

7.10.2	<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2017/18</b>
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Collaborator No: 634962  
File No: 3/5/3/5  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 18 March 2019

**1. SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2017/18**

**2. PURPOSE**

The purpose of the report is:

- (i) to enable the MPAC/Oversight Committee to execute its oversight responsibility in considering the Stellenbosch Municipality's Annual Report for 2017/18 as required in terms of Section 129(1) of the MFMA, Act 56 of 2003; and
- (ii) to recommend to Council on the approval of the Annual Report 2017/18 **(distributed under separate cover as APPENDIX 1)**.

**3. DELEGATED AUTHORITY**

**MUNICIPAL COUNCIL**

In terms of Section 129(1) of the Municipal Finance Management Act (MFMA), (Act No 56 of 2003) *"The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council has*

- (a) *approved the annual report with or without reservations;*
- (b) *rejected the annual report; or*
- (c) *referred the annual report back for revision of those components that can be revised."*

The comprehensive questionnaires with the corresponding responses provided by the Administration including supporting documents are attached as **APPENDIX 2**.

The written representation as submitted by the public is attached as **APPENDIX 3**.

The MPAC/Oversight Report, inclusive of the comments and recommended remedial actions, is attached as **APPENDIX 4**.

**4. EXECUTIVE SUMMARY**

The Annual Report 2017/18 was referred by Council to the MPAC, which fulfilled the functions of the Oversight Committee. The appointment and mandate of the MPAC/Oversight Committee are informed by the MFMA Circular 32 of 2006.

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**5. RECOMMENDATIONS**

- (a) that Council, having fully considered the Annual Report 2017/18 of the Municipality and representations thereon, adopts the Oversight Report 2017/18; and
- (b) that Council approves the Annual Report 2017/18 without reservations.

**6. DISCUSSION / CONTENTS****6.1 Background**

Committee members, including the two co-opted members, have read through the Annual Report 2017/18 and requested responses from the relevant Directorates to objectively assess the performance of the Administration.

**6.2 Discussion**

The Committee members were required to read the chapters before they were discussed. These discussions allowed for the scrutinising of the Draft Annual Report 2017/18 over a period of 7 days. The public was invited via the local media to witness these scheduled meetings.

**6.3 Financial Implications**

The contents of the Annual Report 2017/18, as well as the Oversight Report with its recommendations, are used to improve organisational effectiveness and service delivery.

**6.4 Legal Implications**

The recommendations in this report comply with Council's policies and all applicable legislation.

**6.5 Staff Implications**

This report has no staff implications for the Municipality.

**6.6 Previous / Relevant Council Resolutions**

Council referred the Draft Annual Report 2017/18 to MPAC to fulfil the functions of the Oversight Committee, as well as making recommendations to Council as contemplated in Section 129(1) of the MFMA at the 23rd meeting of the Council of Stellenbosch Municipality, dated 30 January 2019, Item 7.10.1.

**6.7 Risk Implications**

This report has no risk implications for the Municipality.

**6.8 Comments from Senior Management**

Senior Management supports the recommendations.

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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-03-18: ITEM 7.10.1**

- (a) that Council, having fully considered the Annual Report 2017/18 of the Municipality and representations thereon, adopts the Oversight Report 2017/18; and
- (b) that Council approves the Annual Report 2017/18 without reservations.

**ANNEXURES**

**Appendix 1:** The Annual Report 2017/18. **(under separate cover)**

**Appendix 2:** The comprehensive questionnaires and responses provided by the Administration, including supporting documents.

**Appendix 3:** The written representation as submitted by the public.

**Appendix 4:** The MPAC/Oversight Report 2017/18.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Gurswin Cain
<b>POSITION</b>	Manager: IDP and PMS
<b>DIRECTORATE</b>	Office of the Municipal Manager
<b>CONTACT NUMBERS</b>	021 – 808 8174
<b>E-MAIL ADDRESS</b>	<a href="mailto:gurswin.cain@ Stellenbosch.gov.za">gurswin.cain@ Stellenbosch.gov.za</a>
<b>REPORT DATE</b>	6 March 2019

# APPENDIX 2



**Minutes of the meeting of the MPAC Oversight Committee held on 5<sup>th</sup> February 2019**

Discussions on Chapters 1 and 2

(Meeting started at 9:00 and adjourned at 12:30)

**IN ATTENDANCE:**

*Councillor Wilfred Pietersen (WP)*

*Councillor Malcolm Johnson (MJ)*

*Councillor Nokuthula Mananga-Gugushe (NG)*

*Councillor Emily Fredericks (EM)*

*Alderman J C Anthony (Co-opted member) (JA)*

*Benninghoff Giliomee (Co-opted member) (BG)*

*Gurswin Cain (IDP Manager) (GC)*

*Ulrich Cupido (PMS Officer) (UC)*

**APPLICATIONS FOR LEAVE OF ABSENCE**

*Councillor Ndipiwe Olayi – no application for absence received*

**PRESENTATION AND DISCUSSIONS**

The meeting is opened by the Chairperson of the MPAC who will chair the engagement. The meeting has been further opened with a prayer by Cllr. Johnson.

The MM has requested that she needs to leave to attend to urgent matter when required. This will also be the case when directors are requested to attend the MPAC/Oversight meeting.

The recommendations of the previous year is not brought to the MPAC quarterly. It is requested that it must serve timeously.

It has been discussed that members of the committee will lead the meeting with respect to the Chapters 1 and 2.

The MPAC Chairperson requested that respect needs to be considered and that the oversight needs to be constructive in moving forward.

Further support was given to Cllr. Gugushe on the well-being of her mother.

The MM confirmed that the Annual report is very comprehensive and we look forward for this Oversight process.

Cllr. Johnson requested that he will not be able to lead the discussions on Chapter 1 and 2.

A request was tabled by the MPAC Chairperson to establish the whereabouts of Cllr. Olayi. The matter will be addressed with the Speaker.

Discussions on Chapter 1 and 2 was led by Alderman JC Anthony.

Below is a list of questions/comments as posed at the meeting. Some of the responses indicated were given at the meeting, whilst the rest were acquired from the relevant departments. An agreement was reached that departments will only be called upon if responses are not adequate.

Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response
Foreword of the Executive Mayor	JA p17	The Executive Mayor has presented a well-structured foreword.		
	MJ p17	Cllr. Johnson wants to congratulate the Executive Mayor on her foreword. He praised her for what is written down. What has been noted is really the truth.		
	WP p17	The MPAC chairperson wants to thank the Executive Mayor for doing her best as well as for addressing the matters that are still outstanding.		
MM Foreword	JA p17	Alderman Anthony wants to thank the Municipal Manager with her unqualified audit achievement.		
Municipal Geographical Information	JA	1.2.4.1 We must re-phrase the wording on the 3, 8 million population.	22	<i>MM - The text refers to the edge on City of Cape Town and they have a population of 3.8 million people. The first sentenced needs under heading 1.2.4.1 needs to be re-phrased.</i>
	EF	The bottom paragraph explains "rural hamlets" (small towns) with a population of 5000 citizens.	22	<i>MM - A hamlet will be an area on its own and it does not refer to a ward.</i>
Planning - Spatial Development	MJ	Ward 4 – When talking of Tokara and Belair. - <i>In which ward does it fall or does the ward stop at Kylemore and Johannesburg?</i> <i>The reason for the question is because the mentioned farms does not appear in ward 5.</i>	23	<i>Tokara falls in wards 4 and 5. The buildings fall in ward 4. See Map annexure provided.</i>
Demographic and Socio-Economic Information	AJ	The age of citizens at 65+ years has doubled in 2019 to 14 376. We are not going to move in such speed growth.	30	<i>MM - The sources that we use for the social economic profile is done by Provincial Government for the purpose of the Annual report. We cannot talk about the models that</i>



Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response
n				they use.
	MJ	Request for clarity – if we look at 52 374 as a population. It is families? Does it also confirm the amount of houses?	31	MM- It is a population estimate and does not confirm that all of the households have housing. Please note this comes from the Department Social Housing.
IS – Solid Waste	EF	Swopshops. What happened to the Swopshops since it was running successfully?	52	The Principal Technician that coordinated the swop shops, resigned in April 2018 and the contracts of the rest of the team of EPWP workers expired in December 2017. The Department currently does not have enough capacity to run a swop shop. Once all positions have been filled within Solid Waste Management the swop shops can continue. No timeframe available due to the restructuring of the Department.
IS – Electrification	EF	If electrification was provided in Klapmuts. Where did it occur in Klapmuts?	53	Electrification installation was provided by Eskom. The Infrastructure and Housing department does not have any record of such installations since it was done on Eskom infrastructure do not have the details of the projects.
	EF	EF - Is the abbreviation LRF or LLF	56	It must be LLF
IS – Electrification	BG	What is done to address illegal electrical connections	55	MM - This is a major problem. As soon as the wires are removed they are going up again. We try as far as possible to secure our substations. We had a young child last year who severely got burned due to the problem. We are monitoring the situation. We do not have enough manpower. It is a huge problem to monitor this challenge. Even theft of our cables, and lots of it. It takes long to address the problem due to the legal system.

Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response																																				
Finance – Budget		1.2.7.7 Grants operational and capital. How does it happen that the actual (first row of table) is 210 534 572 and the adjustments budget is 242 448. At the end the calculation is only 263 858. Is there a calculation error or must we accept it as it is? The actuals if I read income, provides a new amount of actuals. Is the actuals correct?		<table border="1"> <thead> <tr> <th>Details</th> <th>Original budget</th> <th>Adjustment Budget</th> <th>Actual</th> </tr> <tr> <th colspan="4">R</th> </tr> <tr> <th colspan="4">Income</th> </tr> </thead> <tbody> <tr> <td>Grants(Operating and Capital)</td> <td>188 479</td> <td>242 448</td> <td>210 534 572</td> </tr> <tr> <td>Taxes, Levies and Tariffs</td> <td>1 087 416</td> <td>1 154 418</td> <td>1 171 990</td> </tr> <tr> <td>Other</td> <td>212 187</td> <td>219 185</td> <td>228 094</td> </tr> <tr> <td><b>Sub-Total</b></td> <td><b>1 488 083</b></td> <td><b>1 616 052</b></td> <td><b>1 610 340</b></td> </tr> <tr> <td><b>Less Expenditure</b></td> <td><b>1 486 676</b></td> <td><b>1 575 255</b></td> <td><b>1 346 761</b></td> </tr> <tr> <td><b>Net surplus/(deficit)</b></td> <td><b>1 407</b></td> <td><b>40 797</b></td> <td><b>263 858</b></td> </tr> </tbody> </table> <p><i>Response: The Actual has been rounded off to the nearest thousand. The actual sum is based on 210 535 which then comes to the correct surplus of 263 858. It is thus only the 210 534 572 which is reflected in the correct format</i></p>	Details	Original budget	Adjustment Budget	Actual	R				Income				Grants(Operating and Capital)	188 479	242 448	210 534 572	Taxes, Levies and Tariffs	1 087 416	1 154 418	1 171 990	Other	212 187	219 185	228 094	<b>Sub-Total</b>	<b>1 488 083</b>	<b>1 616 052</b>	<b>1 610 340</b>	<b>Less Expenditure</b>	<b>1 486 676</b>	<b>1 575 255</b>	<b>1 346 761</b>	<b>Net surplus/(deficit)</b>	<b>1 407</b>	<b>40 797</b>	<b>263 858</b>
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CS - ICT	EF	What is meant by – “ICT structure does not align to best practices and thus cannot be agile enough to support the municipality”. Lack of system integration”. What is put into place to address the current situation?	60	MM – We are using communication whether it is sms or Whatsapp, internet, emails and the website. The structure was reviewed in an extensive process. It has been a tedious process to restructuring via the unions and the LLF. The process took longer than anticipated. We are nearly done and over 99% of the staff will be accommodated. The placement will be addressed.																																				
Corporate Services - HR	EF	Staff capacity - Staff shortages could impact on service delivery performance. What is done to address staff capacity?	60	We make sure that the ICT will be addressed. Our data centre will be upgraded and we have processes.																																				
MM - Communication		Communication / Municipal website – What are we doing too sure that citizens get the communication as mentioned on these platforms	60																																					
IS – Roads Department	EF	R4 million was given to the non-motorised transport. Clarity is required to the services that were installed in Klapmuts.	80	This was a special project - See the Non-motorised transport report.																																				
CS – Council support/ Speakers Offices	EF	Ward Committees – Does all the wards have a full complement of ward committee members?	95	Page 85 – 95 confirms the ward committee members per ward																																				
CS – Council support/ Speakers Offices	EF	I see that in certain wards, there are no community meetings held per ward? Is every Councillor required to host two community meetings per financial year?	p95 -100.																																					



Departme nt		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response				
CS – Council support/ Speakers Offices	WP	Can we have access to the attendance registers for the meetings held on: - Ward 1 - 29 June; - Ward 3 - 27 March, and 20 April; - Ward 4 - 22 May; - Ward 5 - 20 May; - Ward 6 - 1 March; - Ward 8 - 24 April; - Ward 9 - 24 April; - Ward 10 - 20 April; - Ward 11 - 9 May; - Ward 12 - 16 March; - Ward 13 - 15 March; - Ward 16 - 1 June; - Ward 17 - 4 April; - Ward 18 - 23 March - Ward 21 - 9 June	Ward No	Date of meeting indicated	Actual date of meeting	Comment		
			1	29 June	07 June	Minutes of meeting attached		
			3	27 March, 20 Apr	No records found on Shared Drive			
			4	22 May	No record as previous Ward administrator resigned effective from 25 June 2019	Meeting was held on 8 May with Cllr MM Pietersen as Chairperson as per arrangement by the Ward Councillor		
			5		08 May	Meeting scheduled for 08 May cancelled		
			6	1 March	Meeting held on 26 February	Meeting rescheduled to 26 February because of Woodfees held in March 2018		
			8	24 April	24 April	Combined public meeting with ward 9		
			12	16 March	29 March as per schedule	No meeting took place		
			13	15 March	07 March	Meeting as per schedule 06 March		
			16	1 June	21 June as per schedule			
			17	4 April	4 April			
			18	23 March	29 March meeting scheduled as public meeting did not take place			
			21	9 June	5 June per schedule rescheduled to 12 June			
			MM – IDP/PMS/ PP	MJ	I would like the administration to do research to determine why people do not come to the community meeting	-	GC – We had a discussion on what we are going to add into the IDP. One of the questions I were on the availability of a trend analysis of those meetings hosted by the Municipality to determine the attendance as well as the interest of the general public. People have	

Departme nt		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response
				<i>certain needs and priorities when attending these meetings.</i>
	EF	I worked at the IDP department and the following is important: <ul style="list-style-type: none"> <li>The way people are treated comes down to respect.</li> <li>There is a language issue.</li> <li>When it comes the budget – it needs to be done in a manner that is easy to understand.</li> <li>People are selective and they want ward specific information only.</li> <li>“Afrikaans” must be simple to understand</li> </ul>		
MM – IDP/PMS/ PP	GC	When it comes to the farms, I grew up on a farm and people are specific. They are not interested into the budget. <ul style="list-style-type: none"> <li>They interested in farm evictions;</li> <li>What is the Municipality doing to address basic service on farms?</li> <li>They come to the meetings as “a last resort to be heard”;</li> <li>Our engagements needs to be deliberate in a specific ward addressing the main priorities for the ward;</li> <li>We need to be decisive in our approaches when speaking to the wards;</li> <li>One rural wards are different from the next rural ward.</li> </ul>		
MM – IDP/PMS/ PP	WP	It is important to look into the community and: <ul style="list-style-type: none"> <li>The issue under discussion must be simple;</li> <li>The needs of people are different;</li> <li>A lot of people just want to know about housing and streets;</li> <li>A lot of people do not know about the indigent policy and are not aware if they qualify.</li> <li>It is important that Councillors and ward committees inform the citizens.</li> <li>The citizens do not read the communications that are distributed. It must not be pages full of information;</li> <li>Description must be short with a maximum of three highlights per notice.</li> </ul>		
Planning and LED – New Housing	WP	Is there a rule on the receipt of these houses pertaining to: “smuggling from these premises?” According to the community there is such arrangements. Confirmation is required in this regard.	-	<i>The criminal law is applicable to smuggling. Application for renovation of buildings and spaza shops must be applied for at the Planning department.</i>
MM- Risk	WP	Are we talking about Anti–corruption or are we talking about the waste of money. A council meeting is held every time when somebody phones to the fraud hotline. <i>Is it fine to use such amount of funds when it occurs and when such meetings are held?</i> <i>What is the cost to host these meetings?</i>	102	<i>The responses of Council is in line with legislation and the cost is difficult to determine.</i>
MM- Risk		Note – Audit to be Audit p104		



Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response
Finance - SCM	WP	Bid Committee meetings. Can the public be part of the meetings when they open the bid envelopes?	110	Yes, SCM regulation 23 deals with the procedure for handling, opening and recording of bids <ul style="list-style-type: none"> <li>confer on any bidder or member of the public the right to request;</li> <li>that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price.</li> </ul>
	JA	When will the BEC and BAC be open to the public?	110	We are currently working towards opening of the BEC and BAC to the public.
Finance - Revenue	MJ	Has the indigent policy been reviewed? Is it true that, if the houses are over a million rand the owners do not qualify for indigent relief?	114	Yes, Policy has been reviewed Yes, This is for what we will be putting in place for the next financial year. We can only change the policy for the next financial year. For the 2018/2019 financial year the threshold is R 1 million. 2019/2020 Indigent policy has been reviewed and the threshold is R 2 million.
	WP	New houses such as Jamestown and Kylemore. The value of the houses are going up and the people cannot afford. What is done to help the elderly in this regard?	114	Sales in Jamestown and Kylemore have drastically increase and thus do have an impact on the market value of property. Council's Indigent Policy and Property Rates Policy do make provision for pensioners with different income levels and rebates.
Finance - SCM	JA	2.3.22 Is there an increase nor a decrease in the deviations? Since it is noted as 0% while it is indicated in the previous column there is 54 deviations for the 2017/18.	113	Depending on the circumstances at any given time we are trying to minimise all deviations. Strict controls were institutionalized and departments must recommend to the BAC why deviations should be approved.
Finance - SCM	WP	B/SM 43/18 This site only has a foundation. What is the status of this project?	111	Yes it is still the same service provider with a multi-year project. The progress till today would be 45%. Completion to the amount of R 1 133 652.23 and the remaining budget is R 1 380 609.87.




Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response																														
Planning and LED	BG	Does all the markets have toilets? Since the one at "Die Boord" did not have a toilet. A portable toilet was used previously The toilets are not available for months?	111	Yes, portable toilets are provided with the assistance of the LED and Tourism department. The service provider was Boland Toilets and they have provided the services on a daily basis, Monday to Saturday. Their contract ended last month, January 2019. We will have a new service provider by end of this week, 22 <sup>nd</sup> of February. Vendors who are buying permits for the site under discussion are made aware of the current situation of the portable toilets.																														
				What is the status of the burial space?																														
C & P – Community Services	JA			<table border="1"> <thead> <tr> <th>BURIAL SITE</th> <th>STATUS</th> <th>SPACE</th> </tr> </thead> <tbody> <tr> <td>Jamestown</td> <td>Active</td> <td>-- 2000</td> </tr> <tr> <td>Kylemore</td> <td>Active</td> <td>-- 500</td> </tr> <tr> <td>Pniel</td> <td>Full only re-opening of graves allowed re-opening</td> <td>0</td> </tr> <tr> <td>Onderpappegaaiberg</td> <td>Full only re-opening of graves allowed.</td> <td>0</td> </tr> <tr> <td>Onderpappegaaiberg - Moslem</td> <td>Active</td> <td>-- 100</td> </tr> <tr> <td>Onderpappegaaiberg - Jewish</td> <td>Active</td> <td>-- 50</td> </tr> <tr> <td>Wemmershoek</td> <td>Full only re-opening of graves allowed.</td> <td>0</td> </tr> <tr> <td>Groendal</td> <td>Full only re-opening of graves allowed.</td> <td>0</td> </tr> <tr> <td>Franschhoek South</td> <td>Active</td> <td>-- 2500</td> </tr> </tbody> </table>	BURIAL SITE	STATUS	SPACE	Jamestown	Active	-- 2000	Kylemore	Active	-- 500	Pniel	Full only re-opening of graves allowed re-opening	0	Onderpappegaaiberg	Full only re-opening of graves allowed.	0	Onderpappegaaiberg - Moslem	Active	-- 100	Onderpappegaaiberg - Jewish	Active	-- 50	Wemmershoek	Full only re-opening of graves allowed.	0	Groendal	Full only re-opening of graves allowed.	0	Franschhoek South	Active	-- 2500
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IS-Water Services	WP	Jamestown informal housing/ toilets. Is the tender for this year, (18/19) or was it 17/18? When did the contract commence and for how long?	111	The service provider was Boland Toilets and provided the services on a daily basis Monday to Saturday. Their contract ended last month. We will have a new service provider by end of this week. People who come to buy permits for the site under discussion are made aware of the current situation.																														
MM - Office	WP	Request to visit the Jamestown informal site by the MPAC/Oversight to the MM.	-	Request will be sent to the approval from the MM.																														
MM - Office	AJ	A request must be tabled to access the Management report for the 2017/18 financial report. It is important to look at the findings that was made. Support was raised by the Oversight committee to request access to the Management report.																																





Department		QUESTIONS/ COMMENTS ON CHAPTER 1 & 2	PG	Response
MM's Office – Internal Audit Executive	WP	The MPAC Chairperson requested the availability of the Internal Audit Executive to provide an objective view on the different terminology of “unqualified audit” versus “unqualified – clean audit”. What is meant by the terms: - internal control deficiencies; - re-statements of correspondence; and - figures”; unaudited disclosure notes”	-	<i>Request was tabled and the Internal Audit Executive did explain the meaning of the audit outcomes.</i>
MM- IDP offices	UO	The checklists of Circular 63 will be discussed with the IDP manager. A final response to the checklists will be tabled at the Oversight on the 15 <sup>th</sup> of February 2019.		

Meeting adjourned at 12:30

<b>Contract No:</b>	T16(3) ICT CONTRACTS	<b>Contract Description</b>	Performance Management System - Availability of a 24/7 system with the functionality to view KPI performance, update KPIs on a monthly basis and report on the real-time actuals.
<b>Service Provider:</b>	IGNITE	<b>Performance Review Period:</b>	December 2018
<b>Service provider Service Representative &amp; Contact Details:</b>	<b>Ignite Consult Pty(Ltd)</b>	<b>Municipality Service Representative:</b>	Ulrich Cupido
<b>Ratings</b>		<b>Objective Measures to Assess Service Provider Performance</b>	
<b>Performance Rating</b>		<b>Quality of Service delivery as agreed: Deviations are managed as mutually agreed:</b>	
3	X	<ul style="list-style-type: none"> <li>➤ Compliance to most undertakings, duties and obligations and requirements as set out in the Main Agreement and Annexures;</li> <li>➤ Progress with all projects and new service requests are on target;</li> <li>➤ All Service failure events during month resolved within agreed time frames and preventative measures are proposed by Service Provider.</li> </ul>	
2		<b>Quality of Service delivery in compliance with Agreement; BUT Requires more management and focus from Service Provider:</b>	
1		<ul style="list-style-type: none"> <li>➤ Progress with projects and new service requests are on not on target; Service failure events are not resolved in agreed time frames and preventative measures for implementation are not proposed by Service Provider.</li> <li>➤ <b>Quality of Service delivery totally unacceptable; Consider termination of Agreement and all Services.</b></li> <li>➤ Non-compliances, progress with projects and new service requests and service failure events worse than for rating 2;</li> <li>➤ Commitment from Service Provider to resolve outstanding issues is lacking;</li> <li>➤ Skills and resources to deliver a quality service are inadequate;</li> <li>➤ Participation in contract governance, service management and effective communication is lacking or inadequate.</li> </ul>	
<b>Comments on Performance Rating</b>			
<b>(i.e. Projects progress; Service failure events, corrective measures &amp; response times; Change Management procedures; On going liaison and communication)</b>			
<b>Sign off and Acceptance by Service Representatives</b>			
 Ulrich Cupido 02 January 2019		SERVICE PROVIDER ACKNOWLEDGEMENT OF RATING: PLEASE SIGN	
<b>MUNICIPALITY SIGN:</b>			

Appendix	Description	Page
<b>Appendix A:</b> (i) Councillors; (ii) Committee Allocation and Attendance (iii) Council	This Appendix relates to Chapter 1 of the Format and requires the compilation of a complete list of all Councillors, the party they belong to and the ward which they represent. Information pertaining to the number of Council meetings attended by each of the Councillors also needs to be provided.	2.1 p66
<b>Appendix B:</b> Committee and Committee Purpose	This Appendix also relates to information required to be included in Chapter 1 of the Format. A list of all Committees of Council, the purpose of each Committee and the names of Councillors serving on them. It also requires the inclusion of information related to the attendance of each Councillor.	2.1.4 p69
<b>Appendix C:</b> Third Tier Administrative structure	The organogram of the administrative structure of the municipality / municipal entity is to be included under Appendix C.	2.1.6 p77
<b>Appendix D:</b> Functions of Municipality/Entity	The appendix covers what constitutes the municipal functions, municipality to indicate which function is applicable to it or their entity. In case of a local municipality it can also discuss functions performed by the District and vice versa.	3.1.1.4 p169
<b>Appendix E:</b> Ward Reporting	Information on the functions of ward committees, the sector of community representation and reports submitted by each of these committees must be provided. The appendix can be expanded to include a brief feedback of the operations and functions of individual wards, challenges experienced and measures taken to address them.	2.2.3 p84
<b>Appendix F:</b> Ward Information	This appendix relates to ward information, the following information is required; ward name (number), where under each ward the seven largest project in the current year is listed together with their start date, end date, their total value and progress. Information on the top four delivery priorities per wards as these may differ in different wards.	2.2.3 p84
<b>Appendix G:</b> Recommendations of the Municipal Audit Committee	This appendix relates to all meetings of the audit committee held together with its recommendations, those that have been adopted and those not.	2.3.6 pg 104 2.3.11 pg 106
<b>Appendix H:</b> Long term Contracts and Public Private Partnership	Information related to the largest projects, agreements and contracts. Information related to Public Private Partnerships (PPP) in the municipality and its duration. Specific detail pertaining to the responsible departments for managing and implementing the roll-out of these projects is to be provided. The duration and monetary value of the projects, agreements or contracts should also be included.	5.1.4 p322
<b>Appendix I:</b> Municipal Entity/Service Provider Performance Schedule	This statement should include no more than the top four priorities indicators as articulated in the IDP. Note that all must be funded within approved budget provision.	3.1.1.13 p144
<b>Appendix J:</b> Disclosure of Financial Interest	This Appendix relates to financial disclosures of senior managers and other section S56 officials. The financial interest disclosure is required even if posts were occupied for part of the year.	p48 AFS p407- 409 AFS Notes 32 and33 Note 54 p97 Noted 59 p102 AFS
<b>Appendix K: Revenue Collection Performance</b>		
<b>Appendix K (i):</b> Revenue Collection Performance by Vote	This Appendix relates to information on revenue collected by votes, based on prior year and current year actual collections	5.1.1.1 p297
<b>Appendix K (ii):</b> Revenue Collection Performance by Source	This Appendix relates to information on revenue collected by source, based on prior year and current year actual collections. Information by ward may also assist decision makers on the extent of indigent households and need for further support or policy changes.	5.1.1.2 p298

<b>Appendix L:</b> Conditional Grants Received: Excluding MIG	This Appendix relates to all conditional grants received in the current year, excluding the Infrastructure Grants, indicating adjustments budget and the actual, showing percentage variances of the two and also indicating any major conditions applied by Donors on each grant, if applicable.	p11 No:22. Fin Stat. p73
<b>Appendix M: Capital Expenditure – New &amp; Upgrade/ Renewal Programmes: Including MIG</b>		
<b>Appendix M(i):</b> Capital Expenditure – New Assets Programme	This Appendix relates to all capital expenditure relating to the new asset programme, showing the actual of the prior year, the adjusted budget and actual expenditure in the current year.	5.7.1.1 p314
<b>Appendix M(ii):</b> Capital Expenditure – Upgrade/Renewal Programme	This Appendix relates to all capital expenditure relating to upgrade/renewal programme, showing the actual of the prior year, the adjusted budget and actual expenditure in the current year.	5.10 p319
<b>Appendix N:</b> Capital Programme by Project current year	This Appendix relates to all capital projects in the current financial year, indicating the adjusted budget, actual in the current year and the variance between the two.	1.2.7.9 p59
<b>Appendix O:</b> Capital Programme by project by Ward current year	This Appendix relates to all capital projects per ward in the current financial year, and indicates if work was completed or not.	new annual report format + MSCOA cost centres will address capital projects per ward
<b>Appendix P:</b> Service Connection Backlogs at Schools and Clinics	This Appendix relates to all backlogs in schools and clinics, the name and location of the schools and clinics is required, this information is provided to assist the national and provincial departments improve planning, budgeting and implementation.	5.9 p318
<b>Appendix Q:</b> Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision	This Appendix relates to all service backlogs experienced by the community where another sphere of government is responsible for providing the service, this information is provided to assist the national and provincial departments improve planning, budgeting and implementation.	5.9 p318
<b>Appendix R:</b> Declaration of Loans and Grants Made by the Municipality	This Appendix relates to the list of all organisation or person in receipt of loans and grants from the municipality, to state the nature of the projects funded and conditions attached to such projects together with the rand value.	5.14 p322
<b>Appendix S:</b> Declaration of Returns not Made in due Time under MFMA s71	This Appendix relates to all monthly budget statement not made in time as required by s71 of the MFMA. This information is critical for municipalities and oversight institutions so that early detection of problems can be made and corrective action taken sooner.	AFS p101
<b>Appendix T:</b> National and Provincial Outcome for local government	This Appendix covers information not addressed in any of the other areas of the Annual Report, relating to municipal powers and functions that can be used by the National and Provincial Spheres to monitor and evaluate service delivery performance. This should indicate the progress to date, numbers and percentage achieved.	AFS p3 – p6



## Provincial Sustainable Transport Programme (PSTP)

(Formerly – Provincial Public Transport Institutional Framework (PPTIF))

### Stellenbosch Municipality - NMT Priority Projects 2016/2017

## Transfer Funding Close-out Report

Ver 0.6 Date 29 August 2017



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*We hereby confirm, that to the best of our knowledge, the content of this report is a true reflection of the projects undertaken between the Stellenbosch Municipality and the Western Cape Government’s Department of Transport and Public Works during the Stellenbosch Municipalities 2016/2017 financial year, using an allocation from the Western Cape Governments Department of Transport’s Adjustments Budget, transferred to and used in conjunction with a contribution from the Stellenbosch’s Annual Budget.*

For and on behalf of the Western Cape Governments Department of Transport and Public Works.

Date:.....

Name:.....

Signature:.....

For and on behalf of the Stellenbosch Municipalities Transport Roads and Stormwater Department

Date:.....

Name:.....

Signature:.....

9.2 Actual Cash-flow – Carpe Diem

	Contract Value	Invoice No.1 30/05/2017	Invoice No.2 23/06/2017	Invoice No.3 27/06/2018	Invoice No.4 07/07/2016	Amount Due for Future Payment 2018
<b>Previous Remaining Balance</b>	<b>R2 556 546,32</b>	R 2 556 546,32	R 2 344 092,94	R 1 378 802,26	R 629 525,89	
<b>Retention Held</b>					R 255 654,00	
<b>Retention Released</b>					-R 127 827,00	R 127 827,00
<b>Certified for Payment</b>		-R 212 453,98	-R 965 290,68	-R 749 276,37	-R 501 691,97	
<b>Remaining Balance</b>	R 2 556 546,32	R 2 344 092,94	R 1 378 802,26	R 629 525,89	R 6,92	<b>R 127 827,00</b>
<b>Accumulative Value of work done</b>		8,31%	46,07%	75,38%	100,00%	

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9.3 Actual Cash-flow – ATN Group

	Contract Value	Invoice No.1 15/05/2017	Invoice No.2 30/05/2017	Invoice No.3 15/06/2017	Invoice No.4 23/06/2017	Invoice No.5 27/06/2016	Invoice No.6 30/07/2016	Amount Due for Future Payment 2018
<b>Previous Remaining Balance</b>	<b>R 3 196 014,00</b>	R 3 196 014,00	R 2 754 606,66	R 2 173 194,77	R 1 433 650,14	R 696 625,59	R 351 136,66	
<b>Retention Held</b>							R 319 601,25	
<b>Retention Released</b>							-R 159 800,62	-R 159 800,63
<b>Certified for Payment</b>		-R 441 407,34	-R 581 411,89	-R 739 544,63	-R 737 024,55	-R 345 488,93	-R 191 334,52	
<b>Remaining Balance</b>	R 3 196 014,00	R 2 754 606,66	R 2 173 194,77	R 1 433 650,14	R 696 625,59	R 351 136,66	R 1,52	<b>R 159 800,63</b>
<b>Accumulative Value of work done</b>		13,81%	32,00%	55,14%	78,20%	89,01%	100,00%	

## 1 INTRODUCTION

The Provincial Sustainable Transport Programme (PSTP) (formerly the Provincial Public Transport Institutional Framework (PPTIF)), has been established to implement a responsible, sustainable and step-wise approach to public transport and non-motorized transport (NMT) in identified municipalities through the Western Cape Government's Department of Transport and Public Works (WCG). This step-wise approach will follow three main stages, which at each step evaluate whether the optimal transportation solution is found to suite the unique attributes of each Municipality.

The Municipality of Stellenbosch (SM) was selected as the first municipality within which to implement this programme, with a Memorandum of Agreement (MOA) having been signed between the Accounting officers of WCG and SM. In addition to numerous status quo and planning assessments being undertaken, as a part of the first of the three stages within the municipality, the roll-out of priority NMT infrastructure projects, falling within the ambits of the PSTP, and Stellenbosch planning documents, including the Comprehensive Integrated Transport Plan (CITP), Bicycle Network Plans and locally identified demand amongst others, were undertaken.

For the 2016/2017 Financial Year, three of the earmarked NMT Projects for the PSTP Stellenbosch project were prioritized for implementation.

Funding was sourced, with R4million being secured through Western Cape Provincial Governments (WCG) adjustments funding process and transferred to the SM, and R1,3million was allocated from SM funding as their contribution towards the works.

Further to the above funding provided by the WCG, WCG were able to provide consulting services, to lead the prioritization of projects, through specialist transport advisors. Civil engineers, and management consultants were also provided to undertake the planning, design, management and construction supervision under an existing appointment. The SM, through their roster tender contractors were able to secure civil engineering contractors to undertake the work highlighted.

Although numerous challenges were faced, a determined, pro-active and flexible team of officials, consultants and contractors pulled together, to plan, design and deliver the infrastructure contained in this report, bringing improved infrastructure to Stellenbosch within the first year of implementation of PSTP, and achieving full spend of the allocated funding of R4m.

This report seeks to provide a summary of events and a close out on the work undertaken by the above two contractors under the leadership of the officials and consultants involved.

## 9 BUDGET RELOCATION AND ACTUAL CASHFLOWS

### 9.1 BUDGET RE-ALLOCATION

The original budget for Carpe Diem was R3 556 546,92 (Refer Contract No. 1 below), and for ATN Group was R2 196 014,00 (Refer Contract No. 1 below)

As noted throughout the document, the initial projects scope, and what these budgeted amounts were based on changed significantly due to the following reasons:

- Provincial Roads Plan approval on Kayamandi Crossing and removal of Marais Street Circle – **Impact** - Work only came on line towards the end of the financial year.
- Discovery of Graves in Klappmuts – **Impact** – portion of 3m wide pathway omitted from the original scope, resulting in unallocated budget.
- As a result of the above, and the strong cash-flow and progress performance of ATN Group, and unsatisfactory productivity of Carpe Diem – **Impact** - Re-allocation of projects (Kayamandi crossing and Marais street circle) from Carpe Diem (Refer variations in Table 3a) to ATN Group (Refer Contract No.2 in table 3b below).
- The impact on budget, and movements between same, is shown in Table 3a and Table 3b below.

<b>Contract No.1</b>	R 3 556 546,92
<b>Variations</b>	-R 1 000 000,00
<b>Revised Contract Value</b>	R 2 556 546,92
<b>Max Retention Amount (10%)</b>	R 255 654,69
10,0%	R 255 654,00

TABLE 3a Carpe Diem – Budget Amendments

<b>Contract No.1</b>	R 2 196 014,00
<b>Contract No.2</b>	R 1 000 000,00
<b>Revised Contract Value</b>	R 3 196 014,00
<b>Max Retention Amount (10%)</b>	R 0,00
10,0%	R 319 601,25

TABLE 3b ATN GROUP - Budget Amendments

## 8 CLOSE OUT FOR ATN GROUP

A summary of the projects which have achieved practical completion by ATN Group are included in table 2 below with planned and actual dates provided. The issuing of the certificate of completion, and a final completion certificate and release of the remaining retention will be managed by the SM. ATN Group were granted one extension of time claim with costs, till 15 July 2017, which was assessed and approved by the engineer and SM due to the increase in the scope of works, and inclement weather conditions.

Completed Projects	Baseline Start	Baseline Finish	Actual Start	Actual Finish	% Complete
<b>KLAPMUTS - Project 3</b>					
2m NMT path - (225m)	02 May 2017	02 June 2017	04 May 2017	14 June 2017	100
<b>KAYAMANDI - Project 1</b>					
Kayamandi Pedestrian Crossing	12 June 2017	20 June 2017	27 June 2017	15 July 2017	100
Kayamandi Signage	10 July 2017				OMIT
<b>ADDITIONAL ATN Group</b>					
<b>Klapmuts</b>					
Beyers Street (485m) Eastern Side	17 May 2017	06 June 2017	17 May 2017	15 July 2017	100
Adam Street (500m)	17 May 2017	20 June 2017	17 May 2017	07 July 2017	100
<b>Cloetesville</b>					
Eike Rd: (388m) LHS	12 June 2017	26 June 2017	19 June 2017	21 July 2017	100
Eike Rd: (50m) RHS:	12 June 2017	26 June 2017	10 July 2017	21 July 2017	100
Short Rd: LHS & RHS - (2 x 56m)	12 June 2017	26 June 2017	28 June 2017	07 July 2017	100
<b>Total ~ 1760m</b>					

TABLE 2

## 2 PROJECT 1 - KAYAMANDI TO CLOETESVILLE CROSSING (INTERIM)

### 2.1 Stage 1 to 2 Briefing

The development of a clear project brief was completed timeously with SM and WCG. Conceptual designs were reviewed in fortnightly Technical Review Meetings and approved by the client to proceed to detailed design.

The scope originates from the need to improve the safety of pedestrians crossing the R304 between Kayamandi and Cloetesville, identified in numerous planning documentation as a priority.

Although there is a need in the longer term to permanently improve access, possibly by a grade separated crossing over the R304, water course and railway line, this scope was to improve the location of the crossing, the signage, and introduction of a Universally Assessable ramp from the adjacent road invert to the sidewalk invert level on the R304.

### 2.2 Stage 3 Design Approval Process

Working drawings were developed by the consultant team and signed off by SM on 22 April 2017 and issued to Provincial Roads Network Management Branch (RNM) for approval of same.

Three separate engagements were held with RNM on 4 April 2017, 5 May 2017 and 12 May 2017.

On 12 May 2017, confirmation was received from RNM (Third engagement) that the working drawings were approved in principal. No further comments were noted.

On 18 May 2017, following numerous e-mail correspondence, WCG reported that there was only a limited chance that the drawings would be approved by RNM, in time to allow the works to be constructed before the end of the financial year.

RNM approval for the pedestrian crossing design element of the drawings was only received during June 2017, which excluded the ramp and signage designs.

### 2.3 Stage 4 Procurement and Pricing Schedules

Cost Estimates for this project were prepared by the engineer, from SM pricing schedules. These estimates were required to be re-done several times to align with the project budget, and available contractors on the SM data base.

### 2.4 Contractor Appointments

SM followed internal supply chain processes, and a work order was provided to the successful contractor on 19 April 2017. A site handover meeting took place on 24 April 2017 at which the contractor was requested to provide handover documentation such as Occupational Health and Safety, Environmental Plans (H&SP),

construction programme amongst others and to apply for wayleaves prior to proceeding with the works.

The engineer, through their Health and Safety agent reviewed, and were unable to immediately approve, the contractor's H&S plan due to the poor quality of the documentation received from the contractor. Provisional approval could only be confirmed by 9 May 2017.

## 2.5 Milestone Concurrency

Due to the tight timelines, the contractor appointment process had to be run concurrently with the RNM design approval process, for which concept designs had already been previously reviewed with RNM as noted above.

## 2.6 Delays Encountered

The delayed approval of the working drawings by RNM had a delaying impact on the commencement of the construction of the bulk of the planned works to this project, with the partial approval of the crossing only received during June 2017.

The overall poor start-up performance of the contractor also delayed the contractor's ability to commence on site, and given the delays encountered, this portion of work, and associated budget were re-allocated from Carpe Diem to the ATN Group.

RNM to date have only approved the relocation on the pedestrian crossing, and approval for the Pedestrian Ramp and Signage designs are still pending.

## 2.7 Close-out status

Given the delays noted above, the ATN Group were only able to proceed with the relocation of the Pedestrian Crossing, addressing localized kerb-side interventions, including the introduction of tactile paving and relocating signage associated with the pedestrian crossing. Further work in future will be dependent on the approval of designs by RNM, capex and consultant budget. View Photo's 1 & 2.



Photo 17 – Short Street upgrade Cloeteville



Photo 18 – Eike Street upgrade Cloeteville





Photo's 15 and 16 Before and after at Beyers Street sidewalk



Photo's 1 & 2 – Kayamandi Cloeteville Interim Pedestrian Crossing

### 3 PROJECT 2 - MARAIS STREET CIRCLE SNAGS

#### 3.1 Stage 1 to 2 Briefing

The development of a clear project brief was completed timeously with SM and WCG. Conceptual designs were reviewed in fortnightly Technical Review Meetings and approved by the client to proceed to detailed designs.

The Marais Street circle, although already making an allowance for bicycle lanes, has drawn criticism from the public, varying from being 'partially incomplete' in some instances to an out-right 'condemnation of the design'.

The scope undertaken was to address existing snags, rather than a detailed redesign, and re-alignment.

#### 3.2 Stage 3 Design Approval Process

Working drawings were developed by the engineer and signed off by SM on 22 April 2017 and issued to RNM for approval.

Three separate engagements were held with Provincial roads on 4 April 2017, 5 May 2017 and 12 May 2017.

Although minor works off the provincial road section was undertaken by Carpe Diem, before RNM had provided approval on the design submitted, the SM requested that this priority project be withdrawn due to increased public sentiment that a full re-design and re-alignment of that circle is required.

### 4 ADDITIONAL PRIORITY SIDEWALKS IDENTIFIED – Contractor: - Carpe' Diem

#### 4.1 Stage 1 to 2 Briefing

Additional priority sidewalks, which align with the PSTP and local planning documentation, were identified to be constructed or repaired to utilise the contractors budget made available by the delays and scope reduction noted above.

An additional priority list was provided by SM to WCG and the engineer on 5 May 2017. The list of sidewalks was reviewed and projects, including location, length and surface finished agreed on 17 May 2017 with WCG and SM. At this stage some pre-agreed projects had already commenced concurrently to mitigate the risks of contractor standing time.

Due to the challenges described above, a number of amendments to the initial project list had to be made following further investigation. All amendments were discussed, vetted, authorised and recorded as such, as part of the regular technical and construction progress meetings.

It was always expected that the initial project list would only be finalized once the projects had been fully assessed as part of the design development process. The focus of the identified additional priority projects, however, remains the same in that they aim to address the gaps in the NMT network in the Stellenbosch Municipal



Photo's 13 and 14– Before and after at the railway crossing Beyers Street sidewalk ramp

**7.2 Stage 3 Design Approval Process and Procurement and Pricing Schedules**

As the contractor, the ATN Group was already appointed, detail design for these projects, the proposed pavement structure (the layerworks) in the sidewalks, with sidewalk width and grade formed part of the detail design.

Again the engineer had to work closely with the SM officials to re-align the Schedules of Quantities as required to address the changes to scope.

In addition to the work undertaken by the ATN Group at the Kayamandi Crossing addressed above under item 2, the following priority sidewalk projects were implemented in Klapmuts; 485m on the eastern side of Beyers Street and 500m in Adams Street. In Cloetesville 388m of sidewalk was installed on the left-hand side of Eike Road of and 50m on the right hand side of same. In Short Street 56m of sidewalks were installed in either side of road. The photos below provide an indication of the type of work undertaken.



Photo's 11 and 12 - Before and after Adams Road Klapmuts – surfaced left hand side sidewalk

area, as was originally intended. All the projects form important NMT links within the communities within Stellenbosch Municipality.

**4.2 Stage 3 Design Approval Process and Procurement and Pricing Schedules**

Detail design for these projects focused on the proposed pavement structure (the layerworks) in the sidewalks, with sidewalk width and grade forming part of detail design as well.

Although the original design/proposal was to include a G5 pavement layer, in Idas Valley, it was later changed to be a G4 pavement layer instead due to expected vehicle loading from Residents parking on the sidewalks.

Unfortunately, existing ground conditions were not constant either in type or depth, and thus required on-site decisions to be made, therefore substantiating full-time supervision by a Resident Engineer to proactively manage the decision-making process and monitor quantity measurements as the work was undertaken. This applied to all areas of the construction that were undertaken.

The engineer had to work closely with the SM officials to re-align the Schedules of Quantities as required to address the changes to scope. The two photos below indicate work undertaken by Carpe Diem.



Photo 3 - Hammanshand Road



Photo 4 – Woodman Road Idas Valley



Photo 10 – Raised pedestrian crossing over Merchant Road

**5 CLOSE OUT – CARPE DIEM**

The projects indicated in table 1 below have achieved practical completion. The issuing of a Certificate of completion, and a final completion certificate and release of retention will be managed by the SM. Please view photo's below of some of the projects.

Completed Projects	Baseline Start	Baseline Finish	Actual Start	Actual Finish	% Complete
Luckhof Street (520m)	08 May 2017	15 June 2017	15 May 2017	27 June 2017	100
Lindley Street (300m)	08 May 2017	15 June 2017	22 May 2017	07 July 2017	100
Gorridon Road (130m)	12 June 2017	26 June 2017	09 June 2017	31 July 2017	100
Langeveld Street (60m)	08 May 2017	15 June 2017	22 May 2017	31 July 2017	100
Davey Road (130m)	08 May 2017	15 June 2017	22 May 2017	31 July 2017	100
Lindida Road (140m)	08 May 2017	26 June 2017	29 May 2017	31 July 2017	100
Woodman Road LHS & RHS - (2 x 45m)	12 June 2017		23 June 2017	31 July 2017	100
Hammanshand Road (475m)	12 June 2017		26 June 2017	31 July 2017	100
<b>Total ~ 1845m</b>					

TABLE 1

**7 ADDITIONAL PRIORITY SIDEWALKS IDENTIFIED – ATN GROUP**

**7.1 Stage 1 to 2 Briefing**

As noted above, the ATN Group had a fixed allowance for Sidewalks. With omission of the pathway due to the discovery of the graves, additional value was left to be allocated to the budget.

As noted earlier, it was always expected that the initial project list would only be fully finalized once the projects had been fully assessed as part of the design development process. The focus of the identified additional priority projects, however, remains the same in that they aim to address the gaps in the NMT network in the Stellenbosch Municipality, as was originally intended.

A list of additional priority sidewalks was discussed in progress meetings and agreed on 17 May 2017 with WCG and SM. The upgrading of sidewalks to Beyers Street and Adams Street in Klapmuts was also agreed.

Given the slow production rates achieved by Carpe Diem, additional budget was allocated to ATN, as noted above, to take over the Kayamandi Cloetesville Crossing, and the Marais street circle upgrade, which was ultimately. As such it was proposed and agreed by the SM that the remaining budget be spent in Cloetesville, on some sidewalk upgrades, including Short Road and Eike Road.



Photo's 8 and 9 – Before and after - pathway running through the subway - Groenvlei to Merchant

## 6 PROJECT 3 KLAPMUTS NMT – ATN Group

### 6.1 Stage 1 to 2 Briefing

The development of a clear project brief was completed timeously with SM and WCG. Conceptual designs were reviewed in fortnightly Technical Review Meetings and approved by the client to proceed to detailed design.

The scope included a road crossing improvement and NMT upgrades leading to the railway-subway between Merchant Road and leading towards Groenvlei, a portion of which included re-building existing pathways which had shown signs of structural failure.

### 6.2 Stage 3 Design Approval Process

Working drawings were developed by the engineer and drawings were signed off by SM on 22 April 2017.

### 6.3 Stage 4 Procurement and Pricing Schedules

Cost estimates were prepared by the engineer, from SM pricing schedules. These estimates were required to be re-done several times to align with the budget quantities and contractor availability. Over and above the planned works, and unlike the Carpe Diem contract, an allowance was made for the installation of additional sidewalks to be determined as work proceeded.

### 6.4 Contractor Appointments

SM followed internal supply chain processes and a work order was provided to the successful contractor on 19 April 2017. A site handover meeting took place on 24 April 2017 and the contractor was requested to provide handover documentation (H&S plans, programmes etc.) and to apply for wayleaves. This contractor had been pro-active, and was immediately available to commence work.

### 6.5 Milestone Concurrency

Due to the tight deadlines, the contractor appointment process had to be run concurrently with the land ownership approval process, which was being dealt with between SM Property, and the landowner KWV. KWV had expressed, in-principle, that the land could be utilized, on condition that no rights or servitudes in the name of the SM were registered.

### 6.6 Delays

#### 6.6.1 Discovery of Un-documented Graves

Following commencement of works on site, initially one grave was discovered, and the eastern NMT lane had to be re-aligned to suit.

This grave was situated on the KWV land referenced above.

Subsequently, on 11 May 2017 as work proceeded in that area, concerned community members informed the site team that there were potentially up to 300 graves in the area of the re-alignment, and the works to that portion of the land was stopped by instruction of SM on 11 May 2017. This work constituted a fair portion of the contract value.



Photo 5 - Grave Site on Proposed NMT Pathway

**6.6.2 Health and Safety Non-Compliance**

The Health and Safety Agent, in an audit report, noted that there were serious non-compliance issues with ATN and recommended a work stop order. The report was assessed, and a work stop order was issued.

ATN group ceased work that week, and works recommenced the following Monday, following a concerted team effort between the Contractor and the Health & Safety agent to undertake remedial actions and become compliant.

An indication of the work undertaken under this scope included in photo's below.



Photo's 6 and 7– Before and After Pathway between Groenvlei Road and Merchant Road



**Minutes of the meeting of the MPAC Oversight Committee held on 15<sup>th</sup> February 2019.**

Discussions on Chapter 3

(Meeting started at 12:00 and adjourned at 15:25)

**IN ATTENDANCE:**

- Councillor Wilfred Pietersen (WP)*
- Councillor Malcolm Johnson (MJ)*
- Councillor Emily Fredericks (EF)*
- Alderman J C Anthony (Co-opted member) (JA)*
- Mr. Benninghoff Giliomee (Co-opted member) (BG)*
- Mr. Gurswin Cain (IDP Manager) (GC)*
- Mr. Ulrich Cupido (PMS Officer) (UC)*
- Mr. Faiz Hoosain (FH)*

**APPLICATIONS FOR LEAVE OF ABSENCE**

*Councillor Nokuthula Mananga-Gugushe (NG) Councillor visited the doctor and attended meeting at 13:05*

*Councillor Ndipiwe Olayi – A verbal confirmation of attendance was received.*

MM - Ms. Geraldine Mettler – apology has been tabled due to a court hearing

**PRESENTATION AND DISCUSSIONS**

Circular 63 was provided and all the answers to Chapter 1 and 2.

The MM has indicated her absence due to urgent matters outside of her control.

Discussions on Chapter 3 was led by *Mr. Benninghoff Giliomee (Co-opted member)*

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
Law enforcement	BG	Is the memorandum of understanding with the SAPS working? In what ways does it benefit the citizens of Stellenbosch?	12	<i>Yes, the MOU is working. Regular joint operations in various high risk areas where Law Enforcement plays a supportive role to SAPS. Many successes has been achieved at drug outlets as well as</i>

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				<i>illegal shebeens.</i>
Informal Settlements	EF	TL 2. Number of serviced sites for low cost housing provided. Does it include serviced sites in ward 18?	125	Yes
Roads and Storm water	EF	TL 8. Number of bus and taxi shelters. Constructed. What is the status of the Klapmuts taxi shelter?	126	<i>The taxi rank was completed as part of phase 1. Please refer to handout with completion certificate. Phase 2 will be done for the commencement of the 2<sup>nd</sup> phase which will start at the beginning of July 2019. We made planning in the installation of the fence and the top structure. The main works will be the proper construction of the top structures. The placement of the containers is a temporary measure. If the fence will be implemented sooner Johan Fullard will communicate with the Councillor</i>
IDP/PMS	JA	Was the Deputy Mayor delegated to sign SDBIP?	120	<i>Yes, the Deputy was acting as Executive Mayor and therefore had the full delegation to sign as Executive Mayor.</i>
	MJ	The report is made public after the council has been informed of the quarterly progress against set targets.	118	<i>UO -Yes, We report to Council. And only after this we report to National And Provincial Government. We also publish it also on the website.</i>
	BG	TL 47 Electrical losses and TL 49 Limit unaccounted for water to less than 25% by June 2018Do we have employees that check for the losses?	131	<i>GC – I do not think we need to take the two KPI's back to the administration since it is recorded in the financial statements. The losses is accounted in the financial losses. There is some illegal connections as explained by the MM. We have our own dams and we lose it when water is cleaned. Non- revenue water is getting lost is much less and 8% is very low. The national norm is 18%.</i>
Water	MJ	A concern is raised on water losses. I understand the losses as explained. What the cubic meter of water that is of lost? How many litres are lost? I suggested previously that a research needs to be done. How is the water lost? Where does it go? I firmly believe that water is stolen. We know how the people		



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
		<p>connect electricity. I firmly believe that there is illegal water connections. The fact remains that we are losing water and we are losing revenue. <i>What can be done?</i> Page 131</p> <p>Water Services work according to our Water Services Development Plan and our Water Demand Management Plan. Water losses are curbed by various efforts including:</p> <ol style="list-style-type: none"> <li>1. Municipal leak repairs including house connections, water meter tampering, illegal connections etc.</li> <li>2. Replacement of old infrastructure (Asbestos cement pipe lines) according to our Water pipe replacement program which is based on various factors which include age, affected area, risk of flooding etc.</li> <li>3. Water meter replacement with accurate Class C water meters.</li> <li>4. Repairs to leaking internal plumbing at indigent private properties using "Domestic Leak Repair, Water Meter Replacement and Pressure Management" tender.</li> <li>5. Installation of Water Demand Management Devices to all indigent consumers.</li> <li>6. Individual Metering of all municipal owned units including flats, town houses etc. Erf only has one bulk connection, but will now have sub meters to every unit/consumer.</li> <li>7. Active monitoring off all metered sources (COCT bulk connections, Raw water connections from DWS and own sources at Jonkershoek Intake and Franschhoek Mountain Springs using live telemetry systems.</li> <li>8. Safe guarding of reservoirs and pump stations to secure water sources. Vandalism and demolishing of infrastructure (Pressure reducing valves, telemetry systems, power supplies etc.) are synonymous with water losses.</li> <li>9. Water losses at informal settlement ablutions are constantly attended to by own municipal staff and appointed maintenance contractors.</li> </ol>		
Property Management	JA	Is it sad that it must take a year to have an audit. TL 88 - Audit of all municipal leased Properties (excluding rental stock) by March 2018 Was the audit completed?	136	The information gathered in the field are analysed and the above programs are implemented in the order of severity of leaks, outstanding debt, accessibility of meters for accurate reading etc.
New Housing	JA	TL 31 Service sites for low cost housing development by 30 June 2017. Was the structures erected?	139	The services sites were demolished by community members. The sites are now in process of installation and will be finalised by June 2019.
Electricity	JA	Lawula Systems and Syntell (Pty) Ltd. Why do you use different providers for tender BSM 001 17 -1/2/3/4/5. Supply and delivery of electrical equipment and materials until 30 June 2019. Do we not use the provider with the best price?	152-153	This is a material tender, different items are awarded to different suppliers based on compliance to specification.

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
		We have various providers that does the same work.		
SCM	JA	BSM 044 17 – 1. Camarni Supply Chain Specialists Pty Ltd What happened to a service provider with poor service? Are they placed on a list? Are they blacklisted? Was there an improvement in the services rendered?	154	Contract has been terminated. In terms of clause 58 of SCM Policy the Service Provider will be suspended from the SCM database, alternatively blacklisted at National Treasury. The SCM policy will be updated to address the criteria in line with the contract value.
Community Services	BG	BSM 064 17 TRF Sport. It mentions poor performance. The matter is currently with legal service and alternative contract was sourced. Who delivered the service after the termination?	155	The uniform are obtained from the stores and they will keep in stock the required sizes.
Community Services	JA	I made enquiry about the service earlier and it was a year tender. The Municipality purchase from other service providers. I was in discussion with Mr. G. Abrahams from Community Services.		
Community Services	BG	BSM 057 18 DAWAILA TRADING. The user Department indicated poor performance, not to the extent that termination was needed.	158	UC – Our new performance policy makes provision that all service provides are sored every month with a scoring of 1, 2 or a 3. The contract management office is informed and he will engage with the service provider start the remedial process.
SCM	JA	BSM 016 16-59 University of Stellenbosch. BER – Economic Assessment What is the content of the service? I cannot believe that we use the University as a Service provider? What work did they do?	161	The Buro for economic research has done as assessment of the Municipality. Request for report required by MPAC/Oversight
SCM	JA	BSM 025 16 CSM Consulting Services (Pty) Ltd. What was the outcome of the consultation with the service provider?	163	Their services were terminated
Law Enforcement	BG	BSM 099 15 – 2 Armstrong and BSM 099 15 Six Combined. What happened with the service due to the unsatisfactory score?	166	The service was terminated due to the unsatisfactory service.
Law Enforcement	JA	BSM 099 15 – 1 Metro Security - In the last financial year this provider was rendering unsatisfactory service. Did the service of this provider improve? What was done to improve the level of service for this service since it is now marked as satisfactory?	166	The service provider was put on terms to improve their services. At the time of this report there was a slight improvement. However, the services did not improve significantly. Metro has since been penalized on a monthly basis and





Department	QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
			<p>held responsible for any losses the municipality suffered through poor services. This response is referred back. What were the losses to the Municipality? The service provider caused the loss of property due to break-ins at Cloeteville sports ground. <u>More detail follows below:</u></p> <p>a) Law Enforcement Service cannot give feedback on loss of property as it is the department's responsibility to forward proof of the claims or the amount so that it can be deducted from the company. As soon as the relevant departments forward the amounts Law Enforcement will proceed to deduct the amounts from the service provider.</p> <p>b) Penalties were deducted for late posting of security officers, failure to post a guard, sleeping on duty, short posting of guards, etc. The penalties was generated due to inspection performed by Law Enforcement officers at the various sites and or e-mails received from the user departments.</p> <p>c) Penalties deducted for July 2017 until June 2018 are as follows:</p> <ol style="list-style-type: none"> <li>i. July – R0.00</li> <li>ii. August 2017 - R7 500.00</li> <li>iii. September, October and November 2017 – R17 000.00</li> <li>iv. December – R0.00</li> <li>v. January 2018 – R0.00</li> <li>vi. February 2018 – R4 500.00</li> <li>vii. March 2018 – R0.00</li> <li>viii. April 2018 – R8 000.00</li> <li>ix. May 2018 – R4 000.00</li> <li>x. June 2018 – R5 500.00</li> </ol>

Department	QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
			<p>Was the losses registered in a register? Did they replace what was stolen? How can we be sure that they were brought to book?</p>
LED	JA		<p>I found it strange that we in 2016/17 we gave jobs to 747 full time equivalent people (FTE's) and for the year under review 695 FTE's. We can agree that hunger and poverty is so big. We have employed less people. Well it is just an indicators but we need to take note that we have employed less people. (p176)</p>
Water services	JA		<p>Page 181/2 gave us an idea of the importance of ground water. It was just the beginning. I do not have a document in front of me. In the beginning there was functions for the Municipality and now the municipality has powers to drill for water. We as a committee must take note and next year we must and ask questions on the expenses that was incurred.</p>
Water services	EF	175	<p>TL 42 Curtail domestic and industrial water consumption by 45% measured in terms of the equivalent average consumption of 5 years. <i>How did you arrive at the -45%?</i></p> <p><i>We went another five years back and looked at the water consumption level. It was to address by looking at the water consumption during the drought and it water monitored by the Water Department. It assisted to keep water usage at 86- and 50 litres of water per day per individual.</i></p>
Water services	JA	186	<p>These are the projects that was implemented. Water meters in Wemmershoek and Franschhoek. <i>I would like to see <u>the impact, the benefit and goals achieved?</u></i></p> <p>This project was done five years back in Klapmuts and I have asked about the project. I asked what was the lessons learned Another 3.5 million has been used and the people came from Durban. A sample is used and no report is given to the citizens. It is still in the implementation phase and we would see what the benefits are afterwards.</p> <p><i>The information gathered in the field are analysed and the above programs are implemented in the order of severity of leaks, outstanding debt, accessibility of meters for accurate reading etc.</i></p> <p><i>The audit results has been distributed</i></p>
Electricity	JA	189	<p>Copper and metal theft was still experienced during the 2017/18 financial year. <i>What is being done to stop the copper theft?</i> The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made to ensure their safety. <i>What is put into place?</i></p> <p><i>Cables installed at remote areas are being replaced when stolen with aluminium cables which is less attractive. Alarms at main substations are installed. Overhead Service connections at Kayamandi and Langrug are done by means of a Safedac cable (A yellow cable that has less copper. It is a cable that does not have the</i></p>



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				<i>same value of copper but it can carry the current required to provide electricity. It is to be noted through that, this will not completely stop/ end copper theft, as the thieves will make a way if they want to. We constantly advise people to report any cable theft (installed) or infrastructure related crimes under the 3200 code which is as per the amendment act will ensure that the crime gets the serious treatment it deserves (schedule 7).</i>
Electricity	EF	The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made to ensure their safety. Is something to put into place to look at their safety when they do their job?	190	<i>Staff are requested to only go to these areas only if accompanied by law enforcement. Arrangements have been made with Senior staff members at law enforcement to ensure that the requested assistance is provided when requested.</i>
Electricity	EF	A fencing tender was evaluated. <i>Has the fencing tender been approved? I want to echo the matter of the electricity. Where do they sell these copper. Do we not have security to watch over the copper</i>	190	<i>The fencing tender was cancelled, unfortunately due to non-responsiveness of the bidders. The tender is being re-advertised. The three most critical mini-substations were fenced through an FQ.</i>
Finance	BG	<i>Why do we not rent vehicles? In what cases are vehicles rented?</i>	190	<i>It is more cost effective to procure vehicles. Vehicles are only rented when user departments are short of vehicles and don't have any funds on the budget to procure vehicles and in cases where they have projects to finish.</i>
Solid waste	WP	<i>My concern is when it comes to the workers. When they use these vehicles they do not wear safety boots. I regularly stop at these trucks and then staff do not wear the safety clothing. Do all the staff wear safety boots when working on the solid waste trucks? Are all checked before they start working?</i>  <i>Do they comply? What happens if they do not comply if they wear sport shoes?</i>	194	<i>Staff must wear safety attire as deemed fit to protect them from any eventuality that could result in injury. As our staff are on Task-to-Finish, they are constantly on the run, and cannot wear normal, heavy safety boots as this could result in muscular injury. They normally wear light shoes but are trained in terms of handling wheelie bins in order to know the risks and dangers in handling these bins. It is</i>

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				<i>the duty of the Superintendent, Foreman and Driver to ensure that staff are wearing the required PPE prior to executing their tasks.</i>  <i>We provide three sets of clothing per year which includes jackets and jackets. We have to look at the safety clothes used. The safety boots is not conducting when running after a refuse truck. We will look at the matter of the clothing.</i>  <i>We have masks if they need to handle ash or wood chippings but for normal household refuse it is not required.</i>
		<i>Do they monitor vehicles when they leave Beltana?</i>		
Finance	BG	<i>Do we have a fleet manager and can we talk to him?</i>		<i>We do not have a fleet manager. The function was move to the finance directorate. A fleet management officer is directly accountable to the Senior Manager: Budget</i>
Finance	WP	<i>We had a question on the management of the fleet and a question were asked about the fleet and the use of the cars at the back. We are looking at processes to deal effectively with the fleet. We need to direct the question to the Neville Langenhoven about the effective use of the fleet since it was under the Law Enforcement department.</i>		
Finance	BG	<i>It is of critical importance when we look at the cars and the value concerned. It is a lot of money and no person to look at it. It is wrong that no-one looks over it.</i>		
Solid waste	WP	<i>It is also important to notes that the people of the waste management department are doing great work. We must not forget that the work is important for us to clean or places. p194</i>		
Solid waste	BG	<i>We heard a lot of the gas collection. What was the outcome of the gas collection? Who are benefitting from this project?</i>	199	<i>The gas extraction forms part of the closure, rehabilitation and capping of the closed cells. This authorisation was only received in September 2018, but this department had requested amendments to be made as there were many conditions not pertinent or relevant to this municipality. No feedback from DEA&amp;DP to date. Gas extraction will commence once this process gets underway, and the beneficiary will be the</i>



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				<i>Stellenbosch Wastewater Treatment Works.</i>
Solid waste	WP	Where is the location of the waste site in the picture?	200	<i>The Waste-to-Food area is that triangle marked in green between Asara on the left and the Cells 1&amp;2 on the right, and is roughly 1.6 h in size.</i>
Solid waste	EF	Is this project going on in Klapmuts or is it only for a year?	203	<i>Page 3 of the first issued questionnaire with answered has feedback on the swap-shops. This question is referred back and not the response we are looking for.</i>
Housing Administration	JA	How much title deeds must still be concluded by the Municipality? Title deeds must be concluded immediately after the houses have been allocated.	220	<i>The total number of title deeds is 1500</i>
Housing Administration	EF	There are a total of 16 482 applicants in the system of which a total of 12 917 applications were cancelled. Duplications were discovered whilst sanitising the database. This was mainly due to death or prior assistance with a housing subsidy. The municipality is also planning to develop an online housing demand database system which will have a mobile app so that people can be able to submit applications via their smartphones in the comfort of their own homes. This new online database system and the mobile app will be launched in February 2019. <i>How is it possible to have such a problem? Did the project start with the new application? Does this include the ordinary person?</i>	221	<i>The online housing database system has been finalised and ready for launch but the appointed service provider is finalising the mobile app. The delays have been due to them ensuring high security features within the app to protect the privacy of information of applicants. The problem with multiple beneficiaries and deceased beneficiaries in the database was due to the integration of the different databases that existed before the amalgamation of the municipality and due to the fact that some of the data was transferred from a paper source to the old system and after this process the department started to run the database through the Housing Subsidy System (HSS) which then detected duplications and deaths as this system is linked to the population register of home affairs and also to the Deeds Office to detect those who owned property before.  <u>If citizens does not have access to the electronic devices they will be assisted at the Housing offices</u></i>
Housing	WP	My other problem is that we know that	222	<i>Currently all flats have been</i>

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response								
Administration		we have a problem with housing. We have flats stand empty for more than a year. Some of the community members even indicated that they will be willing to paint the flats. <i>Why are the flats not occupied? We still have municipal flats that is empty?</i>		<i>allocated and there are no longer vacant flats. The flats became vacant for a longer period as it was taking too long for the maintenance department due to lack of capacity as they are responsible for all council properties not just the rental flats, to refurbish the flats to ensure that they are ready for occupation by the next allocate tenant. Council has now approved in the new organisational structure in-house handyman who will report to housing administration and this will ensure that the allocation of the flats happens quicker.</i>								
Budget	JA	Is the % spending correct. P 222 Is that not an overspending and to be a minus instead.  <b>3.1.33.3 CAPITAL EXPENDITURE – HOUSING ADMINISTRATION</b> <table border="1"> <thead> <tr> <th>Capital Projects</th> <th>Adjustment Budget</th> <th>Actual Expenditure</th> <th>Variance from Adjustment Budget</th> </tr> </thead> <tbody> <tr> <td>Furniture, Tools and Equipment: Housing Administration</td> <td>30 000</td> <td>40 645</td> <td>135.48%</td> </tr> </tbody> </table> <i>Only the capital projects are listed</i>	Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Furniture, Tools and Equipment: Housing Administration	30 000	40 645	135.48%		<i>Response: Corrective journals were done at Year End as it was found that Capital items were purchased on the Operating U-keys for the user department.</i>
Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget									
Furniture, Tools and Equipment: Housing Administration	30 000	40 645	135.48%									
Informal Settlements	JA	I have a concern that housing is not a primary function What is our long term goal by putting people in temporary structures and later we provide housing .Housing in provided in temporary structures and we are providing full structures underground like now in Klapmuts. We can provide more houses in we provide build houses than providing temporary housing which consist of 12 to 15 square meters. For me we are working backwards. It is now only a top structure due to the land availability. As a strategy we needs to tell the Departments that we need to do full planning. It is now Zone O, Klapmuts and Kayamandi. <i>What is concerning is that we are using ratepayers money to install these services. p223 – 228</i>										
Informal Settlements	JA	Is meaning full engagement s to get the people of the farms. They are using these meaningful engagements to get houses. <i>It is a silent relocation? Are we following a legal process with the meaningful engagements? There are</i>	232	<i>Yes, we are following legal processes. The Municipality is in negotiations with the property owner.</i>								



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
		no law that decided that people must move. <i>The Municipality are now in talks with the farmer to sell the land?</i>		
Informal Settlements	JA	We have 9000 people in informal settlement. Are these all the people that live in informal structure in the entire Stellenbosch? <i>What is the room for error when capturing the inhabitants' information?</i>	232	<i>No, the number does not include back yard dwellers that reside in formal residential areas.</i> <i>We work on a 10% error, not all the residents can produce an id-document or a birth certificate during the surveys and emergencies during disasters</i>
Informal Settlements	MJ	I have the same sentiment. I see this in the area called "the Giff" in Pniel. The structure total remains the same but it is expanding in size. When the law enforcement visit the area they will find fourteen structures but the structures grew in size.		
LED Tourism	MJ	Highlights: Tourism : Attended the Tourism Transformation Conference at Kopanong insights into National Tourism Sector Strategy and funding opportunities. Attended the Tourism Indaba in Durban to gain new insight, make strategic contacts, and develop a more informed framework to contextualise local tourism. <i>Who is attending these conferences?</i>	252	<i>Usually it would be either the Director or the Manager LED and the relevant Senior Local Economic Development Officer. Depending on whose function the conference will have an impact.</i>
Library	EF	When it comes to photocopying and printing. (p253). I do not think it is free for the community. I think it needs to be written better since the photocopies are not free.		
Library	JA	Availability of Skilled staff: All two-year contract staff, does not have any formal library qualifications or training. This has impacted greatly on the delivery of an effective and efficient library service and the promotion of literacy. <i>Are the contract library staff sent on training? What does it entails?</i>	254	<i>2018-19 CG staff was given In-House training conducted by both the Library Manager and Senior Librarians. CG staff was excluded from other training following the situation whereby permanently employed staff were given 1st option over CG staff. In-house training was given to 14 CG staff over the July- December 2018 period and covered. Organisational training needs to improve service delivery and customer care. Another important fact which influences the decision for training is the fact that CG staff are on a one year contract.</i>

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
Library	JA	Directed at Councillor Johnson. <i>Does he have funds on his budget for the Adam Small Festival?</i>	254	<i>This is a festival that is co-ordinated by Mr. Cyster. I have suggested that they apply for funding from the Municipality</i>
Cemeteries	JA	CK Rumboll and Associates were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of one or more regional cemetery sites to address the critical need for burial space within the municipality. Were all the principles of community participation followed with this project?	257	<i>Project in the phase of acquiring Environmental Authorization in terms of NEMA. A decision is expected by the Minister on Calcuttabos by July 2019 and Louw's Bos by November 2019.</i>
Cemeteries	WP	Pauper Burials. <i>Is the status correct at zero (0) for the 2017/18 year. What happens with the people that dies in the street?</i>	257	<i>Yes, The status is correct .The status of every burial site has been identified the first handout of the questions and answers and can be found on page number 8.</i>
Cemeteries	WP	We are having the correctional services inmates doing the cleaning the grave yard at Jamestown. <i>Why can't we have less people working in the graveyards? Why do we need staff of the municipality to work there as well?</i>	259	<i>The correctional services inmates only assist with Saturday operations at cemeteries and absenteeism amongst inmates exist. This is an informal agreement for the availability of inmates to close graves.</i>
Cemeteries	WP	We are using diggers to dig the graves and the workers only do the last filling the graves. <i>Why the graveyards are not clean?</i>  <i>It is very interesting, my concern is as a community member. What is happening with the Kylemore fence since the fence was more three year ready but nothing is happening in Kylemore. The cemetery is not being used.</i>	259	<i>The digger loader is only scheduled for digging of graves on Thursdays. We work on a cleaning programme and staff are rotated between the graveyards. There is only one (1) permanent employee lives at the Papagaaiberg graveyard and one (1) Jamestown.</i>  <i>Pertaining to the Kylemore cemetery: Refer to first questions and responses on page 8.</i>
		Our Saturday's fees are very high and I do not understand the Councillors. A grave in Stellenbosch cost R2 970 in Stellenbosch. You only pay R1 300 rand if you bury on a Saturday. This is a main concern. We will discuss this at the IDP meeting.		



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
Pollution Control , Bio-Diversity, Landscape, Open Spaces, Parks	JA	Four such incidents have been dealt with in the past year. What was the incidents that took place and where?	263	<p>The incidents referred to are incidents dealt with as NEMA Section 30 Emergency Incidents. They were:</p> <ol style="list-style-type: none"> <li>1. Diesel spill from a refuelling tanker on Kleine Zalze, Stellenbosch</li> <li>2. Truck carrying agricultural chemicals catching fire on the Franschoek Pass, Franschhoek</li> <li>3. Collision between a fuel tanker and train on the Muldersvlei railway crossing, Elsenburg</li> <li>4. Underground fuel leak from the Simonsrust fuel station, Stellenbosch</li> </ol>
Community Development	WP	Page 261. The cooking skills is chef training in co-operation with the Bergsig Training centre. I want to thank the Executive Mayor for these courses. Can the Executive Mayor extend the training course to the Kayamandi area? Bergsig training centre and "Stellenploy" can also be contacted for training courses. It is important that councillors link up with Stellenploy".		
Law Enforcement	BG	The Law enforcement officers remove vagrants. What is the destination of such removal? (Table and second row). How do they handle them?	265	<p>Currently, there is no destination as the vagrants are chased from pillar to post. The solution does not lie in law enforcement only, but a holistic approach involving other spheres of government is needed.</p> <p>A draft Street People policy has been developed by the Department of Community Development and was published for public comment where after it will be approved by Council. This policy will give direction involving NGO's and welfare organisations and create the platform in dealing with homeless people living on the streets.</p> <p>The draft policy for Street people were signed by the Executive Mayor but it is not tabled at Council as an official policy directive from</p>

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				Council
Traffic services	BG	In yesterday's Eikestadnuus we have a piece of an old person who is sick. What is done to improve the services of the Traffic Services?	266	The Municipality has approved additional posts on the organogram. The next step is to secure funding and proceed with appointment. Thirdly when funding made available and recruitment can be done. That will assist with creation of satellite stations e.g. Klappmuts, Franschhoek and Pniel. The project of the building will assist on improving capacity of our building and we can enhance our services. Extended services currently are assisting with improvement of services at Driving Licenses Testing Centre (DLTC) and Motor Vehicle Registering Authority by doing extended services on Saturdays.
Traffic services	WP	Also in the same newspaper it also indicate that the Traffic Department has extended their hours to Saturdays. Students are here for seven years and they change their details		
Traffic services	JA	A concern of the value of fines collected. The value have reduced by R5 million which is not good. On the same page roadblocks increased by 70% and they only got in R28 million. In 2017/18 the traffic officers attended to 6388. Motor vehicle licenses processed. What caused the decrease in licences processed?	266	The Department cannot be able to give exact reasons as there are various reasons that can influence the figures e.g. some vehicle owners may move out of our municipal area or some it may happen they failed to license their vehicles.
Traffic services	EF	When we look we see the amounts that made an appointments. It is alarming, did all of them failed the tests? Appointments 2 323, Applicants tested 1 640. Applicants passed 729. What is the reason for a lower pass rate than the amount of people booking for the tests?	267	The pass rate is very low on drivers test as result of applicants being nervous, and not familiar with the K 53 system and not quite ready for the practical tests on the date of tests
Traffic services	EF	I just got worried when the chair says it is a nice building. The Upgrading Traffic Building Why are the spending at - 97.24%	269	A consultant has been appointed to do a design as per needs and analysis firstly. Currently waiting for the design. The project is managed by Property Management.
Fire Services	EF	I am a bit confused to what the Municipality is giving to the community.	271	Emergency housing kits (fire kits) are issued in the following



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
		In case of a fire the response is that they are waiting on the service provider. Emergency housing kits. <i>What is the process in receiving emergency kits for the needy?</i>		instances: After any fire involving an informal structure that is used as a dwelling. After the verification has been done by Informal Human settlement department. Disaster management are dependent on the verification report. The kit is usually delivered on the same day when the verification has been received. Dependant on the size of the incident – the turnaround time of delivery of fire kits is usually 3 days. Yes there is a process flow that is encapsulated in the approved SOP.  <i>Response on 25 February 2019- Disaster management is responsible for the provision of fire kits. As stated previously- the issuing thereof is dependent on a verification report from IHS department.</i>
Fire Services	BG	Where do the Fire Services render the community services in the Stellenbosch Municipality?	271	<i>In the whole WC024 area – from three fire stations situated in Stellenbosch, La Motte and Klapmuts. In terms of mutual aid agreement we also render services anywhere in the CWDM area where needed. We also render service anywhere in the jurisdiction of City of Cape town if needed – in terms of mutual aid agreement. We can also assist anywhere in the Western Cape Province – as per delegation of the MM</i>
Finance	EF	Capital Expenditure – Fire and disaster management requires data. <i>Please provide the data. Page 271</i>		
Sport and Recreation	JA	Holiday resorts and camp sites. I see the money has been reduced. The installation of the credit card machine indicates R45 000 less in income that the previous financial year. <i>Is this a true reflection?</i>	273	The cashless system does not attribute to less revenue recorded. After investigation, visitors of Jonkershoek Picnic site: - all had bank cards; and - no one was ever denied access

Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
				for this reason.
ICT	EF  MJ	The ICT department further procured and roll-out 44 laptops for all Stellenbosch Municipality Councillors. Did all the Councillors receive a laptop?  The question should be if the Councillors are using the laptops?	279	<i>All 44 councillors were given the opportunity to receive a laptop. Some of them chose to use their current laptops or won laptops. The councillors were given laptops as part of the tools of the trade in terms of a council resolution and flowing from the Determination of Upper Limits. It enables to for instance read their emails and council agendas that is electronically distributed". The administration cannot comment further.</i>
Municipal Court	JA	I am concerned about the case load. What is the correct status of the staff working there? What is the departmental structure of the Municipal Court? The municipality had a R3, 4 million income. Look what happened in September 2018. <i>I cannot see the operations of the Court with the amount of staff recorded.</i>	283	<i>The staff structure of the Municipal Court is done in consultation with the Department of Justice. Currently the court does not even sit on a daily basis. We are still building on fully optimizing the days and staff available. The annual report and IDP does not refer to any plans for a municipal court in Franschhoek. The costs for establishing a second Municipal Court must be balanced against the amount of cases generated and dealt with. Given that we still have capacity in the Municipal Court running we are not planning a second Municipal Court at this stage.</i>
Municipal Court	EF	We are also looking into having an Ad Hoc Court in Franschhoek / Klapmuts in the near future? This could be another boost for our Municipal Court service to the community. <i>Is the Municipal Court services for Franschhoek still a plan for the future?</i>	284	<i>A new agreement with the Department of Justice must be signed before July 2019. The current court functions are still pending due to the agreement.</i>
Internal Audit	FH	<i>What is the meaning of an unqualified audit?</i>  The AG does an annual assessment of the Municipality in three areas: - Annual Financial Statements; - Non-Financial Performance information; and - Compliance to Laws and regulations - They are currently expressing an opinion on Annual Financial Statements.		



Department		QUESTIONS/ COMMENTS ON CHAPTER 3	PG	Response
		<p>Compliance to Laws and regulations &amp; Non-Financial Performance information. Findings are raised but does not necessary influence the audit opinion.</p> <p>There are five types of considerations of the Auditor –General can be:</p> <ol style="list-style-type: none"> <li>1. Clean audit ( that we have prior to this year – three years running);</li> <li>2. <i>Financially unqualified audit opinion;</i></li> <li>3. <i>A qualified audit opinion;</i></li> <li>4. <i>Adverse audit opinion; and</i></li> <li>5. <i>Disclaimer</i></li> </ol> <p><i>The bottom three does not affect us. The most important once are a clean audit opinion and Financially unqualified audit opinion.</i></p> <p><i>In order for us to obtain it our financial statements and audit information and Compliance to Laws and regulations. There need to be no material findings in all three areas then your audit findings will be clean. There will be minor findings but will not affect us. The Municipality has achieved for the past nine years an unqualified audit opinion aside from the last three years that is clean. We have moved from unqualified to clean as the next step. There were material findings in non-Financial Performance information; and Compliance to Laws and regulations, with one finding per section. It was a struggle to convince the AG and we have regressed from a clean audit to a financially unqualified audit. Our financial statements are clean from material errors after corrections has been made.</i></p>		
	JA			<p>It is clear with the explanation of the Chief Audit Executive. Next year we must work harder to address the matters as highlighted. Thank you for the administration for the effort for the unqualified audit</p>
	WP			<p>Thank you to Faiz for the explanation. Thank you that we can work together and work better. I hope that this is a wake-up call in the dealing of the audit.</p>

Meeting adjourned at 15:25

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Aurecon Centre  
1 Century City Drive  
Waterford Precinct  
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Cape Town 7441  
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South Africa

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OUR REFERENCE : 112273/Del/CNST/COR/016

30 November 2017

MARTIN & EAST  
3 Mercury Crescent  
Hillstar  
Wetton  
7780

ATTENTION: Mr H van Rhyn

Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

ATTENTION: Mr J Fullard

Dear Sir

**CONTRACT NO. B/SM 10/17: PROVISION OF CIVIL WORKS (ROADS AND STORMWATER) FOR A 2 YEAR PERIOD: CONSTRUCTION OF A TAXI RANK IN KLAPMUTS: CLAUSE 5.14.4 CERTIFICATE OF COMPLETION FOR THE WHOLE OF THE WORKS**

1. Reference is made to:

- Our list snag list, dated 23 November 2017, as per Clause 5.14.2 of the SAICE General Conditions of Contract for Construction Works, 3<sup>rd</sup> Edition (GCC 2015).
- The Contractor's subsequent notification, dated 28 November 2017, that the above items have been completed.
- Formal Completion inspection held on Site on 30 November 2017.

2. Attached, as per Clause 5.14.4, please find:

- Certificate of Completion No CoC/112273, dated 30 November 2017, pertaining to the whole of the Contract Works.
- List of minor remaining Work / Tests / Actions still required at Completion (Addendum A). If these items are not completed by the date/s stated, further actions may be taken i.t.o. the Contract.

3. Attention is drawn to the provisions of Clause 5.14.5, which will now apply to the certified Works and need to be implemented. The following is noted:

- Clause 5.14.5.1 Performance guarantee to be returned to the guarantor within 14 days.
- Clause 5.14.5.2 Defects Liability Period (DLP) commence on 1 December 2017 and will end on 30 November 2018, *provided the listed minor items still outstanding are completed and / or defects are remedied by the stated date/s (see Addendum A).*
- Clause 5.14.5.3 The Retention Money to be reduced to half i.t.o. Clause 6.10.5.
- Clause 5.14.5.4 Possession of the Site reverts to the Employer.
- Clause 5.14.5.1 In terms of Sub-Clause 17.2, the care of the Works passes to the Employer.
- Clause 5.14.5.1 In terms of Sub-Clause 18.2, other than for loss or damage for which the Contractor is liable arising from a cause occurring prior to this Certificate of Completion, the Contractor's responsibility for insurance of the Works ceases.

- The Contractor is required to notify us in writing as soon as the above minor remaining Work / Tests / Actions have been completed (or have been imminently completed) as per the Contract, so that the necessary inspection / testing can be done to verify compliance.
- A final inspection of the certified Works must be made prior to the expiration of its Defects Liability Period, to enable the Performance Certificate to be issued.  
The Contractor is therefore requested to contact us on about 20 October 2018 to arrange a date for a joint inspection and other matters related to the conclusion of the Contract.
- Note that, should any work, repairs or inspections posing OHS risks be done / required during the DLP, the following will still apply regarding the OHS Act and its various regulations:
  - o The construction work permit and other documentation (as required i.t.o. the Construction Regulations 2014 at the start of the Contract) remain applicable to the end of the Defects Liability Period (DLP).
  - o The Contractor shall have applicable H&S appointments and management in place for all work done during the DLP. These appointments and arrangements effectively form part of his ongoing H&S plan / management plan.
  - o The Employer (client) shall monitor / ensure that these requirements are adhered to, either by himself or through his appointed H&S agent (involvement at end of DLP to be catered for in his appointment).
  - o Generally, limited work will take place during the DLP, so the arrangements for approval of work, the Contractor's competent supervision and audits may generally be arranged and documented on an *ad hoc* basis, specific to the work to be done, but must be added to the H&S plan.
  - o Any requirements / limitations stated on the construction work permit will still apply during the DLP, as will the rest of the Construction Regulations 2014.

Both the Employer and the Contractor need to remain aware of these requirements and must make the necessary arrangements to fulfil these during the DLP, should applicable work be required.

7. Kindly sign the attached Certificate / List and acknowledge receipt without delay.

Yours faithfully

**K MEYER**  
Employer's Agent

**N PETERSEN**  
Technical Director

**Annexures:** Certificate of Completion No CoC/112273  
Addendum A  
Addendum B



CERTIFICATE OF COMPLETION i.t.o. GCC 2015 FOR THE WHOLE OF THE WORKS		
Certificate No CoC/112273		
CONTRACT NUMBER	:	B/SM 10/17
CONTRACT DESCRIPTION	:	PROVISION OF CIVIL WORKS (ROADS AND STORMWATER) FOR A 2 YEAR PERIOD: CONSTRUCTION OF A TAXI RANK IN KLAPMUTS
EMPLOYER	:	STELLENBOSCH MUNICIPALITY
CONTRACTOR	:	MARTIN & EAST (PTY) LTD
EMPLOYER'S AGENT	:	AURECON SOUTH AFRICA (PTY) LTD
DUE COMPLETION DATE (CURRENT)	:	30 NOVEMBER 2017
DATE OF PRACTICAL COMPLETION	:	30 NOVEMBER 2017
DATE ON WHICH AS-BUILT INFO RECEIVED	:	See Addendum A
DATE OF FORMAL INSPECTION AT COMPLETION	:	30 NOVEMBER 2017
DATE OF FINAL SIGNING OFF OF LIST/S OF WORK TO JUSTIFY COMPLETION	:	29 NOVEMBER 2017
DATE OF THIS CERTIFICATE OF COMPLETION & OF LIST OF MINOR REMAINING WORK (ADDENDUM A)	:	30 NOVEMBER 2017
START OF DEFECTS LIABILITY PERIOD	:	1 DECEMBER 2017
END OF DEFECTS LIABILITY PERIOD	:	30 NOVEMBER 2018
[Refer GCC 2015 Clauses 4.1.1, 5.5, 5.14.4-7, 7.4-8 & Contract Data]		
I.t.o. the SAICE General Conditions of Contract for Construction Works 2015, 3 <sup>rd</sup> Edition (GCC 2015) Clause 5.14.4 (with reference to Clauses 4.1.1, 5.5, 5.14.2, 7.4-8 & Contract Data), Completion is hereby certified for the whole of the above Contract Works.		
It is hereby certified that the above Works have been inspected, have passed all required tests and are deemed complete in conformity with the provisions of the Contract.		
Attached (Addendum A), as per Clause 5.14.4, is the <u>List of minor remaining work / tests / actions still required at Completion</u> in terms of the Contract, <u>by the dates indicated</u> . Failure to do so shall result in the corresponding extension of the Defects Liability Period.		
Issued by	Witnessed by	Works taken over by
		
For: EMPLOYER'S AGENT	For: CONTRACTOR	For: EMPLOYER
Date: 30/11/2017	Date: 6/12/17	Date: 6/12/2017

Aurecon Reference: 112273

ADDENDUM A TO CERTIFICATE OF COMPLETION NO. CoC/112273 FOR THE WHOLE OF THE WORKS: LIST OF MINOR REMAINING WORK / TESTS / ACTIONS STILL REQUIRED AT COMPLETION									
Item No	Date	Item	Incomplete	Defective	Additional	Agreed Date for completion	Completed / Corrected (Initial & Date)		Contractor
							EA		
<b>A. ACTIONS FOR CONTRACTOR</b>									
A1	30/11/2017	As-built information to be submitted.	X			07/12/2017			
A2	30/11/2017	Outstanding test results to be submitted and approved.	X			07/12/2017			
A3	30/11/2017	H&S plan close-out approval.	X			07/12/2017			
A4	30/11/2017	Spread remaining G5 material over the exposed fill on the sidewalks at the proposed new building.		X		07/12/2017			
A5	30/11/2017	Cut kerb at the end of Adams Street.		X		07/12/2017			
<b>B. ACTIONS FOR EMPLOYER</b>									
B1	30/11/2017	Ongoing security or control of theft and/or vandalism; Ongoing maintenance and repairs; Public liability and safety.				NA			
<b>C. ACTIONS FOR EMPLOYER'S AGENT</b>									
C1	30/11/2017	Issue as-built drawings.				30/01/2018			

<b>ADDENDUM B</b> TO CERTIFICATE OF COMPLETION NO. <b>CoC/112273</b> FOR THE WHOLE OF THE WORKS: <b>ATTENDANCE REGISTER</b> <b>FORMAL INSPECTION OF COMPLETED / REMAINING ITEMS AT COMPLETION, HELD ON 30 NOVEMBER 2017</b>				
NAME	ORGANISATION	CELL	E-MAIL	SIGNATURE
<b>PRESENT</b>				
Karin Meyer	Aurecon	082 786 9690	karin.meyer@aurecongroup.co.za	<i>[Signature]</i>
Alysa Verwey	Martin East	082 8740095	averweil@martin-east.co.za	<i>[Signature]</i>
Johan Fullard	Stellenbosch Mun	072 8292777	johan.fullard@stellenbosch.gov.za	<i>[Signature]</i>
<b>APOLOGIES RECEIVED</b>				
<b>ABSENT (THOUGH INVITED)</b>				





Ms Nadia Rinqest  
Local Government Budget Office  
Email: nadia.rinqest@westerncape.gov.za  
tel: +27 021 483 8692 fax: +27 21 483 4680

Reference: PTR/12/2/11/4

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

For Attention: The Municipal Manager, Ms G Mettler

## PROVINCIAL TREASURY COMMENTS ON THE TABLED 2017/18 ANNUAL REPORT

### 1. INTRODUCTION

- a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.
- c. National Treasury has further introduced the new annual report template and MFMA Circular No. 63 on 26 September 2012. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.
- d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

### 2. LEGISLATIVE COMPLIANCE

#### 2.1 Conformance

The conformance assessment highlights compliance by Stellenbosch Municipality with the MFMA and Annual report MFMA Circular 63 is as follows:

- a. The Municipality submitted the draft 2017/18 Annual Performance Report together with the Annual Financial Statements to the Auditor General by 31 August 2018.

- b. The unaudited Annual Report was not tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c. The Annual report was tabled to Council on 30 January 2019 which is within 7 months after the end of the financial year in accordance to MFMA section 121(1).
- d. The draft Annual report was placed on the website on 30 January 2019 in accordance to section 75 of the MFMA.
- e. The Annual report was made public and public was invited to comment on the Annual report on 30 January 2019. The Annual Report was published on the municipal website and adverts placed in local newspapers inviting public to comment for 21 days after the advert was placed.

#### 2.2 Format of the Annual Report as per MFMA Circular 63

- a. The Annual Report partially complies with the Annual Report Template as described by MFMA Circular 63 as it did not include any of the required appendices.
- b. The Mayor's Foreword is included in the draft version as per Circular 63 guidelines.
- c. The Municipal Managers Foreword is included in the draft version as per MFMA Circular 63 guidelines and includes all the components as prescribed.
- d. The draft Annual Report provides a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2017/18 financial year.

### 3. SERVICE DELIVERY INFORMATION AND PERFORMANCE

2017/18 Key Performance Area	Number of targets achieved	Number of targets not achieved
Valley of Possibility	9	3
A Green and Sustainable Valley	3	1
A Safe Valley	6	0
Dignified Living	20	0
Good Governance and Compliance	24	14
<b>Total</b>	<b>62</b>	<b>18</b>

#### Comments

- a. Chapter 3 provides comprehensive details regarding the service delivery performance of the municipality for the 2017/18 financial year. The municipality

achieved 77.5 per cent (62 of 80) of its targets at the end of the financial year resulting in an increase in performance when compared to the previous year. However, this falls outside the acceptable norm of 20 per cent between planned and achieved targets.

- b. The 18 targets not achieved are mainly related to areas of basic service provision as well as governance. The municipality has provided corrective measures as to how it will address the under-performance of these targets in the new financial year.
- c. It is noted that the basic service delivery targets not met was due to circumstances out of the municipality's control. However, to improve governance, the municipality should ensure that reports are submitted to the relevant committees timeously.

#### 4. GENERAL

- a. Several local economic development initiatives were planned and implemented during the 2017/18 financial year. The annual report provides highlights as well as challenges faced in implementing Local Economic Development strategies in the 2017/18 financial year.
- b. The Auditor-General's Report as submitted by the Auditor-General is included as Annexure B in the Annual Report and not in the actual body of the report. The municipality has received an unqualified audit with findings from the Auditor-General for the 2017/18 financial year.

#### 5. CONCLUSION AND RECOMMENDATIONS

Stellenbosch Municipality has complied with legislation regarding tabling, publishing document for comments, submission to Provincial Treasury and placement on the website within the time frames prescribed in the MFMA section 121.

The Municipality partially complied to the prescribed format of the report as per Circular 63 as the draft 2017/18 Annual Report did not include any of the recommended appendices. This a repeat finding from the previous year.

The Governance section in Chapter 2 of the Annual Report provides a comprehensive overview of the political and administrative structure within the municipality as well a risk profile and supply chain management information.

The performance report included in pages 118 – 281 indicates that the municipality achieved 77.5 per cent of its targets for 2017/18 (62 of 80 targets were met). This demonstrates an increase in performance from the previous year. Of the 18 targets not achieved, the municipality has ensured that corrective actions will be taken to meet the targets in the future.

Stellenbosch Municipality produced an in-depth draft 2017/18 Annual Report reflecting relevant information pertaining to the Municipality's performance during the year under review.

For any further enquiries, please do not hesitate to contact Ms Nadia Rinqest as per above details.

Kind regards



**MR M BOOYSEN**  
DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE

DATE: 21 February 2019



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# Stellenbosch Municipality

## Photographic Report

### Taxi/Bus Shelters Projects 2017/2018



**INTRODUCTION**

This report is a photographic record of taxi/bus shelters, completed within the 2017-2018 financial year.

**1. Pniel - 2 Shelters (Single roof & Double Roof)**



2 No. shelters installed in Pniel Main road near the church.

**2. Cloetesville – 1 Shelter (Double Roof)**



1 No. shelter installed in Cloetesville in Lang street just Outside "SmartieTown".

**3. Wemmershoek–2 Shelters Installed (Single roof & Double Roof)**



2 No. shelters installed in Wemmershoek (close to the R301 Road in Angelier Street.)

**4. Kayamandi – 1 Shelter Installed (Double roof) temporary**



1 No. shelter installed by the Kayamandi Taxi Rank in Masitandane Rd.

**5. Paradyskloof- 1 Shelter installed (Single roof)**



1 No. shelter installed on Paradyskloof Road.

**Total Shelters installed for financial year 2017/2018: 7 shelters**





**Minutes of the meeting of the MPAC Oversight Committee held on 22<sup>nd</sup> February 2019**

Discussion on Public Hearing

(Meeting started at 09:00 and adjourned at 13:35)

**IN ATTENDANCE:**

*Councillor Wilfred Pietersen*

*Councillor Emily Fredericks*

*Councillor Nokuthula Gugushe*

*Alderman J C Anthony (Co-opted member)*

*Mr. Benninghoff Giliomee (Co-opted member)*

*Mr. Gurswin Cain (IDP Manager)*

*Mr. Ulrich Cupido (PMS Officer)*

*Mr. Lawrence Seals from ward 17 – Presentation of written submission*

**APPLICATIONS FOR LEAVE OF ABSENCE**

*Councillor Malcolm Johnson – requested leave of absence*

*MM - Ms. Geraldine Mettler – apology attendance of MM forum*

**PRESENTATION AND DISCUSSIONS**

*Session was led by Cllr. Wilfred Petersen*

*The MPAC/Oversight Chairperson Wilfred Petersen welcomed all present*

**Agenda:**

*Only one (1) written submission was received. Mr. Lawrence Seals verbally presented the contents of his written submission.*

Department	QUESTIONS/ COMMENTS ON CHAPTER 4,5 & 6	Response
	1. The RDP houses are in a neglected state at the Steps. The windows are falling out and the walls are cracked.	
	2. What cant the Municipality address the needs of the backyarders? <i>The backyarders are being treated without dignity and they are threatened with eviction.</i> It can be done with the installation of electricity and toilets.	
	3. Housing – Why does the people of Cloeteville always in the queue. More houses	

Department	QUESTIONS/ COMMENTS ON CHAPTER 4,5 & 6	Response
		were constructed and Cloeteville were excluded.
	4. Safety – Over weekends and during All Pay (Pension and disability time) time. People are robbed of their money. Security is in place. What about the safety of Cloeteville. When you look in Brand wag and “Die Boord” there is law enforcement. We see you only at vote time. We request for visible policing and law enforcement in Cloeteville.	
	5. Please allow for the 50% discount for people on Saturdays. Our people are working during the week. Please assist with a discount to bury our people on a Saturday. We want to bury our people with dignity. I call to the Mayor and the Chairperson to allow us to bury our people with the required dignity.	
	6. Flee market – Cloeteville. Are there progress with the flea market? I visited the flea markets in Ida’s Valley. There were only two to three people who sell products. During the week nothing is happening. That building is a white elephant. A security guard look after the building and are being paid. Why the money for such building can’t be used for the backyarders. Why do you not change the building to an IT centre? The children will benefit and obtain more literacy and fight gangsterism.	
	7. The Councillor of ward 16 do a lot of things for the community but cannot reach all the needs of the community. She wants to address her promise but at this time she succeed with 30%. She will be known as a liar since she cannot reached her promises.	
	8. Youth – While I was on the ward committee I asked the previous Councillor why a multi-purpose cannot be building. No facilities exist for the use by the youth.	
	9. Thank you for the positive thing that are taking place. Thank you for the walking bus, the free water and electricity.	
	Thank you for the opportunity that was granted	
	The Councillor thanked Mr. Sauls for his submission.	
	<b>MPAC/Oversight Visit to “Die Boord” Informal trading site</b>	
	1. The MPAC/Oversight Committee were granted permission to travel in a Municipal vehicle to the trading site in “Die Boord”. On arrival discussion were held wit two traders at the site, namely: - Arashaad Naidoo and Wife Tashneem are trading in flowers; and - Nak Smit who sells animal hides.	
Department	The discussion with them revealed the following:	Response
Planning and LED	a) They are regular traders who have annual permits for their respective items and they would like to have access to potable water in order to grow their business	Currently traders buying permits for this particular site are been made aware of the fact that no potable water is provided. The department take note of the request and will address it with the relevant department
Law Enforcement	b) Illegal trading are a problem and they do feel that the law Enforcement officers needs to address the illegal traders on the site;	
Planning and LED	c) The absence of ablution facilities is of great importance. After the ending of the tender, no toilet was provided. It was previously registered with the Local economic Department.	The process to appoint a service provider is near completion and ablution facilities will be provided by latest at the end of next week.



Department	QUESTIONS/ COMMENTS ON CHAPTER 4,5 & 6	Response
	<b>MPAC/Oversight Visit to the Jamestown informal site</b>	
Informal Settlements	<i>Did a handover session take place?</i>	<i>Inspections are done on a continuous basis.</i>
	<i>What was done to instil ownership after the handover of these ablution facilities?</i>	<i>A project hand over session took place. Several role players were invited to this hand over session. Several meetings were held with the community before the project commenced, during the construction phase and after completion.</i>
	<i>What was done with the inspection of the assets as yet?</i>	<i>A meeting was held with the Mountainview community where the issue of the ablutions was also discussed. It was decided that the provision of this infrastructure will be revisited by the Municipality and that the community will inform the Municipality when vandalism occurs.</i>
	<i>What was done to limit the loss of water since all the taps are missing?</i>	<i>The water valves for each section are intermittently closed off. However the residents continue to make illegal connections to the infrastructure</i>



Meeting adjourned 13:35

Vredelust straat 97  
 Cloetesville  
 Stellenbosch  
 7600

**" Dankie vir hierdie geleentheid"**

**Ek is 'n inwoner van Cloetesville**

1. Ek wil net weet daar was opnames gemaak oor ons gebreke van die 'RDP' Huise 'The Steps' en belowe dat ons plekke reg gemaak sal word. Ons vensters val uitmekaar, huise is gekraak en nog niks is gedoen nie.

2. Hoe lank gaan die Back Yarders wag vir huise.

2.1. Hoe lank moet hul gebuk gaan van vernedering " Ek sit jou uit".

2.2. Waarom kan die Munisipaliteit nie fondse beskikbaar stel, om ook aan hulle krag te voorsien nie.

2.3. Sodoende sal daar minder brande plaasvind.

**3. Behuising :** Waarom staan Cloetesville altyd laaste in die ry!

3.1. Rondom ons word daar net gebou, privaat huise. ( Nie eers dit is bekostigbaar vir ons Gemeenskap nie.)

4. Ons veiligheid, veral naweke en " All Pay " dae. Baie mense word beroof.

4.1. Sekuriteit, Law Enforcement, net op sekere plekke: **Wat van Cloetesville.**

**5. Begraafplaas :** Ek doen 'n beroep op die Burgermeester en Raadslede, en Beampies. Bring asb die afslag op Saterdag om te begrawe terug vir Deernis gevalle, ons mense of familie kry nie by hul werk af in die week nie. Ons het voorheen 50 persent afslag gekry op die Saterdag fooi.

**6. Die Flee Market :**In Cloetesville is dit nog nodig. Wat gaan aan dat daar geen vordering is nie. Kan daardie geld nie gebruik word vir die Back Yarders nie asb!!

6.1. Kyk hoe staan Idasvallei se Flee Market gebou soos 'n Wit Olifant.

**7. Jeug :** Die Raadslid van Wyk 16 doen baie en probeer haar beste.

7.1. Maar dit is nie genoeg. Waar is die Jeug Ontwikkeling Projekte vir ons Gemeenskap in Cloetesville, Idasvallei en Buite Wyke. Niks gebeur deur die jaar nie.

8. Baie dankie ook vir die positiewe dinge wat gebeur, soos die **Walking Bus Projek**, en ek vertrou dat daar nog meer gebeur. Ons is dankbaar vir gratis water en krag.

Ek dank u  
 Lawrence Seals ( 0818887110)

*L SEALS*



**Minutes of the meeting of the MPAC Oversight Committee held on 18<sup>th</sup> February 2019.**

Discussion on Chapter 4, 5 and 6

(Meeting started at 12:00 and adjourned at 15:45)

**IN ATTENDANCE:**

*Councillor Wilfred Pietersen (WP)*

*Councillor Malcolm Johnson (MJ)*

*Councillor Emily Fredericks (EF)*

*Councillor Nokuthula Mananga-Gugushe (NG)*

*Alderman JC Anthony (Co-opted member) (JA)*

*Mr. Benninghoff Giliomee (Co-opted member) (BG) – left at 14:20*

*Mr. Gurswin Cain (IDP Manager) (GC)*

*Mr. Ulrich Cupido (PMS Officer) (UC)*

**APPLICATIONS FOR LEAVE OF ABSENCE**

*Councillor Ndipiwe Olayi – a verbal communication was confirmed with Cllr. Olayi by the Cllr. WP. Petersen*

MM - Ms. Geraldine Mettler – apology has been tabled

**PRESENTATION AND DISCUSSIONS**

The discussions on Chapters 4, 5 and 6 was led by *Cllr. Emily Fredericks*

Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response
Human Resources	JA	Do we as the Municipality comply with the Employment Equity targets? Do we comply with National- and Provincial targets? (table 4.2)	286	Yes, we do
Human Resources	MJ	Is that the amount of employees for the 2017/18 employees? The target for June for coloureds is 497 and the actual 671 (table 4.2) Doe it justify the employment equity target s as requested by the Alderman	286	Yes No, however in terms of competency and skills required these candidates were appointed. In terms of the recruitment and selection policy the MM approved this as a deviation from the targets as required by legislation

Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response																																																											
Human Resources	MJ	<p>P285. If you look at the figures in 2014/15 and 2016/17 the target for the year in the same, namely: 4. Shouldn't the percentage of 0, 83 and 0.94% be the same?</p> <table border="1"> <thead> <tr> <th>KPA and INDICATORS</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan</td> <td>2</td> <td>1</td> <td>4</td> <td>13</td> <td>4</td> <td>50%*</td> </tr> <tr> <td>The percentage of a municipality's budget actually spent on implementing its workplace skills plan</td> <td>0.009%*</td> <td>0.006%*</td> <td>0.83%</td> <td>0.97%</td> <td>0.94%</td> <td>72%**</td> </tr> </tbody> </table> <p><small>*The unit of measurement changed from number to percentage for the employment equity target. ** Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2016/17 financial year is based on the Total Annual Payroll as depicted in the SDBIP.</small></p> <p>These targets and figures were received as submitted by the relevant officials at the time and HR cannot verify whether it should or should not be the same.</p>	KPA and INDICATORS	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	1	4	13	4	50%*	The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.009%*	0.006%*	0.83%	0.97%	0.94%	72%**																																								
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Human Resources	MJ	<p>P286 Employment target. If you look at the target of 681 of males during 2017/18 financial year but 785 were employed. Which means that the males were 104 more employed more than the target. Females on the other hand was at 378 out of a target of 670 which is 292 less than the target. What is the reason for not meeting the females' target?</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Male</th> <th colspan="3">Female</th> <th colspan="3">Disability</th> </tr> <tr> <th>Target June</th> <th>Actual June</th> <th>Target reached</th> <th>Target June</th> <th>Actual June</th> <th>Target reached</th> <th>Target June</th> <th>Actual June</th> <th>Target reached</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>536</td> <td>744</td> <td>138.43%</td> <td>556</td> <td>348</td> <td>62.58%</td> <td>0</td> <td>0</td> <td>n/a</td> </tr> <tr> <td>2015/16</td> <td>425</td> <td>783</td> <td>54.27%</td> <td>518</td> <td>368</td> <td>71.04%</td> <td>0</td> <td>0</td> <td>n/a</td> </tr> <tr> <td>2016/17</td> <td>681</td> <td>782</td> <td>78.87%</td> <td>670</td> <td>363</td> <td>54.18%</td> <td>0</td> <td>10</td> <td>n/a</td> </tr> <tr> <td>2017/18</td> <td>681</td> <td>785</td> <td>115%</td> <td>670</td> <td>378</td> <td>56%</td> <td>10</td> <td>10</td> <td>100%</td> </tr> </tbody> </table> <p><small>Table 4.3 Targets/Actual by Gender Classification</small></p> <p>The reasons could be twofold - females either did not meet the advertised criteria or scored showed the necessary competence in terms of what was needed in the post.</p>		Male			Female			Disability			Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	2014/15	536	744	138.43%	556	348	62.58%	0	0	n/a	2015/16	425	783	54.27%	518	368	71.04%	0	0	n/a	2016/17	681	782	78.87%	670	363	54.18%	0	10	n/a	2017/18	681	785	115%	670	378	56%	10	10	100%		
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Human Resources	JA	<p>If you look at Chapter 3 you would see that there are vacancies in engineering departments. I would urge the department that that vacancies creates a shortage of staff and it will influence the delivery of services. This is noted but unbudgeted posts cannot be filled and in most infrastructure posts it is difficult to attract competent employees due to the salary we advertise.</p>																																																													
Human Resources	JA	<p>P288. I am a bit worried that this occurrence could have a negative effect on the delivery of services. No new appointment takes place. The turnover rate also confirms the amount of new appointments at 42 but he termination rate is found at 69l concur with the figures. This comment is regularly raised but if skilled and qualified people do not apply we risk the municipality in many ways</p>																																																													
Human Resources	MJ	<p>All these vacancies. My understanding is that all these posts are budgeted for. I understand that Hannetje in</p>	288	We found that there are 7 vacancies and no request were made to fill these vacancies and it																																																											



Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response										
		Franschhoek has a great shortage of staff. Then, I cannot accept that there are so much vacancies. I am concerned that there is a shortage of manpower. <i>What will be done with these vacancies? When will it be filled?</i>		was addressed with Human Resources. It was cleared with the directors and a process needs to be filled. Thank you for the recognition of the sick leave. We are addressing the matter of sick leave and termination interviews										
Human Resources	JA	Congratulations to the departments. This item was on the MPAC agenda for the last three years. The sick leave and it decreased for the second year. It shows that if you put the finger on the nail you can keep it there. The working days compared to the previous years it decreased. Congratulations to the departments for keeping your finger on the pattern.												
Human Resources	EF	Plant and machine operators and assemblers p291. If you look at the males, they have a total 20 employees that was identified for training. In the next column it says that no-one went for training. <i>Can this be explained pertaining to the amount that required training and those who went on training?</i>		Training was planned to take place however it was dependent on the departments providing specifications and employees. If no training took place, it was not identified as a priority by the departments. Employees did not attend the training during the applicable financial year.										
Human Resources	MJ	Training spent – 4.2.5.1 p293. I want to compliment the Municipality for the training conducted. More people went on training than the amount that was identified. There is a concern about the 20 that was identified and none went on training.												
		<table border="1"> <thead> <tr> <th rowspan="2">Plant and machine operators and assemblers</th> <th>Female</th> <th>0</th> <th>0</th> </tr> <tr> <th>Male</th> <th>20</th> <th>0</th> </tr> </thead> <tbody> <tr> <td colspan="4">There is a difference from the sources of funding. In this case two employees were nominated for training and we did not receive funding from the LGSETA. The modules that were requested but it could not realise since a difference in the training required. We have requested training but the needs and the request were not specific.</td> </tr> </tbody> </table>	Plant and machine operators and assemblers	Female	0	0	Male	20	0	There is a difference from the sources of funding. In this case two employees were nominated for training and we did not receive funding from the LGSETA. The modules that were requested but it could not realise since a difference in the training required. We have requested training but the needs and the request were not specific.				
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Human Resources	BG	Motor Vehicle Allowance – Does the people have logbooks.	294	<i>We have two types of allowance for staff and then a perk scheme that is dealt with by SARS. The must proof that the vehicle belongs to the employee concerned. The council vehicles will go to a pool and they do have a log book. The fleet department will start now. A request was sent to record all the vehicle to have all vehicles under one department's control.</i>										
Finance Budget	BG	What is the other allowances for councillors? Cell Phone and "Other Allowances"	294	Operation Cost Items										
Finance Budget	JA	There is an omission under 4.2.5.3 for the 2017/18 financial year. p293												



Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response																																								
		<p><b>4.2.5.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION</b></p> <p>The table below indicates that a total amount of <b>R 4 919 000</b> allocated to the workplace skills plan and that <b>72%</b> of the total amount was spent in the 2017/18 financial year:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total personnel budget</th> <th>Total Allocated</th> <th>Total Spend</th> <th>% Spent</th> </tr> <tr> <td></td> <td>R</td> <td>R</td> <td>R</td> <td></td> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>260 883 962</td> <td>3 242 848</td> <td>2 371 911</td> <td>73</td> </tr> <tr> <td>2013/14</td> <td>280 637 485</td> <td>2 450 170</td> <td>1 776 397</td> <td>73</td> </tr> <tr> <td>2014/15</td> <td>324 832 04</td> <td>2 743 370</td> <td>2 716 719</td> <td>99</td> </tr> <tr> <td>2015/16</td> <td>416 062 658</td> <td>3 420 000</td> <td>3 406 325</td> <td>99</td> </tr> <tr> <td>2016/17</td> <td>407 801 472</td> <td>3 400 000</td> <td>3 204 069</td> <td>94</td> </tr> <tr> <td>2017/18</td> <td>444 528 681</td> <td>4 919 000</td> <td>3 541 680</td> <td>72</td> </tr> </tbody> </table> <p>Table 4.14 Budget allocated and spent for skills development</p>	Year	Total personnel budget	Total Allocated	Total Spend	% Spent		R	R	R		2012/13	260 883 962	3 242 848	2 371 911	73	2013/14	280 637 485	2 450 170	1 776 397	73	2014/15	324 832 04	2 743 370	2 716 719	99	2015/16	416 062 658	3 420 000	3 406 325	99	2016/17	407 801 472	3 400 000	3 204 069	94	2017/18	444 528 681	4 919 000	3 541 680	72		
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Human Resources	JA	The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%: The actual for 2017/18. It must be stated that Stellenbosch Municipality falls are 33%, which is less than the National norm having in mind the amount of vacancies.																																										
Finance Budget	BG	What is categorized under "Other expenditure"	295	Operation Cost Items																																								
Finance Budget	JA	Gains on disposal of PPE – Revenue by Source. <i>What is the Gains of PPE?</i>	298	Profit from sale of asset in terms of GRAP 9. I have purchased an item and make profit out of the asset. The profit made out of the profit will be deemed at gains.																																								
Finance Budget	BG	Asset management. <i>Kindly provide a copy of an electronic version of the asset register be provided?</i>	312	Too large to be emailed, can be submitted on request																																								
Finance Budget	JA p318	In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation. <i>Is this statement correct? We cannot have no backlogs for water since it is a scare commodity.</i>																																										
Finance Budget	JA	At 2016/17 we were at R575 418 m and we are now at R505 618 <i>What happened to it to the other R75 million? I cannot see it in the financial statements</i>																																										
		<p><b>5.14.2 Municipal Investments</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Investment type</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> <tr> <td colspan="4">R'000</td> </tr> </thead> <tbody> <tr> <td>Deposits - Bank</td> <td>592 648</td> <td>600 239</td> <td>575 418</td> <td>505 618</td> </tr> </tbody> </table> <p>Table 5.43 Municipal Investments</p> <p><i>Response: The investment account is used for store excess cash, in the 2017</i></p>	Investment type	2014/15	2015/16	2016/17	2017/18	R'000				Deposits - Bank	592 648	600 239	575 418	505 618																												
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		payment rate for projects was higher than 2016 resulting in a transfer into the current account. No external loans were taken up and own funds were used for Capital projects																																																																																																		
Finance Budget	MJ	<p>Bulk Water Supply Reservoir: Dwarswater (Johannesdal/Kylemore/Pniel) Bulk water supply. R18 million was budgeted and now 19 million. Was the upgrade done? Apparently this money will only take place in 2019/20.</p> <p>According to our expenditure the money was spent already and we still sit with a problem with our water. Must the money be spent or was it spent? Page 318</p> <table border="1"> <thead> <tr> <th colspan="12">2017/2018 Capital Budget</th> </tr> <tr> <th colspan="12">22/08/20: 22/01/2018 4/05/2018 22/01/2018</th> </tr> <tr> <th>Project Name</th> <th>Director</th> <th>Dep</th> <th>Original Budget 2017 / 2018</th> <th>Roll Over</th> <th>Mid Year</th> <th>Virements</th> <th>Amended Budget</th> <th>Actuals</th> <th>Budget 2018 / 2019</th> <th>Mid Year</th> <th>Budget 2019 / 2020</th> </tr> </thead> <tbody> <tr> <td>106 Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)</td> <td>Engineering Serv</td> <td>Water</td> <td>19 000 000</td> <td>217 839</td> <td>-5 217 839</td> <td>4 100 000</td> <td>18 100 000</td> <td>19 087 711</td> <td>19 000 000</td> <td>14 000 000</td> <td>-</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="12">2018/2019 Capital Budget</th> </tr> <tr> <th colspan="12">17/08/20: 30/01/2019 30/01/2019</th> </tr> <tr> <th>Project Name</th> <th>Director</th> <th>Dep</th> <th>Budget 2018 / 2019</th> <th>Roll Over</th> <th>Mid Year</th> <th>Virements</th> <th>Amended Budget</th> <th>Actuals</th> <th>Budget 2019 / 2020</th> <th>Mid Year</th> <th>Budget 2020 / 2021</th> </tr> </thead> <tbody> <tr> <td>Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)</td> <td>Infrastructure Serv</td> <td>Water</td> <td>12 500 000</td> <td>-</td> <td>500 000</td> <td>-</td> <td>13 000 000</td> <td>6 800 319</td> <td>2 000 000</td> <td>-</td> <td>2 000 000</td> </tr> </tbody> </table>	2017/2018 Capital Budget												22/08/20: 22/01/2018 4/05/2018 22/01/2018												Project Name	Director	Dep	Original Budget 2017 / 2018	Roll Over	Mid Year	Virements	Amended Budget	Actuals	Budget 2018 / 2019	Mid Year	Budget 2019 / 2020	106 Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)	Engineering Serv	Water	19 000 000	217 839	-5 217 839	4 100 000	18 100 000	19 087 711	19 000 000	14 000 000	-	2018/2019 Capital Budget												17/08/20: 30/01/2019 30/01/2019												Project Name	Director	Dep	Budget 2018 / 2019	Roll Over	Mid Year	Virements	Amended Budget	Actuals	Budget 2019 / 2020	Mid Year	Budget 2020 / 2021	Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)	Infrastructure Serv	Water	12 500 000	-	500 000	-	13 000 000	6 800 319	2 000 000	-	2 000 000		
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Finance Budget	EF	MIG funding 5.10 – Was all the MIG funding spent?	319	<p>Page 319 confirms that the MIG funding was spent 100% for the 2017/18 financial year. Part of the fund was developer's contributions. A big part was the human settlement grant for housing projects in the Watergang project. The service provider did not spend the money and it was rolled over in the adjustment budget that we are finishing this year.</p>																																																																																																
Finance Budget	JA	Accounting Policies – Self-insurance reserve - Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus. How do you offset this? The explanation needs to be clarified.	14 AFS	<p>The self-insurance reserve is funds set aside (cash backed) for claims that are not covered by our external insurance. These expenses are primarily for our Biological assets. All our reserves are encompassed as one balance within Accumulated surplus, on our "Statement of financial position". When a claim expenditure arises there is a decrease in our self-insurance reserve (as it is allocated as the funding source for</p>																																																																																																

Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response
				capitalisation of capital expenditure) this is offset by a corresponding increase in our Accumulated surplus.
Finance Budget	JA	Clarity must be given on the word "impairment" in over and understatement of impairment in simple wording.	14 AFS	When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, an entity shall recognise a liability if, and only if, that is required by another Standard of GRAP.
Finance Budget		Is this expenditure been finalised? Is this seen as an intangible asset? Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Is the research on the SDF seen as an intangible asset which is an expenditure on research? Clarity is to be given on impairment.	20 AFS	More detail is required from the question tabled. This comments and question is not clear.
Finance Budget	JA	Unspent conditional grants and receipts. What is the plan with the funds unspent Are we giving it back? Is the work done?	73 AFS	Unspent grants are generally requested to be rolled over to the next financial year.
Finance Budget	JA	A list of court cases. Stellenbosch Municipality / Klappmuts Mediation. What is the final results and final amount given for the mediation process? How many sessions was held since this is a big amount.	93 AFS	Klappmuts mediation (The amount spend up till now is approximately R159 539.19. This matter is not yet resolved.) It is noted under the contingent notes that is not finalised at the end of the financial year. We have also requested other department to provide more information from other departments.
Finance Budget	JA	Fusion Properties 233 cc / The Municipality of Stellenbosch. Was the court case concluded?	93 AFS	Case is pending with no final outcome
Finance Budget	JA	Zenobia Campbell / Stellenbosch Municipality. Is the estimated amounts against Stellenbosch correct?	93 AFS	Finalised and correct
Finance Budget	JA	Stellenbosch Municipality / Stellenbosch Golf club. Why do you take yourself to the court? More clarity is required?	93 AFS	Stellenbosch Golfklub (We did not take our self to court. These are two separate entities. The Stellenbosch Golfklub is leasing property from the Municipality.



Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response
				<i>There is a contractual dispute between the Municipality and the Golfklub about the payment of rates and taxes. This dispute is referred to arbitration.)</i>
Finance Budget	WP	Stellenbosch Municipality / Visagie & Tromp; Dillon Carelse; Surita Layman <i>Has the court cases been concluded?</i>	93 AFS	<i>Case is pending with no final outcome</i>
Finance Budget	JA	Note 57. No fruitless and wasteful expenditure for the year under review. It is a beautiful expression. Under Irregular Expenditure we see some anomalies - <i>Will it be tabled at MPAC during the year?</i> <i>What was the big issues that we moved from R18 million to R41 million.</i>	101 AFS	It was derived from SCM where local content is applicable. The Municipality did not put in the advert that local content was applicable. The tender was advertised in the previous financial year and already place mechanisms in place to address the tender. Local content workshops was help with the Department of Trade and Industry to prevent future non-compliance.
Finance Budget	JA	<i>Restatement of corresponding figures – Note 61 starts at page p106 to p112. Material impairments/losses –</i>  <i>When do we have stocktaking?</i>  The unaudited disclosure note. I you look at page 112.  The Auditor General says on page 2 in note 12 that:” This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.”  My concern is when you look at note 5 and 6. We would like to see that the department come up with a plan to limit the material impairment and losses.  I would like to see what we will do to limit it? We look great on all the terrains but we display ugliness on the area of material impairment and losses.	AG repor t p2	Done towards the end of the financial year end and falls outside the scope of the Auditor General

Department		QUESTIONS/ COMMENTS ON CHAPTER 4, 5 & 6	PG	Response
Finance Budget	JA p2			Achievement of planned targets. Refer to the annual performance report on pages 10 to 32 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 of this report.  It is stated that we must take the report and function more diligently. AG report.
MM Office	JA AC repor t p4			I think that the Audit Committee has executed their function and they were very hard on risk. I am of the opinion that they followed what was in the SDBIP. I am of the opinion that they have done the work to the best of their ability. I hope that the administration do their work more diligently as required by the Act. We should congratulate them for the work done,
MM Office	MJ			Due to the knowledge and experience of the Alderman I will apply my mind
MM Office	WP			We will also visit the site in “Die Boord” and Jamestown upon recognition of the Municipal Manager.

*Meeting Adjourned at 15:45*



Second Floor, False Bay Building, Tygerberg Park  
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**Hatch Africa (Pty) Ltd.**  
Reg. No. 1995/007273/07



H348554  
Page 2

26 July 2016

Mr Dries van Taak

Stellenbosch Municipality  
17 Plein Street  
Stellenbosch  
7600

Dear Sir/Madam

#### Task 4 - Water Meter Audit

##### Initial Findings Report

Hatch Africa (Pty) Ltd (HATCH) has entered into an agreement with Stellenbosch Municipality to perform a Water Meter Audit in Klapmuts, which forms Task 4 of the "Water Conservation and Water Demand Management and Associated Services Contract.

One of the initiatives under this appointment, was to carry out an audit on all the existing water meters in the Stellenbosch municipal area. Concern was raised by Mr Esias de Jager regarding the physical condition of the meters and the quality of data in the meter billing database. Hence it was decided to launch a pilot project in the Klapmuts area in order to test the process, workflow and the technology that is required in order to carry out a meter audit. The results from the pilot audit would then be reviewed to optimise and refine the audit process, confirm the technology is suitable and maximise efficiency of the audit process. In future is is then planned to roll out the audit to all 22 000 meters located in the Municipality's area of jurisdiction.

The pilot audit was estimated to consist of 2 200 meters, although once the audit commenced it was discovered that there was a total of 2 189 meters in the meter billing data base provided by the Municipality.

The pilot project was carried out in order.

HATCH approached Optron (Pty) Ltd to provide the latest innovative GPS technology to carry out the pilot meter audit project using an electronic handheld device. Optron provided both the hardware (Trimble Geo7X handhelds) and the application software component. Hatch provided the workflow (fields) of data to be captured for each meter and Optron pre-programmed the handheld devices for field use.

Directors: P J Olivier; P M Lala; H J Bester; G Bianchini"; J P Sibanyoni; R H Astell; C M Simmer; T T Goba; A G Auret  
\*Canada

Optron supported three aspects of the project:

- Planning of the water meter audit;
- Actual audit and monitoring of the audit progress; and
- Display of audit results in a geospatial environment.

JOAT Consulting (Pty) Ltd was contracted to carry out the field work component of the assignment and have assisted with the 4 phases of the audit:

- preparation;
- on site audit execution;
- preliminary analysis of the results; and
- Initial Audit reporting.

##### Objectives of the Audit

The objectives of the meter Audit was as follows:

- To report on the meters audited which includes all the relevant descriptive information on each water meter installation;
- To identify possible measures that could improve customer billing accuracy and revenue collection by carrying out a detailed meter audit and a meter-sizing investigation;
- To identify discrepancies between the meter billing database and the physical meters and make corrections;
- To reduce both apparent and real losses (illegal connections, metering errors, and leaking meters);
- To reduce unmetered, incorrect meter readings and unbilled consumption (through the regularization of all consumer connections); and
- To improve meter reading and billed consumption accuracy and revenue collection as a whole.

The results of a meter audit will allow the prioritisation of actions and interventions (physical or billing database) in order to increase and / or verify the authority's revenue.

##### Pilot Meter Audit - Klapmuts

Klapmuts, a small residential area approximately 15 km east of Stellenbosch was the chosen study area for the pilot meter audit project. Klapmuts population consists of approximately 6 000 residents. The area has experienced slow growth as a residential area considering its proximity to Cape Town and other towns in the Winelands. The town has lacked basic services infrastructure such as water, until very recently. Large plots of land within the village are undeveloped and vacant. The town does have a relatively large amount of middle to low income households and it is know that the quality of the water meter installations is relatively poor. In consultation with the municipality, it was agreed that Klapmuts would be an ideal area to audit as a pilot study.

##### Meter Audit Data

The data obtained from the Audit was perused and verified by cross-referencing to the street view images taken during the Audit of the property served as well as of the installations itself.

Where meter numbers or erf numbers were not allocated or assigned to meter installations due to installations not found or meters being buried, the billing database was used to either allocate meter numbers to erven or allocate erven to meter serial numbers obtained on-site. The audit data was thus "reworked" to obtain an improved data set.

In the audit database received from JOAT, some of the datasets were found to be formatted and thus not displaying correctly. In some instances the serial numbers were found to be in scientific format and in trying to correct the dataset, the serial numbers were rounded off. When comparing the audited serial numbers to the imported dataset, the initial numbers in the series generally match and thus the serial numbers as audited was assumed to be correct.

Similarly some of the erf numbers in the audit dataset as received commenced with the numbers 20165.... Where these numbers occurred, the erf numbers were obtained by searching the billing database using the verified meter serial numbers.

#### Meters Audited

According to the Municipal database obtained on 7 July 2016, 2154 water billing accounts are registered in the Klapmuts district. The total meter audit consisted of the logging and/or verification of 2189 meter installations and/or properties.

Comparing the database to the meter audit database, 105 entries to the municipal database were not audited. The accounts database was filtered

- 1) where the "Surveyor General AccNo" was not found; and
- 2) where a meter number could not be matched in the audit data. This filtered list of properties / accounts and meters not found in the Audit database is attached as Appendix A. JOAT has been instructed to find these properties/ accounts and to verify the billing data.

From the audited data 16 meters appear to be duplicated which require verification. These meters are listed in Appendix B. The billing database lists meter serial numbers such as 168901, which could not be found during the Audit. However a meter with serial number 37168901 has been audited indicating a possible match and incorrect serial number entry in the billing database.

In some instances (5 data sets) the addresses at which these meters are located are the same, whilst in other cases, the street names do differ. JOAT has been requested to investigate these meters/ accounts in an attempt to verify the billing data.

Of the 2189 meter installations audited,

- 268 meter installations were not found;
- 713 meter installations were not accessible due to the meter or meter chamber being buried; and
- 131 meter installations were not accessible as the property were not accessible due to restricted access (locked gates or due to the presence of unrestrained dogs).

#### Meter Accessibility

The table below illustrates the accessibility of the meters found and consumer types per category.

#### METER ACCESSIBILITY

	Quantity
<b>Difficult</b>	<b>167</b>
Domestic	146
Non Domestic	1
Verify	20
<b>Easy</b>	<b>910</b>
Domestic	766
Non Domestic	1
Verify	143
<b>Inaccessible</b>	<b>713</b>
Domestic	661
Non Domestic	2
Verify	50
<b>Inaccessible (Other)</b>	<b>131</b>
Domestic	125
Non Domestic	1
Verify	5
<b>Not Found</b>	<b>268</b>
Domestic	241
Non Domestic	9
Verify	18
<b>Grand Total</b>	<b>2189</b>

#### Physical Audit vs Billing Database

##### Serial and Erf Numbers

Appendix C lists 68 locations where meter serial numbers could not be found on the billing data base. The serial numbers of meters found and logged during the audit are included in Appendix C.

Appendix D lists 68 meters where erf numbers could not be established from the billing database using the logged / audited meter serial number and thus were meter installations could not be linked to the billing database. These are considered new meter installations and should be added to the billing database.

Appendix E lists 58 locations where the erf number was not captured during the set-up of the audit and where the meters were inaccessible (meter or meter chamber either buried, flooded or not physically accessible). In these locations the meter serial numbers could not be verified and / or obtained.

Appendix F lists 70 locations where the erf number was obtained from the billing data base using the verified/audited meter serial number. In this instance the geographical reference has to be updated in the audit database in order to locate the meter in future.



**Meter Readings**

Using the Account Numbers in the billing database, the audit meter readings obtained were matched and compared with the meter readings in the billing database.

Of the 942 matches that could be made, 137 meter readings obtained during the Audit differed with more than 100 m<sup>3</sup>.

The list of these meter readings are included in Appendix G.

**Leakages noted**

In Appendix H 16 meter installations are listed where water leakages were observed.

**General Observation**

It is noted that the Billing Database indicates that none of the meter readings are estimated.

**Lessons Learned****Locating Meters**

The Audit was set up by reviewing cadastral information and obtaining centroid points which was exported to an audit database. These centroid points guided the auditors to the property in order to find the meter.

It is proposed that a revised workflow be followed by the auditors whereby they / an auditor follow the designated meter reader during his / her normal rounds to only log the meter locations.

This way the number of meters not found could possibly be reduced improving the output of an audit.

**Proposed Actions**

- a) JOAT to audit the 105 accounts and meters found in the billing database, received in July 2016, that was not covered in the Audit in order to verify the billing data. Refer Appendix A.
- b) JOAT to verify the audited data for the 16 meters (32 datasets) which appears to be duplicated in the audit data as detailed in Appendix B.
- c) Set up a municipal server with the audited meter database.
- d) Use the Trimble handhelds to update and log all meter locations where meters were not found during the Audit.
- e) Update the municipal billing database with meter serial numbers and additional meters found in the Audit as included in Appendices C and D.
- f) Update the databases with captured meter serial numbers and erf numbers not obtained during the Audit but captured and logged by the municipal meter readers. Refer Appendices E and F.
- g) Scrutinise meter readings where high differences are noted from the Audit readings. Refer Appendix G. If a systematic approach and the steps / actions followed as outlined, the meter reading discrepancies will reduce.

h) Fix observed leaks as listed in Appendix H.

Yours faithfully

Stefan Malan  
SM:sm  
Ref.: H348554  
Attachment(s)/Enclosure

cc: cc

## Dwarsrivier Meter Summary per Area

-1 Settlement	-2 Number of Municipal Accounts	-3 Number of Water Meters as per Billing Database	-4 Number of Erven where meter GPS Co-ordinates are not Available	-5 No of Erven with No Municipal Account (from Cadastral Database)
Lanquedoc	611	611	4	22
Johannesdal	112	90	2	32
Pniel	534	531	7	84
Kylemore	629	620	4	0
Capolavoro	140	139	0	2
<b>Total</b>	<b>2026</b>	<b>1991</b>	<b>17</b>	<b>140</b>
			Total Erven	2131

## Billing Database Entries

Pniel	541
Lanquedoc	612
Kylemore	631
Johannesdal	114
Capolavoro	145
	<u>2043</u>

## Subconsultant Budget

Settlement	Total Number of Meters	A	B	C	D	E
		Rate 1	Rate 2	Rate 3	Rate 4	Rate 5
		Standard Audit R97.00 86%	Standard Audit - After Hours R121.00 10%	Standard Audit + Civil Interventions R3 904.00 10 days	Test and Verify Supplied Consumer R131.00 5%	Audit with SBM Meter Readers R45.00 100%
Lanquedoc	633	R52 955.84	R7 659.30	R11 712.00	R4 146.15	R28 485.00
Johannesdal	122	R10 206.34	R1 476.20	R3 904.00	R799.10	R5 490.00
Pniel	615	R51 449.99	R7 441.50	R11 712.00	R4 028.25	R27 675.00
Kylemore	620	R51 868.28	R7 502.00	R11 712.00	R4 061.00	R27 900.00
Capolavoro	141	R11 795.85	R1 706.10	R3 904.00	R923.55	R6 345.00
<b>Total</b>	<b>2131</b>	<b>R178 276.30</b>	<b>R25 785.10</b>	<b>R42 944.00</b>	<b>R13 958.05</b>	<b>R95 895.00</b>

\*Note 3

\*Note 1

\*Note 2

General:	Rates 1 to 3 covers audit of 100% of meters thus 2131
Note 1:	Pro-rata amount per area for budgetary purposes Number of days calculated per area rounded-up to whole days as daily rate applies. If areas bound together, daily rate applies Number of meters estimated to be uncovered per day = 8 meters. Thus budgeted for/ estimated 80 meters under Rate 3.
Note 2:	"Mini Audit" in company of Stellenbosch meter readers to be executed prior to implementing Civil Interventions i.e. effect Rate 3 Rate 5 covers the costs for 8 auditors to accompany meter readers over 4 days.
Note 3:	Number of Meters to exclude number of meters included under Rate 3

Summary	Preparation Stage	R15 000.00	Sum	
	Audit (A + B + C + D + E)	R356 858.45		
	Analysis Phase (Database Cross Referencing)	R15 500.00	Sum	
	Analysis: GIS Technician	R2 600.00	20 days	
	Reporting	R11 500.00	Sum	*What happens if audit is executed in phases?
	Subtotal	R401 458.45		
	Hatch Mark-Up 5%	R20 072.92		
		R421 531.37		
	VAT 14%	R56 204.18		
	<b>Total</b>	<b>R477 735.56</b>		

# LANQUEDOC

### Legend

- Audit Meters
- Stand: No Account or link to meter
- Stand: No Meter

#### List of Erven with no meter

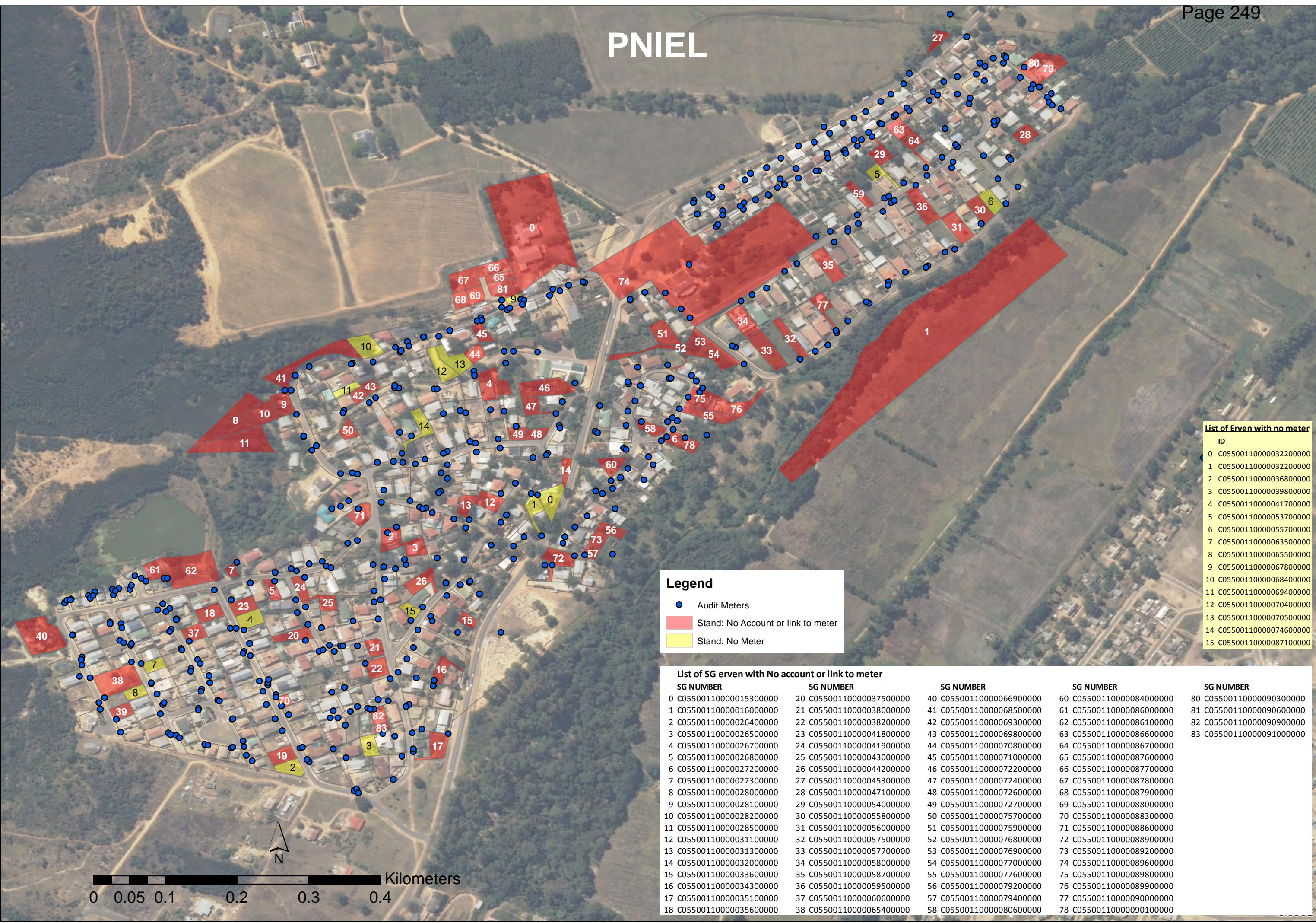
ID	Value
0	C0550015000003200000
1	C05500150000055700000
2	C05500150000059600000
3	C05500150000060700000
4	C05500150000064400000

#### List of SG erven with No account or link to meter

ID	Value
0	C05500150000001000000
1	C05500150000001000000
2	C05500150000004700000
3	C05500150000007400000
4	C05500150000012000000
5	C05500150000012700000
6	C05500150000012800000
7	C05500150000013600000
8	C05500150000030000000
9	C05500150000036900000
10	C05500150000037300000
11	C05500150000037700000
12	C05500150000047000000
13	C05500150000048700000
14	C05500150000052100000
15	C05500150000052200000
16	C05500150000052300000
17	C05500150000052400000
18	C05500150000052500000
19	C05500150000052600000
20	C05500150000052700000
21	C05500150000059300000



# PNIEL



### List of Erven with no meter

ID	ID
0	C05500110000032200000
1	C05500110000032200000
2	C05500110000036800000
3	C05500110000039800000
4	C05500110000041700000
5	C05500110000053700000
6	C05500110000055700000
7	C05500110000063500000
8	C05500110000065500000
9	C05500110000067800000
10	C05500110000068400000
11	C05500110000069400000
12	C05500110000070400000
13	C05500110000070500000
14	C05500110000074600000
15	C05500110000087100000

### Legend

- Audit Meters
- Stand: No Account or link to meter
- Stand: No Meter

### List of SG erven with No account or link to meter

SG NUMBER	SG NUMBER	SG NUMBER	SG NUMBER	SG NUMBER					
0	C05500110000015300000	20	C05500110000037500000	40	C05500110000066900000	60	C05500110000084000000	80	C05500110000090300000
1	C05500110000016000000	21	C05500110000038000000	41	C05500110000068500000	61	C05500110000086000000	81	C05500110000090600000
2	C05500110000026400000	22	C05500110000038200000	42	C05500110000069300000	62	C05500110000086100000	82	C05500110000090900000
3	C05500110000026500000	23	C05500110000041800000	43	C05500110000069800000	63	C05500110000086600000	83	C05500110000091000000
4	C05500110000026700000	24	C05500110000041900000	44	C05500110000070800000	64	C05500110000086700000		
5	C05500110000026800000	25	C05500110000043000000	45	C05500110000071000000	65	C05500110000087600000		
6	C05500110000027200000	26	C05500110000044200000	46	C05500110000072200000	66	C05500110000087700000		
7	C05500110000027300000	27	C05500110000045300000	47	C05500110000072400000	67	C05500110000087800000		
8	C05500110000028000000	28	C05500110000047100000	48	C05500110000072600000	68	C05500110000087900000		
9	C05500110000028100000	29	C05500110000054000000	49	C05500110000072700000	69	C05500110000088000000		
10	C05500110000028200000	30	C05500110000055800000	50	C05500110000075700000	70	C05500110000088300000		
11	C05500110000028500000	31	C05500110000056000000	51	C05500110000075900000	71	C05500110000088600000		
12	C05500110000031100000	32	C05500110000057500000	52	C05500110000076800000	72	C05500110000088900000		
13	C05500110000031300000	33	C05500110000057700000	53	C05500110000076900000	73	C05500110000089200000		
14	C05500110000032000000	34	C05500110000058000000	54	C05500110000077000000	74	C05500110000089600000		
15	C05500110000033600000	35	C05500110000058700000	55	C05500110000077600000	75	C05500110000089800000		
16	C05500110000034300000	36	C05500110000059500000	56	C05500110000079200000	76	C05500110000089900000		
17	C05500110000035100000	37	C05500110000060600000	57	C05500110000079400000	77	C05500110000090000000		
18	C05500110000035600000	38	C05500110000065400000	58	C05500110000080600000	78	C05500110000090100000		



For any further enquiries, please do not hesitate to contact Ms Nadia Rinquest as per above details.

Kind regards



MR M BOOYSEN  
DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE

DATE: 21 February 2019



Ms Nadia Rinquest  
Local Government Budget Office  
Email: nadia.rinquest@westerncape.gov.za  
tel: +27 021 483 8692 fax: +27 21 483 4680

Reference: PTR/12/2/11/4

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

For Attention: The Municipal Manager, Ms G Mettler

#### PROVINCIAL TREASURY COMMENTS ON THE TABLED 2017/18 ANNUAL REPORT

##### 1. INTRODUCTION

- a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.
- c. National Treasury has further introduced the new annual report template and MFMA Circular No. 63 on 26 September 2012. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.
- d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

##### 2. LEGISLATIVE COMPLIANCE

###### 2.1 Conformance

The conformance assessment highlights compliance by Stellenbosch Municipality with the MFMA and Annual report MFMA Circular 63 is as follows:

- a. The Municipality submitted the draft 2017/18 Annual Performance Report together with the Annual Financial Statements to the Auditor General by 31 August 2018.

- b. The unaudited Annual Report was not tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c. The Annual report was tabled to Council on 30 January 2019 which is within 7 months after the end of the financial year in accordance to MFMA section 121(1).
- d. The draft Annual report was placed on the website on 30 January 2019 in accordance to section 75 of the MFMA.
- e. The Annual report was made public and public was invited to comment on the Annual report on 30 January 2019. The Annual Report was published on the municipal website and adverts placed in local newspapers inviting public to comment for 21 days after the advert was placed.

**2.2 Format of the Annual Report as per MFMA Circular 63**

- a. The Annual Report partially complies with the Annual Report Template as described by MFMA Circular 63 as it did not include any of the required appendices.
- b. The Mayor’s Foreword is included in the draft version as per Circular 63 guidelines.
- c. The Municipal Managers Foreword is included in the draft version as per MFMA Circular 63 guidelines and includes all the components as prescribed.
- d. The draft Annual Report provides a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2017/18 financial year.

**3. SERVICE DELIVERY INFORMATION AND PERFORMANCE**

2017/18 Key Performance Area	Number of targets achieved	Number of targets not achieved
Valley of Possibility	9	3
A Green and Sustainable Valley	3	1
A Safe Valley	6	0
Dignified Living	20	0
Good Governance and Compliance	24	14
<b>Total</b>	<b>62</b>	<b>18</b>

**Comments**

- a. Chapter 3 provides comprehensive details regarding the service delivery performance of the municipality for the 2017/18 financial year. The municipality

achieved 77.5 per cent (62 of 80) of its targets at the end of the financial year resulting in an increase in performance when compared to the previous year. However, this falls outside the acceptable norm of 20 per cent between planned and achieved targets.

- b. The 18 targets not achieved are mainly related to areas of basic service provision as well as governance. The municipality has provided corrective measures as to how it will address the under-performance of these targets in the new financial year.
- c. It is noted that the basic service delivery targets not met was due to circumstances out of the municipality’s control. However, to improve governance, the municipality should ensure that reports are submitted to the relevant committees timeously.

**4. GENERAL**

- a. Several local economic development initiatives were planned and implemented during the 2017/18 financial year. The annual report provides highlights as well as challenges faced in implementing Local Economic Development strategies in the 2017/18 financial year.
- b. The Auditor-General’s Report as submitted by the Auditor-General is included as Annexure B in the Annual Report and not in the actual body of the report. The municipality has received an unqualified audit with findings from the Auditor-General for the 2017/18 financial year.

**5. CONCLUSION AND RECOMMENDATIONS**

Stellenbosch Municipality has complied with legislation regarding tabling, publishing document for comments, submission to Provincial Treasury and placement on the website within the time frames prescribed in the MFMA section 121.

The Municipality partially complied to the prescribed format of the report as per Circular 63 as the draft 2017/18 Annual Report did not included any of the recommended appendices. This a repeat finding from the previous year.

The Governance section in Chapter 2 of the Annual Report provides a comprehensive overview of the political and administrative structure within the municipality as well a risk profile and supply chain management information.

The performance report included in pages 118 – 281 indicates that the municipality achieved 77.5 per cent of its targets for 2017/18 (62 of 80 targets were met). This demonstrates an increase in performance from the previous year. Of the 18 targets not achieved, the municipality has ensured that corrective actions will be taken to meet the targets in the future.

Stellenbosch Municipality produced an in-depth draft 2017/18 Annual Report reflecting relevant information pertaining to the Municipality’s performance during the year under review.



**Minutes of the meeting of the MPAC Oversight Committee held on 28<sup>th</sup> February 2019**

Discussion with Directors

(Meeting started at 09:00 and adjourned at 14:30)

**IN ATTENDANCE:**

*Councillor Wilfred Pietersen (WP)*

*Councillor Emily Fredericks (EF)*

*Councillor Nokuthula Gugushe (NG)*

*Alderman J C Anthony (Co-opted member) (JA)*

*Mr. Ulrich Cupido (PMS Officer) (UO)*

*Mr. Lawrence Seals from ward 17 – Presentation of written submission*

**APPLICATIONS FOR LEAVE OF ABSENCE**

MM - Ms. Geraldine Mettler – apology attendance of MM at the Handover of Title deeds in Franschhoek

*Mr. Gurswin Cain (IDP Manager) – apology tabled for attending an IDP managers meeting*

*Mr. Benninghoff Giliomee (Co-opted member) – A request for absence was received*

**PRESENTATION AND DISCUSSIONS**

The discussion with directors was led by *Cllr. Wilfred Petersen*

*The MPAC/Oversight Chairperson Wilfred Petersen welcomed all present*

**Agenda:**

*Changes in the MPAC Committee. Cllr. Olayi was moved from the MPAC Committee to another portfolio and replaced with Cllr. Siegfried Schäfer*

*A discussion with directorates followed on the outstanding questions not addressed.*

Department	Attendees to the meeting	Representatives present
Finance	Questions were posed to the Acting Chief Financial officer.	Kevin Carolus
Infrastructure	Questions were posed to the Senior Manager: Roads and Storm water	Johan Fullard
Infrastructure	Questions were posed to the Senior Manager: Water Services	Adriaan Kurtz
Infrastructure	Questions were posed to the Senior Manager: Electricity	Floris Koegelenberg
Infrastructure	Questions were posed to the Senior Manager: Solid Waste	Clayton Hendricks

A special meeting will be scheduled for the 6<sup>th</sup> of March 2019 at 09:00

MPAC/Oversight members were informed to look at the most important matters that will be drafted unto the draft Oversight report.

Preparations must be made to identify the 5 most important matters that is critical for inclusion into the Oversight report.

Final review of the Draft Oversight report will be done on the 8<sup>th</sup> of March 2019. The final Oversight Report will also be finalised and printed for signature on the 8<sup>th</sup> of March 2019.

A reminder needs to be sent to all members for the meeting on the 6<sup>th</sup> of March 2019.

Meeting adjourned at 14:30



**Minutes of the meeting of the MPAC Oversight Committee held on 6<sup>th</sup> March 2019**

Discussion with Managers and Directors

(Meeting started at 09:00 and adjourned at 15:30)

**IN ATTENDANCE:**

*Councillor Wilfred Pietersen (WP)*

*Councillor Emily Fredericks (EF)*

*Councillor Malcom Johnson (MJ)*

*Alderman J C Anthony (Co-opted member) (JA)*

*Mr. Ulrich Cupido (PMS Officer) (UO)*

MM - Ms. Geraldine Mettler

*Manager: Local Economic Development - Mr. Widmark Moses (WM)*

*Manager: Informal Settlements - Mr. Johru Robyn (JR)*

*Senior Manager: Protection - Mr. Charl Kitching (CK)*

*Senior Manager: Human Resources – Mr. Alexander Kannemeyer (AK)*

**APPLICATIONS FOR LEAVE OF ABSENCE**

*Director: Corporate – Annalene De Beer – apology tabled - attending a labour relations session in Johannesburg*

*Mr. Benninghoff Giliomee (Co-opted member) – A request for absence was received*

*Councillor Nokuthula Managa-Gugushe (NG) - A request for absence was received*

**PRESENTATION AND DISCUSSIONS**

The discussion with directors and managers were led by *Cllr. Wilfred Petersen*

*The MPAC/Oversight Chairperson Wilfred Petersen welcomed all present*

**Agenda:**

*Changes in the MPAC Committee. Cllr. Olayi was moved from the MPAC Committee to another portfolio and replaced with Cllr. Siegfried Schäfer*

*A discussion with directorates followed on the outstanding questions not addressed.*

Department		QUESTIONS/ COMMENTS	Response
MM Office	JA	We were happy with the present. Thank you for the hard work of the administration. We want to say thank you were required and for the unqualified audit. I know we will attempt to have a clean audit in	
	MJ	I just want to complement the MM. I confirm the words of the Alderman.	
	WP	I was at Salga and we were confirmed that SCM must send items to Salga. We were informed that we need to work together. It was confirmed that if a fault occurs the implicated employee needs to pay the damages. The MPAC tool will be workshopped. Thank you to the directors and the administration. We do not need the Management report and it is clear. The management report will give more clarity. We respect the administration t	
	GM	Thank you to the Councillors. We will work towards the improved governance. Thank you to the entire team. I will direct it further to the entire team of directors.	
	WP	This is not a court case and we only need clarity on some questions.	
Human Resources	JA	We have taken note of the staff complement. We make note of the improvement on the sick leave. There are a lot of vacancies and the service suffer if less staff are appointed.  The Macro was approved. We understand that we are under the 34% threshold. What is the view on the appointments?  Is the smoking policy implemented?  What about the skills matrix's. Do we send our people for the required training?	AK - gave clarity on the previous questions posed from the Human Resources Department  Not all post are funded on the structure. The director can be held liable for the appointment of staff since there is not funding. The following needs to be factored into resignations such as resignations.
	EF	The ICT Department. We are experiencing problems with offices outside with the replacement of ink in the current copy machines. When your request a service. It is taken to the service provider. It will takes at least three to four days.	The tender came to an end and a new provider will be appointed. If there are specifics you are welcome to direct it to us.
Human Resources	MJ	I want to congratulate you to the way you responded to the answers on Corporate Services. Especially to the response between the males and the female employees. I feel more convinced with the responses.	
LED and Tourism LED	WM	What happened to the arrangement to render the service of the toilets?	The service belonged to Water and Sanitation. We took the service for three months. Nothing happened





Department		QUESTIONS/ COMMENTS	Response
LED and Tourism LED			from the services. Toilets and water is the service of water and sanitation. New toilets will be delivered by the 8 <sup>th</sup> of March 2019.
	JA	I do not think that the answers given is suitable. A provincial treasure response indicates that sustainability of the hubs built in Ida's valley, Cloetesville and Kayamandi is a concern.	The sustainability of the hub at Ida's Valley. We made a study on the site and therefore the current status of the site. The sites is only active on Thursdays, Fridays, Saturday and Sundays. Schools were invited to use the sites. Is will be very suitable for night markets in December. Cloetesville site is s problem due to the underground services that needs to be moved. The site will be done by the end of for the financial year. The Kayamandi site plans was approved. After digging the site was required to be moved six feet forward. The way leaves were done. Law enforcement needs to be addressed.
LED	WP	We had an event on Sunday by the Muslims. What were the cost?	WM - We will avail the sites for free. We will go out to schools to promote the site. Later we will start with asking a fee.
LED	JA	There was a remark from Mr Seals in the public hearing.	WM – I would like to know the perspectives of the communities. We want to assist small business. We are involved with the EPWP and we were the second best in the province. We addressing specific tourism businesses.  The flea market came out of a public need that was previously identified.  On youth – When it comes

Department		QUESTIONS/ COMMENTS	Response
			to youth and it is done by Community development.
LED	MJ	I am proud to what has been told by Mr. Moses.	WM – The answer on the toilet was addressed earlier.
Informal Settlements	WP	I visited the area last year and I took pictures of the toilets and taps. We took the pictures recently and these pictures were taken. Four wendy were vandalised and new once were installed.	Since last year the wendy houses were vandalised. A new owner was ready to occupy and the wendy house and a panel was already broken. The wendy houses do not have current maintenance contracts. Our goal was to as far as possible to let people move in as soon as the wendy hut has been built.
	MP	I have visited the area with my wife. I had discussions with my wife and the water are running. The children are playing on the concrete structures.	
	EF	I have visited the area. When was the last visits to this area?	
		<i>JR - We need to introduce the risk management with regard to the provision of regular vandalism. We have to decide between copper and plastic. The plastic is easy to install and less costly. We have the last set of chemical toilets. The maintenance of the water toilets is a bit costly. But it is a better alternative. The chemical toilets is used since it is serviced twice a week. No to little complaints are experienced with the chemical systems. A new housing system will be introduced which has an application which is accessible by the citizen. The new system focus also on the id numbers to limit duplication. The web site is active and we are busy with the beta testing of the new data. The plan is to have it active in April 2019. The ideal is to have an automated system</i>	
	MJ	Can the observer allowed to ask questions.	WP – I have given permission for the comment and questions.
Housing Admin	EF	The annual report indicated a housing waiting list. When will the list be finalised	JR – The informal settlement is a very small depart and success are limited.
Public Hearing questions	JA	Steps	A new contractor were appointed to address the maintenance of the Steps
Public Hearing questions	JA	The backyarders	The plan is to identify backyarders as future citizens for possible housing. We



Department		QUESTIONS/ COMMENTS	Response
			are busy to check the possibilities of having housing at the swimming pool in Cloetesville and Sports field. The housing
Law Enforcement	EF	The theft is a frustrating and it is difficult for the Councillor.	CK – Metro City has been penalised and fined on the lack of services. The problems is concerning to this Service. I am busy with a study on the cost versus the use of law enforcements of our own.
Fire Services	AJ	Log books for vehicles	CK – The vehicles have logbooks. Reporting are done monthly. I will return on the food parcels. WP – We just needs to know the difference between when it is 2 cases. If the matter is about 30 cases we need to pay for the cost.
	WP	I have a concern when the people a fire occurs. The fire under the bridge had a cost of more than R400 000 for food of which I have the opinion that it could have been saved.	
Law enforcement	EF	When talking about the private security and in this case Metro Security. It was confirmed that they are penalised. Where does the money go? Does it cover the damage, e.g. Does it cover the cost of the gate that was stolen? I am sure that the Municipality is losing money if the security staff are not properly trained.  I hear what you say that they have a contract. It has a massive impact on me as a councillor to render the work of a security company.	
		CK - In terms of Metro security they have fines per month. The cost of losses to the Municipality has been recovered. I am busy to compile a report in terms of the required compliance standards. My current report is to address the period before I arrived at Stellenbosch Municipality. Kindly grant me the time to finalise the report. I can confirm that we have problems. I have phoned Metro security a few days back about one of their staff members who worked at the Klappmuts site without uniform. They came to remove the guard and replaced her with another one. The problem was that the replacement also did not have SIRA accreditation to render a security function. The problem is that they are rendering a service for the Municipality via a contract. I am aware that they were fined for more than R100 000. We need to deal with them due to the contract.  I am aware that the entrance gate was stolen and that the wall was broken down. The security guard sits on the pavilion while he needs to look after the	

Department		QUESTIONS/ COMMENTS	Response
			fire station as well. I am busy investigate the option of appointing our own staff versus the cost of a security company. I will table the report in order to look at the savings as well as the cost of the vandalism suffered by the Municipality.
	MJ	The law enforcement staff remove vagrants. If the answer is moving from pillar to post needs to be addressed	CK – There is no law that the people are moved to a certain destination. We can only chase them away. The vagrant has transgressed, they can be arrested. Our job stops when we hand them to the police in order to process the pending case.
Law enforcement	JA		I see that the security guards has fumed Mr. Kitching. In the past it worked out very well to have our own staff. The citizens are afraid of our law enforcement staff and it worked. They are aware of them and they get an opportunity to render a job. In one of the cases a private security guard supervisor were arrested. The communication with the security guards is critical. Our staff needs to communicate effectively with the security guards.
	MJ		I just want to raise my concern. I must say that we will not win the security guard issue if they are only one person per site and more concerning if it occurs during the night. We have the Millennium Hall in Pniel that is far away. At the stadium there is cloak rooms. It is impossible that one person to protect the municipal property at night. If it is one person like now. The one person will experience danger because it is at night. At my office there is one person and it is not a big venue. I ask them why they are sleeping and why is the door is locked? At night they will sleep and they will say: "I am afraid". We need to look at the protection of the Municipal property that stretch over a bigger area.
Disaster Management	EF		In term of disaster management. If a fire occurs, who is the person to provide the baby packs and adult packs? There is problems when these packs needs to be handed over to people who lost all there belongings. In one case they took three weeks to hand over the packs. These people will come to my office and cannot give an answer. <i>Who is responsible for this service?</i>  I will need to determine the process of the food packs. In terms of the fire department, we provide the material for the structure. I am not sure about the packs. I am aware.
	WP		I also needs to get clarity about If it affects one or two persons on the one side and a disaster that affects 20 to 30 people. I am aware that when it affects a bigger total the Social Department gets involved.
Law enforcement	MJ		We need to work together. Please communicate with me if there is matters of the halls and sports fields. Thank you to Mr. Kitching for the great work he is done.
	WP		Safety of the citizens. Please check if the camera at Cloetesville is working properly.



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Department		QUESTIONS/ COMMENTS	Response
	WP	Jamestown graveyard. The security was appointed to prevent the damage of tombstones. The security guard has a booth at the gate of the graveyards in Jamestown. What about law enforcement and visibility in Cloetesville?	CK - We have identify the graveyard as a problem. The security guard is there for access control. People use the graveyard as a shortcut when they are walking. The children of the community is breaking the tombstones.
Annual report 2016/17	WP	A request needs to be sent to the MM to request an update on the matters identified in the Annual Report 2016/17 Oversight.	

Meeting adjourned at 15:30



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**Minutes of the meeting of the MPAC Oversight Committee held on 8<sup>th</sup> March 2019**

Finalising of the Oversight report

(Meeting started at 12:00 and adjourned at 17:30)

---

***IN ATTENDANCE:***

*Councillor Wilfred Pietersen (WP)*

*Councillor Emily Fredericks (EF)*

*Councillor Malcom Johnson (MJ)*

*Alderman J C Anthony (Co-opted member) (JA)*

*Mr. Ulrich Cupido (PMS Officer) (UO)*

*Mr. Benninghoff Giliomee (Co-opted member) (departed from the venue at 17:00)*

***APPLICATIONS FOR LEAVE OF ABSENCE***

*Councillor Nokuthula Managa-Gugushe (NG)*

***PRESENTATION AND DISCUSSIONS***

*The MPAC/Oversight Chairperson Wilfred Petersen welcomed all present and he led all discussions.*

***Agenda:***

*Re- wording of Draft Oversight report. Results of the discussions can be found in the final signed Oversight report for 2017/18.*

***Conclusion:***

*The Chairperson has thanked the Executive Mayor and the Municipal Manager for the assistance received during the discussions on the Draft Annual report 2017/18. Detail on the conclusion and the outcome of the Oversight report as well as the recommendation to the Council will also be found in the conclusion, namely that the Draft Annual Report be accepted without reservations.*

Meeting adjourned at 15:30



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**ATTENDANCE REGISTER**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT**

**DATE:** 2019-03-06    **TIME:** 09:00    **VENUE:** STELLENBOSCH COUNCIL CHAMBER, PLEIN ST.

MEMBERS	SIGNATURE
Clr WF PIETERSEN (CHAIRPERSON)	
Clr E FREDERICKS (Ms)	
Clr MC JOHNSON	
Clr N MANANGA-GUGUSHE (Ms)	VERSKOWING.
Clr S SCHÄFER	

**CO-OPTED MEMBERS:**

NAME	SIGNATURE
IC Anthony	
Clr. Manie Pietersen	

**SENIOR OFFICIALS:**

NAME	SIGNATURE
MUNICIPAL MANAGER	G METTLER (Ms)
DEPUTY FINANCIAL OFFICER	
DEPUTY DIRECTOR: CORPORATE SERVICES	A DE BEER (Ms) APOLOGY: 
DEPUTY DIRECTOR: COMMUNITY & PROTECTION SERVICES	ofo C Kitching
DEPUTY DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT	T MFEYA
DEPUTY DIRECTOR: INFRASTRUCTURE SERVICES	D LOUW
DEPUTY CHIEF AUDIT EXECUTIVE	F HOOSAIN
DEPUTY CHIEF OFFICER: GOVERNANCE	S DE VISSER (Ms)
DEPUTY CHIEF OFFICER: HUMAN RESOURCES	A KANNEMEYER
DEPUTY CHIEF OFFICER: IDP/PM	G CAIN
DEPUTY CHIEF OFFICER: PERFORMANCE MANAGEMENT	U CUPIDO
DEPUTY CHIEF OFFICER: COMMUNITY DEVELOPMENT	W MOSES
DEPUTY CHIEF OFFICER: COMMUNITY DEVELOPMENT	an: Informal Settl. J. Robyn



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**ATTENDANCE REGISTER**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT**

**DATE:** 2019-02-28    **TIME:** 09:00    **VENUE:** STELLENBOSCH COUNCIL CHAMBER, PLEIN ST.

MEMBERS	SIGNATURE
Cllr WF PIETERSEN (CHAIRPERSON)	
Cllr E FREDERICKS (Ms)	
Cllr MC JOHNSON	
Cllr N MANANGA-GUGUSHE (Ms)	
Cllr N OLAYI	

**CO-OPTED MEMBERS:**

NAME	SIGNATURE
JK ANTHONY	

**SENIOR OFFICIALS:**

Acting

NAME	SIGNATURE
MUNICIPAL MANAGER	G METTLER (Ms)
CHIEF FINANCIAL OFFICER	KD O'ROURKE
DIRECTOR: CORPORATE SERVICES	A DE BEER (Ms)
DIRECTOR: COMMUNITY & PROTECTION SERVICES	
DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT	T MFEYA
DIRECTOR: INFRASTRUCTURE SERVICES	D LOUW
CHIEF AUDIT EXECUTIVE	F HOOSAIN
SENIOR MANAGER: GOVERNANCE	S DE VISSER (MS)
MANAGER: HUMAN RESOURCES	A KANNEMEYER
MANAGER: IDP/PM	G CAIN
PERFORMANCE MANAGEMENT OFFICER	U CUPIDO
SOLID WASTE MGT, INFRASTRUCTURE	C. HENDRICKS
Senior Manager: Roads & Transport	J. Fullard
WATER + SANITATION	RA KURTZ
Electricity	F Koopelenburg









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**ATTENDANCE REGISTER**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT**

**DATE:** 2019-02-15    **TIME:** 12:00    **VENUE:** STELLENBOSCH COUNCIL CHAMBER, PLEIN ST.

<u>MEMBERS</u>	<u>SIGNATURE</u>
Clr WF PIETERSEN (CHAIRPERSON)	
Clr MC JOHNSON	
Clr E FREDERICKS (Ms)	
Clr N MANANGA-GUGUSHE (Ms)	
Clr N OLAYI	

**CO-OPTED MEMBERS:**

<u>NAME</u>	<u>SIGNATURE</u>
B. GilioMEE	

**SENIOR OFFICIALS:**

<u>NAME</u>		<u>SIGNATURE</u>
MUNICIPAL MANAGER	G METTLER (Ms)	
CHIEF FINANCIAL OFFICER		
DIRECTOR: CORPORATE SERVICES	A DE BEER (Ms)	
DIRECTOR: COMMUNITY & PROTECTION SERVICES		
DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT	T MFEYA	
DIRECTOR: INFRASTRUCTURE SERVICES	D LOUW	
CHIEF AUDIT EXECUTIVE	F HOOSAIN	
SENIOR MANAGER: GOVERNANCE	S DE VISSER (MS)	
MANAGER: HUMAN RESOURCES	A KANNEMEYER	
MANAGER: IDP/PM	G CAIN	
PERFORMANCE MANAGEMENT OFFICER	U CUPIDO	



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**ATTENDANCE REGISTER**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT**

**DATE:** 2019-02-05    **TIME:** 09:00    **VENUE:** STELLENBOSCH COUNCIL CHAMBER, PLEIN ST.

MEMBERS	SIGNATURE
Clr WF PIETERSEN (CHAIRPERSON)	
Clr MC JOHNSON	
Clr E FREDERICKS (Ms)	
Clr N MANANGA-GUGUSHE (Ms)	
Clr N OLAYI	

**CO-OPTED MEMBERS:**

NAME	SIGNATURE
B. GILMEE    BENNINGHOFF	
IC Anthony	

**SENIOR OFFICIALS:**

NAME		SIGNATURE
MUNICIPAL MANAGER	G METTLER (Ms)	
CHIEF FINANCIAL OFFICER		
DIRECTOR: CORPORATE SERVICES	A DE BEER (Ms)	
DIRECTOR: COMMUNITY & PROTECTION SERVICES		
DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT	T MFEYA	
DIRECTOR: INFRASTRUCTURE SERVICES	D LOUW	
CHIEF AUDIT EXECUTIVE	F HOOSAIN	
SENIOR MANAGER: GOVERNANCE	S DE VISSER (MS)	
MANAGER: HUMAN RESOURCES	A KANNEMEYER	
MANAGER: IDP/PM	G CAIN	
PERFORMANCE MANAGEMENT OFFICER	U CUPIDO	





Meeting adjourned at 17:30

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**Minutes of the meeting of the MPAC Oversight Committee held on 8<sup>th</sup> March 2019**

Finalising of the Oversight report

(Meeting started at 12:00 and adjourned at 17:30)

---

***IN ATTENDANCE:***

*Councillor Wilfred Pietersen (WP)*

*Councillor Emily Fredericks (EF)*

*Councillor Malcom Johnson (MJ)*

*Alderman J C Anthony (Co-opted member) (JA)*

*Mr. Ulrich Cupido (PMS Officer) (UO)*

*Mr. Benninghoff Giliomee (Co-opted member) (departed from the venue at 17:00)*

***APPLICATIONS FOR LEAVE OF ABSENCE***

Councillor Nokuthula Managa-Gugushe (NG)

MM – indicated her absence and can be called upon if required.

Gurswin Cain (IDP /PMS Manager) tabled his absence due to the IDP compilation.

***PRESENTATION AND DISCUSSIONS***

*The MPAC/Oversight Chairperson Wilfred Petersen welcomed all present and he led all discussions.*

*Agenda:*

*Re- wording of Draft Oversight report. Results of the discussions can be found in the final signed Oversight report for 2017/18.*

*Conclusion:*

*The Chairperson has thanked the Executive Mayor and the Municipal Manager for the assistance received during the discussions on the Draft Annual report 2017/18. Detail on the conclusion and the outcome of the Oversight report as well as the recommendation to the Council will also be found in the conclusion, namely that the Draft Annual Report be accepted without reservations.*

# APPENDIX 3

Vredelust straat 97  
 Cloetesville  
 Stellenbosch  
 7600

**“ Dankie vir hierdie geleentheid”**

**Ek is ‘n inwoner van Cloetesville**

1. Ek wil net weet daar was opnames gemaak oor ons gebreke van die ‘RDP’ Huise ‘The Steps’ en belowe dat ons plekke reg gemaak sal word. Ons vensters val uitmekaar, huise is gekraak en nog niks is gedoen nie.

2. Hoe lank gaan die Back Yarders wag vir huise.

2.1. Hoe lank moet hul gebuk gaan van vernedering “ Ek sit jou uit”.

2.2. Waarom kan die Munisipaliteit nie fondse beskikbaar stel, om ook aan hulle krag te voorsien nie.

2.3. Sodoende sal daar minder brande plaasvind.

3. **Behuising** : Waarom staan Cloetesville altyd laaste in die ry!

3.1. Rondom ons word daar net gebou, privaat huise. ( Nie eers dit is bekostigbaar vir ons Gemeenskap nie.)

4. Ons veiligheid, veral naweke en “ All Pay” dae. Baie mense word beroof.

4.1. Sekuriteit, Law Enforcement, net op sekere plekke: **Wat van Cloetesville.**

5. **Begraafplaas** : Ek doen ‘n beroep op die Burgermeester en Raadslede, en Beampptes. Bring asb die afslag op Saterdag om te begrawe terug vir Deernis gevalle, ons mense of familie kry nie by hul werk af in die week nie. Ons het voorheen 50 persent afslag gekry op die Saterdag fooi.

6. **Die Flee Market :In Cloetesville** is dit nog nodig. Wat gaan aan dat daar geen vordering is nie. Kan daardie geld nie gebruik word vir die Back Yarders nie asb!!

6.1. Kyk hoe staan Idasvallei se Flee Market gebou soos ‘n Wit Olifant.

7. **Jeug** : Die Raadslid van Wyk 16 doen baie en probeer haar beste.

7.1. Maar dit is nie genoeg. Waar is die Jeug Ontwikkeling Projekte vir ons Gemeenskap in Cloetesville, Idasvallei en Buite Wyke. Niks gebeur deur die jaar nie.

8. Baie dankie ook vir die positiewe dinge wat gebeur, soos die **Walking Bus Projek**, en ek vertrou dat daar nog meer gebeur. Ons is dankbaar vir gratis water en krag.

Ek dank u

Lawrence Seals ( 0818887110)

*L SEALS*

# APPENDIX 4



**STELLENBOSCH**

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# **MPAC/Oversight report**

**2017/18**

**Financial year**



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## 1 INTRODUCTION

This document constitutes the MPAC/Oversight Report on the 2017/18 Annual Report for Stellenbosch Municipality which has been compiled in terms of Section 129 of the Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) read in conjunction with:

- MFMA Circular 11 - Annual Reporting Guidelines - 14 January 2005
- MFMA Circular 32 - The Oversight Report
- MFMA Circular 18 - New Accounting Standards - 23 June 2005
- MFMA Circular 28 - Budget Content and Format - 12 December 2005
- MFMA Circular 63 – Annual Report - 26 September 2012

## 2 LEGAL FRAMEWORK

The MPAC/Oversight Report is compiled in accordance with the following acts, namely:

### i. **LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO 56 OF 2003):**

Sections 121 (1) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) requires every municipality to prepare an Annual Report. The municipal council must deal with this report within nine months of the end of the financial year (31 January annually).

Section 127 (2) (a) (i) (ii) of the MFMA requires the accounting officer to make the annual report public and invite the local community to submit representations in connection with the annual report following the tabling thereof.

Section 127 (2) (b) of the MFMA requires that the tabled annual report must be submitted to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.

Section 129 (1) requires the municipal council to adopt an oversight report by no later than 31 March annually containing the councils comments on the annual report which must include a statement whether the council has:

- *“approved the annual report with or without reservations;*
- *rejected the annual report; or*
- *referred the annual report back for revision of those components that can be revised.”*

ii. **LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, ACT 32 OF 2000:**

Section 46 of the Municipal Systems Act requires every municipality to prepare a performance report for each financial year which reflects the performance of the municipality and each of its external service providers during the financial year, as measured against predetermined targets as well as the performance of the previous year. The annual performance report must form part of the municipality's annual report.

**3 BACKGROUND**

Stellenbosch Municipality tabled its Draft Annual Report on 30 January 2019. The Annual Report was submitted to the relevant Provincial and National government, the Auditor General of South Africa and made public on 30 January 2019 via the municipal website. Advertisements were placed in the local media as follows:-

- Boland Gazette on the 5<sup>th</sup> of February 2019 in IsiXhosa; Afrikaans and English; and
- Eikestadnuus on the 7<sup>th</sup> of February 2019 in IsiXhosa; Afrikaans and English.

The closing dates for all written submissions were set for the 18<sup>th</sup> February 2019 at 16:30. One written submission was received from the public. The written submission of Mr. Lawrence Seals was present to verbally present his written submission to the MPAC/Oversight Committee. An assessment of the Draft Annual Report 2017/18 was received from the Department of Local Government, Western Cape Provincial Government.

**4 APPOINTMENT AND MANDATE OF THE MPAC/OVERSIGHT**

MFMA Circular 32 of 2006 prescribes the Oversight Process and the establishment of an Oversight Committee. The Municipal Council re-established MPAC to fulfil the role of an Oversight Committee and made a recommendation to council in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 at the 15<sup>th</sup> Council meeting of Stellenbosch Municipality on the 27<sup>th</sup> February 2019, as follows:

*"1. that the Stellenbosch Municipal MPAC/Oversight Committee be constituted as follows:*

- i. (a) (i) Councillor WF Pietersen (Full-time MPAC Chairperson);*
- (ii) Councillor MC Johnson;*
- (iii) Councillor N Managa-Gugushe;*
- (iv) Councillor E Fredericks;*
- (v) Councillor N Olayi (MPAC member until 27 February 2019); and*

(vi) Councillor SR Schäfer (MPAC member from 27 February 2019).

The members from the community who were co-opted for the Oversight Committee (MPAC) are Alderman JC Anthony and Mr. Benninghoff Giliomee.

Councillor WF Pietersen served as Chairperson of the Oversight Committee. The Chairperson granted members of the Committee the opportunity to lead the discussions on the following chapters, namely:-

- |   |  |   |
|---|--|---|
| - Chapter 1 & 2                         | - Alderman JC Anthony;                       | - |
| - Chapter 3                             | - Mr. Benninghoff Giliomee;                  |   |
| - Chapter 4, 5 & 6                      | - Cllr. E Fredericks and<br>Cllr. M Johnson; |   |
| - Public hearing                        | - Councillor WF Pietersen; and               |   |
| - Discussions with Managers/Directors - | Councillor WF Pietersen                      |   |

The 23<sup>rd</sup> meeting of the Council of Stellenbosch Municipality, 2019-01-30: Item 7.10.1 resolved:-

- (a) *that Council notes the Draft Annual Report of 2017/18 for Stellenbosch Municipality;*
- (b) *that Council takes note that the Municipal Manager will make the Draft Annual Report 2017/18 public for comment on the official website of the Stellenbosch Municipality and at the offices of the Municipality for a period of 21 days; the public will be invited through local print media to provide written inputs / comments on the draft report on or before 18 February 2019 at 16:30;*
- (c) *that Council refers the Draft Annual Report 2017/18 to MPAC to consider the Annual Report 2017/18 and make recommendations to Council as contemplated in Section 129(1) of the MFMA; the following dates are proposed for the MPAC/Oversight meetings, where the Draft Annual Report of 2017/18 will be discussed:*

Date	Agenda	Venue	Time
1 February 2019	Orientation: Annual Report	Stellenbosch Council Chamber	13:00 – 15:00
5 February 2019	Chapters 1 and 2	Stellenbosch Council Chamber	9:00 – 13:00
15 February 2019	Chapter 3	Stellenbosch Council Chamber	12:00 – 18:00
18 February 2019	Chapters 4, 5 and 6	Stellenbosch Council Chamber	12:00 – 18:00
22 February 2019	Public Hearing	Stellenbosch Council Chamber	09:00- 14:00
28 February 2019	Discussion with Municipal Manager, Executive Mayor and Directors	Stellenbosch Council Chambers	09:00-16:00
8 March 2019	Finalising and signing Oversight Report	Stellenbosch Council Chamber	12:00-14:00

*\* It should be noted that the above are proposed dates which must still be confirmed by the MPAC Chairperson, and the final dates will be advertised in local print media.*

- (d) *that Council approves MPAC's mandate to co-opt two members of the public with expertise in specific fields to assist and advise the Committee;*

Rates for additional nominated community members as per Treasury Regulation 20.2.2: The once-off preparation tariff was used as a guide since the National Treasury does not have guidance in that regard. Consultation must take place to decide if the rate will remain the same.

- (e) *that Council approves that the co-opted members can be remunerated in line with the recommendations of National Treasury Regulation in this regard.*

Tariff	Number of co-opted Members	Not exceeding no. of hours	Remuneration
Per hour tariff for attendance of meeting as a member	2	45 hours	R 327.00 per hour
Once-off Tariff for duties performed in preparation	2	6 hours	R 1500 (for six hours)

## 5 METHODOLOGY

The Oversight Committee conducted the Oversight process over 7 sittings between the 5<sup>th</sup> February 2019 and the 8<sup>th</sup> of March 2019. The process will concluded with presentation of the Oversight Report to the Municipal Council on the 27<sup>th</sup> of March 2019.

The meeting schedule was as follows:

MEETING	ANNUAL REPORT SECTION	DATE
1	Oreintation session facilitated by Dr. Len Mortimer	1 February 2019
2	Chapter 1 and 2	5 February 2019
3	Chapter 3	15 February 2019
4	Chapter 4, 5 and 6	18 February 2019
5	Public Hearing	22 February 2019
6	Discussion with the Directors and the Municipal Manager	28 February 2019
7	Discussion with the Directors and the Municipal Manager and Preparation of Oversight Report	6 March 2019
8	Finalisation and signing of Oversight Report 2017/18	8 March 2019
9	Table of oversight report to Council	27 March 2019

The 2017/18 Annual Report was compiled to align to the new format prescribed by National Treasury. For ease of reference the structure of the Stellenbosch Municipality Annual Report is given below;

- Foreword by the Executive Mayor
- Foreword by the Municipal Manager

- Chapter 1: Municipal Overview and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational Development Performance
- Chapter 5: Financial Performance
- Chapter 6: Audited Financial Statements 2017/18;  
Report of the Auditor General 2017/18; and  
Audit and Performance Audit Committee Report 2017/18

During the Oversight Process, the Oversight Committee:

- made recommendations on the Draft Annual Report 2017/18;
- requested clarity on the performance actuals achieved;

The Oversight Committee also made specific recommendations on issues contained in the Draft Annual Report which should be addressed by the Municipal Council. These recommendations are dealt with in the table below.

## **6 RECOMMENDATIONS**

That the following be recommended:

- approved the annual report without reservations

## **7. OBSERVATIONS ON THE ANNUAL REPORT BY THE OVERSIGHT COMMITTEE**

That the following matters be:

- noted by Council to enhance service delivery efforts of the Administration; and
- that the recommendations be actioned and quarterly reported to the relevant portfolio committees

Department	Observations by the Municipal Public Accounts Oversight Committee	Page
Municipal Managers office - Risk, Governance, IDP and PMS	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- of the <b>Assessment</b> by the Western Cape Provincial Government and section 2.1.b that requires “the Mayor tables the unaudited Annual Report in Council”</li> <li>- that the <b>Circular 63 checklist</b> were used as a guide to indicate compliance of the Draft Annual Report;</li> <li>- that a <b>high premium</b> is set by the Administration on the areas of Anti-Corruption and Anti-fraud as well as the presence of an Anti-Fraud hotline</li> <li>- that <b>no Councillor</b> has outstanding debt at Stellenbosch Municipality;</li> <li>- of the <b>increased</b> importance towards organisational performance and service delivery</li> </ul>	<p>Page 9 of Circular 63</p> <p>Pages 101 – 105</p>
Corporate Services - Human Resources and Council Support	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- of the <b>reduction</b> in sick leave and the introduction of controls;</li> <li>- that <u>not all</u> ward councillors host a <b>minimum</b> of two community meetings per year as per regulation;</li> <li>- of the <b>implementation of the biometric project</b> in order to have a single attendance reporting system;</li> <li>- of the <b>different vacancies</b> (municipal wide and financially funded).</li> <li>- that the departments <b>must initiate</b> the recruitment process with the required documentation via the relevant directors.</li> </ul>	<p>p289</p> <p>p95 – p100</p>
Corporate Services - Information Communication Technology	<ul style="list-style-type: none"> <li>- The structure of the <b>Information Technology Department</b> needs to be reviewed to render an <b>uniform service</b> ( hardware, software and accessories such ink cartridge availability) for the benefit of the broader community</li> </ul>	<p>p279</p>



Department	Observations by the Municipal Public Accounts Oversight Committee	Page
Infrastructure Services - Water Services	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- Of Councils pre-empted actions to address the devastating drought during the financial year;</li> <li>- Of the water losses within WCO24 as accounted by the Auditor General;</li> <li>- That not all houses within WCO24 were equipped with water meters and its relation to unaccounted water losses;</li> </ul>	P187
Finance - Supply Chain Management; Revenue Management; Fleet Management	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- that the <b>Bid Adjudication processes is not open</b> to the public;</li> <li>- <b>that external service provider</b> performance and monitoring is a challenge;</li> <li>- that more <b>service providers than before are not performing</b> well with rendering of the minimum requirements as stipulated in the service level agreements with Municipality;</li> <li>- <b>that technical experience and knowledge</b> is a need to objectively assess service providers;</li> <li>- of the underutilisation of the municipal fleet</li> </ul>	p145 - 169
Planning and LED - Local Economic Department; New Housing; Informal Settlements	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- of the <b>slow pace</b> in the delivery of housing due to <b>service delivery protest in relevant wards</b>;</li> <li>- The slow pace in the <b>execution</b> of capital projects for <b>Local Economic Development</b> needs to be addressed;</li> <li>- of the <b>housing needs versus the housing backlogs</b> and Council's response to it.</li> </ul>	P133; P125;
Community Protection - Law Enforcement	<p>The Committee took note: -</p> <ul style="list-style-type: none"> <li>- of the <b>high number of vandalism</b> of municipal infrastructure;</li> <li>- <b>of inadequate security on sport grounds</b> while service providers were appointed to safe guard assets</li> </ul>	p166

The Oversight Committee request action on the following:

Department	Action that requires attention	Proposed Actions
Property Management	The Committee took note: - - of the <b>outstanding</b> audit report of all leased municipal property in the previous financial year;	It is requested that a progress report be made available to the relevant portfolio committee for quarterly monitoring

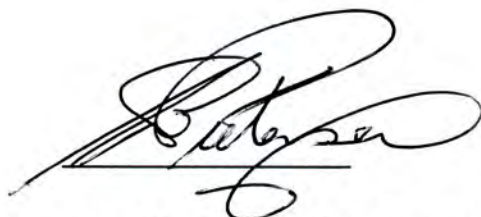
**CONCLUSION**

The Committee would like to commend the Municipality on its performance, especially the achievement of an unqualified audit.

I would like to thank the members of the Oversight Committee and all officials who participated in the 2017/18 Oversight process for their time and co-operation. The process was successful and enabled the Committee to identify areas of improvement.

A spirit of improved co-operation was observed during the oversight process and appreciation is extended to the Executive Mayor, the Mayoral Committee and the Municipal Manager with her Administration which we are extremely thankful for.

I am of the opinion that the 2017/18 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2017/18 Annual Report **without reservations**.

A handwritten signature in black ink, appearing to read 'P. Petersen', written over a horizontal line.

**Chairperson: MPAC/Oversight Committee**

**Date: 8 March 2019**