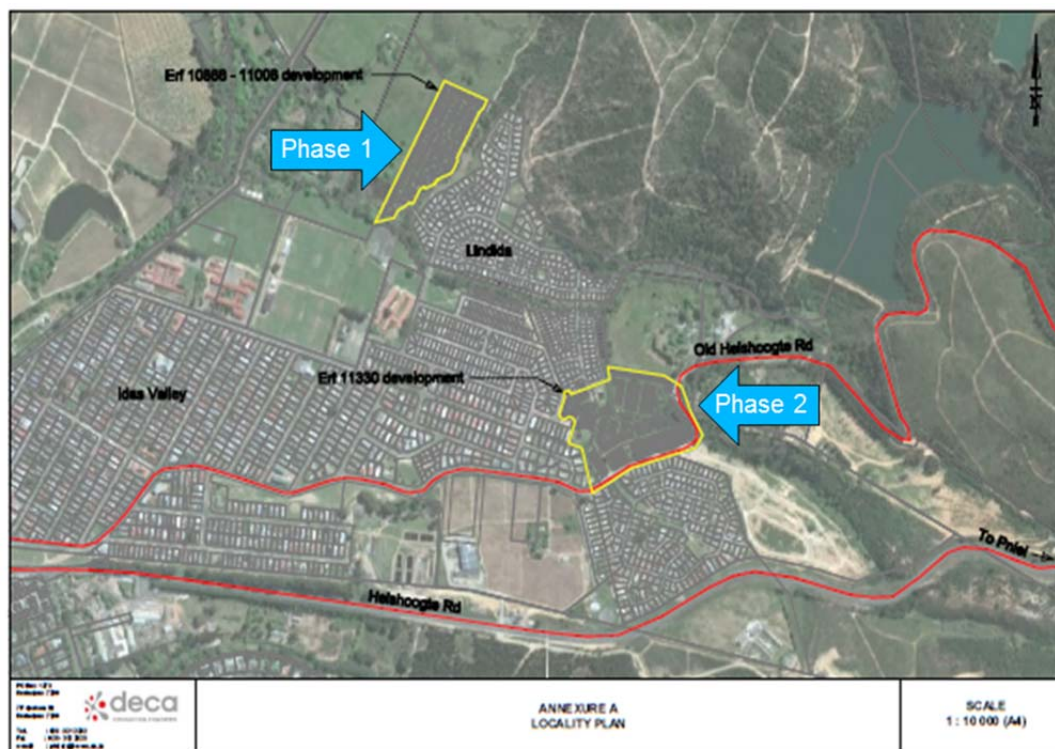


Figure: Illustrates Phase 1 and Phase 2.

After further deliberations the Municipal Manager indicated that although the Bureau of Economic Research (BER) indicates an 6% increase the mandate of Council to facilitate in the provision of GAP housing in lower end of the market (R180 000 – R350 000) cannot be ignored by the Developer.

The Developer provided the Municipality the underneath adjusted table:

Tender proposal	Number of units	Revised proposal	Number of units
Subsidy units (35%)	158	Subsidy unit (21%)	89
100 000 – 350 000 (50%)	225	250 000 – 350 000 (19%)	80
		Units less than R521 000 (44%)	190
350 000 – 500 000 (5%)	22	Units less than R751 000 (16%)	70
500 000 – 750 000 (5%)	22		
Plot and plan (5%)	23	Plot and plan	0

Escalation calculated to the end of June 2016

RECOMMENDED

- (a) that Council approves in terms of MFMA Section 116(3) the amendment framework (B/SM 246/09) as depicted in the table below:

Revised proposal	Number of units
Subsidy unit (21%)	89
250 000 – 350 000 (19%)	80
Units less than R521 000 (44%)	190
Units less than R751 000 (16%)	70
Plot and plan	0

- (b) that the approved framework be communicated with the affected community in Idas Valley.

Meeting: Ref no: Collab:	8 TH COUNCIL: 2017-04-26 17/4/4/22/1	Submitted by Directorate: Author Referred from:	Human Settlements
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Die Burger - 6 April 2017



STELLENBOSCH
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 MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

NOTICE

NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE PROPOSED AMENDMENTS TO THE PROPOSED INTEGRATED HOUSING DEVELOPMENT ON THE REMAINDER OF ERF 11330 AND THE REMAINDER OF ERF 9445, IDAS VALLEY, STELLENBOSCH

Notice is hereby given in terms of Section 116 (3) (a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Stellenbosch Municipality to amend the existing contract:

Number: B/SM 246/09 B

Description: ADJUSTMENT IN THE SELLING PRICE OF THE PROPOSED UNITS AND THE AMENDMENT OF THE TENDER CATEGORIES.

Contractor: Asla Magwebu (Pty) Ltd

Reasons for the proposed amendment: In order for the amended selling price of the housing units to be adjusted as per the Bureau of Economic Research (BER) indices. The indices indicated an increase of an average of 6% per annum, and the original tender categories therefore need to be adjusted in line with the escalated categories as contained in the original tender awarded.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and affected parties are invited to submit comments or representations on the proposed amendment of the contract. Persons who are physical disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Plein Street, Stellenbosch where a staff member will assist that person to transcribe that person's comments or representations.

Comments and/or representations must be submitted to the following email address: s116.contracts@stellenbosch.gov.za, with the subject line entitled **"B/SM 246/09 B: COMMENTS ON NOTICE OF AMENDMENT OF EXISTING AGREEMENT WITH ASLA MAGWEBU (Pty) Ltd"**.

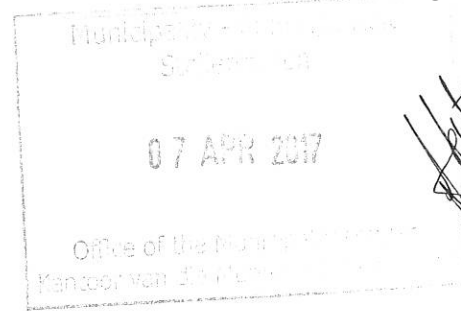
The closing date and time for the submission of representations and/or comments is no later than **20/04/2017, at 12:00**. Any comments or representations received after this time and date will not be considered.

All enquiries regarding this intent can be directed to the following official:

Name & Surname : Ms Myra Francis
 Telephone Number : E-mail enquiries only
 E-mail address : myra.francis@stellenbosch.gov.za
 Physical address : 3rd Floor
 Oude Bloemhof Building (ABSA)
 Plein Street
 Stellenbosch
 7600

Geraldine Lezette Mettler
 Municipal Manager





The Municipal Manager
Stellenbosch Municipality

7 April 2017

Dear Madam

Objection against amendment of Idas valley housing project contract

As per decision of the community meeting held on 6 April 2017.

We the community of Idas Valley herewith object in terms of section 116(3) of the MFMA against the amendment of the Idas Valley Housing contract.

We base our objection on the following.

Non-compliance of section 116(3)

(b) the local community-

- (i) has been given reasonable notice of the intention to amend the contract or agreement; and
- (ii) has been invited to submit representations to the municipality.

We were consulted on the original pricing of the houses under the SAMJV contract. The current contract with ASLA was amended without consultation with the community and was inflated. In terms of the new contract we the community will not be able to afford houses in the proposed project.

We therefor request that the municipality comply with section 116(3) of the MFMA.

Kind regards

A handwritten signature in black ink, appearing to be "L. Persensie".

Adv L Persensie ward 5 committee member on behalf of the community

Pergor922@gmail.com

Please see attach signatures







ATTENDANCE REGISTER

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
1 Christine Seigels	77 Bloekom baan Idos Valley	0760827835	C Seigels
2 CHRISTIN GROENEWALD	Ade-dor/fstr 52	021-8873870	C G
3 JANAUDÉ	124 NEWMAN STR	063167210X.	J. NAUDÉ
4 J. Zimmeri	44 Lindela Ryaan. Idosvallei	0844537892	J Zimmeri
5 J ANAKETELS	18. Mame	0745446169	Jub.
6 Leticia Arends	Bloekomleen 78	062 894 3205	SArends
7 DIANA JONES	20 HATTUS TR	07255237500	D Jones
8 N. SIEBENZ	81 Davy STR Idosvallei	0836239782	N. SIEBENZ
9 D. ROBYN	3 ARDENDORFF STR, Idosvallei	0738077551	D Robyn
10 M. D. Wenn	12 Dorsetstr. Idosvallei	0749269340	M.D. Wenn
11 Andreu Wenn	12 Dorsetstr Idosvallei	0739547721	A Wenn
12 WILLMOORE VAN KOPPEL	30 SUNDRESSIE CRESCENT	0747489726	W Van Koppel
13 ANDREW	8 DAVY STREET IDOSVALLEY		A
14 Angelene Layman	19 Clarendonf ST IDV.	0717941267	A Layman

ATTENDANCE REGISTER

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
15 ANNALINE FORTUIN	18 Adendorp street	0630618830	A Fortuin
16 Kerneels marais	Idas Vallei		
17 Louwera Hendricks	RUSTENBURG	0735 229200	K marais
18 Sinabis ZASS	20 MARTIN STR	081 886 4870	LHaupt
19 EVAN SEIGELS	4 Gorrden str	0715671858	
20 JUANDE ROSSOUW	77 BLOEKOM AVENUE	0829697985	
21 Danica J. M. I.	3 Leechfield Drackentell	083 713 2930	
22 Petro Viljoen	Paul Kruger Road, 27	0845682335	
23 Bernedette Lee	Shiraz flats, welgevonden	076 5717 557	
24 Raleze Rooi	14 Doughty - Idosvallei	071036 8079	BH Lee
25 KATRINA ALBARKUS	hindda drive 61	0630782025	R. Rooi
26 S. Janse	18 Nieuwmanstr. K.		KALBARKUS
27 Fiona MOSES	Bergpleins	0725180057	SJ
	b2 Gary str.	084 7912523	

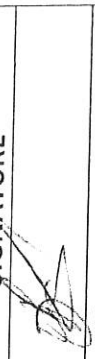





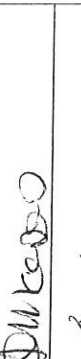





ATTENDANCE REGISTER

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
28 Tracy Arendse	21 Martin street 10AS VALLEY	076 557 6087	<i>Tracy Arendse</i>
29 JACOBUS MICHAEAS	21 NEWMANSTR 1	0612649537	<i>Jacobus Michaeas</i>
30 ELIZABETH ADAMS	NEWMAN STR 23		<i>E. Adams</i>
31 ANDRE JONATHAN	LINDLEY STR NO. 7	0842414115	<i>Jonathan</i>
32 REACHEL	LINDLEY STR NO. 7	0842294778	<i>R. Jonathan</i>
33 M J ZUITERS	62 LINDIDA	021 886 6603	<i>M. J. Zuiters</i>
34 Calvin Hamerse	31 Erasmus Smit	076 215 9141	<i>Calvin Hamerse</i>
35 Denise Snyders	Gerridonsaat 53	0754560583	<i>D. Snyders</i>
36 HAARLEMSEN	5 ADENDORFF	0818030307	<i>H. Jent</i>
37 J. PRAEKS	10 L ECHERE STR	021-8874335	<i>J. Praeks</i>
38 J. PIENDAL	38 NEWMANSTR		<i>J. Piendal</i>
39 Melanie + Jerome LITWA	35 THAS, MENS MOEFAT STR	0734916490 076 3558481	<i>Melanie + Jerome Litwa</i>
40 MARIE JACOBS	EMERILHOF 8	0731815136	<i>M. Jacobs</i>
41 SWAN NEEC	CAVANAHOF 9	0641012972	<i>Swan NeeC</i>

ATTENDANCE REGISTER

Date: 06 April 2017

	NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
42	DYLAN FAULSE	10 LEUCER STREET	0845635352	
43	Brian Brysen	26 FORBIDEN STR	0781494546	
44	J. MEZUCHE	BRAEBURN. S	0827552327	
45	A. O'CONNOR	1a Adendorff	0744865581	
46	Yolande Segers	Dauystrant 67	071 510 8316	
47	Wanda Kiedier	Jullenburg st.	082112081	
48	Dinah Moses	10 VINEYARD-HOF	0834301046	
49	Audrey Baadjies	9 CanvondHof	0834237495	
50	Marica Lackey	8 Merrilhof	0630617859	
51	ANNA Sabuzis	30 Pachqan str	0712897624	
52	Mandy Steere	18 Juffenburgst. IS v. ST. Basil	0736393812	
53	Frank-the-Mein	Merrilhofstr. 1 No 8		

ATTENDANCE REGISTER

Date: 6/4/0017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
54 PETRONELLA KLINK	NEWMONSTRY IDAV		P. Klink
55 S. GREENEFLDT	HELDERFONTEINPLAAS N3	0185882354	A. Greene
56 S. GREENEFLDT	22 ALDENBURGF SR	085514020	A. Greene
57 M. Bailey	10 Lockhamstr.		M. Bailey
58 Roy van Rooyen	79 MARBACHCREENT, THE RIFE	0843339883	R. van Rooyen
59 P. C. HERANDIEN	COORINORSTE 27 I.V.	0218874772	P. C. Herandien
60 Jonita - Engelbrecht-Roby	06 Ardendoff street Idasvallei	0148356917	J. Engelbrecht-Roby
61 Clinton Roby	06 Ardendoff street Idasvallei	0818359884	C. Roby
62 MARIUS RUDARS	3 Cornice Str Lindidala	0603231503	M. Rudars
63 Jennifer Bailey	PackhamSTR34 Lindida	073 7897110	J. Bailey
64 KENSLO ALENISE	2 MARTIN STRAAT	074 8576087	K. Alenise

ATTENDANCE REGISTER

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
65 Olivia Meiring	62 Davystraat Idasvallei	0839430895	
66 Charney Green	56 Davystraat Idasvallei	07800254230	
67 JOHAN WICHMAN	53 GOBBELDMAN STR. I.V.	0627906965	
68 MARIA Cuddien	10 Helenhof FF STR	0732192058	M. Cuddien
69 Sane muller	4 Corridor sin	6822 075 92	S. muller
70 Darwin Aries	74 Jandisa Drive	078219763	
71 Audrey Pieterz	53 Gortidansdract	0627907564	A.P.F.
72 Annelize Haed	5 Helenhof FF STR	0833154181	A Haed
73 Stefania Maart	48 Kahlensdract	0825166105	A Maart
74 SEAN SAMBISO	0737546469	6 WADEN STR	
75 MERCIE	88 78 208		
76 Mr. Sanders	0842052245		
77 E. Snyders	53 Gortidan Straat		E Snyders
78 R. DANIELS	9 JOHNSON STR	0794018161	

ATTENDANCE REGISTER

Date: 06 April 2017










NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
Margo Paulse	Merrilhof 11, Lindidq St. bosch	074 8269517	<i>Margo Paulse</i>
Steven George	Tufferburg 18 IDASVALE	0736293212	<i>H. George</i>

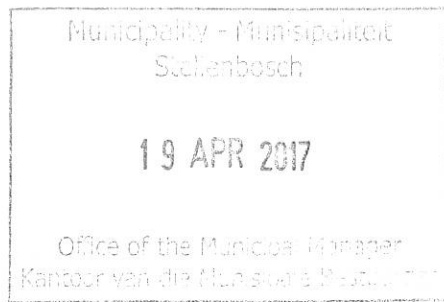
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ATTENDANCE REGISTER

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
83 DORELL HAMERSE	31 Grammysmit Str	084 800 2333	
84 Louise Pieterse	S Helderhoffstr	0836865670	
85 JOSEPH CHRISTIAN	22 ADENDORFF	0835605529	
86 Leigh-Anne Joubert	10 Tydemanhof	0725443751	
87 Gerado Joubert	10 Tydemanhof	0621929416	
88 Gerard Joubert	19 Heerstr	072 9945187	
89 Gerard beites	4 Vinyaroad	0730908704	
90 Gerard Mathys	11 Comicestraat	0612110309	
91 Lenornia Brussel	4 Davy Street	0640597788	



Mr. P. Herandien
27 Gorridon Street
Idas Valley
Stellenbosch
7600
19 April 2017

The Municipal Manager
Stellenbosch municipality

Objection: Amendment of the Idas Valley housing tender/contract

Please receive our objection on behalf of ward 5 committee and the affected community.

Our objection is based on procedural fairness as well as substantive issues

Procedural

The Municipal Finance Management Act (MFMA) s116(3)(b) read, a contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after-

(b) the local community-

(i) has been given reasonable notice of the intention to amend the contract or agreement; and

(ii) has been invited to submit representations to the municipality or municipal entity.

In view of the Idas Valley community the municipality did not comply with these sections of the MFMA in so far as giving the community notice of their intention to amend the contract.

In view of the Idas valley community the municipality did put an advertisement however only in the Burger of 6 April 2017. This is only for 14 days.

No advert was placed in the local newspapers. No notice went to the local affected community of the intention of the municipality. The burger is not accessible to the community.

Substantive

We the community were previous consulted under the tender of SAMJV. We agreed on the houses and price.

- The current amendment to the Idas Valley was not consulted with the community.
- The community were not consulted by the municipality on the amount of houses that were affected with the amendment of the contract.
- The community were not consulted by the municipality on the size of the houses that would be affected.
- The community were not consulted by the municipality on the prices and the affordability of the houses.
- The community were not consulted by the municipality on the effect on the subsidised units that would be reduced and to what amount.
- The community were not consulted by the municipality on how this amendment would affect the community.

We there for request the municipality to give effect to meaningful public participation. We request the municipality to call a meeting with the community and to consult with the community before amending the contract.

Kind regards




.....

Mr. P. Herandien Obo the ward 5 committee and affected community

1. 

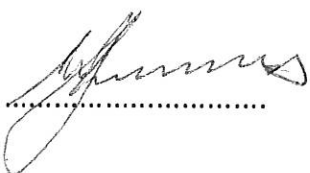
2. J. N. A. U. D. e.

3. 

4. 

5. 

6. K. M. A. I. S.

7. 

8.








Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 6 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
1 Ignatius Sincens	Luceroffstr 15	079 748 6291	<i>I. Sincens</i>
2 Jacobus Arnolds	Newmanstr 18	079901134	<i>J. Arnolds</i>
3 Gerhard Greisberger	Arndolcestr 16		<i>G. Greisberger</i>
4 Andrew Moser	Bony Street Idas Valley		<i>A. Moser</i>
5 I. Diendal	38 Newmanstr		<i>I. Diendal</i>
6 David Fritz	24 Waverenstr.	0738845995	<i>D. Fritz</i>
7 Septembera	5 Adenolencestr	079232691	<i>S. Septembera</i>
8 A. Van -	53 Gerritlaan Swat	0627407569	<i>A. Van</i>
9 David Waverkom	27 Newmanstr.	08431301601	<i>D. Waverkom</i>




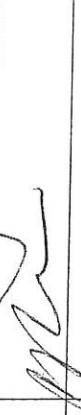




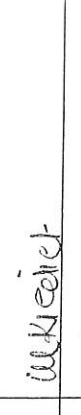





Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 6 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
10 J. PROFFENAND	22 Adm Dorfstr Str	0835114020	
11 J. MEZICHÉL	BREBURN. 5	0827564327	J. Mezichel
12 J. Muller	4 Corridons STA	08229 75927	J. Müller
13 Angelene Layman	19 Adendorff STR.	0717941267	A. Layman
14 Heimbach Odell	10 Adendorff Str	01448581	
15 Wimmer Odell	in Adendorff Str	014807375	
16 JACOBUS MICHAELS	21 NEWMAN STR	0761264933	
17 Melanie Litwa	35 Idas Mews; Moffat Str	0734916490	
18 Jerome Litwa	35 Idas Mews; Moffat Str	0763558481	
19 GIGAZO SAMBERT	10 TYDEMANNE	0621929416	
20 DORELL HAMERSE	31 Erasmusmit Str	084 800 2333	D. Hamerse


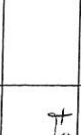





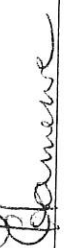

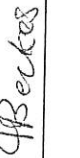
Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 6 April 2017

	NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
21	DIANA JONES	80 HAINSTR	0705037500	
22	J WARD	14 NEWMAN STS		
23	Fred Boothe	19 HWA ST	072974 5187	
24	Lucretia Booth	19 Hainstr	-	
25	Suzie Doss	4 Carrick str	0715671858	
26	ROY VAN ROOYEN	79 MARELA CRESCENT, THE RINE	0843349893	
27	Annemarie John	18 Adendorff Staal	065618838	
28	CHRISTINE	EROLIN EWALLD	52 ADLDOFF	
29	Marina Kiedel	Tuffensbrugstr 9	0824262031	
30	Laura Hendricks	MARTINSTR 20	0818864860	
31	Roleze Rooi	hindeladrive 61	0630282520	
32	JEAN SAMPSON	WATWEN STRAAT 6	0737546469	
33	Levonica Brussel	4 Davy STRaat	0640597788	
34	ANORE JONATHAN	KINDLEY STR.No.7	0842414115	

Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 6 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
38 Marie Jacobs	8 Merrillhof	073 1815136	
39 Isaac Du Toit	8 Merrillhof	076 9883007	
40 Morica Lackay	8 Merrillhof	063061 7859	
41 Jennifer Bailey	34 Packham	073 7897110	
42 Anna Sebyko	30 Packham	0712897429	
43 MARY RUTSOS	3 Conica Str Lindielda	0603231503	
44 Leigh-Anne Joubert	10 Tydenanahof	0725443751	
45 Calvin Hamerse	31 Erasmus Smit str.	0762159141	
46 DINAH MOSES	10 VINEYARD-HOF	0834301046	
47 Jacoba Beckes	8 Vineyardcoed	0730905764	






Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 06 April 2007

	NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
48	Olivia Meining	62 Davy street Idasvallei	0839430895	<i>Olivia Meining</i>
49	Charmel Green	56 Davy street Idasvallei	0780925430	<i>Charmel Green</i>
50	Jonita Engelbrecht-Robyn	06 Ardendoffstraat Idasvallei	0748386917	<i>J.R.</i>
51	Clinton Robyn	06 Ardendoff Idasvallei	0818389884	<i>Clinton Robyn</i>
52	DTUN FAULSE	10 LEUCUR STIC.	0845635352 0629943205	<i>DTUN FAULSE</i>
53	Letisia Arends	Bloekomkaan 78	0726715625	<i>Letisia Arends</i>
54	Janetta Janes	Bergpleas	0725680057	<i>Janetta Janes</i>
55	WILLMOORE VAN KERNEL	30 SUNDRESSIE CRESCENT.	0747489726	<i>WILLMOORE VAN KERNEL</i>
56	Helen George	Suffernburg STREET 18	0736393242	<i>Helen George</i>

Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 6 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
57 Louise Peterson	S Alderbruff Str	0832886570	
58 Annelie Haed	5 Adendorff Str	083304481	A Haed
59 Stefanie Maritz	67 Hochloosstraat	082516605	fileed
60 Denise Snyders	Gerridonstraat 53	0784860883	D. SINNIDERS
61 HILCO SEPTEMBER	SADENDORFF	0818030307	
62 JUDITH WICHAM	GERRIDONSTR. 53 I.D. 53	0627907564	
63 Yolande Segers	Davystraat 67	071 5108316	
64 SARAH GROENEGHAP	Helderfontein nr 3	078 888 7354	Syr.
65 JESSE CHRISTIANS	ADENDORFF 22	0835605529	

Objection Against The Amendment Of The Idas Valley Housing Contract

Date: 06 April 2017

NAME & SURNAME	ADDRESS	CELL PHONE NUMBER	SIGNATURE
80 KERNESIMARIE	RUSTENBURG	273 5229600	K. MARAIS
81 Christine Seigels	77 Bloekomlaan Idasvallei	076 082 7835	C. Seigels
82 EVAN SEIGELS	77 BLOEKOM AVENUE	0829697985	
83 Maylene Wenn	12 Dorsetstr. Idasvallei	0749969840	M. Wenn
84 ANDREW WINN	12 Dorset str. Idasvallei	0739547721	
85 G. Adams	23 Norman Idasvallei	—	
86 M. Bailey	10 Packhamstr.	—	
87 S. SWARTZ	ANKORA PLAT 308 JAN GILLIES	—	
88 J. Zimmerli	uy Lindela Pyjama, Idasvallei	0544537890	
89 C. Malkeš	39 Gorridon Street, Idasvallei	072 173 0092	E. Malkeš
90 M. GEORGE	18 Juffenburgstr. Idasvallei	073 6393210	
91 Fiona Moses	62 Davy Str. Idas	0847012323	
92 N. SIEBUTZ	81 Davy STR Idasvallei	0836239782	N. SIEBUTZ

Myra Francis

From: Derrick Hendrickse <derrickpal@telkomsa.net>
Sent: 20 April 2017 11:33 AM
To: mm; Mayor (Gesie Van Deventer); Donovan Joubert (Speaker); Whip (Wilhelmina Petersen); Tabiso Mfeya; Dupre Lombaard
Cc: Clr Franklin Adams; Clr Deon Arendse; MPAC Chr Clr Wilfred Pietersen; Myra Francis; Marius Wust
Subject: [EX] Re: Advertisement townshipment - Idas Valley (Erf 11330 & Erf 9445) amandmends to Tender docs
Importance: High

Dear Ms M Francis and MM

I herewith submit this email as my official response on the above mentioned advert.

In Addition to the email below please note the following.

1. No details are given on sizes and specifications of various categories of houses.
2. Very importantly no report has been given to Council as to how far the municipality under the Engineering depart has progressed with the upgrade of the bulk infrastructure that must be provide to make this project possible.
3. What is the program schedule for the delivery on the houses. Ie when will construction of civil works start and housed. Where in the program.

In the absence of the above details and my email below I call on the administration to advise Council as to why this tender should not be cancelled and re-advertised once the Engineering department has delivered the required upgrade to the need infrastructure.

Regards

Derrick Hndrickse

From: [Derrick Hendrickse](#)
Sent: Monday, April 17, 2017 6:46 PM
To: [mm](#) ; [Mayor \(Gesie Van Deventer\)](#) ; [Speaker Clr D Joubert](#) ; [Whip \(Wilhelmina Petersen\)](#) ; [Dir Housing Tabiso.Mfeya](#) ; [Dupre.Lombaard@stellenbosch.gov.za](#)
Cc: [Clr Franklin Adams](#) ; [Clr Deon Arendse](#) ; [MPAC Chr Clr Wilfred Pietersen](#) ; [EFF Clr Lusenda Horsband](#)
Subject: Advertisement townshipment - Idas Valley (Erf 11330 & Erf 9445) amandmends to Tender docs

Dear MM

With reference to that attached advertisement placed in the Burger on 6 April 2017 I herewith submit the following in relation to this advert:

1. I object first that this advert was only placed in the Burger and not in the local news papers the Eikestadnuus and or Gazette. Surely the municipality must advertise this in the loacl newspapers as it effects the local communities. In this regard I notice that the Municipality did advertise the proposed

adjustments to the office rental contract in the Eikestadnuus of last week. I thus beg to ask why this was not done.

2. On visiting the municipal offices last week to get more information about this advertisement so as to give inputs and comments on this advert, I was told by Ms Myra Francis and Mr L van stawel that there is no information available. Public are called to give inputs and comments on the information provided in the advertisement.

Taking the above into account I now call on the municipal manager to recall this advertisement and re-advertise this matter and in so doing provide the public with all the reevent information relation to the following:

1. What was the number of different categories of housed that ASLA tendered on and on which they were appointed. How has this now changed.
2. What was the number of social housing unites ASLA tendered on and how this has not changed.
3. What is the sizes of the houses ASLA tender was awarded and how this has now changed.
4. When is this project due to start with the construction f the houses.
5. When the tender was awarded to SAMJV by council ASLA had a BEE partner. We now believe ASLA no longer has a BEE partner. Seeing that COUNCIL approved the contract with SAMJV please advise under what authority the powers to change to ASLA only was done without bringing item to Council.

I take this opportunity to put on record mu disappointment as to how the municipality decided to advertise this matter without giving any details to the public.

Regards

Derrick Hendrickse