



**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**[22 JANUARIE / JANUARY 2026]**

**RAADSVERGADERING /**  
**COUNCIL MEETING**

**NOTULE / MINUTES**

**22 JANUARIE / JANUARY 2026**

**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**RAADSVERGADERING / COUNCIL MEETING**

**NOTULE / MINUTES**

**[22 JANUARIE / JANUARY 2026]**

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## THEEWATERSKLOOF MUNISIPALITEIT/ MUNICIPALITY

NOTULE VAN 'N RAADSVERGADERING GEHOU OP 22 JANUARIE 2026 OM 10:00, IN DIE RAADSAAL MUNISIPALE KANTORE, CALEDON.

MINUTES OF A COUNCIL MEETING HELD ON 22 JANUARY 2026 AT 10:00 IN THE COUNCIL CHAMBERS MUNICIPAL OFFICES, CALEDON.

### A. OPENING EN VERWELKOMING

Die Voorsitter, Speaker W.H. Wells, verwelkom almal teenwoordig, en open die vergadering met gebed.

Die Gesondheids- en Veiligheidsbeampte, Me. Madyosi, lê die ontruimingsprosedures aan die Raad voor.

#### OPENING AND WELCOME

The Chairperson, Speaker WH Wells, welcomes everyone present, and opened the meeting with a prayer.

The Health and Safety Officer, Ms. Madyosi presents the evacuation procedures to Council.

### B. VERKIESING VAN WNDE SPEAKER (INDIEN NODIG)/ ELECTION OF ACTING SPEAKER (IF NECESSARY)

Nie van toepassing nie / Not applicable.

### C. BYWONINGSREGISTER/ATTENDANCE REGISTER

#### C.1 Teenwoordig/Present Raadslede/Councillors

Raadsheer/Alderman CC Clayton  
Raadsheer/Alderman WH Wells  
Raadsheer/Alderman DA Appel  
Raadslid/Councillor CA Benjamin  
Raadslid/Councillor M Botes  
Raadslid/Councillor CT Cloete  
Raadsheer/Alderman S Fredericks  
Raadslid/Councillor M Gana  
Raadslid/Councillor DA Jacobs  
Raadslid/Councillor D Jooste  
Raadslid/Councillor H Linnerts  
Raadslid/Councillor TP Lemina  
Raadsheer/Alderman BB Mkhwibiso  
Raadslid/Councillor M Mpambani

Raadslid/Councillor MA Nomkoko  
 Raadsheer/Alderman MR Nongxaza  
 Raadslid/Councillor FO Ntantiso  
 Raadslid/Councillor V Papier  
 Raadsheer/Alderman M Plato-Mentoor  
 Raadslid/Councillor MS Shale  
 Raadslid/Councillor J Smit  
 Raadslid/Councillor C Smith  
 Raadslid/Councillor PJ Stander  
 Raadslid/Councillor YM van Tonder

**Amptenare / Officials**

Mnr./Mr W Hendricks	(Munisipale Bestuurder) (Municipal Manager)
Me./Ms N Baliso	(Direkteur: Ekonomiese Ontwikkeling en Beplanning) (Director: Economic Development and Planning)
Mnr./Mr GW Hermanus	(Direkteur: Korporatiewe Dienste) (Director: Corporate Services)
Mnr./Mr WSE Solomons- Johannes	(Direkteur: Gemeenskapsienste) (Director: Community Services)
Mnr./Mr P Mabhena	(Direkteur: Finansies) (Director: Finance)
Mnr./Mr Z Benjamin	(Adjunk-Direkteur: Elektriese Dienste) (Deputy Director: Electrical Services)
Mnr./Mr A Opperman	(Hoof Uitvoerende Ouditeur) (Chief Audit Executive)
Mnr./Mr H Gxoxiya	(Bestuurder: Regsdienste) (Manager: Legal Services)
Me./Ms. F Ngxowa	(Assistent Vertaler) (Assistant Translator)
Me./Ms S Baron	(Sekretariaatdienste) (Secretariat Services)
Me./Ms L Kilowan	(Snr Admin Beampte: Raadslidondersteuning) ( <i>Verlaat die Raadsaal met die aanvang van die bespreking van die In-Komitee Agenda</i> ) (Snr Admin Officer: Councillor Support) ( <i>Leaves the Council Chambers at the start of the discussion of the In-Committee Agenda.</i> )
Me./Ms T Michel	(Kommunikasie Beampte) ( <i>Verlaat die Raadsaal met die aanvang van die bespreking van die In- Komitee Agenda</i> ) (Communications Officer) ( <i>Leaves the Council Chambers at the start of the discussion of the In- Committee Agenda.</i> )

Me./Ms A Carelse	(Administratiewe Beampte: GOP) ( <i>Verlaat die Raadsaal met die aanvang van die bespreking van die In-Komitee Agenda</i> ) (Administrator: IDP) ( <i>Leaves the Council Chambers at the start of the discussion of the In-Committee Agenda.</i> )
Mnr./Mr D Damon	(IKT Tegnikus) ( <i>Verlaat die Raadsaal met die aanvang van die bespreking van die In-Komitee Agenda</i> ) (ICT Technician) ( <i>Leaves the Council Chambers at the start of the discussion of the In-Committee Agenda.</i> )

**C.2 Aansoek(e) om verlof tot afwesigheid:**  
**Application(s) for leave of absence:**

Rdsh./Aldm LM de Bruyn	Siekverlof / Sick leave
Rdl./Cllr JD Lekhori	Verskoning / Apology
Rdl./Cllr TB Zimmermann	Verskoning / Apology
Mnr./Mr H Matthee	Verlof / Leave

**D. NOTULES EN/OF VERSLAE VAN DIE UBK VIR KENNISNAME AAN DIE RAAD**  
**MINUTES AND/OR REPORTS OF THE EMC FOR COUNCIL'S COGNIZANCE**

**D.1 Notule van UBK Vergadering: 18 November 2025**

Die Raad neem kennis van die Notule van die vergadering van die Uitvoerende Burgemeester en sy Komitee gehou op 18 November 2025.

**Minutes of EMC Meeting: 18 November 2025**

Council takes cognizance of the Minutes of a meeting of the Executive Mayor and his Committee held on 18 November 2025.

**E. BEKRAGTIGING VAN NOTULES EN/OF VERSLAE VAN DIE RAAD**  
**CONFIRMATION OF MINUTES AND/OR REPORTS OF COUNCIL**

**E.1 Notule van Raadsvergadering: 03 Desember 2025**

**BESLUIT :**

Om op voorstel van Raadsheer MR Nongxaza gesecondeer deur Raadsheer BB Mkhwibiso die Notule van die Raadsvergadering van 03 Desember 2025 hiermee goed te keur, te bekragtig en te laat onderteken as *prima facie* bewys van die juistheid daarvan.

**Minutes of Council Meeting: 03 December 2025****RESOLVED:**

To, on proposal by Alderman MR Nongxaza seconded by Alderman BB Mkhwibiso hereby approve, confirm and have signed the Minutes of the Council Meeting of 03 December 2025 as prima facie evidence of its correctness.

**E.2 Notule van 'n Spesiale Raadsvergadering: 12 Desember 2025****BESLUIT :**

Om op voorstel van Raadsheer MR Nongxaza gesekondeer deur Raadsheer BB Mkhwibiso die Notule van die Spesiale Raadsvergadering van 12 Desember 2025 hiermee goed te keur, te bekragtig en te laat onderteken as prima facie bewys van die juistheid daarvan met die volgende wysiging:

“SC14/2025 – point 4: That Council notes and approves the recommendations by MPAC as per the attached schedule.”

**Minutes of a Special Council Meeting: 12 December 2025****RESOLVED:**

To, on proposal by Alderman MR Nongxaza seconded by Alderman BB Mkhwibiso hereby approve, confirm and have signed the Minutes of the Council Meeting of 12 December 2025 as prima facie evidence of its correctness with the following amendment:

SC14/2025 – point 4: That Council notes and approves the recommendations by MPAC as per the attached schedule.

**F. VERKLARINGS EN MEDEDELINGS DEUR DIE SPEAKER / STATEMENTS AND COMMUNICATIONS BY THE SPEAKER**

Geen / None

**G. VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER /**

Die Wnde Uitvoerende Burgemeester lees die skrywe vanaf Wes-Kaapse Prestige Landbouwerker Toekennings 2025: Theewaterskloof (TWK) Munisipale Provinsiale Wenner - aangeheg as aanhangsel tot die notule.

**STATEMENTS EN COMMUNICATIONS BY THE EXECUTIVE DEPUTY  
MAYOR**

The Acting Executive Mayor read the letter from the Western Cape Prestige Agricultural Worker Awards 2025: Theewaterskloof (TWK) Municipality Provincial Winners - attached as annexure to the minutes.

**H. VOORLEGGINGS /  
PRESENTATIONS**

- H.1 *Overberg Our Community Our Future – Ms Rachell Brown – The presentation was presented to Council and is attached as an annexure to the minutes. Council expressed 100% support for the initiative, and all relevant Directors will make contact with the institution.*

**I. VERSLAE VOORGELê DEUR DIE KANTOOR VAN DIE MUNISIPALE  
BESTUURDER /  
REPORTS PRESENTED BY THE OFFICE OF THE MUNICIPAL MANAGER**

**ITEM TITLE**

**C01/2026 OFFICE OF THE MUNICIPAL MANAGER: AFRIFORUM VS NATIONAL ENERGY REGULATOR OF SOUTH AFRICA AND OTHERS**

*[English version of the report is the original]*

**FILE NUMBER**

13/1/1

**PURPOSE OF REPORT**

The purpose of this report is to inform Management and Council about the outcome of the AfriForum vs National Energy Regulator of South Africa (Nersa) case, its implications for municipal electricity tariffs, and the processes that municipalities must follow to ensure public participation and compliance with legal requirements.

**BACKGROUND**

The Pretoria High Court recently ruled in favor of electricity consumers by upholding AfriForum's position that Nersa did not follow proper processes in approving municipal electricity tariffs. The court determined that Nersa's approval for municipal tariff increases without proper cost studies and public participation was unconstitutional.

Key outcomes of the court ruling:

1. AfriForum was granted costs and an interdict establishing specified timelines for future public participation processes.
2. Eskom's latest tariffs must be announced by 31 January 2026.
3. Municipalities must submit final tariff applications to Nersa by March 2026 to allow sufficient time for public input.
4. Nersa must finalise its decision on new municipal electricity tariffs by 5 May 2026.
5. A rule nisi has been issued with a return date of 18 November, requesting all interested parties, including 158 municipalities, submit objections, if any, to the proposed timelines.
6. All applications must include cost studies; if absent, Nersa must explicitly indicate this.

This rule reinforces transparency and consumer participation in electricity tariff determinations and provides legal certainty for municipalities and consumers alike. Quotes from AfriForum representatives highlight the significance:

1. "This is not only a victory for AfriForum and its members, but for every person who pays for electricity..." – Morné Mostert, Manager of Local Government Affairs.
2. "As a regulator, Nersa should ensure that municipalities act within the framework of the relevant legislation and also continuously take into account the interests of consumers..." – Deidré Steffens, Advisor on Local Government Affairs.

This is AfriForum's third consecutive court victory against Nersa this month, reinforcing the importance of accountability and proper public participation in municipal electricity tariff processes.

### **DISCUSSION**

None.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

- Municipalities must adjust budgetary planning to align with the revised timelines for tariff submissions and approvals.
- Any costs associated with public participation processes (advertising, consultation meetings, publication of cost studies) must be accounted for in the municipal budget.
- Compliance ensures reduced risk of legal challenges that may lead to financial penalties or delayed tariff implementation.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

- Municipalities are legally obligated to comply with the Constitution and the Electricity Regulation Act.
- Nersa and municipalities must ensure that all electricity tariff processes are transparent, include public participation, and are supported by proper cost studies.
- Failure to comply with these legal requirements may result in further legal action and potential invalidation of tariff approvals.

### **RISK MANAGEMENT IMPLICATIONS**

- Non-compliance with court-mandated timelines could expose municipalities to legal action and reputational damage.
- Delays or errors in tariff applications may affect revenue collection and financial stability.
- Proper adherence to cost study requirements and public participation processes mitigate legal and operational risks.

### **RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council:**

- 1. Take note of the Pretoria High Court ruling and its implications for municipal electricity tariff processes.**
- 2. Ensure all departments involved in electricity tariff submissions are informed and comply with the new timelines.**
- 3. Incorporate sufficient resources and plan to conduct required public participation processes.**

4. **Monitor Nersa's announcements and coordinate with affected stakeholders to ensure transparency and compliance.**
5. **Report back to council periodically on progress and compliance with court-mandated timelines.**

**RECOMMENDATION BY MANAGEMENT TO EMC: 20 NOVEMBER 2025**

**It is recommended that Council:**

1. **Take note of the Pretoria High Court ruling and its implications for municipal electricity tariff processes.**
2. **Ensure all departments involved in electricity tariff submissions are informed and comply with the new timelines.**
3. **Incorporate sufficient resources and plan to conduct required public participation processes.**
4. **Monitor Nersa's announcements and coordinate with affected stakeholders to ensure transparency and compliance.**
5. **Report back to council periodically on progress and compliance with court-mandated timelines.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 13 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Cloete and seconded by Alderman M Plato-Mentoor, it was recommended as follows:

1. **That Council takes note of the Pretoria High Court ruling and its implications for municipal electricity tariff processes.**
2. **That Council ensures all departments involved in electricity tariff submissions are informed and comply with the new timelines.**
3. **Sufficient resources be incorporated and plan to conduct required public participation processes.**
4. **Nersa's announcements be monitored and coordinate with affected stakeholders to ensure transparency and compliance.**
5. **Report back to council periodically on progress and compliance with court-mandated timelines.**

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council takes note of the Pretoria High Court ruling and its implications for municipal electricity tariff processes.
2. That Council ensures all departments involved in electricity tariff submissions are informed and comply with the new timelines.
3. Sufficient resources be incorporated and plan to conduct required public participation processes.
4. Nersa's announcements be monitored and coordinate with affected stakeholders to ensure transparency and compliance.
5. Report back to council periodically on progress and compliance with court-mandated timelines.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Alderman M Plato-Mentoor it was resolved as follows:

1. Council noted the Pretoria High Court ruling and its implications for municipal electricity tariff processes.
2. Council ensures all departments involved in electricity tariff submissions are informed and comply with the new timelines.
3. Sufficient resources be incorporated and plan to conduct required public participation processes.
4. Nersa's announcements be monitored and coordinate with affected stakeholders to ensure transparency and compliance.
5. Report back to council periodically on progress and compliance with court-mandated timelines.

*For finalization by the Municipal Manager, Mr. W Hendricks and the Deputy Director: Electrical Services, Mr Z Benjamin.*

**ITEM TITLE**

**C02/2026 OFFICE OF THE MUNICIPAL MANAGER: RESOLUTIONS OF MINISTER'S AND MAYORAL (MINMAY) FORUM MEETING OF 25 NOVEMBER 2025 WHICH ALSO INCLUDES THE ADOPTED MINUTES OF THE MEETING OF 10 JUNE 2025**

*[English version of the report is the original]*

**FILE NUMBER**

12/2/1/5

**PURPOSE / AIM OF REPORT**

To present the Resolutions of the Minister's and Mayoral (MINMAY) Forum Meeting of 25 November 2025 as well as the adopted Minutes of the Meeting of 10 June 2025 for cognizance Council.

**BACKGROUND**

The Minister's and Mayoral (MINMAY) Forum Meeting was held on 25 November 2025 in Langebaan and was attended by the Executive Mayor, Alderman LM de Bruyn and the Municipal Manager, Mr W Hendricks.

**DISCUSSION**

The Resolutions of the Meeting as well as the adopted Minutes of the Meeting of 10 June 2025 is attached as annexure to this agenda-item.

**FINANCIAL IMPLICATIONS**

Not applicable.

**LEGAL IMPLICATIONS**

Not applicable.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council takes cognizance of the Resolutions of the Minister's and Mayoral (MINMAY) Forum Meeting held on 25 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 10 June 2025.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 13 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman S Fredericks, it was recommended as follows:

**That Council takes cognizance of the Resolutions of the Minister's and Mayoral (MINMAY) Forum Meeting held on 25 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 10 June 2025.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council takes cognizance of the Resolutions of the Minister's and Mayoral (MINMAY) Forum Meeting held on 25 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 10 June 2025.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the Resolutions of the Minister's and Mayoral (MINMAY) Forum Meeting held on 25 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 10 June 2025.**

*For finalization by the Municipal Manager, Mr. W Hendricks.*

**ITEM TITLE**

**C03/2026 OFFICE OF THE MUNICIPAL MANAGER: RESOLUTIONS OF MINISTER'S AND MAYORAL TECHNICAL (MINMAY TECH) FORUM MEETING OF 24 NOVEMBER 2025 WHICH ALSO INCLUDES THE ADOPTED MINUTES OF THE MEETING OF 09 JUNE 2025**

*[English version of the report is the original]*

**FILE NUMBER**

12/2/1/5

**PURPOSE / AIM OF REPORT**

To present the Resolutions of the Minister's and Mayoral Technical (MINMAY TECH) Forum Meeting of 24 November 2025 as well as the adopted Minutes of the Meeting of 09 June 2025 for cognizance Council.

**BACKGROUND**

The Minister's and Mayoral Technical Forum Meeting was held on 24 November 2025 in Langebaan and was attended by the Municipal Manager, Mr W Hendricks.

**DISCUSSION**

The Resolutions of the Meeting as well as the adopted Minutes of the Meeting of 09 June 2025 is attached as annexure to this agenda-item.

**FINANCIAL IMPLICATIONS**

Not applicable.

**LEGAL IMPLICATIONS**

Not applicable.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council takes cognizance of the Resolutions of the Minister's and Mayoral Technical (MinMay Tech) Forum Meeting held on 24 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 09 June 2025.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 13 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor H Linnerts, it was recommended as follows:

**That Council takes cognizance of the Resolutions of the Minister's and Mayoral Technical (MinMay Tech) Forum Meeting held on 24 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 09 June 2025.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council takes cognizance of the Resolutions of the Minister's and Mayoral Technical (MinMay Tech) Forum Meeting held on 24 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 09 June 2025.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the Resolutions of the Minister's and Mayoral Technical (MinMay Tech) Forum Meeting held on 24 November 2025 in Langebaan which also includes the adopted Minutes of the Meeting of 09 June 2025.**

*For finalization by the Municipal Manager, Mr. W Hendricks.*

**ITEM TITLE**

**C04/2026 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: 2024/2025 DRAFT ANNUAL REPORT**

*[English version of the report is the original]*

**FILE NUMBER**

9/1/1

**PURPOSE OF REPORT**

To table the 2024/2025 Draft Annual Report before Council for consideration, discussion and the invitation of public comment, in compliance with Chapter 12 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), and to enable the subsequent compilation of an Oversight Report by Council.

**BACKGROUND**

The Annual Report constitutes a primary accountability instrument through which the municipality reports on its performance for the financial year under review. The purpose of the Annual Report is to:

- Provide a consolidated and accurate record of the activities of the municipality;
- Report on performance against service delivery targets and the implementation of the approved budget;
- Promote transparency and accountability to the local community and other stakeholders; and
- Serve as an input into Council's Oversight Report process.

**DISCUSSION**

Every municipality (and municipal entity) must prepare an Annual Report for each financial year in accordance with Chapter 12 of the MFMA.

The accounting officer must submit the Annual Report tabled in terms of Section 127 (3) and the Oversight Report on the Annual Report adopted in terms of Section 129 (1) to the Provincial Legislature within seven (7) days after the council has adopted the relevant Oversight Report.

As a medium capacity municipality, it is required that we compile our Annual Report in terms of Chapter 12 of the MFMA and National Treasury's Circular Number 63 with effect from 2012.

In terms of Section 127 (2) the Mayor must within seven (7) months after the end of the financial year, table in the Municipal Council the Annual Report of the municipality (and municipal entity under the municipality's sole and shared control).

Immediately after the Annual Report is tabled to council, the accounting officer must (in accordance with Section 21A of the Municipal Systems Act) make the Annual Report public and invite the local community to submit comments pertaining to the Annual Report which then is to be submitted to the Auditor-General, the relevant Provincial Treasury and the Provincial Department of Local Government.

**Inability to Table Annual Report:**

If the Mayor, for whatever reason, is unable to table the Annual Report to the council (and municipal entity under the municipality's sole and shared control) within the seven (7) months after the end of the financial year to which the report relates, the Mayor must promptly submit to the council a written explanation referred to in Section 133 (1) (a) setting out the reasons for the delay, together with any components of the Annual Report listed in Section 121 (3) or (4).

The council of the municipality must within nine (9) months after the financial year end (March) adopt the Annual Report of the municipality (and of any municipal entities under the municipality's sole and shared control in terms of Section 129 of the MFMA).

**Oversight Reports on Annual Reports:**

In terms of Section 129(1) the council of the municipality must consider the Annual Report of the municipality (and municipal entity under the municipality's sole and shared control), and must adopt an Oversight Report containing the council's comments on the Annual Report by no later than two (2) months from the date on which the Annual Report was tabled in the council. It 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 for revision of those components that can be revised.

In terms of Section 129 (2) the Accounting Officer must:

- Attend council and council committee meetings where the Annual Report is discussed for the purpose of responding to questions concerning the report; and
- Submit copies of the Minutes of those Meetings to the Auditor-General, the relevant Provincial Treasury and the Provincial Department of Local Government.
- Section 129 (3) requires the accounting officer to make public an Oversight Report within seven (7) days of its adoption (in accordance with Section 21A of the Municipal Systems Act).

**Council Meeting open to public and certain public officials:**

In terms of Section 130 the meetings of the municipal council at which an Annual Report is to be discussed or at which decisions concerning an Annual Report are to be taken, must be open to the public and any other organs of state, and a reasonable time must be allowed for discussion of written submissions received from the local community or organs of state and for them to address the council.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL RESPONSIBILITIES**

As outlined under the Discussion section above, with specific reference to Chapter 12 of the MFMA, Section 21A of the Municipal Systems Act, and applicable National Treasury circulars.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended that Council:**

- 1. Notes the tabling of the 2024/2025 Draft Audited Annual Report by the Executive Mayor.**
- 2. Refers the Draft Annual Report to the Municipal Public Accounts Committee (MPAC) for detailed consideration and the compilation of an Oversight Report.**
- 3. Notes that the Draft Audited Annual Report will be made public immediately after tabling in Council.**
- 4. Invites the local community and stakeholders to submit written representations on the Draft Annual Report.**
- 5. Notes that a period of not less than twenty-one (21) days will be provided for public comment.**
- 6. Encourages Councillors to submit written comments on the Draft Annual Report.**
- 7. Notes that all applicable legislative and regulatory requirements relating to the Annual Report process will be complied with.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor J Smith it was resolved as follows:

- 1. Council noted the tabling of the 2024/2025 Draft Audited Annual Report by the Executive Mayor.**

2. Council refers the Draft Annual Report to the Municipal Public Accounts Committee (MPAC) for detailed consideration and the compilation of an Oversight Report.
3. Council noted that the Draft Audited Annual Report will be made public immediately after tabling in Council.
4. Council invites the local community and stakeholders to submit written representations on the Draft Annual Report.
5. Council noted that a period of not less than twenty-one (21) days will be provided for public comment.
6. Council encourages Councillors to submit written comments on the Draft Annual Report.
7. Council noted that all applicable legislative and regulatory requirements relating to the Annual Report process will be complied with.

*For finalization by the Acting Manager: IDP/Performance Management, Ms J Marzec-Visagie.*

**ITEM TITLE**

**C05/2026 FRAUD AND RISK MANAGEMENT COMMITTEE: PROGRESS ON THE IMPLEMENTATION OF RISK ACTION PLANS - OFFICE OF THE MUNICIPAL MANAGER**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/4

**PURPOSE OF REPORT**

To update FARMCO on the progress made regarding the implementation of approved risk mitigation action plans, particularly those led by the Office of the Municipal Manager (MM), including the appointment of senior management and directors.

**BACKGROUND**

As part of the municipality's commitment to strengthening risk governance, the Office of the MM has been implementing key mitigation strategies targeting institutional capacity, financial recovery, and service delivery risks. The progress report will present updates on these initiatives for discussion and oversight.

**DISCUSSION**

- Update on appointments of Directors and Senior Managers
- Status of key risk mitigation actions per departmental risk registers
- Challenges in implementing action plans and proposed solutions
- Alignment of risk action plans with the Financial Recovery Plan (FRP)
- Recommendations for further risk reduction strategies

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

Supports the recommendation of the author.

**COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES**

Item supported.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING (HUMAN SETTLEMENT)**

Item with its contents is noted.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

Noted.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

It seems the annexure only contains institutional capacity risks and not also on the financial recovery, and service delivery risks.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTOR:**

It is recommended that FARMCO:

1. Notes the progress made by the Office of the Municipal Manager on implementing critical risk action plans.
2. Provides input or recommendations to strengthen ongoing implementation.
3. Endorses further monitoring and reporting cycles to track the impact of these interventions.
4. That the report be referred to Performance and Audit Committee for oversight.
5. That the report be referred to Council for approval.

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee noted the progress made by the Office of the Municipal Manager on implementing critical risk action plans.

It is resolved:

2. That the risk of the financial recovery and service delivery risk be included.
3. That the filling of the position of the CRO be fast track.
4. That as per point 4 on page 16, there needs to be a risk financial assessment.
5. That input or recommendations be provided to strengthen ongoing implementation.
6. That FARMCO endorses further monitoring and reporting cycles to track the impact of these interventions.

It is recommended:

7. That the report be referred to Performance and Audit Committee for oversight.
8. That the report be referred to Council for approval.

**RECOMMENDATION BY THE PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the report and requested that the recommendations of FARMCO be implemented.
2. It is recommended that the report be referred to Council for approval.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the report regarding the implementation of risk action plans.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Alderman C Clayton it was resolved as follows:

**Council approves the report regarding the implementation of risk action plans.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C06/2026 FRAUD AND RISK MANAGEMENT COMMITTEE: RISK  
MANAGEMENT IMPLEMENTATION PLAN 2024/25**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/3

**PURPOSE OF REPORT**

To provide the Committee with the progress of the fourth quarter on the implementation of Risk Management Plan for 2024/2025.

**BACKGROUND**

It is the responsibility of the Committee to review and approve the implementation of the plan on annual basis and monitor progress periodically.

**DISCUSSION**

Risk Management Implementation Plan 2024/2025 for the fourth quarter progress.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

None.

**COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES**

Report supported.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND  
PLANNING (HUMAN SETTLEMENT)**

Noted.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

Noted.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

It is recommended that the status column should contain more details, e.g. what actions were taken and the dates.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That the Fraud and Risk Management Committee takes cognizance of the Risk Management Implementation Plan for the 2024-2025 financial year.
2. That the Risk Management Implementation Plan for the 2024-2025 be referred to Performance and Audit Committee for oversight.
3. That the Risk Management Implementation Plan for the 2024-2025 be referred to Council for approval.

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee takes cognizance of the Risk Management Implementation Plan for the 2024-2025 financial year.

It is recommended:

2. That the Risk Management Implementation Plan for 2024-2025 be referred to Performance and Audit Committee for oversight.
3. That the Risk Management Implementation Plan for 2024-2025 be referred to Council for approval.

**RECOMMENDATION BY THE PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the Risk Management Implementation Plan for 2024-2025 and requested that the recommendations of FARMCO be implemented.
2. It is recommended that the Risk Management Implementation Plan for 2024-2025 be referred to Council for approval.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the Risk Management Implementation Plan for 2024-2025.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Alderman C Clayton it was resolved as follows:

**Council approves the Risk Management Implementation Plan for 2024-2025.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C07/2026 FRAUD AND RISK MANAGEMENT COMMITTEE: RISK  
MANAGEMENT IMPLEMENTATION PLAN 2025/2026**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/3

**PURPOSE OF REPORT**

To provide the Committee with the Risk Management Implementation Plan for the first quarter of 2025/2026.

**BACKGROUND**

It is the responsibility of the Committee to review and approve the implementation of the plan on annual basis and monitor progress periodically.

**DISCUSSION****ATTACHMENTS**

- Risk Management Implementation Plan 2025/2026.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

In support of the Risk Management Implementation Plan for the 2025-2026.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND  
PLANNING (HUMAN SETTLEMENT)**

Noted.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

No comments.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That the Committee must, according to its responsibilities, review and approve the Risk Management Implementation Plan and monitor progress periodically.
2. That the Risk Management Implementation Plan for the 2025-2026 be referred to Performance and Audit Committee for oversight.
3. That the Risk Management Implementation Plan for the 2025-2026 be referred to Council for approval.

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee reviews and approves the Risk Management Implementation Plan and will monitor progress periodically.

**It is recommended:**

- 2. That the Risk Management Implementation Plan for 2025-2026 be referred to Performance and Audit Committee for oversight.**
- 3. That the Risk Management Implementation Plan for 2025-2026 be referred to Council for approval.**

**RECOMMENDATION BY THE PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

- 1. The Performance- and Audit Committee noted the Report.**
- 2. It is recommended that the Risk Management Implementation Plan for 2025-2026 be referred to Council for approval.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council approves the Risk Management Implementation Plan for 2025-2026.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor Y van Tonder it was resolved as follows:

**Council approves the Risk Management Implementation Plan for 2025-2026.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C08/2026 FRAUD AND RISK MANAGEMENT COMMITTEE: PROGRESS ON FARMCO PERFORMANCE EVALUATION REPORT - 2024/25**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/R

**PURPOSE OF REPORT**

To provide FARMCO with a status update on the preparation and findings of the FARMCO Performance Evaluation Report for the 2024/2025 financial year and to invite input before finalization and submission to relevant oversight structures.

**BACKGROUND**

The FARMCO is required to assess its own performance annually to ensure it remains effective in discharging its oversight responsibilities in the areas of risk management, internal control, fraud prevention, and ethics. The evaluation is based on attendance, effectiveness in reviewing risk registers, monitoring implementation of action plans, and engagement with emerging risk issues.

The current report evaluates the committee's performance from 1 July 2024 to 30 June 2025 and aligns with legislative and policy requirements.

**DISCUSSION****ATTACHED**

FARMCO Performance Evaluation report for 2024/2025

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Recommendations are supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

In agreement with the performance evaluation report presented, however the Risk management unit needs to conduct refresher training to FARMCO members as soon as possible before second quarter of the financial year.

**COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES**

Report supported.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING (HUMAN SETTLEMENT)**

Report is noted and supported.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

Under point 3 Charter approved and reviewed, it states completed in 2024/2025 but in the remarks column it indicates that it will be done by August 2025.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended:**

- 1. That the Fraud and Risk Management Committee notes the progress made in finalizing the 2024/2025 performance evaluation report.**
- 2. That members provide feedback or propose additions for the final report.**
- 3. That the report be adopted and submitted to the Audit Committee for oversight and Council for approval.**

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee noted the progress made in finalizing the 2024/2025 performance evaluation report.
2. It is resolved that the comments made by the departments must be a collective approach and not just noted and supported.
3. It is also resolved that members must provide feedback or proposals as additions for the final report.
4. It is recommended that the report be adopted and submitted to the Performance- and Audit Committee for oversight and Council for approval.

**RECOMMENDATION BY THE PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the Report.
2. The Performance- and Audit Committee requested that attention be given to evaluation areas that were indicated as "Limited" and "Partial".
3. It is recommended that Council approves the progress made in finalizing the 2024/2025 performance evaluation report.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the progress made in finalizing the 2024/2025 performance evaluation report.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor H Linnerts it was resolved as follows:

**Council approves the progress made in finalizing the 2024/2025 performance evaluation report.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE****C09/2026 FRAUD AND RISK MANAGEMENT COMMITTEE: REVIEW OF STRATEGIC RISK REGISTER FOR 2025/2026**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/4

**PURPOSE OF REPORT**

To present the Strategic Risk Register for the 2025/2026 financial year for review and discussion, and to obtain endorsement from the Committee prior to submission to the Performance and Audit Committee and Council.

**BACKGROUND**

As part of the annual risk management process, the Risk Management Unit, in collaboration with senior management and departmental heads, reviewed and updated the municipality's strategic risks for the 2025/2026 financial year. The review considered:

- The alignment of risks to strategic objectives and IDP priorities
- The municipal environment, including governance, finance, service delivery, and regulatory compliance
- Results of internal and external audit findings
- Risks from the previous financial year that remain unresolved or have evolved

**DISCUSSION****Summary of the Strategic Risk Register**

- Total strategic risks identified: 16
- Risks rated as "Very High" (Residual): 16
- New strategic risks introduced: 3
- Risks removed or merged: 3 risks have been merged into one risk that is sitting under Financial Services directorate as a Strategic risk for 2025/2026 Financial year

**Top Strategic Risks include:**

- Inability to achieve financial recovery targets (linked to FRP)
- Delays in infrastructure project implementation
- ICT system vulnerabilities and cybersecurity threats
- Non-compliance with legislative and regulatory frameworks
- Weaknesses in institutional capacity (e.g., unfilled critical posts)

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Recommendations are supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

Supports the recommendation that continuous monitoring of strategic risks be prioritized through quarterly reporting.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING (HUMAN SETTLEMENT)**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

No comments.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended:**

- 1. That FARMCO reviews and notes the Strategic Risk Register for 2025/2026.**
- 2. That the Committee endorses the register for submission to the Performance and Audit Committee and to the Council for approval.**
- 3. That continuous monitoring of strategic risks be prioritized through quarterly reporting.**

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee did review and noted the Strategic Risk Register for 2025/2026.

It is resolved:

2. That the paid parking system must be an agenda-item for discussion at Management.
3. That appetite must be highlighted in red for the next report.
4. That mitigations must be put in place for protest actions – make use of shared resources.
5. That the Director Community Services must ensure that there is a cemetery plan or register in place for all the cemeteries in all the towns.
6. That the exposure of the communities to illegal dumping and waste must be addressed.
7. That stray animals in public open spaces must be reduced.

It is recommended:

8. That the strategic register be submitted to the Performance- and Audit Committee for oversight and to the Council for approval.
9. That continuous monitoring of strategic risks be prioritized through quarterly reporting.

**RECOMMENDATION FROM PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the Report.
2. The Performance- and Audit Committee requested that colors be added to the risk ratings (Red for High Risks, Orange for Medium Risks, Green for Low Risks) in the next report.
3. It is recommended that the Strategic Register for 2025-26 be submitted to the Council for approval.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the Strategic Risk Register for 2025/2026.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor Y van Tonder and seconded by Councillor H Linnerts it was resolved as follows:

**Council approves the Strategic Risk Register for 2025/2026.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C10/2026 FRAUD AND RISK MANAGEMENT: REVIEW OF OPERATIONAL RISK REGISTER FOR 2025-2026**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/4

**PURPOSE OF REPORT**

To present the draft Operational Risk Register for the 2025/2026 financial year for review, discussion, and endorsement by the Committee.

**BACKGROUND**

The Risk Management Unit conducted a review and update of operational risks in collaboration with heads of departments, managers, and risk champions. Operational risks are linked to the day-to-day processes, systems, people, and compliance requirements within each directorate and are assessed to ensure continuous service delivery and compliance.

The register reflects:

- Key risks faced at departmental level
- Updates from previous year's risk reviews
- Alignment with internal control weaknesses, audit findings, and performance issues

**DISCUSSION**

Summary of the Operational Risk Register

- Total operational risks identified: 62
- New operational risks: 12
- Risks resolved and removed: 0 (risk ratings were reviewed)
- Risk categories: [e.g., Human Resources, SCM, ICT, Infrastructure, Compliance, Revenue Management]

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Recommendations are supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

None.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING (HUMAN SETTLEMENT)**

Noted.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

No comments.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That the Committee reviews and endorses the Operational Risk Register for 2025/2026.
2. That departments be tasked to monitor and report on their risk mitigation progress quarterly.
3. That the register be referred to Performance and Audit Committee for oversight.
4. That the register be referred to Council for approval.

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee did review and endorses the Operational Risk Register for 2025/2026.
2. That departments are tasked to monitor and report on their risk mitigation progress quarterly.

It is recommended:

3. That the register be referred to Performance- and Audit Committee for oversight.
4. That the register be referred to Council for approval.

**RECOMMENDATION FROM PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the report.
2. The Performance- and Audit Committee requested that colors be added to the risk ratings (Red for High Risks, Orange for Medium Risks, Green for Low Rihs) in the next report.
3. It is recommended that the Operational Risk Register for 2025/2026 be referred to Council for approval.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the Operational Risk Register for 2025/2026.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor Y van Tonder and seconded by Councillor H Linnerts it was resolved as follows:

**Council approves the Operational Risk Register for 2025/2026.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C111/2026 FRAUD AND RISK MANAGEMENT: REVIEW OF FRAUD RISK REGISTER FOR 2025 - 2026**

*[English version of the report is the original]*

**FILE NUMBER**

5/14/2/4

**PURPOSE OF REPORT**

To present the updated Fraud Risk Register for the 2025/2026 financial year for review and endorsement, and to strengthen the municipality's fraud prevention and detection efforts in line with the Fraud Prevention Plan.

**BACKGROUND**

The Risk Management Unit, in collaboration with Internal Audit and departmental representatives, reviewed and updated the municipality's Fraud Risk Register to reflect emerging fraud threats, audit findings, and internal control weaknesses. The register forms part of the broader fraud prevention strategy, and its regular review is a requirement of National Treasury's risk management framework.

**DISCUSSION****ATTACHED FRAUD RISK REGISTER FOR 2025/2026 FINANCIAL YEAR****Summary of the Fraud Risk Register**

- Total fraud risks identified:12
- High risks of residual fraud: 12

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Recommendations are supported.

**COMMENTS FROM THE DIRECTORATE FINANCE**

None.

**COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES**

None.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING (HUMAN SETTLEMENT)**

Item is noted.

**COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

None.

**COMMENTS FROM INTERNAL AUDIT**

The Risk mitigation measures / action plans should be compiled as soon as possible to ensure effective controls are implemented for these risks.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**COMMENTS FROM LEGAL SERVICES**

The recommendation is supported.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That the Committee reviews and endorses the 2025/2026 Fraud Risk Register.
2. That the Fraud Risk Register be referred to Performance and Audit Committee for oversight.
3. That the Fraud Risk Register be referred to Council for approval.

**RECOMMENDATION FROM THE FRAUD AND RISK MANAGEMENT COMMITTEE TO THE PERFORMANCE- AND AUDIT COMMITTEE: 16 SEPTEMBER 2025**

1. The Fraud and Risk Management Committee did review and endorses the 2025/2026 Fraud Risk Register.

It is recommended:

2. That the Fraud Risk Register be referred to Performance- and Audit Committee for strict oversight and regular reporting.
3. That the Fraud Risk Register be referred to Council for approval.

**RECOMMENDATION FROM PERFORMANCE- AND AUDIT COMMITTEE TO COUNCIL: 05 DECEMBER 2025**

1. The Performance- and Audit Committee noted the report.
2. The Performance- and Audit Committee requested that colors be added to the risk ratings (Red for High Risks, Orange for Medium Risks, Green for Low Risks) in the next report.
3. It is recommended that the Fraud and Risk Register for 2025/2026 be referred to Council for approval.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council approves the Fraud and Risk Register for 2025/2026.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Councillor C Cloete, it was resolved as follows:

**Council approves the Fraud and Risk Register for 2025/2026.**

*For finalization by the Risk Management: Officer, Ms. N Dayeni.*

**ITEM TITLE**

**C12/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT  
ADMINISTRATION: WARD COMMITTEE SYSTEM: BI-ANNUAL  
PERFORMANCE REPORT: JULY – NOVEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

3/4/R

**AIM OF REPORT**

To provide Council with a performance report in respect of performance by Ward Committees in the Theewaterskloof Municipality between July and November 2025.

**BACKGROUND**

Ward Committees play an active and important role to enhance participatory governance in Theewaterskloof Municipality, and it has become increasingly important in the management of ward committees to:

- Demonstrate the involvement of ward committees in the affairs of the Council.
- Be able to effectively monitor and evaluate the performance of local ward committees in the Theewaterskloof Municipal area.

It is important for ward committees not only to attend scheduled ward committee meetings, but also to be actively involved in the affairs of Council and also to be the link between Council and the Community. Ward Committee members need to fulfil their role in terms of mandate meetings on a quarterly basis.

**DISCUSSION**

This report includes the performance of Ward Committees for the period from July to November 2025 in respect of the Ward Committee Official meetings held, Ward Councillor Report Back Meetings and Ward Committee Mandate Meetings attended during the period as well as Ward Committee vacancies, Ward Committee Operational Plans submitted and other public participation activities.

**1. Ward Committee Official Meetings**

A number of **25** Ward Committee meetings took place for the reporting period.

<b>Ward nr</b>	<b>Meeting Dates</b>	<b>Number of meetings (JAN – JUNE 2025)</b>	<b>CURRENT REPORTING (JUL – NOV 2025)</b>	<b>PERFORMANCE RATING Exceptional (4+ meetings) Met Target (3 meetings) 2 or less (Underperformance)</b>
1	22 July 2025 18 September 2025 20 November 2025	2	3	Met Target
2	21 July 2025 21 August 2025 22 September 2025 30 Oct 2025 20 Nov 2025	3	5	Exceptional Performance
3	21 October 2025	2	1	Decline, Underperformance
4	31 July 2025 22 October 2025	2	2	Underperformance
5	15 July 2025 25 August 2025 21 Oct 2025 27 Nov 2025	2	4	Exceptional Performance
6	17 July 2025 30 Oct 2025 27 Nov 2025	2	3	Met Target
7	28 October 2025	2	1	Decline, Underperformance
8	27 Nov 2025	0	1	Underperformance
9	14 July 2025 20 Oct 2025 27 Nov 2025	2	3	Met Target
10	19 August 2025 11 Nov 2025	0	2	Underperformance
11	28 July 2025	0	1	Underperformance
12	None. 2 Scheduled but no quorum during Sept 2025 18 Nov 2025	0	1	Underperformance
13	None. 2 Scheduled but no quorum	0	1	Underperformance

	26 Nov 2025			
14	31 July 2025 24 Nov 2025	0	2	Underperformance
<b>TOTAL NUMBER OF MEETINGS</b>		17	25	

Ward Committee meetings should take place on a bi-monthly basis. For the six months, all ward committees should have met at least 3 times. 42 meetings should have taken place in the 14 wards for the reporting period. Instead, only 25 meetings took place. The performance is, however, better than the previous reporting cycle. Due to no items, some meetings did not take place. Due to no transport being provided to Ward Committee members, some meetings could not proceed due to quorums. Some of the ward committee members also lost interest in the system.

**THE FOLLOWING WARDS MET THE CRITERIA AND PERFORMED WELL IN TERMS OF THE POLICY FOR WARD COMMITTEES:**

- Ward 1
- Ward 2
- Ward 5
- Ward 6
- Ward 9

**THE FOLLOWING WARDS IS HOWEVER A CONCERN:**

- Ward 3
- Ward 4
- Ward 7
- Ward 8
- Ward 10
- Ward 11
- Ward 12
- Ward 13
- Ward 14

**2. WARD COMMITTEE VACANCIES**

The following vacancies exist in the different wards

WARD NR	SECTOR	GEOGRAPHICAL AREA	TOTAL VACANCIES	REMEDIAL STEPS
1	0	0	0	
2	0	0	0	
3	0	0	0	
4	0	0	0	
5	0, but Villiersdorp		0	For Council to decide whether the

	Ratepayers Association requested to be accommodated on the ward committee again			Composition of the ward committee can be amended and Villiersdorp Ratepayers Association can be accommodated on the Ward 5 committee from 2026
6	0	0	0	
7	0	0	0	
8			4	The Councillor requested that his Ward Committee be reduced to 6 Members as the vacancies cannot be filled. The composition of Ward 8 will then be as follows: Siyanyanzela 1 Siyanyanzela 2 Zola and Marikana Grabouw Kids Heaven Elgin Ratepayers LDAC
9	0	0	0	
10	0	0	0	
11	0	0	0	
12	0	1 Melrose Place	1	The Position must be filled by the end of 2025
13	Grabouw Taxi Association	0	1	The vacancy still exists. The proposal is to reduce the Ward Committee Composition and that Grabouw taxi Association be removed as the vacancies exist for a long time
14		Pineview North	1	The Councillor requested that his Ward Committee

			composition be amended and that Pineview North be removed.
TOTAL VACANCIES		7 We had 13 vacancies in the previous reporting period. There is improvement	That the amendments be considered under Recommendation

### 3. Ward Councillor Report Back Initiatives

**1 Ward Councillor report back meeting should take place per quarter. 16 Ward Councillor Report back meetings took place as follows:**

WARD NR	DATE	NUMBER OF MEETINGS (JAN- JUNE 2025)	CURRENT REPORTING (JUL - DEC 2025)	COMPLIANT/ NOT COMPLIANT
1	25 September 2025	2	1	Compliant
2	9 September 2025 (2 X Outreach Programmes)	3	2	Exceptional Performance
3	25 September 2025	1	1	Compliant
4	None	2	0	Non-compliant
5	15 September 2025 10 October 2025	2	2	Exceptional Performance
6	3 September 2025	2	1	Compliant
7	None	2	0	Non-Compliant
8	None	0	0	Non-Compliant. No meeting during the year
9	18 September 2025	2	1	Compliant
10	10 September 2025	0	1	Compliant
11	11 September 2025	1	1	Compliant
12	9 September 2025	2	1	Compliant

13	22 September 2025 2 Oct 2025 3 Oct 2025 4 Oct 2025 4 November 2025	2	5	Exceptional Performance
14	None	0	0	Non-Compliant
<b>TOTAL NUMBER OF WARD COUNCILLOR REPORT BACK MEETINGS</b>		<b>21</b>	<b>16</b>	Due to the IDP Sessions scheduled for November 2025, Ward Councillors could only have 1 Report Back engagement therefore only 1 Ward Councillor Report Back is in this case compliant

**4. WARD COMMITTEE MANDATE MEETINGS**

11 Ward Committee Member Mandate meetings took place as follows:

Ward nr	Meeting Dates	NUMBER OF MEETINGS (JAN – JUNE 2025)	CURRENT REPORTING (JUL – NOV 2025)	IMPROVEMENT
1	10 – 15 July 2025 18 Aug 2025 19 Aug 2025 20 Nov 2025	1	4	Non-Compliant
2	22 July 2025 7 Aug 2025 2 Oct 2025	0	3	Non-Compliant
3	NONE	0	0	Non-compliant
4	28 Aug 2025 26 Sept 2025	0	2	Non-Compliant
5	23 July 2025	1	1	Non-compliant
6	NONE	0	0	Non-compliant
7	25 March 2025	1	0	Non-Compliant

8	NONE	0	0	Non-compliant
9	NONE	0	0	Non-Compliant
10	NONE	0	0	Non-compliant
11	NONE	0	0	Non-compliant
12	NONE	0	0	Non-compliant
13	11 Nov 2025	0	1	Non-compliant
14	NONE	0	0	Non-compliant
<b>TOTAL NUMBER OF MANDATE MEETINGS</b>		3	11	<b>Overall non-compliant</b>

It is a huge concern that although the ward committees developed Ward Committee Operational Plans, and that the ward committee members indicated ward committee mandate meeting dates, they do not adhere to it. Some of the ward committee members previously mentioned that the hiring of venues is a challenge as they don't have the financial resources to pay for these halls. We therefore need to look at alternative ways of mandatory report back meetings.

#### 5. WARD COMMITTEE OPERATIONAL PLANS

The following Ward Committee Operational Plans was submitted to the Provincial Department Public Participation:

- Ward 1
- Ward 2
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 9
- Ward 10
- Ward 11
- Ward 12
- Ward 13
- Ward 14

The following Ward Committee Operational Plan is still outstanding:

- Ward 8

## 6. OTHER FORMS OF PUBLIC PARTICIPATION

1. Draft IDP Public Participation meetings per Town were scheduled during November 2025 as per the Public Participation Plan 202/5 2026 as follows:

- |                      |   |
|----------------------|---|
| a) 18 November 2025: | Villiersdorp Town (Wards 5, 6 and 9)          |
| b) 19 November 2025: | Riviersonderend Town (Ward 1)                 |
| c) 20 November 2025: | Botriver Town (Ward 7)                        |
| d) 25 November 2025: | Grabouw Town (Wards 8, 10, 11, 12, 13 and 14) |
| e) 26 November 2025: | Caledon Town (Wards 3 and 4)                  |
| f) 27 November 2025: | Genadendal Greyton (Ward 2)                   |

2. The Office of the Speaker also facilitated a Mini Jamboree in Villiersdorp on 25 and 26 September 2025 with the following Government Departments and Organisations:

- a) National Parliament
- b) Department of Home Affairs
- c) Department of Social Development
- d) SASSA
- e) IEC
- f) Department of Agriculture
- g) Small Enterprise Development and Finance Agency (SEDFA)
- h) Department of Land Reform and Rural Development
- i) Department Community Development Workers
- j) BOWL Villiersdorp
- k) VPUU Youth Centre
- l) FNB
- m) Flourish Villiersdorp
- n) LED Department: TWK Municipality
- o) Human Settlements Department: TWK Municipality
- p) Finance Department: TWK Municipality

3. Municipal Departmental Imbizo's have been scheduled in each of the towns on the dates as indicated below:

- a) 09 September 2025 – Riviersonderend Community Hall
- b) 10 September 2025 – Grabouw Thusong Centre
- c) 11 September 2025 – Villiersdorp Resource Centre
- d) 16 September 2025 – Greyton Moravian Hall
- e) 17 September 2025 – Caledon Victoria Hall
- f) 18 September 2025 – Botriver Community Hall

The reason for the Imbizo's was to take the services rendered by the various Directorates/Departments within the Municipality to the Community.

### **FINANCIAL RESPONSIBILITIES**

As per budget allocation.

**LEGAL RESPONSIBILITIES**

1. The Constitution of RSA
2. Local Government: Municipal Finance Management Act No 56 of 2003
3. Local Government: Municipal Structures Act No 117 of 1998
4. Local Government: Municipal Systems Act No 32 of 2000
5. Theewaterskloof Municipality Ward Committee Policy

**RISK MANAGEMENT IMPLICATION**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That Council notes the bi-annual report on the performance of Ward Committees and Public Participation in Theewaterskloof Municipality for the period July to November 2025.
2. That the following amendments be made to the Composition of the Ward Committees:
  - 2.1 That the Villiersdorp Ratepayers Association be accommodated on the Ward Committee of Ward 5 as requested
  - 2.2 That the Ward 8 Committee composition be reduced to the current 6 positions that is active and that 4 positions be removed
  - 2.3 That the Ward 12 Vacancy be filled by 31 December 2025. If not filled, the vacant position will be removed from the composition of Ward 12.
  - 2.4 That the Ward 13 Committee composition be reduced to the current 7 positions that are active and that the 1 position of Grabouw Taxi Association be removed
  - 2.5 That the Ward 14 Committee Composition be reduced to the current 7 positions that are active and that the position of Pineview North be removed from the Composition of Ward 14.
3. That Council notes that the pre-establishment phase of the 2026 – 2031 Ward Committees will commence during January 2026.
4. That Council improves the relationship between Council and the CDW Programme and that we budget accordingly.
5. That the bi-annual report be presented at Ward Committee meetings for discussion on the performance after submission to Council.

**RECOMMENDATION BY THE EMC TO COUNCIL: 13 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman S Fredericks, it was recommended as follows:

1. That Council notes the bi-annual report on the performance of Ward Committees and Public Participation in Theewaterskloof Municipality for the period July to November 2025.
2. That the following amendments be made to the Composition of the Ward Committees:
  - 2.1 That the Villiersdorp Ratepayers Association be accommodated on the Ward Committee of Ward 5 as requested
  - 2.2 That the Ward 8 Committee composition be reduced to the current 6 positions that is active and that 4 positions be removed
  - 2.3 That the Ward 12 Vacancy be filled by 31 December 2025. If not filled, the vacant position will be removed from the composition of Ward 12.
  - 2.4 That the Ward 13 Committee composition be reduced to the current 7 positions that are active and that the 1 position of Grabouw Taxi Association be removed.
  - 2.5 That the Ward 14 Committee Composition be reduced to the current 7 positions that are active and that the position of Pineview North be removed from the Composition of Ward 14.
3. That Council notes that the pre-establishment phase of the 2026 – 2031 Ward Committees will commence during January 2026.
4. That Council improves the relationship between Council and the CDW Programme and that we budget accordingly.
5. That the bi-annual report be presented at Ward Committee meetings for discussion on the performance after submission to Council.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council notes the bi-annual report on the performance of Ward Committees and Public Participation in Theewaterskloof Municipality for the period July to November 2025.

2. That the following amendments be made to the Composition of the Ward Committees:
  - 2.1 That the Villiersdorp Ratepayers Association be accommodated on the Ward Committee of Ward 5 as requested
  - 2.2 That the Ward 8 Committee composition be reduced to the current 6 positions that is active and that 4 positions be removed
  - 2.3 That the Ward 12 Vacancy be filled by 31 December 2025. If not filled, the vacant position will be removed from the composition of Ward 12.
  - 2.4 That the Ward 13 Committee composition be reduced to the current 7 positions that are active and that the 1 position of Grabouw Taxi Association be removed
  - 2.5 That the Ward 14 Committee Composition be reduced to the current 7 positions that are active and that the position of Pineview North be removed from the Composition of Ward 14.
3. That Council notes that the pre-establishment phase of the 2026 – 2031 Ward Committees will commence during January 2026.
4. That Council improves the relationship between Council and the CDW Programme and that we budget accordingly.
5. That the bi-annual report be presented at Ward Committee meetings for discussion on the performance after submission to Council.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman BB Mkhwibiso, it was resolved as follows:

1. Council noted the bi-annual report on the performance of Ward Committees and Public Participation in Theewaterskloof Municipality for the period July to November 2025.
2. That the following amendments be made to the Composition of the Ward Committees:
  - 2.1 That the Villiersdorp Ratepayers Association be accommodated on the Ward Committee of Ward 5 as requested
  - 2.2 That the Ward 8 Committee composition be reduced to the current 6 positions that is active and that 4 positions be removed

- 2.3 That the Ward 13 Committee composition be reduced to the current 7 positions that are active and that the 1 position of Grabouw Tax Association be removed
- 2.4 That the Ward 14 Committee Composition be reduced to the current 7 positions that are active and that the position of Pineview North be removed from the Composition of Ward 14.
- 2.5 Council noted that the Ward 12 vacancy has been filled in the meantime.
3. Council noted that the pre-establishment phase of the 2026 – 2031 Ward Committees will commence during January 2026.
4. Council improves the relationship between Council and the CDW Programme and that we budget accordingly.
5. That the bi-annual report be presented at Ward Committee meetings for discussion on the performance after submission to Council.

*For finalization by the Manager: Corporate Services, Ms M Faul.*

**ITEM TITLE**

**C13/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: APPOINTMENT OF A NEW MEMBER TO THE FINANCE PORTFOLIO COMMITTEE AS PART OF THE SECTION 80 COMMITTEES WHICH ASSIST THE EXECUTIVE MAYOR IN PERFORMING FUNCTIONS AND DUTIES TO REPLACE COUNCILLOR RL MIENIES**

*[English is the original version of the report]*

**FILE NUMBER**

3/3/6

**PURPOSE OF REPORT**

That Council considers the appointment of a new member of the Finance Portfolio Committee of Council to replace Councillor RL Mienies.

**BACKGROUND**

Council appoints the following Councillors as Committee Members of the Finance Portfolio Committee per Council Resolution C116/2025 during a Council Meeting held on 29 May 2025:

Finance Committee (5 members)

Councillor CT Cloete - Chairperson – full-time Councillor

Councillor CA Benjamin

Councillor H Linnerts

Councillor V Papier

Councillor RL Mienies

Secundi: Councillor J Smit (for the Coalition)

Secundi: Councillor M Mpambani (for the Opposition)

**DISCUSSION**

Councillor RL Mienies resigned as a Ward Councillor with effect from 30 September 2025.

After a bi-election was held in Ward 6 on 10 December 2025, the IEC declared Councillor FO Ntantiso as the duly elected Ward Councillor effective from 10 December 2025.

Councillor RL Mienies was a Member of the Finance Portfolio Committee, and a new Member needs to be appointed to replace Councillor Mienies.

**FINANCIAL IMPLICATIONS**

None.

**LEGISLATIVE IMPLICATIONS**

None.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended that Council appoints the following Councillor as a Member of the Finance Portfolio Committee of Council to replace Councillor RL Mienies:**

**Councillor CT Cloete - Chairperson – full-time Councillor**

**Councillor CA Benjamin**

**Councillor H Linnerts**

**Councillor V Papier**

**Councillor .....**

**Secundi: Councillor J Smit (for the Coalition)**

**Secundi: Councillor M Mpambani (for the Opposition)**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso and seconded by Alderman MR Nongxaza, it was resolved as follows:

**Council appoints the following Councillor as a Member of the Finance Portfolio Committee of Council to replace Councillor RL Mienies:**

**Councillor CT Cloete - Chairperson – full-time Councillor**

**Councillor CA Benjamin**

**Councillor H Linnerts**

**Councillor V Papier**

**Alderman DA Appel**

**Secundi: Councillor J Smit (for the Coalition)**

**Secundi: Councillor M Mpambani (for the Opposition)**

*For finalization by the Manager: Corporate Services, Ms. M Faul.*

**ITEM TITLE**

**C14/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: APPOINTMENT OF A NEW MEMBER ON THE STATUTORY COMMITTEE – EMPLOYMENT EQUITY COMMITTEE TO REPLACE COUNCILLOR RL MIENIES**

*[English is the original version of the report]*

**FILE NUMBER**

3/3/6

**PURPOSE OF REPORT**

That Council considers the appointment of a new member on the Statutory Committee – Employment Equity Committee to replace Councillor RL Mienies.

**BACKGROUND**

Council appoints the following Councillors as Committee Members on the Statutory Committee – Employment Equity Committee per Council Resolution C117/2025 during a Council Meeting held on 29 May 2025:

**Statutory Committee - Employment Equity Committee (16 members)****Councillors**

1. Councillor H Linnerts
2. Councillor M Botes
3. Councillor RL Mienies

**Secundi 1:** Councillor D Jacobs (for the Coalition)

**Secundi 2:** Alderman BB Mkhwibiso (for the Opposition)

Management members x 5  
Trade Union members x 8

**DISCUSSION**

Councillor RL Mienies resigned as a Ward Councillor with effect from 30 September 2025.

After a bi-election was held in Ward 6 on 10 December 2025, the IEC declared Councillor FO Ntantiso as the duly elected Ward Councillor effective from 10 December 2025.

Councillor RL Mienies was a Member of the Employment Equity Committee and a new Member needs to be appointed to replace Councillor Mienies.

**FINANCIAL IMPLICATIONS**

None.

**LEGISLATIVE IMPLICATIONS**

None.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended that Council appoints the following Councillor as a Member of the Statutory Committee – Employment Equity Committee to replace Councillor RL Mienies:**

**Statutory Committee - Employment Equity Committee (16 members)**

**Councillors**

- 1. Councillor H Linnerts**
- 2. Councillor M Botes**
- 3. Councillor .....**

**Secundi 1: Councillor D Jacobs (for the Coalition)**

**Secundi 2: Alderman BB Mkhwibiso (for the Opposition)**

**Management members x 5**

**Trade Union members x 8**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso and seconded by Alderman MR Nongxaza, it was resolved as follows:

**Council appoints the following Councillor as a Member of the Statutory Committee – Employment Equity Committee to replace Councillor RL Mienies:**

**Statutory Committee - Employment Equity Committee (16 members)**

**Councillors**

- 1. Councillor H Linnerts**
- 2. Councillor M Botes**

**3. Councillor FO Ntantiso****Secundi 1: Councillor D Jacobs (for the Coalition)****Secundi 2: Alderman BB Mkhwibiso (for the Opposition)****Management members x 5****Trade Union members x 8***For finalization by the Manager: Corporate Services, Ms. M Faul.*

**ITEM TITLE**

**C15/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT  
ADMINISTRATION: CONFERMENT OF THE CIVIC HONOUR:  
ALDERMANSHIP TO THE SPEAKER, COUNCILLOR W WELLS**

*[English version of the report is the original]*

**FILE NUMBER**

3/3/2

**PURPOSE OF REPORT**

To inform Council, that, in terms of the approved criteria for conferring of Aldermanship, the Speaker, Councillors W Wells, qualify for this title and to therefore request Council to consider the awarding of the title to Councillor Wells.

**BACKGROUND AND LEGISLATION**

Council approved the reviewed Conferment of Civic Honours Policy during the Council Meeting of 23 May 2024.

Section 8 deals with the Criteria for the Civic Honour: Aldermanship and reads as follows:

8.(1) Aldermanship shall be conferred on serving councillors of Theewaterskloof Municipality as follows:

- a. Any councillor becomes an Alderman upon election into the offices of Executive Mayor, Executive Deputy Mayor or Speaker of Council.

(2) The following privileges are associated with Aldermanship status:

- a. The provision of a special parking space in the municipal parking lot on prior arrangement.
- b. The provision of agendas even postretirement in electronic format;
- c. Retaining the Alderman on the municipal invitation lists;
- d. Reservation of special seats at Council meeting should a Councillor so wish;
- e. Issuing of an Honourary certificate

Section 11 deals with the conferral ceremony:

11.(1) A conferral ceremony, in the form of a special council meeting, will be held annually during the first week of December.

**DISCUSSION**

During a Special Council Meeting held on 12 November 2024, the Speaker, Councillor W Wells, was elected as Speaker of Theewaterskloof Municipality.

**FINANCIAL IMPLICATION**

Due to the current financial position of Theewaterskloof Municipality, the cost will only be for a certificate frame.

**LEGAL IMPLICATIONS**

The reviewed Theewaterskloof Municipal Council's policy for the Conferment of Civic Honours as approved by Council on 23 May 2024.

**RISK MANAGEMENT IMPLICATION**

None.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended:

1. That Council notes that the Speaker, Councillor W Wells, qualifies for the conferment of the Civic Honour: Aldermanship as per section 8(1)(a) of the policy as he was elected as Speaker during November 2024.
2. That Council notes that as no agenda-item for the conferment of Aldermanship to Councillor W Wells was submitted to Council during December 2025 as per Section 11(1) of the policy.
3. That the Civic Honour: Aldermanship be conferred upon Councillor W Wells.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor H Linnerts, it was resolved as follows:

1. Council noted that the Speaker, Councillor W Wells, qualifies for the conferment of the Civic Honour: Aldermanship as per section 8(1)(a) of the policy as he was elected as Speaker during November 2024.
2. Council noted that no agenda-item for the conferment of Aldermanship to Councillor W Wells was submitted to Council during December 2025 as per Section 11(1) of the policy.
3. That the Civic Honour: Aldermanship be conferred upon Councillor W Wells.

*For finalization by the Manager: Corporate Services, Ms. M Faul.*

**ITEM TITLE**

**C16/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: QUARTERLY REPORT REGARDING RESOLUTIONS TAKEN AT COUNCIL MEETINGS FOR THE 4<sup>th</sup> QUARTER (01 APRIL 2025 TO 30 JUNE 2025) AND FOR THE 1<sup>st</sup> QUARTER (01 JULY 2025 TO 30 SEPTEMBER 2025) STILL OUTSTANDING FOR NOTIFICATION AND RESOLUTIONS TAKEN AT COUNCIL MEETINGS FOR THE PERIOD 01 OCTOBER 2025 TO 31 DECEMBER 2025 FOR NOTIFICATION AND APPROVAL**

*[English version of the report is the original]*

**FILE NUMBER**

5/1/3

**AIM/PURPOSE OF REPORT**

That Council notes the attached schedule reflecting the resolutions taken at Council meetings for the periods 01 April 2025 to 30 June 2025 and 01 July 2025 to 30 September 2025 and which is still outstanding, and that Council notes and approves the schedule of resolutions taken at Council meetings for the period 01 October 2025 to 31 December 2025.

**BACKGROUND**

In terms of Corporate Services Departmental Service Delivery and Budget Implementation Plan (SDBIP), a report on all decisions taken during Council meetings must be submitted to Council for cognizance and approval.

**DISCUSSION**

After completion of the 2<sup>nd</sup> quarter of the 2025/2026 Service Delivery and Budget Implementation Plan (SDBIP), the schedule of resolutions taken at Council meetings is attached as an annexure to this Agenda-item for notification and approval by the Council.

That the schedule of Council resolutions is still outstanding for the 4<sup>th</sup> quarter of 2024/2025 and the 1<sup>st</sup> quarter of 2025/2026 is also attached for cognizance of Council.

**FINANCIAL IMPLICATIONS**

None.

**LEGAL IMPLICATIONS**

None.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended:

1. That the Council notes the schedule of resolutions taken during Council meetings for the 4<sup>th</sup> quarter of 2024/25 (01 April 2025 to 30 June 2025) and 1<sup>st</sup> quarter of 2025/26 (01 July 2025 to 30 September 2025) and which is still outstanding for finalization.
2. That the Council notes and approves the schedule of resolutions taken during the Council meetings for the 2<sup>nd</sup> quarter of 2025/26 (01 October 2025 to 31 December 2025).

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete, it was resolved as follows:

1. Council noted the schedule of resolutions taken during Council meetings for the 4<sup>th</sup> quarter of 2024/25 (01 April 2025 to 30 June 2025) and 1<sup>st</sup> quarter of 2025/26 (01 July 2025 to 30 September 2025) and which is still outstanding for finalization.
2. Council notes and approves the schedule of resolutions taken during the Council meetings for the 2<sup>nd</sup> quarter of 2025/26 (01 October 2025 to 31 December 2025).

*For finalization by the Manager: Corporate Services, Ms. M Faul.*

**ITEM TITLE**

**C17/2026 DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES: REPORTING ON PERFORMANCE OF CONTRACTORS FOR OCTOBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

8/2/3/5/5

**PURPOSE OF REPORT**

KPI 213 of the SDBIP for the Directorate Technical and Infrastructure Services determines the following:

Compile a report on the performance of service providers applicable to the Directorate and submit to Council monthly.

To present a report to Council in terms of the contract and performance management of the Technical Departments contractors for October 2025 to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget.

**BACKGROUND**

S116 (2) of the Municipal Finance management Act (No. 56 of 2003) states that:

The accounting officer of a municipality or municipal entity must -

1. take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality of municipal entity is properly enforced;
2. monitor on a monthly basis the performance of the contract under the contract or agreement;
3. establish capacity in the administration of the municipality or municipal entity –
  - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
  - (ii) to oversee the day-to-day management of the contract or agreement; and
4. regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

**DISCUSSION**

Reporting pattern of Technical Services

Department	October 2025
Technical Services	Submitted

Find attached checklists consisting of the summaries done for Technical Services:

Tender no	Service Provider	Blockages	Reason
		No Blockages	

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Recommendation supported.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

Can be found in checklists attached as Annexures. It can be costly to the municipality if reporting is not done correctly.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Chapter 8 Municipal Finance Management Act. 56 of 2003.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council take cognisance of the report regarding the performance of service providers for the month of October 2025 for the Directorate Technical and infrastructure Implementation Services.**

**RECOMMENDATION FROM MANAGEMENT**

*Note: No official of the Directorate Technical- and Infrastructure Implementation Services was present at the meeting to present this agenda-item.*

**RECOMMENDATION BY MANAGEMENT TO COUNCIL: 20 NOVEMBER 2025**

**It is recommended that Council take cognisance of the report regarding the performance of service providers for the month of October 2025 for the Directorate Technical and infrastructure Implementation Services.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council take cognisance of the report regarding the performance of service providers for the month of October 2025 for the Directorate Technical- and infrastructure Implementation Services.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Alderman M Plato-Mentoor, it was resolved as follows:

- 1. Council noted the report regarding the performance of service providers for the month of October 2025 for the Directorate Technical- and infrastructure Implementation Services.**
- 2. Council resolved that a full report be submitted at the next Council meeting regarding Pineview Park.**

*For finalization by the Director: Technical- & Infrastructure Implementation Services,  
Mr. H Matthee.*

**ITEM TITLE**

**C18/2026 DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES: REPORTING ON PERFORMANCE OF CONTRACTORS FOR NOVEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

8/2/3/5/5

**PURPOSE OF REPORT**

KPI 213 of the SDBIP for the Directorate Technical and Infrastructure Services determines the following:

Compile a report on the performance of service providers applicable to the Directorate and submit to Council monthly.

To present a report to Council in terms of the contract and performance management of the Technical Departments contractors for November 2025 to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget.

**BACKGROUND**

S116 (2) of the Municipal Finance management Act (No. 56 of 2003) states that:

The accounting officer of a municipality or municipal entity must -

1. take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
2. monitor on a monthly basis the performance of the contract under the contract or agreement;
3. establish capacity in the administration of the municipality or municipal entity –
  - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
  - (ii) to oversee the day-to-day management of the contract or agreement; and
4. regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

**DISCUSSION**

Reporting pattern of Technical Services

Department	November 2025
Technical Services	Submitted

Find attached checklists consisting of the summaries done for Technical Services:

Tender no	Service Provider	Blockages	Reason
		No Blockages	

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Noted.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

Can be found in checklists attached as Annexures. It can be costly to the municipality if reporting is not done correctly.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Chapter 8 Municipal Finance Management Act. 56 of 2003.

**COMMENTS FROM INTERNAL AUDIT**

No comments.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended that Council take cognisance of the report regarding the performance of service providers for the month of November 2025 for the Directorate Technical- and Infrastructure Implementation Services.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Alderman DA Appel, it was resolved as follows:

**Council noted the report regarding the performance of service providers for the month of November 2025 for the Directorate Technical- and Infrastructure Implementation Services.**

*For finalization by the Director: Technical & Infrastructure Implementation Services, Mr. H Mathee.*

**ITEM TITLE**

**C19/2026 DIRECTORATE TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES: REPORTING ON PERFORMANCE OF CONTRACTORS FOR DECEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

8/2/3/5/5

**PURPOSE OF REPORT**

KPI 213 of the SDBIP for the Directorate Technical and Infrastructure Services determines the following:

Compile a report on the performance of service providers applicable to the Directorate and submit to Council monthly.

To present a report to Council in terms of the contract and performance management of the Technical Departments contractors for December 2025 to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget

**BACKGROUND**

S116 (2) of the Municipal Finance management Act (No. 56 of 2003) states that:

The accounting officer of a municipality or municipal entity must -

1. take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality of municipal entity is properly enforced;
2. monitor on a monthly basis the performance of the contract under the contract or agreement;
3. establish capacity in the administration of the municipality or municipal entity –
  - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
  - (ii) to oversee the day-to-day management of the contract or agreement; and
4. regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

**DISCUSSION**

Reporting pattern of Technical Services

Department	December 2025
Technical Services	Submitted

Find attached checklists consisting of the summaries done for Technical Services:

Tender no	Service Provider	Blockages	Reason
		No Blockages	

**COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES**

Report is supported.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

Can be found in checklists attached as Annexures. It can be costly to the municipality if reporting is not done correctly.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Chapter 8 Municipal Finance Management Act. 56 of 2003.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended that Council take cognisance of the report regarding the performance of service providers for the month of December 2025 for the Directorate Technical- and Infrastructure Implementation Services**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the report regarding the performance of service providers for the month of December 2025 for the Directorate Technical- and Infrastructure Implementation Services**

*For finalization by the Director: Technical & Infrastructure Implementation Services,  
Mr. H Matthee.*

**ITEM TITLE**

**C20/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: IRREGULAR EXPENDITURE -  
SPECIALISED AGRI PROTECTION SERVICES**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R 32 668.00 to Specialized Agri Protection Services for the provision of security services to Grabouw Town Office during the 2022/2023 financial year, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

The tender for the provision of monitoring and armed response at various offices of the municipality came to an end in June 2022. The Community Services Directorate went out on a TWK 2 to procure these services and found out that the cost would be too astronomical. It was then decided that a tender process would then be followed. In the meantime, after consultation with the acting CFO and acting SCM Manager, it was decided that a security company would be appointed on a month-to-month basis to provide security services, until the tender process is completed.

In performing an audit of compliance with legislation for the 2022/2023 financial year, the Auditor General identify instances of non-compliance. The AG find that the official procurement process to appoint Specialized Agri Protection Services (SAPS) through a deviation process, and approved on 8 October 2022, that the deviation process for the appointment of SAPS was not justifiable.

The normal SCM process could have been followed because the end user was aware that the current contract ended 30 June 2022. The non-compliance resulted in an irregular expenditure of R 32 668.00.

However, during the auditing process of the Auditor General of South Africa (AGSA) it was determined that an amount of R 32 668.00 was irregular and needed to be declared to MPAC and Council.

### **DISCUSSION**

In recent times there has been a large increase in theft and vandalism against municipal buildings and facilities. It is therefore of critical importance that monitoring and armed response are alert to protect municipal buildings and facilities.

It should be noted by the Committee that Council received value for money and did not suffer any financial loss or damages. And there are no grounds for a claim against any official.

### **COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Safeguarding and protection of municipal facility/(ies) to prevent theft, burglaries and vandalism. The process is underway to advertise/adjudicate a tender/s for a framework contract of panels for the provision of security services under Tender COMM03-2023/2024: Provision of Security Services Theewaterskloof Municipality from date of appointment until 30 June 2026.

### **COMMENTS FROM DIRECTORATE**

No additional information, as all information is covered in the report.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off is irregular in view of the explanation and reason explained in the report.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 32 668.00 for the financial year 2022/2023 be approved and accepted.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 20 MAY 2024**

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 32 668.00 for the financial year 2022/2023 be approved and accepted.

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R32 668.00 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Community Services, Mr. WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C171/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R32 668.00 for the financial year 2022/2023 be written off as irrecoverable.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C171/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 25 November 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025, but a resolution was not taken.

As Council resolution C171/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C171/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C171/2025 of 27 June 2025.**
- 2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

- 1. Council rescind Council resolution C171/2025 of 27 June 2025.**
- 2. Council confirms the recommendation of the Municipal Public Accounts Committee of 25 November 2025.**

*For finalization by the Director: Community Services, Mr. WSE Solomons Johannes.*

**ITEM TITLE**

**C21/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: IRREGULAR EXPENDITURE - WB  
TIPPER TRUCK AND PLANT HIRE**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R 8 743 392.50, R 3 238 210,25 and R 3 131 289.00 (total value R 15 112 891.80) to WB Tipper Truck and Plant Hire for the hiring of water tanker trucks, graders, digger loaders and rollers and cost associated therewith in various towns in the municipal area, and R 1 523 957.00 for the clean-up of Grabouw, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND****Deviation - Cleaning of towns – WB Tipper Truck and Plant Hire:**

At the Council Strategic Session of October 2022 Council resolved that one of the strategic objectives would be the cleaning of towns. Further to that, the late Executive Mayor, Alderman K Papier, at a Special Council Meeting on 09 November 2022 mandated the Municipal Manager at the time to present a plan to ensure the three biggest towns are clean and green ahead of the tourism and fire seasons.

As an identified mayoral project, WB Tipper Trucks and Plant Hire submit a proposal for the cleaning of Grabouw over the festive season of December 2022. WB Tipper Trucks were appointed through a deviation process for the clean-up project in Grabouw.

During the audit of compliance of the 2022/2023 financial year statements by the AG, the AG found that the reasons for not following the official procurement process for the appointment of WB Tipper Trucks, was not justifiable as prescribed in the SCM Regulations, Reg 36 (Deviation from and ratification of minor breaches of procurement processes). The non-compliance result in an irregular expenditure of R 1 523 957.00.

**Irregular expenditure – Hiring of water tanker trucks:**

A report was submitted to MPAC on 22 June 2023, to inform the committee of possible irregular expenses that incurred during the 2022/2023 year for the provision of water tanker trucks by WB Tipper Trucks and Plant Hire to the amount of R 995 394,00. The reasons for this were problems of water provision in various towns that were unable to supply water to communities, caused by continuous power failures up to stage 6 by ESKOM. Additional water tanker trucks were needed to keep up with the water supply demand and to supply water to those towns who were running out of water supply. The report was presented to Council on 29 June 2023, and the irregular expenditure were resolved.

The item regarding the write-off of this transaction served before Council and it was resolved as follows:

**"RESOLVED BY COUNCIL: 29 JUNE 2023**

After the Chairperson had given the Councilors an opportunity, and the item had been thoroughly discussed, on a proposal by Councilor RL Mienies and seconded by Councilor TP Lesesa it was resolved as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 995 394,00 for the financial year 2022/2023 be approved and accepted.

However, during the audit process of irregular expenditure by the AG, it was noted by the AG that an additional amount of irregular expenditure of R 15 112 891.80 was not disclosed and recorded in Section 32 Register, for irregular expenditure that was incurred by WB Tipper Trucks and Plant Hire and need to be declared.

The explanation for the irregular expenditure was a continuation of services delivered by WB Tipper Trucks and Plant Hire for the hiring of water tanker trucks and other plant, as explained in the report of 29 June 2023, that served before Council and has been resolved. The amount of R 15 112 891.80 was for additional payments that was not included at the time when the report was submitted to Council and was already found as irregular by the AG.

## **DISCUSSION**

The municipality has to do more to implement the strategic objectives of Council. There has to be a strategic alignment between the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget to implement the strategic objectives of Council.

It should be noted by the Committee that Council received value for money and did not suffer any financial loss or damages. And there are no grounds for a claim against any official.

## **COMMENTS FROM DIRECTORATE**

No additional information, as the information is covered in the AG report.

## **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off as irregular in view of the explanation and reason explained in the report.

## **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

## **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

## **RECOMMENDATION BY ITEM AUTHOR:**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 112 891.80 incurred for the hiring of water tanker trucks and other plant, and R 1 523 957.00 for the clean-up of Grabouw for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024**

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 112 891.80 incurred for the hiring of water tanker trucks and other plant, and R 1 523 957.00 for the clean-up of Grabouw for the financial year 2022/2023 be approved and accepted.

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**The Municipal Public Accounts Committee recommends to Council that the expenditure be investigated and that the irregular amount of R15 112 891.80 (hiring of water tanker trucks and other plants) and R1 523 957.00 (clean-up of Grabouw) be recovered.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C172/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY MPAC: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was resolved as follows:

- 1. That the irregular amount of R15 112 891.80 (hiring of water tanker trucks and other plants) and R1 523 957.00 (clean-up of Grabouw) must be investigated as there was no control on the municipal side. Because of the uncertainty, a decision cannot be taken on writing off and therefore refer for an investigation and that the outcome of the investigation be presented to the Municipal Public Accounts Committee.**
  - 2. The Municipal Public Accounts Committee noted that the Director: Community Services, Mr WSE Solomons Johannes, will provide the supporting documentation by Monday 01 December 2025.**
- 1. Agenda-item referred back.*
  - 2. For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C172/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 25 November 2025, and the Municipal Public Accounts Committee referred the agenda-item back.

As Council resolution C172/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C172/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "the resolution" taken on 25 November 2025 to refer the agenda-item back.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C172/2025 of 27 June 2025.**
- 2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana it was resolved as follows:

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor M Gana it was resolved as follows:

- 1. Council rescind Council resolution C172/2025 of 27 June 2025.**
- 2. Council approves the recommendation from the Municipal Public Accounts Committee of 25 November 2025 that the agenda-item be referred back.**
  - 1. Agenda-item referred back.*
  - 2. For finalization by the Director: Community Services, Mr WSE Solomons-Johannes,*

**ITEM TITLE**

**C22/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: IRREGULAR EXPENDITURE - TRAIL'S  
END**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R 7 458.00 to Trail's End for the provision of conference facilities to the municipality on 16 November 2022, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

The Theewaterskloof Municipality, National Department of Public Works and Infrastructure and Royal Leadership of Knoflokskraal, situated between Botrivier and Grabouw met on the 16th of November 2022 at the Trail's End Bike Hotel. The municipality used the conference facilities of Trail's End to host the meeting due to the fact that it was big enough to host a delegation of approximately 57 persons.

An item regarding the irregular did serve before Council to write off the transaction and it was resolved as follows:

**"RESOLVED BY COUNCIL: 29 JUNE 2023**

After the Chairperson had given the Councilors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor RL Mienies and seconded by Councillor TP Lesesa, it was resolved as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 8 250.00 for the financial year 2022/2023 be approved and accepted.

*For finalization by the Deputy Director: Community Services, Mr. J Barnard".*

However, during the auditing process of the Auditor General of South Africa (AGSA) it was determined that an amount R 7 458.00 must be declared as part of the irregular expenditure incurred on this transaction. EFT Payment Package (R 7 458.00) was not declared at the time.

### **DISCUSSION**

The Knoflokskraal Community poses significant risks to the infrastructure and operationalisation of the municipality. Security risks can also be identified. It is therefore important for the municipality to maintain cooperative and cordial relations with the DPWI and the Knoflokskraal Community to ensure that their constitutional rights are not infringed and to protect the municipality from any security risks posed by the community.

### **COMMENTS FROM DIRECTORATE**

All the information was covered in the report.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off is irregular in view of the explanation and reason explained in the report.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 7 458.00 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 20 MAY 2024**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 7 458.00 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R7 458.00 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C173/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R7 458.00 for the financial year 2022/2023 be written off as irrecoverable.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C173/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 25 November 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025, but a resolution was not taken.

As Council resolution C173/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C173/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C173/2025 of 27 June 2025.**
- 2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

- 1. Council rescind Council resolution C173/2025 of 27 June 2025.**
- 2. Council confirms the recommendation of the Municipal Public Accounts Committee of 25 November 2025.**

*For finalization by the Director: Community Services, Mr. WSE Solomons Johannes.*

**ITEM TITLE**

**C23/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: IRREGULAR EXPENDITURE - SIBAKULU  
SECURITY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R 15 742 015.17 to Sibakulu Security for the provision of security services to the municipality during the 2022/2023 financial year, as and when the need arose, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

Sibakulu Security was contracted by the municipality to provide security services at various human settlements sites at risk of illegal land invasions.

The scope of work was later expanded to include the provision of security services at the municipal headquarters in Caledon.

**DISCUSSION**

Sibakulu Security was appointed by the municipality to provide security services. Since its appointment the service provider has submitted twelve invoices which were paid by the municipality. The total payment value to date stands at R 15 742 015,70.

The Auditor General of South Africa (AGSA) during its audit process found that these invoices were paid by the municipality despite not following a procurement process.

In terms of paragraph 19 (a) of the Municipal Supply Chain Management Regulations of 2005:

*"A supply chain management policy must specify that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipality entity only through a competitive bidding process".*

In terms of Paragraph 12(1)(e) of the Supply Chain Management (SCM) Policy:

*"Goods and services may only be procured by way of competitive bidding process for procurements above a transaction value of R200 000(VAT Included)"*

In terms of Regulation 17(1)(a) of the Municipal Supply Chain Management Regulations of 2005:

*"A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity."*

During the audit of procurement and contract management, it was noted by the AG that the payments to the amount of R 15 742 015.17 were made to Sibakulu Security (Pty) Ltd for which no procurement process were followed. This results to material non-compliance and irregular expenditure, and that the non-compliance is material.

There was also a finding for the amount of R 1 216 551.00 for services that were required for land invasions. The AG found that the deviation process to appoint Sibakulu Security to prevent illegal land invasions was not justifiable.

The Auditor General of South Africa (AGSA) during its audit process found that these invoices were paid by the municipality despite not following a procurement process.

It needs to be taken into account that TWK has experienced growth in the number of informal structures erected in the various informal settlements. The Municipality recently encountered various attempts of illegal occupation and invasion of land in all towns and had to appoint security companies to safeguard land earmarked for future human settlement projects.

The municipality is in the process of planning and implementing various human settlements projects in the various towns. During the planning phase of human settlements project the land earmarked for green-field BNG developments remain unoccupied and vulnerable to illegal occupation and invasion. The invasion of municipal land places a massive burden on municipal infrastructure as the areas invaded are not necessarily aligned with bulk infrastructure planning and funding. Land invasions triggers service delivery protest as invaders when settled, demand access to basic services and through protest action, municipal property is targeted and damaged.

The protection of vacant municipal land earmarked for human settlements development against illegal invasion and occupation is tantamount to sustainable integrated human settlements. It was thus necessary to appoint security guards and municipal land in high-risk areas in Grabouw which communities threatened to invade, hence the appointment of Sibakulu Security Services.

Sibakulu Security Services were also used for the protection of Councillors, as they received death threats, and have to obtain security services as a matter of urgency. Their services were also extended to provide security services like the head office in Caledon, to secure the safety and security of council assets.

Supply Chain Management processes were not followed due to the urgency and prevailing threat warranted the emergency deployment of security in terms of Clause 36 of the Theewaterskloof Supply Chain Management Policy.

It should be noted by the Committee that Council received value for money and did not suffer any financial loss or damages. And there are no grounds for a claim against any official.

#### **COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Safeguarding and protection of municipal facility/(ies) to prevent theft, burglaries and vandalism. The process is underway to advertise/adjudicate a tender/s for a framework contract of panels for the provision of security services under Tender COMM03-2023/2024: Provision of Security Services Theewaterskloof Municipality from date of appointment until 30 June 2026.

#### **COMMENTS FROM DIRECTORATE**

No additional information is in the AG Finding report.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off is irregular in view of the explanation and reason explained in the report.

#### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 742 015.17 and R 1 216 551.00 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 742 015.17 and R 1 216 551.00 for the financial year 2022/2023 be approved and accepted.**

**RESOLVED BY MPAC: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was resolved as follows:

**That the agenda-item be referred back for further investigation and resubmission to MPAC for discussion.**

1. *Agenda-item referred back.*
2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council refers the matter for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C142/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 742 015.17 and R 1 216 551.00 for the financial year 2022/2023 be approved and accepted.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 15 742 015.17 and R 1 216 551.00 for the financial year 2022/2023 be approved and accepted.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**ITEM TITLE**

**C24/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: BLUE FALCON**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment with a value of R 1 999 999,99 to Blue Falcon (PTY) LTD for the provision of security services to the municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

Blue Falcon Security Services was appointed by the municipality to provide security services at various municipal buildings.

**DISCUSSION**

TWK has experienced growth in the number of informal structures erected in the various informal settlements. The Municipality recently encountered various attempts of illegal occupation and invasion of land in all towns and had to appoint security companies to safeguard land earmarked for future human settlement projects.

The municipality is in the process of planning and implementing various human settlements projects in the various towns.

During the planning phase of human settlements project the land earmarked for green-field BNG developments remain unoccupied and vulnerable to illegal occupation and invasion. The municipality must pro-actively implement risk mitigation strategies to ensure that the illegal invasion and occupation of land earmarked for human settlements is protected.

#### **Villiersdorp Destiny Farm & Other informal areas**

The destiny farm project is the flagship project to address the housing demand backlog in the town of Villiersdorp. The Department is in the process of approving funding for the implementation of the installation of civil engineering service for the project, hence the numerous attempts to encroach and into the site. Through its early detection and informal settlements scouting initiatives the department also detected the rapid growth in the construction of new structures in the informal settlements of Villiersdorp which required immediate intervention. However, the Local Labour Forum resolved that no municipal official must break down any illegal structures. Faced with this challenge, the Director, with the permission of the accounting officer, immediately intervened by deploying Blue Falcon for the prevention of illegal invasion of Destiny Farm and the demolition of all new informal structures in the informal settlements. The department opted for the service of Blue Falcon as it was previously deployed to the town and delivered excellent results and was the only service provider that could respond within the required response time, with proper capacity, and equipment required to deliver value for money to the municipality.

The Auditor General of South Africa (AGSA) in its audit for the 2022/2023 financial year determined that an amount of R 1 999 999,99 in respect of an invoice paid out to Blue Falcon Security for the provision of security services.

#### **COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Safeguarding and protection of municipal facility/(ies) to prevent theft, burglaries and vandalism. The process is underway to advertise/adjudicate a tender/s for a framework contract of panels for the provision of security services under Tender COMM03-2023/2024: Provision of Security Services Theewaterskloof Municipality from date of appointment until 30 June 2026.

#### **COMMENTS FROM DIRECTORATE**

No additional information, as the information is covered in the AG report.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The financial obligations for rendering the service amount to R 1 999 999,99.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

The pockets of land targeted for invasion and illegal occupation are earmarked for the provision of affordable and low-cost housing in all towns to address the human settlements backlog within Theewaterskloof. The invasion of municipal land places a massive burden on municipal infrastructure as the areas invaded are not necessarily aligned with bulk infrastructure planning and funding. Land invasions triggers service delivery protest as invaders when settled, demand access to basic services and through protest action, municipal property is targeted and damaged.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 999 999,99 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024**

**It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 999 999,99 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R1 999 999.99 for the financial year 2022/2023 be written off as irrecoverable**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C174/2025:**

**Alderman DA Appel  
Councillor TP Lemina**

**Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

#### **RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud; and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R1 999 999.99 for the financial year 2022/2023 be written off as irrecoverable.**

#### **COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

#### **COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C174/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 25 November 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025, but a resolution was not taken.

As Council resolution C174/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C174/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council rescind Council resolution C174/2025 of 27 June 2025.
2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the agenda-item will be resubmitted to Council for consideration.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. Council rescind Council resolution C174/2025 of 27 June 2025.
2. Council confirms the recommendation of the Municipal Public Accounts Committee of 25 November 2025.

*For finalization by the Director: Community Services, Mr. WSE Solomons Johannes.*

**ITEM TITLE**

**C25/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: TERM GROUP**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R 1 094 146.44 to Term Group for the provision of generators to the municipality during the 2022/2023 financial year, as and when the need arose, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

A report was submitted to Council on 30 May 2023 and 29 June 2023, to approve a possible irregular expenditure to the amount of R 5 990 925.50 and R1.00 that was paid to Term Group. Council approves both reports on 30 May 2023 and 29 June 2023. It was explained in the report that Term Group were appointed for the lease of generators for the uninterrupted provision of water supply during the high levels of load shedding experience in 2022 and 2023.

During the 2022/23 audit process by the Audit General of South Africa, they audit the Section 32 Register of the irregular expenditure that was disclosed and recorded and found that an amount of R 1 094 146,44 for the Term Group was not disclosed and recorded in the Register.

As reported previously, the municipality appointed Term Group in 2022 during an emergency procurement process as part of a range of mitigation interventions against stage six (6) loadshedding rolled out by ESKOM.

The transactions and subsequent payment of invoices during the 2022/2023 financial years were deemed irregular by the Auditor-General of South Africa (AGSA) during its audit. The majority of invoices of Term Group, except one, were already reported as possible irregular expenditure during the 2022/2023 financial year, except for this one that needs to be reported now.

The last invoice received on the 30th of March 2023 was one for the value of R 1 094 146.44. The invoice was only paid out on the 21st of July 2023 and hence the AGSA finding picked it up and it has been declared irregular.

The reporting of the amount of R 1 094 146.44 forms part of the transaction, and the circumstances for the appointment of Term Group were already explained in previous reports to MPAC and Council, and the possible irregular expenditure that occurred.

### **DISCUSSION**

Term Group was appointed by the municipality to provide rental generators, the transaction was deemed irregular by AGSA and the municipality has been directed to report it to MPAC and Council to investigate if any financial loss or damages were suffered.

It should be noted that it was a continuation of services that was provided by Term Group, under the same reasons and circumstances that were already explained.

It should also be noted by the Committee that Council received value for money and did not suffer any financial loss or damages. And there are no grounds for a claim against any official.

### **COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

The municipality is in the process of advertising a tender for generators, COMM 01/2024/2025.

### **COMMENTS FROM DIRECTORATE**

No additional information is in the AG Finding report.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off as irregular in view of the explanation and reason explained in the report.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure.

A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages, and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

In view of the facts, stated in the report, there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1 094 146.44 for the financial year 2022/2023 be approved and accepted.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024**

**In view of the facts, stated in the report, there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages.**

**As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1 094 146.44 for the financial year 2022/2023 be approved and accepted.**

**RESOLVED BY MPAC: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was resolved as follows:

**That the agenda-item be referred back for further investigation and resubmission to MPAC for discussion.**

1. *Agenda-item referred back.*

2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C143/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the facts, stated in the report, there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1 094 146.44 for the financial year 2022/2023 be approved and accepted.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in view of the facts, stated in the report, there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1 094 146.44 for the financial year 2022/2023 be approved and accepted.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**ITEM TITLE**

**C26/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES: ISIDINGO SECURITY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R 217 036.84 to Isidingo Security for the provision of security services to the municipality during the 2022/2023 financial year, as and when the need arose, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure,
- b. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
- c. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
- d. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
- e. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

Isidingo Security was appointed to safeguard Council assets during the high levels of loadshedding experience from 2022. The appointment process of Isidingo Security was deemed irregular, and the irregular expenditure was reported to MPAC and Council for condonation. The report serves on 30 May 2023 at Council, and it was resolved by Council that the irregular expenditure in the amount of R 5 925 408.66 for the 2022/2023 be approved and accepted.

The Auditor General of South Africa (AGSA) found the payment of another invoice of Isidingo Security to be irregular and as such it must be reported to MPAC and Council.

**DISCUSSION**

An item to condone the irregular expenditure incurred during the payment of the invoices of Isidingo Security Services was tabled before the Municipal Public Accounts Committee and subsequently Council on the 30th of May 2023. This transaction forms part of that process.

In performing the audit of the financial statements, the Auditor General identified misstatements that need to be corrected. During the audit of irregular expenditure, it was noted by the AG that the irregular expenditure of R 217 036.84 incurred by Isidingo Security, was not disclosed, and recorded in the Section 32 Register. This expenditure was an ongoing expense of security services that was delivered by Isidingo Security, that was already reported to Council on 30 May 2023 but did not disclose the additional amount of irregular expenditure of R 217 036.84.

It should be noted by the Committee that Council received value for money and did not suffer any financial loss or damages. And there are no grounds for a claim against any official.

**COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER**

Safeguarding and protection of municipal facility/(ies) to prevent theft, burglaries and vandalism. The process is underway to advertise/adjudicate a tender/s for a framework contract of panels for the provision of security services under Tender COMM03-2023/2024: Provision of Security Services Theewaterskloof Municipality from date of appointment until 30 June 2026

**COMMENTS FROM DIRECTORATE**

No additional information, as the information is covered in the AG report.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The amount written off is irregular in view of the explanation and reason explained in the report.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it.

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 217 036.84 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024**

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 217 036.84 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R217 036.84 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*

2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C175/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R217 036.84 for the financial year 2022/2023 be written off as irrecoverable.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C175/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 25 November 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025, but a resolution was not taken.

As Council resolution C175/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C175/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C175/2025 of 27 June 2025.**
- 2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 25 November 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C175/2025 of 27 June 2025.**
2. **Council confirms the recommendation of the Municipal Public Accounts Committee of 25 November 2025.**

*For finalization by the Director: Community Services, Mr. WSE Solomons Johannes.*

**ITEM TITLE**

**C27/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – ASLA CONSTRUCTION (PTY) LTD**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure incurred with regards to the Implementing Agent Agreement entered into between Theewaterskloof Municipality and Asla Construction (Pty) Ltd.

**BACKGROUND**

Theewaterskloof Municipality entered into an agreement with ASLA Construction (DEV 06/2012/13 in December 2012. Due to various to AGSA finding on this contract the then CFO introduced SOP 02/2018/19, dated 19 March 2019 to put mechanisms in place in dealing with addendums to this agreement.

The initial agreement DEV 06/2012/13 between Asla and TWK was cancelled by mutual consent as agreed by Asla on the 19<sup>th</sup> of April 2022 due to various legal opinions and AG findings regarding the validity of the contract. The municipality proceeded to appoint Asla in terms of a deviation as contained in the Municipal Supply Chain Management Regulations (36) dated 12 May 2022. A Memorandum of Agreement (MOA), deriving from the Deviation appointment was entered into between TWK and Asla on the 9<sup>th</sup> of June 2022. During the 2023/24 audit the AG indicated that I do not agree with the reasons stated in the Deviation to re-appoint Asla hence render the MOA between TWK and ASLA invalid and deemed all expenditure relating to this MOA as irregular. The AG further indicated the municipality must continue with this arrangement until the completion of the scope but must report all expenditure as irregular for condonement by Council.

**DISCUSSION**

As per extract from COMAF 14 (Attached) findings of the AG read as follows:

“On 19 April 2022 the municipality cancelled the contract with ASLA and deviated from the supply chain management processes on 11 May 2022. A new contract was signed on 9 June 2022 for the same project, but the scope was reduced. The reason used by the municipality for the deviation was “any other exceptional case where it is impractical or impossible to follow the official procurement processes” because of the planning and work already done by ASLA on the project.

We found the deviation from the supply chain management processes not to be justifiable because by following a deviation process management attempted to regularize the expenditure, but the original contract for this project was already irregular.

Therefore, this is a non-compliance to SCM regulation 36(1)(a)(v), as the auditor determined that the deviation is not valid and the expenditure should remain irregular as in prior years until ASLA Construction (Pty) (Ltd) completes the planned projects".

As per the above, the non-compliance will result in irregular expenditure of R20 666 001.65

#### **COMMENTS FROM DIRECTORATE**

No comments.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

R 20 666 001.75 irregular expenditure.

#### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

#### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Non-Conformance to AG Findings regards AFS.

#### **RECOMMENDATION BY MANAGEMENT TO MPAC: 09 APRIL 2024**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R20 666 001.75 be written off as irrecoverable.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss. As there are no grounds for a claim against any official, in the amount of R20 666 001.75 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Acting Director: Economic Development and Planning, Mr E Shortles.*

**RECOMMENDATION BY MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss. As there are no grounds for a claim against any official, in the amount of R20 666 001.75 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr. W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C137/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R20 666 001.75 be written off as irrecoverable.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R20 666 001.75 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**ITEM TITLE**

**C28/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – K2C CONSTRUCTION (PTY) LTD**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure that could be incurred with regard to the rental of chemical toilets for the Siyayanzela and Lost City informal settlements located in Grabouw.

**BACKGROUND**

The previous appointment of K2C was extended via a deviation from June to August 2022 to allow for a competitive bidding process to be followed by the end of September 2022 (WM 03/2022/23). Upon the receipt of the offers it was found that no bidder was deemed responsive, and no award made hence the expense incurred for September 2022 was deemed irregular.

During this period the department advertised on the 9<sup>th</sup> of September 2022 (WM 03/2022/23) but no acceptable offers were received, and the process was cancelled, with cancellation letters disbursed to the potential bidders on the 13<sup>th</sup> of October 2022. Tender (Dev 01/2022/23) was advertised 21<sup>st</sup> of October 2022 and closed on the 11<sup>th</sup> of November 2022 but the award was pending the evaluation and appeals period. During this period the service still had to be rendered to the community who threaten to harm the employees of the service provider if they remove the toilets should the municipality fail to immediately replace the removed toilets hence the request to deviate from a period of 01 November 2022 to 28 February 2023 to allow the department to finalise tender (DEV 01/2022/23 and rendering an essential service to the community unabated. As per the above, the department was making an effort to follow a formal procurement process but could not, due to circumstances, be out of control.

**DISCUSSION**

As per extract from COMAF 15 (Attached) findings of the AG read as follows:

“The deviation was made as a result of the contract that ended whilst the services were still needed by the municipality. The old contract expiry date was the 31<sup>st</sup> of August 2022, the replacement bid was advertised on 9 September 2022, which was later cancelled as there were no suitable suppliers.

The deviation could have been avoided should the municipality advertised the tender before the expiry of the old contract (not properly planned). Therefore, the deviation is unsubstantiated, and the auditors do not agree to the deviation reasoning.”

As per the above, the expenditure was deemed as irregular expenditure Auditor General in the amount of R181 056.00

**COMMENTS FROM DIRECTORATE**

No Comments

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

R 181 056.00

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

The community threatened that should the current toilets be removed without replacing them so that they would embark on mass protest action. This would result in the possible closure of the N2 which will again result in the damaging of private, municipal property and infrastructure.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 03 JUNE 2024**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 181 056.00 be written off as irrecoverable.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R181 056.00 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Acting Director: Economic Development and Planning, Mr E Shortles.*

**RECOMMENDATION BY MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R181 056.00 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C138/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

- 1. In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R181 056.00 be written off as irrecoverable.**
- 2. That consequent management must be implemented and that the matter be referred to the Disciplinary Board.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

- 1. That in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R181 056.00 be written off as irrecoverable.**
- 2. That consequent management must be implemented and that the matter be referred to the Disciplinary Board.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**ITEM TITLE**

**C29/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT & PLANNING: DEPARTMENT LOCAL ECONOMIC DEVELOPMENT: IRREGULAR EXPENDITURE – FESTIVAL OF LIGHTS**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses which occurred to an amount of R436.47.

**BACKGROUND**

As per the Auditor-General's Report dated 20 October 2023, reference: Communication No 06 of 2023, on the findings identified during the Audit for year ending 30 June 2023, the following finding was made in terms of the Christmas Lights Festival:

<b>SUPPLIER AND PAYMENT NUMBERS</b>	<b>ACTUAL EXPENDITURE 2022/2023</b>	<b>IRREGULAR EXPENDITURE AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS</b>	<b>DIFFERENCE</b>
Caledon Informal Traders Association (CITA)	250 420.00	179 458,53	70 961,41

**DISCUSSION**

In terms of the Auditor General Report Finding for the 2022/2023 financial year, there was an immaterial variance (COMAF 6) of R 436,47 for the Festival of Lights. Referencing Item, C115/2023, the item to the Municipal Public Account Committee (Attached hereto Annexure A) and the Council Minutes of 30 May 2023 (Item Ref: C115/2023) Council resolved that:

**It is recommended:**

1. That the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages.
2. That the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.

**RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages, that the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.**

**RECOMMENDATION TO COUNCIL:**

**It is therefore recommended that in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages, that the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.**

**RESOLVED BY COUNCIL: 30 MAY 2023**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MR Nongxaza and seconded by Alderman BB Mkhwibiso, it was resolved as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 179 458.53 be approved and accepted.**

*For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.*

The immaterial difference (COMAF 6) of R436.47 refers to the bank charges incurred by the service provider as per bank statement. When the Section 32 Report was drafted for the MPAC for 11 May 2023, a typing error was made whereby it was reported that R 70 961.61 be paid back, instead of R70 525.00. As per attached Annexure A, all the reporting requirements were met, as well as compliance with the service level agreement signed i.e., the municipality was reimbursed for the correct amount of R70 525.00. As per attaching supporting documents including the bank statements, R436.47 is the bank charges incurred by the service provider.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

None, due to the typing error in the initial report and that the supporting documents, i.e., feedback report from the service provider, with the bank statement, reflects the bank charges which amount to R436.47.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 03 JUNE 2024**

**In view of that the fact there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages and as there are no grounds for a claim against any official, it is resolved that the immaterial variance in the amount of R436.47 be approved and accepted.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following immaterial variance, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R436.47 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Acting Director: Economic Development and Planning, Mr E Shortles.*

**RECOMMENDATION BY MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the following immaterial variance, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R436.47 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C136/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

- 1. In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R436.47 be written off as irrecoverable.**
- 2. That the Municipality must do oversight into all grants.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R436.47 be written off as irrecoverable.**
- 2. That the Municipality must do oversight into all grants.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**ITEM TITLE**

**C30/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE – PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regards to the Preferential Procurement Regulations 2022.

**BACKGROUND**

During the audit of Supply Chain Management, it was identified that the preferential points system was not applied to all written quotations below R30 000 (VAT included) from 16 January 2023 till 30 June 2023. This was corroborated based on the sample tested, where all items sampled falling within the above criteria did not follow the preferential points system.

**DISCUSSION**

Section 2(1)(a) of the Preferential Procurement Policy Framework Act (PPPFA) states that; *“An organ of state must determine its preferential procurement policy and implement it within the following framework:*

*7. A Preference point system must be followed.”*

Regulation 3(1) of the Preferential Procurement Regulations, (PPR) 2022: state that *“An organ of state must, in the tender documents, stipulate— (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7”*

Regulation 4(1) of the PPR 2022:

*“The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes”*

$$Ps = 80 \left( \frac{1 - P_t}{1 - P_{min}} \right)$$

Where:

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration and

Pmin = Price of lowest acceptable tender.

Regulation 1 of PPR 2022 defines a tender as follows:

*“tender” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation”*

Part B of the Municipality’s Supply Chain Management Policy (2022/23) Paragraph 6 states the following:

*‘80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million*

*1)The following formula must be used to calculate the points out of 80 for price in respect of a tender (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million inclusive of all applicable taxes:*

$$Ps = 80 (1 - \frac{Pt - Pmin}{Pmin})$$

Where;

*Ps = Points scored for price of tender under consideration;*

*Pt = Price of tender under consideration; and*

*Pmin = Price of lowest acceptable tender.*

As required by S2(1)(a) of the PPPFA, a preference point system must be followed. Regulation 4(1) of the PPR 2022 further states that the 80/20 preference point system must be used in the calculation in respect of an invitation for tender with a rand value equal to or below R50 million, inclusive of all the applicable taxes.

PPR 2022 defines a tender as a written offer in response to an invitation to provide goods and services through price quotations, competitive tendering processes or other.

Paragraph 12(1)c of the municipality’s SCM policy further indicates that written and verbal quotations will be obtained for procurement of goods or services exceeding the threshold of R2 000 up to R30 000 (VAT included). Paragraphs 16(1)(f) and 17 of the municipality’s SCM policy further provides the conditions for procurement via written price quotations and indicates that providers must submit quotations in writing in response to the request to quote form.

Based on the application of the definitions and regulations contained in PPR 2022, read with paragraph 12 of the municipality’s SCM policy, the 80/20 preference point system must be applied to the written quotes received by the municipality above the petty cash threshold and up to R30 000 (VAT inclusive). Please see attached sheets.

The results in irregular expenditure of R 3 841 970.02

#### **COMMENTS FROM DIRECTORATE**

None.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 3 841 970.02 has been recorded in 2022/2023 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 841 970.02 be written off as irrecoverable for the financial year 2022/2023.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 09 APRIL 2024**

- 1. Management noted that the Auditor-General did a universal finding on all the Municipalities as per COMAF 17.**
- 2. It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 841 970.02 be condoned for the financial year 2022/2023.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R3 841 970.02 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 16 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor J Smit, and seconded by Councillor P Stander it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the amount of R3 841 970.02 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C144/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, the amount of R3 841 970.02 for the financial year 2022/2023 be written off as irrecoverable.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended that in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, the amount of R3 841 970.02 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE**

**C31/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE 2022/2023 – PROCUREMENT AND CONTRACT MANAGEMENT IN ACCORDANCE WITH REGULATION 17 OF THE SUPPLY CHAIN MANAGEMENT POLICY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure regarding Procurement and contract management which lead to the reasons that Regulation 17 Formal Written Price Quotations were not approved by the CFO or official designated by the chief financial officer where the written prices quotations were not obtained from at least three prospective suppliers.

**BACKGROUND**

During the audit of procurement and contract management, it was noted that written price quotations were not obtained from at least three different prospective suppliers for procurement with a transaction value over R10 000 up to R200 000 for the following procurement of the good/services and reasons documented were not approved by the chief financial officer or an official designated by the chief financial officer.

**DISCUSSION**

In terms of Regulation 17(1)(a) of the Municipal Supply Chain Management Regulations of 2005;

*“A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity”*

In terms of Regulation 17(1)(c) of the Municipal Supply Chain Management Regulations of 2005;

*“A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer”*

In terms of paragraph 17(1)(a) of the Municipal Supply Chain Policy;  
*“The conditions for the procurement of goods or services through formal written price quotations are as follows:*

- a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Theewaterskloof Municipality;*
- c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer”*

In terms of 62 (1)(d) of the Municipal Financial Management Act No 56 of 2003;  
*“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented”*

*Please see the table below.*

<b>No.</b>	<b>RFQ number</b>	<b>Supplier Name</b>	<b>Detail</b>	<b>Amount</b>	<b>Evaluation Date</b>
1	AW 03/2022/23	K2021386688 T/A CHEMCAPE	Supply and Delivery of Chemicals Products to Riviersonderend	154 100	29-Jul-22
2	CB 01/2023/24	Wispernet Pty Ltd	Supply and installation of 200MBPS Fibre internet business line	139 610	08-Jun-23
3	EM 02/2022/23	Overberg Dierehospitaal Inc.	Administering Euths-Nase S6 Pentobarbitone to Sick Animals, Animals in Emergency Cases within the Theewaterskloof Municipal Area from Date of Appointment until 30 June 2023	40 000	29-Aug-22
4	LC 03/2022/23	Emmerencia Construction (Pty) Ltd	Supply and deliver of six (6) 12000 BTU portable aircons heating, cooling to Caledon Vehicle testing Centre, at 13 Cemetery Road Caledon	42 049	08-Mar-23

**375 759**

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 375 759.00 has been recorded in 2022/2023 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RESOLVED BY MANAGEMENT: 09 APRIL 2024**

**It is resolved:**

- 1. That the agenda-item be deferred.**
  - 2. That the Acting Manager: SCM, Ms A Martin, provides all die documentation regarding no's 1 – 4 to the total amount of R375 759, to the Municipal Manager.**
  - 3. That the departmental comments from Internal Audit be addressed in the recommendation.**
- 1. Agenda-item be deferred.*
  - 2. For finalization by the Acting Manager: SCM, Ms. A Martin.*

**COMMENTS BY DIRECTORATE:**

SCM submitted the documents to the Municipal Manager Office to Mr Windvogel.

The following were the AG comments:

**Internal control deficiency****Leadership**

*Develop and monitor the implementation of action plans to address internal control deficiencies.*

The Action Plan developed to address the previous year's findings was not adequately monitored to avoid repeated findings. The review and monitoring processes of compliance with applicable laws and regulations were not adequate to ensure that reasons are documented and approved by the chief financial officer or an official designated by the chief financial officer where written price quotations were not obtained from at least three different prospective suppliers for procurement with a transaction value over R10 000 up to R200 000. This is in contravention of by SCM Regulation 17(1)(a) and (c).

### **Recommendation**

The leadership should strengthen their monitoring of the action plans to ensure that the findings raised are not repeated. Review and monitoring processes of compliance with Municipal Supply Chain Regulations should be strengthened to ensure that reasons are documented and approved by the chief financial officer or an official designated by the chief financial officer where written price quotations were not obtained from at least three different prospective suppliers for procurement with a transaction value over R10 000 up to R200 000.

### **RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 375 759.00 be written off as irrecoverable for the financial year 2022/2023.**

### **RECOMMENDATION BY MANAGEMENT TO MPAC: 20 MAY 2024**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 375 759.00 be written off as irrecoverable for the financial year 2022/2023.**

### **RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the amount of R375 759.00 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 16 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor J Smit, and seconded by Councillor P Stander it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the amount of R375 759.00 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C145/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

- 1. In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, the amount of R375 759.00 for the financial year 2022/2023 be written off as irrecoverable.**
- 2. The Municipal Public Accounts Committee requested that consequent management must be taken by the Municipal Manager against Directors who do not do their work and that the Municipal Manager must investigate who is responsible for non-compliance of regulation 17.**
- 3. That the Director Finance, Mr. P Mabhena, must put systems in place to ensure that regulation 17 is implemented.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, the amount of R375 759.00 for the financial year 2022/2023 be written off as irrecoverable.**
- 2. The Municipal Public Accounts Committee requested that consequent management must be taken by the Municipal Manager against Directors who do not do their work and that the Municipal Manager must investigate who is responsible for non-compliance of regulation 17.**
- 3. That the Director Finance, Mr. P Mabhena, must put systems in place to ensure that regulation 17 is implemented.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE**

**C32/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE DEPARTMENT: IRREGULAR EXPENDITURE –DESIGNATED SECTOR TENDER NOT ADVERTISED AND EVALUATED FOR LOCAL CONTENT AND PRODUCTION**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regard to the designated sector tender not advertised and evaluated for local content and production.

**BACKGROUND**

During the testing of procurement and contract management, it was noted that the following tender which met the local content and production requirements was not advertised or evaluated for local content and production:

1. ELEC01/2022/23 – MDL Engineering Company (Pty) Ltd for R8 182 769 - Supply, delivery and installation of new high mast lighting in Grabouw. The actual expenditure for this tender during the 2022/23 financial year amounted to R8 051 095.

**DISCUSSION**

The irregular expenditure misstatement is material and will result in the modification of the audit report if it is not corrected.

The results in irregular expenditure of R 1 075 989.57

**COMMENTS FROM DIRECTORATE**

Based on the POE reviewed - Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R1 075 989.57 for the financial year 2022/2023 be written off as irrecoverable.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 1 075 989.75 has been recorded in 2022/2023 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 20 MAY 2024**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R1 075 989.57 be written off as irrecoverable for the financial year 2022/2023.**

**RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R1 075 989.57 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 25 FEBRUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza, and seconded by Alderman LM de Bruyn it was resolved as follows:

**That the agenda-item be referred back and that the officials submit a detailed report with all the relevant information.**

1. *Agenda-item be referred back.*
2. *For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION BY MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R1 075 989.57 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C139/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R1 075 989.57 be written off as irrecoverable for the financial year 2022/2023.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

It is recommended that in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R1 075 989.57 be written off as irrecoverable for the financial year 2022/2023.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE**

**C33/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: NON-COMPLIANCE: REASON FOR OBTAINING LESS THAN THREE (3) FORMAL WRITTEN PRICE QUOTATIONS WAS NOT RECORDED AND APPROVED BY THE CFO OR OFFICIAL DESIGNATED BY THE CFO**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regards to non-compliance: reason for obtaining less than three (3) formal written price quotations was not recorded and approved by the CFO or official designated by the CFO.

**BACKGROUND**

***During the audit of procurement and contract management, it was noted that there were no reasons documented and approved by delegated official for not obtaining at least three quotations for the following quotes:***

<b>Quotation award date</b>	<b>RFQ number</b>	<b>Suppliers that submitted quotes</b>	<b>Value of award</b>
15 December 2021	LC04/2021/22	Zweni Energy and Shyzac01 Security Solutions and Maintenance	R164 200.00
10 December 2021	EM 05/2021/22	K2C Construction	R69 483.00
Total			R233 683.00

This results in non-compliance with applicable laws and regulations and irregular expenditure of R233 683.

**DISCUSSION****Procurement and contract management**

**4. Non-compliance: Reason for obtaining less than three (3) formal written price quotations was not recorded and approved by the CFO or official designated by the CFO**

In terms of regulation 17(1)(a) of the Municipal supply chain regulations;

"A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating –

3. *that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity;*
4. *that quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy required by regulation 14(l)(b) and (c);*
2. *that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer"*

***During the audit of procurement and contract management, it was noted that there were no reasons documented and approved by delegated official for not obtaining at least three quotations for the following quotes:***

Quotation award date	RFQ number	Suppliers that submitted quotes	Value of award
15 December 2021	LC04/2021/22	Zweni Energy and Shyzac01 Security Solutions and Maintenance	R164 200.00
10 December 2021	EM 05/2021/22	K2C Construction	R69 483.00
Total			R233 683.00

***This results to non-compliance with applicable laws and regulations and irregular expenditure of R233 683.***

#### ***Internal control deficiency***

Financial and Performance Management  
Review and monitor compliance with applicable legislation

Management review and monitoring process of compliance with regulation 17 of the Municipal supply chain regulations were not adequate to ensure that the reasons for not obtaining at least three quotations were recorded and approved by delegated official.

Recommendation

***Management should strengthen their review and monitoring processes of regulation 17 of the Municipal supply chain management regulations to ensure that the reasons are recorded and approved by the delegated official.***

Management should also adjust the financial statements in order to reflect the correct figures of irregular expenditure.

**COMMENTS FROM DIRECTORATE**

No additional info.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 233 683.00 has been recorded in 2022/2023 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R233 683 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY MPAC: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was resolved as follows:

**That the agenda-item be referred back and reasons be provided why it was not recorded to the CFO or official designated by the CFO and resubmission to MPAC for discussion.**

1. *Agenda-item referred back.*
2. *For finalization by the Director: Finance, Mr P Mabhena.*

**RECOMMENDATION BY MPAC TO COUNCIL: 05 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor J Smit it was recommended as follows:

**That the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R233 683 for the financial year 2022/2023 be written off as irrecoverable.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that the following irregular expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R233 683 for the financial year 2022/2023 be written off as irrecoverable.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C140/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

1. **In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R233 683 for the financial year 2022/2023 be written off as irrecoverable.**
2. **That Management ensures that the audit action plan is being followed.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. **That in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, in the amount of R233 683 for the financial year 2022/2023 be written off as irrecoverable.**
2. **That Management ensures that the audit action plan is being followed.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE**

**C34/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: REASON FOR NOT FOLLOWING THE COMPETITIVE BIDDING PROCESS (DEVIATION) NOT JUSTIFIABLE**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regard to reason for not following the Competitive Bidding Process (Deviation) not justifiable.

**BACKGROUND**

During the audit of procurement and contract management, it was noted that the reason for following a deviation process to procure the following services was not justifiable:

<b>Payment no.</b>	<b>Supplier</b>	<b>Award Amount</b>	<b>Actual Expenditure 2021/22</b>	<b>Reason for deviating</b>
22747	BCHC - Bradley Conradie & Halton Cheadle	R172 500.00	R115 000 (VAT inclusive)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes

This results in non-compliance with applicable laws and regulations and irregular expenditure of R115 000.

**DISCUSSION**

Procurement and contract management

- **Reason for not following the competitive bidding process (Deviation) not justifiable**

In terms of regulation 36(a) of Municipal Supply Chain Management (SCM) regulations;

*"A supply chain management policy may allow the accounting officer to dispense with the official procurement processes established by the policy and to procure any*

required goods or services through any convenient process, which may include direct negotiations, but only

- in an emergency;
- if such goods or services are produced or available from a single provider only;
- for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- acquisition of animals for zoos; or
- in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

During the audit of procurement and contract management, it was noted that the reason for following a deviation process to procure the following services was not justifiable:

Payment no.	Supplier	Award Amount	Actual Expenditure 2021/22	Reason for deviating
22747	BCHC - Bradley Conradie & Halton Cheadle	R172 500.00	R115 000 (VAT inclusive)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes

This results in non-compliance with applicable laws and regulations and irregular expenditure of R115 000.

#### **Internal control deficiency**

##### *Financial and performance management*

##### *Review and monitor compliance with applicable legislation*

Management review and motoring processes were adequate to ensure that the official competitive procurement bidding process is followed for legal matters.

#### **Recommendation**

Management should strengthen their review and monitoring processes of compliance with applicable laws and regulations to ensure that the goods or services are procured through an official competitive bidding process.

Management should also adjust the financial statement to disclose the correct figures of irregular expenditure.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 115 000.00 (VAT included) has been recorded in 2022/2023 financial statements. Management should ensure that recurrence is prevented.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless Council certifies the irregular expenditure as irrecoverable, after the Municipal Public Accounts Committee has investigated and recommended it. Irregular expenditure for the purpose of this item means expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality and which has not been condoned in terms of such policy.

### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

### **RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 115 000.00 be written off as irrecoverable for the financial year 2022/2023.**

### **RESOLVED BY MPAC: 15 JANUARY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor J Smit it was resolved as follows:

**That the agenda-item be referred back for further investigation; supporting documentation be attached and resubmission to MPAC for discussion.**

- 1. Agenda-item referred back.*
- 2. For finalization by the Director: Finance, Mr P Mabhena.*

### **RECOMMENDATION FROM MPAC TO COUNCIL: 16 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor J Smit, and seconded by Councillor P Stander it was recommended as follows:

**That, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is recommended that the irregular expenditure in the amount of R 115 000.00 be written off as irrecoverable for the financial year 2022/2023.**

**RESOLVED BY COUNCIL: 29 MAY 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Gana, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY COUNCIL: 24 NOVEMBER 2025**

**During a Special Council In-Committee Meeting held on 24 November 2025, Council resolved to rescind Council Resolution C146/2025 of 29 May 2025 and that the item be referred back to the Municipal Public Accounts Committee for a Section 32 investigation.**

*Agenda-item referred back to the Municipal Public Accounts Committee for consideration.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 25 NOVEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander, and seconded by Councillor D Jacobs it was recommended as follows:

- 1. In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 115 000.00 be written off as irrecoverable for the financial year 2022/2023.**
- 2. The Municipal Public Accounts Committee resolved that the Municipal Manager must take action against the officials who were responsible and it must be presented at the next Municipal Public Accounts Committee meeting in January 2026.**

**COMMENT REGARDING COUNCIL MEETING: 12 DECEMBER 2025**

The recommendation of the Municipal Public Accounts Committee dated 25 November 2025 was presented to Council at the Special Council Meeting of 12 December 2025 as per Council resolution SC14/2025. The approval of the schedule for the 2022/2023 UIFWE (page 29) was omitted in the resolution taken by Council.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 115 000.00 be written off as irrecoverable for the financial year 2022/2023.**
- 2. The Municipal Public Accounts Committee resolved that the Municipal Manager must take action against the officials who were responsible and it must be presented at the next Municipal Public Accounts Committee meeting in January 2026.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

**As Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 25 November 2025, this agenda-item is withdrawn and will not be discussed during the meeting.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE****C35/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: OFFICE OF THE MUNICIPAL MANAGER: MAYCO SALARIES FOR DECEMBER 2024**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of the report is to inform the MPAC of an irregular expense incurred as a result of double payments made to the Mayoral Committees during the month of December 2024.

**BACKGROUND / DISCUSSION**

The Committee can in terms of its mandate:

- a. Investigate the irregular expenditure.
- b. Make recommendation to council as to who if any is liable for the irregular expenditure.
- c. Recommend to council whether the irregular expenditure must be testified as irrecoverable and be written off.
- d. Make recommendations if necessary for the implementation of to prevent future irregular expenditure and
- e. To report to council and the effective functioning of processes and procedures controls surrounding the prevention of unauthorised irregular fruitless and wasteful expenditure.

During the month of December 2024, the then Acting Municipal Manager gave an instruction to the salary section of the Municipality to pay Mayoral Committee members' salaries to the Mayoral Committee of Mayor Zimmerman. The email addressed to Mr Mabhena is attached as Annexure A for ease of reference. According to the email the Acting Municipal Manager authorised the salary payments for the Executive Mayor and his Committee that was in place at the time of the 15 November 2025 as well as the Executive Mayor and his Committee that was in place before the submission of the Application of Appeal on Friday, 06 December 2024. He further indicated that should the court not grant the relief sought by the applicants in this, in this case the ANC Councillors must pay back the difference in their salaries in January 2025 and vice versa if the court rules against the Respondents Democratic Alliance and Lincoln De Bruyn. The court ruled against the Applicants and that meant that the mayorship of Councillor Lincoln De Bruyn and his committee was the one that is recognised.

The matter also was discussed in the Council Meeting of 27 June 2025. The council resolved that the councillors who were paid more than what they were entitled to must pay back the difference. The list of the councillors affected is attached as Annexure B

### **DISCUSSION**

Please see Background for Discussion.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The relevant salary payments must be disclosed as irregular expenditure amounting to R180 885.05 in the financial statements to ensure transparency and adherence to reporting requirements under the MFMA.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

The following statutory obligations flow from the MFMA:

Section 32(2) of the MFMA directs that a Municipality **must** recover unauthorised, irregular or fruitless and wasteful (hereinafter referred to as "UIFW") expenditure from the person liable for that expenditure, unless the exceptions in subsection (a) or (b) are applicable. This is a prescriptive provision; it is not optional and there is no room for discretion. The Municipality therefore has a statutory duty to recover such UIFW Expenditure. This approach was confirmed by the Supreme Court of Appeal:

*"The plain wording of s 32 also makes it clear that recovery of unauthorised, irregular, and fruitless and wasteful expenditure by a municipality, is not optional. Instead, a municipality is enjoined to recover such expenditure from the person liable for it, hence the word 'must' in s 32(2)."*

Additionally, since recovery of UIFW Expenditure under section 32 is mandatory, should the incumbent Municipal Officials or Political Office-Bearers not endeavor to recover such expenditure, they could, in terms of section 176(2), be held personally liable for the deliberate or negligent failure to recover the UIFW Expenditure. In this regard, section 176(2) provides that:

*"(2) Without limiting liability in terms of the common law or other legislation, a municipality may recover from a political office-bearer or official of the municipality, and a municipal entity may recover from a director or official of the entity, any loss or damage suffered by it because of the deliberate or negligent unlawful actions of that political officebearer or official when performing a function of office."*

The following reporting obligations are imposed on the Accounting Officer by the MFMA:

To, in terms of section 32(4) "... inform the mayor, MEC for local government in the province and the Auditor-General in writing:

(a) of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

- (b) *whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and*
- (c) *the steps that have been taken –*
- (i) to recover or rectify such expenditure; and*
  - (ii) to prevent a recurrence of such expenditure”.*

To report, in terms of section 32(6), to the South African Police Service “*all cases of alleged - (a) irregular expenditure that constitute a criminal offence; and (b) theft and fraud that occurred in the municipality.*”

The Accounting Officer can be held liable for UIFW Expenditure unless he/she in accordance with section 32(3) informed the Council, the Mayor or the Executive Committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure once it comes to his/her attention that “*the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure.*”

If the Accounting Officer fails to report and/or comply with the provisions of subsection 36(6) or if he/she is the person implicated in the commission of a criminal offence, the Council of a Municipality **must**, in accordance with section 32(7) report the matter to the South African Police Service.

Instances where UIFW Expenditure can be written off as irrecoverable are set out in section 32(2)(a) & (b) of the MFMA and provides that unauthorised expenditure can be written off if it is authorised in the adjustment budget or certified by Council, after investigation, to be irrecoverable, while irregular or fruitless and wasteful expenditure can after investigation be certified by Council as irrecoverable.

An investigation into UIFW Expenditure must take into account the provisions of regulation 74 of the Municipal Budget and Reporting Regulations which states that:

*“(1) A council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider—*

- (a) the measures already taken to recover such expenditure;*
- (b) the cost of the measures already taken to recover such expenditure;*
- (c) the estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and*
- (d) submit a motivation explaining its recommendation to the municipal council for a final decision.”*

*(2) The municipal manager must provide all information required by the council committee referred to in sub-regulation (1), and any other information the council committee may require for the purpose of conducting a proper investigation.”*

In complying with the provisions of section 32, the Municipality is encouraged to keep detailed records of the efforts taken to recover UIFW Expenditure.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

The irregular expenditure creates a space for fraud and corruption which in turn obstructs service delivery and undermines public confidence in the Municipality.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors
2. That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements

**RECOMMENDATION BY MANAGEMENT TO MPAC: 17 JULY 2025**

It is recommended:

1. That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors
2. That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements

**RECOMMENDATION BY MPAC: 26 AUGUST 2025**

Agenda-item referred to next MPAC Meeting for discussion.

**RECOMMENDATION FROM MPAC TO COUNCIL: 09 OCTOBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor M Botes, and seconded by Councillor PJ Stander it was recommended as follows:

1. That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.
2. That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.
3. That the decision be implemented by the Speaker, Councillor WH Wells.

**RESOLVED BY COUNCIL: 23 OCTOBER 2025**

Council noted that the Agenda-item has been withdrawn.

*For finalization by the Municipal Manager: Mr W Hendricks.*

**ADDITIONAL COMMENTS:**

An agenda-item dealing with the MAYCO salaries for December 2024 served before Council on 27 June 2025 under Council Resolution CIC42/2025 (In-Committee) and Council resolved as follows:

- “1. **Council noted the financial implications.**
- 2. That the former Mayco Members repay the amounts paid to them in terms of the current Policy which allows councillors to repay funds accrued over a defined period.**
- 3. Council grants permission that the Municipal Manager follows the Section 32 of the MFMA route.”**

*For finalization by the Director: Finance, Mr P Mabhena (point 2) and the Municipal Manager, Mr W Hendricks (point 3).*

This agenda-item is submitted to Council to finalize the decision taken by Council on 27 June 2025 – point 3.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

- 1. That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.**
- 2. That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.**
- 3. That the decision be implemented by the Speaker, Councillor WH Wells.**

**DISCUSSION DURING THE MEETING**

Alderman DA Appel – This agenda-item was withdrawn on 23 October 2025 without action. On this recommendation we do not agree. It is proposed that Council withdraw the item and write it off.

Alderman S Fredericks proposed recommendation 1 – 2 and that on point 3 the recommendation be amended to read as follows: That the decision be implemented by the Municipal Manager and the Chief Financial Officer.

Councillor C Cloete second the proposal of Alderman S Fredericks.

All the ANC and PA Councillors abstain from voting.

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality:***

***Alderman DA Appel  
Alderman MR Nongxaza  
Alderman BB Mkhwibiso  
Councillor TP Lemina  
Councillor FO Ntantiso  
Councillor M Mpambani  
Councillor MA Nomkoko  
Councillor MS Shale  
Councillor V Papier  
Councillor C Smith***

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

- 1. That the Municipality must recover the unauthorised irregular fruitless and wasteful expenditure from the said Councillors.**
- 2. That the unauthorised irregular fruitless and wasteful expenditure be declared in the financial statements.**
- 3. That the decision be implemented by the Municipal Manager, Mr. W Hendricks and the Chief Financial Officer, Mr P Mabhena.**

*For finalization by the Municipal Manager, Mr W Hendricks and the Chief Financial Officer, Mr P Mabhena.*

**ITEM TITLE**

**C36/2026 MUNICIPAL PUBLIC ACCOUNT COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT HUMAN RESOURCES: IRREGULAR EXPENDITURE – PURCHASING OF EMERGENCY PPE 2023/2024**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses occurred to an amount of R 198 368.91 funded by the Municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

1. Investigate the irregular expenditure,
2. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

**BACKGROUND**

The municipality justified this deviation by citing a non-functional Bid Adjudication Committee (BAC), as there were no permanent directors in place to facilitate the formal tender process. However, this deviation does not meet the criteria for an emergency, as it was not an unforeseeable event necessitating urgent action. The situation could have been managed through a formal quotation process, and the failure to plan adequately for PPE needs led to the unjustifiable deviation.

**Impact:** This results in non-compliance with regulation 17(1)(a) and (c) as goods were procured without obtaining the required price quotations.

Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R198 368,91. The non-compliance will be evaluated with other instances.

**DISCUSSION**

There was already a tender process in place for PPE that Mr Barnard had long started with, which would have solved the PPE issue we had. It was unfortunate that all tenders could not proceed due to the unavailability of directors to form BAC to complete the process and it was overdue.

At the same time, Human Resources was busy with the recruitment process of the Directors. Finance advised that we wait for the recruitment process to be completed and also stated that we could not run a tender process concurrently with an RFQ of the same items.

At the time the request for emergency PPE, the situation was life threatening as official's health and rights were compromised as the whole of municipality had completely ran out of gloves including those working with waste and raw sewage and were on the verge to down tools.

With reference to the SCM policy, paragraph 37, the circumstances at the time warranted an emergency dispensation.

Quotation was received on the 15th of September 2023.

Purchase Order was received on the 20th of September 2023.

First delivery of PPE was received on the 20th of September 2023.

The council did not suffer any financial loss, goods and services were received satisfactory.

Kindly refer to the correspondences and invoices attached.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result into Council losing money and not receive value for money. However, in this case, Council did not suffer any losses or damages and received value for money.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**COMMENTS BY MANAGEMENT (Mr P Mabhena):**

The motivation to procure the PPE clothing was supported due to the fact that from the 2<sup>nd</sup> of September 2023 the rains /floods had started the Health and Safety officer at that time Andiswa had received complaints from staff members who were using their own gloves and clothing (refer to first email to the previous MM when user department requested) .Tender was not awarded as yet due to no quorum of BAC - the prices were already evaluated and Pioneer Brothers had the cheapest costs. Hence the deviation furthermore numerous complaints also from staff together with unions warranted the emergency procurement of PPE. Amount was less than R200 000 threshold.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 03 JUNE 2025**

**It is therefore recommended that the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C186/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza**

**Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Smith and seconded by Councillor PJ Stander it was recommended as follows:

**In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages that the irregular expense in the amount of R 198 368.91 for the financial year 2023/2024 be approved, accepted and written off.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C186/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C186/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C186/2025 of 27 June 2025 and Council resolution SC14/2025 of 12 December 2025 – point 4 with regards to this item and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C186/2025 of 27 June 2025.**
- 2. That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure – purchasing of emergency PPE 2023/2024 of 12 December 2025.**

3. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. Council rescind Council resolution C186/2025 of 27 June 2025.
2. Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.

*For finalization by the Senior Manager: Human Resources, Mr J Amansure.*

**ITEM TITLE**

**C37/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE  
COMMUNITY SERVICES - OPERATIONS: PROCUREMENT OF  
FUEL FOR FLEET**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform Municipal Public Accounts Committee of the irregular expenditure to the amount of R 2 032 393,59 with regard to the purchasing of fuel without following a fair and competitive procurement process for those transactions that exceed the R 2000.00 threshold.

**BACKGROUND**

During the audit of the Auditor General of Fuel Purchases, it was found that fuel is purchased to refuel the TWK fleet on a rotation basis across various fuel stations within the TWK jurisdiction area. Instances were identified where fuel transactions exceeded the R2000.00 threshold, especially for large vehicles, and no quotations process were followed.

The impact of this was:

- Non-compliance with Section 217(1) of the Constitution and Section 111 of the MFMA, due to the Municipality not following a fair, equitable, transparent, competitive, and cost-effective process for procurement of fuel.
- All fuel purchases individually above R2000 will result in irregular expenditure.

**DISCUSSION**

In terms of Section 217(1) of the Constitution of South Africa states that, *“When an organ of state in the national, provincial, or local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective.”*

Chapter 1 of the Municipal Supply Chain Management Regulations states:

*“Each municipality and each municipal entity must in terms of section 111 of the Act, have and implement a supply chain management policy that —*

- *gives effect to section 217 of the Constitution.*
- *is fair, equitable, transparent, competitive and cost effective”*

Regulation 12 (3) further states: *"A supply chain management policy must state-*

- a. *that goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy; and*
- b. *that when determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction."*

Government Gazette No.4918 issued on 14 December 2023, paragraph 2(b) by the substitution for paragraphs (c) and (d) of sub regulation (1) of the following paragraphs:

*"(c) formal written price quotations for procurement of a transaction value over—  
(i) R2000 up to R300 000 (VAT included), in the case of a local municipality.*

This meant as from 14 December 2023 till 30 June 2024, the new regulations require written quotations for purchases above R2000.

**Management did not appropriately interpret the amended Supply Chain Management Regulations.**

***Actions that are required for the finalization of the 2023-24 audit period:***

- Management should investigate the affected population of fuel purchases and disclose irregular expenditure in the 2023/24 Annual Financial Statements.

***Actions required beyond the 2023-24 audit period to prevent recurring non-compliance and irregular expenditure:***

- Although the municipality has established the procurement policy for procurement of all goods and services, the procurement policy does not address the above instances where it is not always practical to follow a quotation process.
- Management should review and update the procurement policy considering, paragraph 2(b) Government gazette no.4918 issued on 14 December 2023, to provide for a process to procure fuel for municipal vehicles.
- The policy review should also consider the principles of PFMA SCM Instruction No. 03 of 2021/22 **for situations where standard procurement procedures are not followed due to specific circumstances that necessitate alternative methods.** Although applicable to PFMA, the same SCM principles can apply to MFMA.
- An alternative method for Theewaterskloof should be followed for fuel purchases over R2000 from 14 December 2023, deviating from the standard competitive bidding process.

**There is currently a competitive bidding process (Tender) under way to appoint service providers on a 3-year contract for the provision of fuel to comply with the AG's findings.**

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 2 032 393.59 has been recorded in 2023/2024 financial statements. Management should ensure that the recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C179/2025:

Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Smith it was recommended as follows:

1. The Municipal Public Accounts Committee resolved that the Municipal Manager ensures that effective control measures are implemented, including the use of a fuel fleet log, and that vehicle kilometers and fuel consumption be properly calculated and monitored.
2. In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 032 393.59 be written off for the 2023/2024 financial year.

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C179/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C179/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C179/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C179/2025 of 27 June 2025.**
- 2. That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure for the procurement of fuel for fleet of 12 December 2025.**
- 3. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

- 1. Council rescind Council resolution C179/2025 of 27 June 2025.**
- 2. Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.**

*For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**ITEM TITLE**

**C38/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – NO PROCUREMENT PROCESS FOLLOWED FOR MAINTENANCE, SAFEGUARDING AND SECURITY AND WET FUEL (FOR GENERATORS) SERVICES**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform Municipal Public Accounts Committee of the non-compliance of the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in the irregular expenditure of R 58 992 997.00.

**BACKGROUND**

**In terms of paragraph 19 (a) of the Municipal Supply Chain Management Regulations of 2005:**

*“A supply chain management policy must specify that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipality entity only through a competitive bidding process”*

**In terms of paragraph 12(1)(e) of the Supply Chain Management (SCM) Policy:**

*“Goods and services may only be procured by way of competitive bidding process for procurements above a transaction value of R200 000(VAT Included)”*

**In terms of Regulation 17(1)(a) of the Municipal Supply Chain Management Regulations of 2005:**

*“A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity.”*

During the Auditor General audit of procurement and contract management, it was noted that the following payments were made to ZWH Projects and Development (Pty) Ltd for which no procurement process was followed:

Payment no.	Description	Payment date	Amount
27271		2023/07/28	4 603 500,00
27376		2023/08/18	4 741 250,00
27584		2023/08/30	6 961 357,37
27606		2023/08/31	51 390,00
27619		2023/09/08	1 719 655,32
27770		2023/09/22	1 843 169,47
27962		2023/10/06	2 499 214,92
28191		2023/10/25	1 457 168,65
28281		2023/11/03	4 308 567,28
28445		2023/11/24	3 991 450,00
28646		2023/12/08	893 950,00
28692		2023/12/12	4 660 215,18
28997		2023/12/21	1 584 500,00
29117		2024/01/16	840 325,30
29324	Maintenance of Equipment, Safeguard and Security and Wet Fuel (Generators)	2024/01/31	1 588 550,00
29427		2024/02/19	3 173 050,00
29711		2024/03/08	2 470 800,00
29806		2024/03/18	1 185 503,90
30024		2024/03/28	2 915 197,56
30230		2024/04/12	2 212 498,44
30371		2024/04/30	1 696 248,80
30482		2024/05/17	2 085 295,00
30673		2024/05/31	1 510 139,96
			<b>58 992 997,15</b>

### **DISCUSSION**

It was also observed by the AG that the municipality entered into a Service Level Agreement (SLA) for the maintenance of generators in June 2023, with a contract ending on 30 June 2024. Payments related to this agreement commenced in July 2023. However, the procurement processes required for entering into this SLA were not followed.

#### **Impact:**

- a. The total non-compliance resulted in irregular expenditure of R58 992 997.
- b. The material non-compliance is material and will be included in the audit report. The irregular expenditure is material and will result in the modification of the audit opinion if it is not adjusted.
- c. The above also results in non-compliance with SCM Regulation 17(1)(a), (c) and SCM Regulation 19(a). This non-compliance also be assessed and considered with other instances of compliance deviations identified. Audit will assess the impact on both management and audit reports, during the reporting phase of the audit process.

**Internal control deficiency - Financial and Performance Management:**

- a. Insufficient processes in place for reviewing and monitoring compliance with applicable expenditure management laws and regulations to prevent irregular expenditure.
- b. The absence of a permanent Chief Financial Officer (CFO) and the unavailability of key personnel responsible for overseeing expenditure compliance resulted in the occurrence of irregular expenditure.

**Management response to the AG Finding:**

DESCRIPTION	RESPONSE
Does management agree with the finding (Yes/ No)	Yes
Detail reason for agreeing/ disagree with finding	<p>Management agrees with the findings.</p> <p>However, the Impact as illustrated in this finding, has not considered the following:</p> <ol style="list-style-type: none"> <li>a. The generators were partially purchased during 2022/23. The Service Level Agreement (SLA) in question emanated as a result of said purchase. During the audit period of 2022/23, the SLA was included in the purchase agreement. Therefore, the AGSA should have informed Management of the irregular expenditure that could emanate from implementing the SLA, after COMAF 15 of 2023 was concluded.</li> <li>b. Planning already started in 2022/23 to follow a procurement process to have a tender in place after the expiry of the 12-month SLA at the end of June 2024.</li> <li>c. The Municipality considered the SLA as an acceptable means of procurement and to manage the contract and approved budget and therefore proceeded to implement the SLA for the period of 1 July 2023 until 30 June 2024.</li> <li>d. The Municipality embarked on a competitive tender process during June 2024 to appoint a service provider under Tender COMM01/2024-2025: Maintenance, Servicing, Repairs and Rental Contract of Standby Generators in Theewaterskloof Municipality from date of Appointment to 30 June 2025.</li> <li>e. Due to non-availability of senior managers for vacant positions not filled after following several recruitment processes appointments could not be made and the Bid Adjudication Committee (BAC) were unable to function and consider the adjudication of tenders.</li> </ol>

DESCRIPTION	RESPONSE
	<p>f. The adjudication of the tender is subject to the appointment of senior managers which is in process.</p> <p>Although the amount is material, the misstatement is still considered an isolated incident due to incorrect interpretation as discussed above.</p>
Management comments on internal control deficiencies and root cause indicated and detail reasons for agreeing/ disagreeing with finding.	Management disagrees with the internal control deficiency, as this matter relates to the incorrect interpretation as expressed above.
Detail corrective action to be taken and date.	This matter will be deferred to MPAC.
Does the finding affect an amount disclosed in the financial statements (Yes/ No)	Yes
If yes, what corrections will be made to the population	<p>Note 56.3 (Irregular Expenditure) to be adjusted to include a separate reason due to the isolated nature.</p> <p>The final amount of the irregular to be discussed and concluded with AGSA.</p>
If <b>yes</b> and no corrections will be made the reason why such a conclusion has been reached should be indicated.	N/A
Position of officials responsible for taking corrective actions	Director Community Services

**Auditor General conclusion:**

While management provided additional context and disagreed with the internal control deficiency, it is important to highlight that regardless of the reasoning behind the SLA, non-compliance with the Municipal SCM Regulations resulted in material irregular expenditure. The correct procurement process should have been followed for entering into the SLA in 2023/24. The failure to adhere to these processes reflects insufficient oversight and review in the municipality's expenditure management practices, particularly in the absence of a permanent CFO and senior managers responsible for compliance oversight.

The municipality's argument regarding the inclusion of the SLA in the generator purchase agreement does not negate the requirement to follow SCM processes. The competitive bidding process should have been followed for any procurement above the threshold, including service agreements tied to prior purchases.

Although management is planning corrective action by deferring the matter to MPAC and adjusting note 56.3 (Irregular Expenditure) in the financial statements, the irregular expenditure is material and likely will result in the modification of the audit opinion unless adequately resolved. Management can provide their proposed figure for the adjustment to be discussed with the AGSA team.

Recommendation for Management by the AG:

- Management should address staffing issues to ensure adequate oversight is in place.
- Management should strengthen their review and monitoring processes to ensure that procurement of goods and services is done in accordance with the Municipal Supply Chain Regulations.
- Management should adjust the financial statements note 56.3 with the irregular expenditure of R 58 992 997.00.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 58 992 997.00. has been recorded in 2023/2024 financial statements. Management should ensure that the recurrence is prevented.

#### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

#### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

#### **RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended to report to the Municipal Public Accounts Committee the non-compliance of procurement processes regarding the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in irregular expenditure to the amount of R 58 992 997.00.**

#### **RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended to report to the Municipal Public Accounts Committee the non-compliance of procurement processes regarding the procurement process followed for the maintenance of equipment, safeguarding and security and wet fuel (for generators) for services that resulted in irregular expenditure to the amount of R 58 992 997.00.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C181/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor C Smith it was recommended as follows:

- 1. That the agenda-item be referred to Council for consideration, with the recommendation that Council refer the matter for a forensic investigation.**
- 2. That the amount be amended to R87 408 024.07.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C181/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C181/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C181/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

- 1. That Council rescind Council resolution C181/2025 of 27 June 2025.**
- 2. That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure for no procurement process followed for maintenance, safeguarding ad security and wet fuel (for generators) services of 12 December 2025.**
- 3. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**DISCUSSION DURING THE MEETING:**

*Councillor PJ Stander proposed that Council rescind the council resolution of Section 106 referral and adopt the recommendation of the Municipal Public Accounts Committee of 04 December 2025.*

*Proposal was seconded by Councillor M Gana.*

*Alderman DA Appel submits the following counter-proposal:*

*That the Opposition Coalition doesn't agree with agenda-item C38/2026. Do not understand the forensic investigation as there was value for money and it must be written off.*

*Counter proposal was second by Alderman MR Nongxaza.*

*The voting process started, and each councillor indicated by hand whether they vote for 1. Proposal by Councillor PJ Stander and seconded by Councillor M Gana or 2. Counter-proposal by Alderman DA Appel seconded by Alderman MR Nongxaza.*

*The result of the voting process is as follows:*

*Proposal by Councillor PJ Stander and seconded by Councillor M Gana = 14 votes.*

*Counter-proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza = 10 votes*

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

- 1. Council rescind Council resolution C181/2025 of 27 June 2025.**
- 2. Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025 to refer the matter for a forensic investigation and that the amount be amended to R87 408 024.07.**

***The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of order for meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C38/2026:***

***Alderman DA Appel  
Alderman MR Nongxaza  
Alderman BB Mkhwibiso  
Councillor TP Lemina  
Councillor FO Ntantiso  
Councillor M Mpambani  
Councillor MA Nomkoko  
Councillor MS Shale  
Councillor V Papier  
Councillor C Smith***

*For finalization by the Municipal Manager, Mr W Hendricks.*

**ITEM TITLE**

**C39/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE - DEVIATION FROM SCM PROCESS: PROVISION OF BILL PAYMENT SERVICES - MUNICIPAL BILLS AND WATER AND ELECTRICITY PAYMENTS TO THEEWATERSKLOOF MUNICIPALITY**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure with regard to the deviations for the procurement of Provision of Printing, Sorting and Mailing of Municipal Accounts.

**BACKGROUND**

During the audit of Supply Chain Management, the AG found that the approved deviations by the accounting officer was unjustifiable, and a competitive process should have been followed.

**DISCUSSION**

The Theewaterskloof Municipality requires the provision of services for the following:

- Printing, sorting and mailing of accounts.
- Printing notices for insert in accounts to be mailed
- Printing notices and newsletters, sorting, and mailing.

The Municipality had a tender in place for the provision of above services until 30 June 2023. Prior to this end date documents were prepared to advertise for a new service provider, but this process was halted in April 2023. In order to be as cost effective as possible, the Municipality decided to explore alternative internal processes to distribute the municipal accounts. Due to the Post Office not functioning 100%, an attempt was also being made to phase out the Rates and services accounts sent out by the post office. Some of the post offices in the towns are also closed. Through notices in the media, the public was requested to contact the offices to provide the necessary information to receive rates and services accounts by e-mail.

Due to various constraints, the above initiative was unsuccessful. During the aforementioned period deviations were necessitated.

Deviations were entered into and approved into with CAB Holdings (Pty) Ltd with the actual contract values of R192 305.13 and R196 533.33. During 2023/24 a competitive process (FIN 01/2023/24) was followed which resulted in a successful award.

The findings for both the deviations are tabled below:

Name of supplier and service provided	Category	Actual value of contract	Deviation date of approval	Auditor's comment
Provision of printing, sorting, and mailing of municipal accounts - CAB Holdings (Pty) Ltd	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R196 533,33	07 December 2023	<p>The municipality deviated from SCM processes to procure printing and mailing services for municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry on 30 June 2023. This deviation, therefore, stems from poor planning.</p> <p>Impact: In combination with Item 3 below this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.</p> <p>Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a). This results in irregular expenditure of R196 533,33. The non-compliance is material and will be included in the audit report.</p>

Provision of printing, sorting, and mailing of municipal accounts - CAB HOLDINGS (PTY) LTD	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R192 305,13	10 October 2023	<p>The municipality deviated from SCM processes to procure the services for printing, sorting and mailing of municipal accounts for two months, after the previous contract ended. While the tender process was underway, the municipality should have planned and initiated the procurement process six months before the contract expiry on 30 June 2023. This deviation, therefore, stems from poor planning.</p> <p>Impact: In combination with Item 2 above this results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.</p> <p>Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1). This results in irregular expenditure of R192 305,13. The non-compliance is material and will be included in the audit report.</p>
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#### **COMMENTS FROM THE DIRECTORATE FINANCE**

Council did not suffer any losses or damage and received value for money from the services that were procured to enhance revenue collection.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R196 533.33 and R 192 305.13 has been recorded in 2023/2024 financial statements. Management should ensure that recurrence is prevented.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council Losing money and not receiving value for money. However, in this case Council did not suffer any losses or damages and received value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

**It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C178/2025:**

**Alderman DA Appel  
Councillor TP Lemina**

**Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RECOMMENDATION FROM MPAC TO COUNCIL: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Smith and seconded by Councillor PJ Stander it was recommended as follows:

**In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R388 838.46 be written off for the 2023/2024 financial year.**

**RESOLVED BY COUNCIL: 12 DECEMBER 2025**

**Council approves the recommendation of the Municipal Public Accounts Committee dated 04 December 2025 as per Council resolution SC14/2025 of the Special Council Meeting of 12 December 2025.**

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C178/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was however presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee make a recommendation to Council.

On 12 December 2025 the recommendation of the Municipal Public Accounts Committee was presented to Council for write-off under Council resolution SC14/2025.

As Council resolution C178/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C178/2025 of 27 June 2025 and Council resolution SC14/2025 – point 4 with regards to this item of 12 December 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the item will be resubmitted to Council for consideration.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council rescind Council resolution C178/2025 of 27 June 2025.
2. That Council rescind Council resolution SC14/2025 – point 4 with regards to the irregular expenditure – deviation from SCM process: Provision of bill payment services – Municipal bills and water and electricity payments to Theewaterskloof Municipality of 12 December 2025.
3. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the “recommendation to Council” taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. Council rescind Council resolution C178/2025 of 27 June 2025.
2. Council Resolution SC14/2025 – point 4 was amended to approve the recommendation of the Municipal Public Accounts Committee of 04 December 2025.

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM TITLE**

**C40/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE – PROCUREMENT OF GOODS AND SERVICES WITHOUT A COMPETITIVE BIDDING PROCESS RESULTING IN IRREGULAR EXPENDITURE – WB TIPPER TRUCK AND PLANT HIRE**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Municipal Public Accounts Committee of the non-compliance with Regulation 19(a) of the SCM Regulations as goods and services were procured without following a competitive bidding process that constitutes irregular expenditure of R 2 929 073.00.

**BACKGROUND**

The municipality deviated from the SCM process to appoint a service provider (WB Tipper Truck and Plant Hire (Pty) Ltd) for the amount of R 2 929 073.00 for the cleaning of towns (labour intensive) in TWK. The deviation was justified on the basis of staffing shortages and the urgent need to maintain service delivery. However, the deviation was found unjustifiable by the Auditor General, as it was due to inadequate planning on the municipality's part to meet the operational needs in a timely manner.

This resulted in non-compliance with Regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the Accounting Officer even though it was not impractical to obtain price quotations in contravention with Regulation 36(1). This constitutes irregular expenditure of R2 929 073,00. The non-compliance was material and was included in the Audit Report of the Auditor General.

**DISCUSSION****Unjustified deviations from normal Supply Chain processes:**

In terms of Section 2(1)(b) of the Supply Chain Management (SCM) Regulations, *“each municipality and municipal entity must in terms of Section 111 of the Act have and implement a Supply Chain Management Policy that –*

*(b) is fair, equitable, transparent, competitive and cost effective;”*

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states

*“A supply chain management policy must specify—*

- a. *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
- b. *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.”*

Section 36 of the Municipal Supply Chain Management Regulations states that;

*“A supply chain management policy may allow the Accounting Officer –*

*a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

- i. In the case of an emergency;*
- ii. If such goods or services are produced or available from a single provider only;*
- iii. For the acquisition of special works of art or historical objects where specifications are difficult to compile;*
- iv. Acquisition of animals for zoos; or*
- v. In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*

*b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*

- *The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*
- *In terms of the Supply Chain Management (SCM) regulations 5: “An accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4”.*

Furthermore, Paragraph 37 of the municipality’s Supply Chain Policy states that:

**“37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES:**

1. *The Accounting Officer may -*

a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*

***(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)***

***Circumstances that warrant emergency dispensation, includes but are not limited to –***

- *the possibility of human injury or death,*
  - *the prevalence of human suffering or deprivation of rights,*
  - *the possibility of damage to property, or suffering and death of livestock and animals, the*
  - *interruption of essential services, including transportation and communication facilities or*
  - *support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
  - *the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
  - *the possibility that the security of the state could be compromised.*
- *The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
  - *Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.”*

**During the testing of this deviation, the Auditor General identified several instances where the justification for the deviation was inadequate.**

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

The irregular expenditure of R 2 929 073.00 has been recorded in the 2023/2024 financial statements. Management should ensure that the recurrence of the same is prevented.

#### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 32 of the MFMA.

#### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

**RECOMMENDATION BY ITEM AUTHOR:**

It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.

**RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025**

It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.

**RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor P Stander, and seconded by Councillor M Botes it was recommended as follows:

**That the agenda-item be referred to Council for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**RESOLVED BY COUNCIL: 27 JUNE 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks, and seconded by Councillor P Stander, it was resolved as follows:

**Council refers the agenda-item for an investigation in terms of Section 106 of the Local Government Municipal Systems Act, 2000.**

**The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C183/2025:**

**Alderman DA Appel  
Councillor TP Lemina  
Alderman BB Mkhwibiso  
Councillor RL Mienies  
Councillor M Mpambani  
Councillor MA Nomkoko  
Alderman MR Nongxaza  
Councillor MS Shale  
Councillor TB Zimmermann  
Councillor J Lekhori  
Councillor V Papier  
Councillor H Syster**

*For finalization by the Municipal Manager, Mr W Hendricks.*

**RESOLVED BY MPAC: 04 DECEMBER 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**That the agenda item be referred back in order for the former Municipal Manager, Mr. W.S.E. Solomons-Johannes, to provide an explanation.**

1. *Agenda-item referred back.*
2. *For finalization by the Director: Community Services/former Municipal Manager, Mr WSE Solomons-Johannes.*

**COMMENTS BY MUNICIPAL MANAGER:**

Council resolution C183/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was, however, presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee referred the agenda-item back.

As Council resolution C183/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C183/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "the resolution" taken on 04 December 2025 to refer the agenda-item back.

**RECOMMENDATION TO COUNCIL:**

**It is recommended:**

1. **That Council rescind Council resolution C183/2025 of 27 June 2025.**
2. **That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor PJ Stander and seconded by Councillor M Gana, it was resolved as follows:

1. **Council rescind Council resolution C183/2025 of 27 June 2025.**
2. **Council approves the recommendation from the Municipal Public Accounts Committee of 04 December 2025 that the agenda-item be referred back.**
  1. *Agenda-item referred back.*
  2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

**ITEM HEADING**

**C41/2026 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT IDP:  
PERFORMANCE MANAGEMENT: 2<sup>nd</sup> QUARTER TOP LAYER  
SDBIP REPORT**

*[English version of the report is the original]*

**FILE NUMBER**

5/1/3

**PURPOSE / AIM OF REPORT**

The aim of the report is to ensure compliance with the performance regulations and to notify Council on the outcomes of the performance report of the Municipality for the period (October 2025 to December 2025).

**BACKGROUND**

Section 1 of the MFMF defines the SDBIP as:

*"a detailed plan approved by the Mayor of the municipality in terms of section 53 (1) (c) (ii) for implementing the municipalities delivery of services and the execution of its annual budget and which must include the following:*

(a) *projections for each month of-*

(i) *revenue to be collected, by source; and*

(ii) *operational and capital expenditure, by vote;*

(b) *Service delivery targets and performance indicators for each quarter".*

This report focuses on the service delivery targets and performance indicators for the financial year 2025/26 excluding the financial reports as these are reported monthly via the s71 reporting process.

**DISCUSSION**

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance. It is therefore a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community to monitor the municipality's performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the implementation of the budget, the execution of projects, the performance of senior management and the achievement of the strategic objectives set by council.

**Outcome of Overall Performance:**

<b>Summary of Results</b>	<b>Office of the MM</b>	<b>Financial Services</b>	<b>Community Services</b>	<b>Technical and Infrastructure Implementation Services</b>	<b>Economic Development and Planning</b>	<b>Corporate Services</b>
KPI Not Yet Applicable	4	3	1	3	6	4
KPI Not Met	1	1	0	1	7	2
KPI Almost Met	0	4	0	0	0	0
KPI Met	1	1	0	0	1	0
KPI Well Met	0	5	2	0	0	0
KPI Extremely Well Met	0	0	1	1	1	0
<b>Total KPIs</b>	<b>6</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>16</b>	<b>6</b>

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

Not applicable.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

The Municipal Finance Management Act No. 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13.

Section 54(1)(c) of MFMA.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended:

1. That Council takes note of the outcome of the 2025/2026 performance report of the Municipality for the 2<sup>nd</sup> Quarter.
2. That Council takes note of the corrective measures.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

1. Council noted the outcome of the 2025/2026 performance report of the Municipality for the 2<sup>nd</sup> Quarter.
2. Council noted the corrective measures.

*For finalization by the Acting Manager: IDP and Performance Management, Ms J Marzec-Visagie.*

**ITEM HEADING**

**C42/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING:  
DEPARTMENT TOWN PLANNING AND BUILDING CONTROL:  
APPOINTMENT OF EXTERNAL MUNICIPAL PLANNING TRIBUNAL  
MEMBERS**

*[English version of the report is the original]*

**FILE NUMBER**

3/2/15/3

**PURPOSE / AIM OF REPORT**

The aim of the report is to obtain Council's approval:

1. To proceed with the appointment process of a chairperson for the Theewaterskloof Municipal Planning Tribunal; and
2. To enter into a new Memorandum of Understanding with Swellendam Municipality with regard to membership on the Theewaterskloof Municipal Planning Tribunal.

**BACKGROUND**

On 1 December 2015, the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) came into effect in the Theewaterskloof Municipal area. In terms of Section 35(1) of SPLUMA a municipality must, in order to determine land use and development applications within its municipal area, establish a Municipal Planning Tribunal (MPT).

Section 36 (1) of SPLUMA states that an MPT must consist of officials in full-time service of the municipality as well as persons who are not municipal officials, who have knowledge and experience of spatial planning, land use management and land development or the law related thereto.

In terms of Section 36(2) of SPLUMA, municipal Councilors may not be appointed as members of the MPT.

**DISCUSSION**

In a Council resolution of 17 June 2015, it was resolved that the chair of the MPT should be occupied by an external person, appointed by the municipality. Subsequently an advertisement was placed in the press, and a chairperson was appointed for the tribunal through a shortlisting and interview process.

To ensure the integrity of the MPT it is therefore recommended that Council again appoint an external person to serve as chair of the MPT. Should Council approve the recommendation, an advertisement will be placed in the media calling for applicants to submit their applications to the municipality.

It is further recommended that a panel, consisting of the current full-time MPT members, in full-time employment of the municipality, be appointed to shortlist and interview the potential candidates. Following the process, a recommendation will then be made to Council by the panel to appoint a chairperson. The current full-time MPT members employed by the municipality are as follows:

3. Director: Economic Development and Planning (Namso Baliso)
4. Deputy Director: Planning (Kayalakhe Nontshiza);
5. Deputy Director: Technical Services (Denver Damons); and
6. Manager: Town Planning and Building Control (Enrico Shortles)

It is recommended that the following form part of the minimum requirements for persons to adhere to:

- Candidates must have at least 10 years' knowledge and experience in spatial planning, land use management and land development or the law related thereto;
- Candidates must have at least 3 years' experience as a tribunal member, on any municipal planning tribunal within the Western Cape.

The reason for the last-mentioned requirement is that all Provinces within South Africa has different provincial legislation when it comes to town planning legislation. This requirement will ensure that the candidate has relevant tribunal experience in the interpretation of the Western Cape Land Use Planning Act.

The second external MPT member is the Manager Town Planning, at Swellendam Municipality. Currently a MOU is in place between Swellendam and Theewaterskloof Municipality with regard to MPT membership. The managers of the town planning departments serve as external members on the different tribunals. Only one manager is identified as a permanent member of the tribunal, with the remaining manager being the secondi of the of the permanent member.

#### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

On 3 December council resolved that the Municipal Planning Tribunal Chairperson be increased to R983.98 per hour. It should be noted that the municipal official of Swellendam is not remunerated for serving on the MPT.

#### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

There are no further legal implications. All legal requirements in terms of the relevant legislation were discussed in the sections above.

#### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

No additional risks were identified.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended that Council gives approval:**

- 1. To proceed with the appointment process of a chairperson for the Theewaterskloof Municipal Planning Tribunal; and**
- 2. To enter into a new Memorandum of Understanding with Swellendam Municipality with regard to membership of the Theewaterskloof Municipal Planning Tribunal.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

**Council gives approval:**

- 1. To proceed with the appointment process of a chairperson for the Theewaterskloof Municipal Planning Tribunal; and**
- 2. To enter into a new Memorandum of Understanding with Swellendam Municipality with regard to membership of the Theewaterskloof Municipal Planning Tribunal.**

*For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

**ITEM TITLE**

**C43/2026 DIRECTORATE FINANCE: DEPARTMENT: SUPPLY CHAIN  
MANAGEMENT: DEVIATION REPORT FOR OCTOBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/3/6

**PURPOSE OF REPORT**

To present a report to Council consisting of the reasons for deviating in terms of subparagraphs 36(1)(a) and (b) of the SCM Policy for the month of October 2025.

**BACKGROUND**

- (1) The Accounting Officer may –
- a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
    - (i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation, includes but are not limited to –

- a) the possibility of human injury or death,
- b) the prevalence of human suffering or deprivation of rights,
- c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,
- d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,
- e) the possibility that the security of the state could be compromised.

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

- (i) if such goods or services are produced or available from a single source or sole provider only (as per definition);

- (ii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iii) acquisition of animals for zoos and/or nature and game reserves; or
  - (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
  - (v) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

**DISCUSSION**

The report in terms of subparagraph 36(1)(a) can be found attached. Also note that the Accounting Officer did not ratify minor breaches of the procurement process in terms of subparagraph 36(1)(b).

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As per attachment.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Regulation 36 of the Supply Chain Management Policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council takes cognisance of the report.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

1. That a memorandum be issued by the Office of the Municipal Manager regarding the leakage of municipal information on social media platforms.
2. That the Municipal Manager conduct an internal investigation into information circulating on social media before the matter is discussed by the relevant Portfolio Committee.
3. That Council takes cognisance of this report.

**RECOMMENDATION TO COUNCIL:**

It is recommended that Council takes cognisance of the report.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor Y van Tonder it was resolved as follows:

**Council noted the report.**

*For finalization by the Director: Finance, Mr. P Mabhena.*

**ITEM TITLE**

**C44/2026 DIRECTORATE FINANCE: DEPARTMENT SUPPLY CHAIN  
MANAGEMENT: DEVIATION REPORT FOR NOVEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/3/6

**PURPOSE OF REPORT**

To present a report to Council consisting of the reasons for deviating in terms of subparagraphs 36(1)(a) and (b) of the SCM Policy for the month of November 2025.

**BACKGROUND**

(1) The Accounting Officer may –

a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation, includes but are not limited to –

a) the possibility of human injury or death,

b) the prevalence of human suffering or deprivation of rights,

c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,

d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,

e) the possibility that the security of the state could be compromised.

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

(i) if such goods or services are produced or available from a single source or sole provider only (as per definition);

- (ii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iii) acquisition of animals for zoos and/or nature and game reserves; or
  - (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
  - (v) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

**DISCUSSION**

The report in terms of subparagraph 36(1)(a) can be found attached. Also note that the Accounting Officer did not ratify minor breaches of the procurement process in terms of subparagraph 36(1)(b).

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As per attachment.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Regulation 36 of the Supply Chain Management Policy.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council takes cognisance of the report.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Councillor V Papier it was recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor H Linnerts, it was recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council takes cognisance of the report.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the report.**

*For finalization by the Director: Finance, Mr. P Mabhena.*

**ITEM HEADING**

**C45/2026 DIRECTORATE FINANCE: REPORTING ON PERFORMANCE OF CONTRACTORS: 2<sup>nd</sup> QUARTER: OCTOBER, NOVEMBER AND DECEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

8/2/3/5/3

**PURPOSE / AIM OF REPORT**

To present a report to Council in terms of the contract and performance management of the Financial Departments contractors for the 2<sup>nd</sup> Quarter period from October to December 2025.

**BACKGROUND**

S116 (2) of the Municipal Finance management Act (No.56 of 2003) states that: The accounting officer of a municipality or municipal entity must —

1. take all reasonable steps to ensure that a contract or agreement procured through" the supply chain management policy of the municipality of municipal entity is properly enforced.
2. monitor on a monthly basis the performance of the contract under the contract or agreement.
3. establish capacity in the administration of the municipality or municipal entity —
  - a. to assist the accounting officer in carrying out the. duties set out in paragraphs (a) and (b); and (ii) to oversee the day-to-day management of the contract or agreement; and
4. regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

**DISCUSSION**

Reporting pattern of the Financial Department:

<b>Department:</b>	October 25	November 25	December 25
<b>Financial Services</b>	Submitted	Submitted	Submitted

Please note that no major blockages occurred on contracts during this quarter. Find attached checklists consisting of the summaries done for the various departments.

**FINANCIAL RESPONSIBILITIES**

Can be found in checklists attached as Annexure A. It can be costly to the municipality if reporting is not done correct.

**LEGAL RESPONSIBILITIES**

Chapter 8 Municipal Finance Management Act. 56 of 2003.

**RISK MANAGEMENT IMPLICATION**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended that Council takes cognisance of the report.

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor Y van Tonder and seconded by Councillor C Cloete, it was recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council takes cognisance of the report.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the report.**

*For finalization by the Director: Finance, Mr. P Mabhena.*

**ITEM HEADING**

**C46/2026    DIRECTORATE FINANCE: DEPARTMENT SUPPLY CHAIN  
MANAGEMENT: DEVIATION REPORT FOR DECEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

6/3/3/6

**PURPOSE / AIM OF REPORT**

To present a report to Council consisting of the reasons for deviating in terms of subparagraphs 36(1)(a) and (b) of the SCM Policy for the month of December 2025.

**BACKGROUND**

(1) The Accounting Officer may –

- a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
  - (i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation, includes but are not limited to –

- a) the possibility of human injury or death,
- b) the prevalence of human suffering or deprivation of rights,
- c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,
- d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,
- e) the possibility that the security of the state could be compromised.

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

- (i) if such goods or services are produced or available from a single source or sole provider only (as per definition);

- (ii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iii) acquisition of animals for zoos and/or nature and game reserves; or
  - (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
  - (v) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

### **DISCUSSION**

The report in terms of subparagraph 36(1)(a) can be found attached. Also note that the Accounting Officer did not ratify minor breaches of the procurement process in terms of subparagraph 36(1)(b).

### **FINANCIAL RESPONSIBILITIES**

As per attachment.

### **LEGAL RESPONSIBILITIES**

Regulation 36 of the Supply Chain Management Policy.

### **RISK MANAGEMENT IMPLICATION**

Not applicable.

### **RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council takes cognisance of the report.**

### **RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor Y van Tonder, it was recommended as follows:

**That Council takes cognisance of the report.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council takes cognisance of the report.**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously resolved as follows:

**Council noted the report.**

*For finalization by the Director: Finance, Mr. P Mabhena.*

**ITEM HEADING**

**C47/2026 DIRECTORATE FINANCE: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS: OCTOBER - DECEMBER 2025**

*[English version of the report is the original]*

**FILE NUMBER**

5/15/R

**PURPOSE / AIM OF REPORT**

To report on specific withdrawal from municipal bank account in terms of the Local Government: Municipal Finance Management Act, 2003.

**BACKGROUND**

As per attach report.

**DISCUSSION**

A consolidated list of withdrawals in terms of Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003, during the quarter ending December 2025, is attached hereto.

The following information is supplementary to the list of withdrawals:

Section 11(1) (b): Expenditures that were authorised in terms of Section 26(4)

No withdrawals

Section 11(1) (c): Unforeseeable and unavoidable expenditures

No withdrawals

Section 11(1) (d): Withdrawals in respect of Trust, and so forth

No withdrawals

Section 11(1) (e): Overpayment of monies received on behalf of a person or state body

Withdrawals were made for conversion of drivers' licenses and CPA motor license monies. Complete details can be found on the list of withdrawals.

Section 11(1) (f): Monies erroneously deposited into bank account

No withdrawals

Section 11(1) (g): Guarantees, sureties and security deposits refunded

No withdrawals

Section 11(1) (h): Cash management and investments

Withdrawals were made for investment purposes. Complete details can be found on the list of withdrawals.

Section 11(1) (i): Increased expenditure in terms of Section 31

No withdrawals

Section 11(1) (j): Other purposes as prescribed

No withdrawals

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As per attach report.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 11(4) of the Local Government: Municipal Financial Management Act, 2003 reads as follows:

“The Accountable Officer must, within thirty (30) days after the end of every quarter-

1. Table in the municipal council a consolidated report of all withdrawals made in terms of sub-section (1)(b) to (j) during the quarter, and
2. Submit a copy of the report to the relevant provincial treasury and the Auditor-General”.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended:**

- 1. That Council confirms the list of withdrawals in terms of the Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003 for the quarter ended 31 December 2025.**
- 2. That the report accordingly be presented to the Provincial Treasury: Western Cape and Auditor – General, as determined by Section 11(4)(b) of the Local Government: Municipal Finance Management Act, 2003.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

1. That Council confirms the list of withdrawals in terms of the Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003 for the quarter ended 31 December 2025.
2. That the report accordingly be presented to the Provincial Treasury: Western Cape and Auditor – General, as determined by Section 11(4)(b) of the Local Government: Municipal Finance Management Act, 2003.

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Cloete and seconded by Councillor Y van Tonder, it was recommended as follows:

1. That Council confirms the list of withdrawals in terms of the Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003 for the quarter ended 31 December 2025.
2. That the report accordingly be presented to the Provincial Treasury: Western Cape and Auditor – General, as determined by Section 11(4)(b) of the Local Government: Municipal Finance Management Act, 2003.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council confirms the list of withdrawals in terms of the Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003 for the quarter ended 31 December 2025.
2. That the report accordingly be presented to the Provincial Treasury: Western Cape and Auditor – General, as determined by Section 11(4)(b) of the Local Government: Municipal Finance Management Act, 2003.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

1. Council confirms the list of withdrawals in terms of the Section 11(1)(b) to (j) of the Local Government: Municipal Financial Management Act, 2003 for the quarter ended 31 December 2025.

2. That the report accordingly be presented to the Provincial Treasury: Western Cape and Auditor – General, as determined by Section 11(4)(b) of the Local Government: Municipal Finance Management Act, 2003.

*For finalization by the Director: Finance, Mr. P Mabhena.*

**ITEM HEADING**

**C48/2026 DIRECTORATE FINANCE: FOURTH QUARTER (APRIL 2025 - JUNE 2025) REPORTING**

*[English version of the report is the original]*

**FILE NUMBER**

5/16/R

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Council on the current financial state as of 30 June 2025.

**BACKGROUND**

Attached is the Financial Report for the month of June 2025, which reflects the implementation of the budget, and the state of the municipality's financial affairs.

**The Financial Report consists of the following financial reports:**

1. Executive Summary
2. Capital Expenditure
3. Operating Revenue and Expenditure
4. Cash and Investments
5. Borrowings
6. Grants
7. Debtors
8. Creditors

**DISCUSSION**

As per attached report.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As per attached report.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

The report for the fourth quarter (April 2025 – June 2025), prepared in terms of Section 71 of the Municipal Finance Management Act, Act 56 of 2003, is submitted to Council in terms of Section 52 (d) of the Municipal Finance Management Act, Act 56 of 2003 which reflects the implementation of the budget and the financial state of affairs of the municipality.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None

**RECOMMENDATION BY ITEM AUTHOR:**

It is recommended:

1. That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 30 June 2025.
2. That Council notes that this is the final Monthly Budget Statement, Performance and supporting documentation for June 2025 after the Annual Financial Statement has been compiled.

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

1. That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 30 June 2025.
2. That Council notes that this is the final Monthly Budget Statement, Performance and supporting documentation for June 2025 after the Annual Financial Statement has been compiled.

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Cloete and seconded by Councillor Y van Tonder, it was recommended as follows:

1. That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 30 June 2025.
2. That Council notes that this is the final Monthly Budget Statement, Performance and supporting documentation for June 2025 after the Annual Financial Statement has been compiled.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 30 June 2025.

2. That Council notes that this is the final Monthly Budget Statement, Performance and supporting documentation for June 2025 after the Annual Financial Statement has been compiled.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor Y van Tonder it was resolved as follows:

1. Council noted the Monthly Budget Statement, Performance and supporting documentation as of 30 June 2025.
2. Council noted that this is the final Monthly Budget Statement, Performance and supporting documentation for June 2025 after the Annual Financial Statement has been compiled.

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM HEADING**

**C49/2026 DIRECTORATE FINANCE: FINANCIAL REPORT: SECOND  
QUARTER 2025/26 (OCTOBER 2025 - DECEMBER 2025)  
REPORTING**

*[English version of the report is the original]*

**FILE NUMBER**

5/16/R

**PURPOSE / AIM OF REPORT**

The purpose of this report is to inform the Council on the current financial state as of 31 December 2025.

**BACKGROUND**

Attached is the Financial Report for the month of December 2025, which reflects the implementation of the budget, and the state of the municipality's financial affairs.

The Financial Report consists of the following financial reports:

1. Executive Summary
2. Capital Expenditure
3. Operating Revenue and Expenditure
4. Cash and Investments
5. Borrowings
6. Grants
7. Debtors
8. Creditors

**DISCUSSION**

As per attached report.

**FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As per attached report.

**LEGAL IMPLICATIONS (ITEM AUTHOR)**

The report for the second quarter (October 2025 – December 2025), prepared in terms of Section 71 of the Municipal Finance Management Act, Act 56 of 2003, is submitted to Council in terms of Section 72 and 52 (d) of the Municipal Finance Management Act, Act 56 of 2003 which reflects the implementation of the budget and the financial state of affairs of the municipality.

**RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended that Council notes the Monthly Budget Statement, Performance and supporting documentation as of 31 December 2025.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 OCTOBER 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor V Benjamin and seconded by Councillor V Papier it was recommended as follows:

**That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 31 December 2025.**

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Cloete and seconded by Councillor H Linnerts, it was recommended as follows:

**That Council notes the Monthly Budget Statement, Performance and supporting documentation as of 31 December 2025.**

**RECOMMENDATION TO COUNCIL:**

**It is recommended that Council notes the Monthly Budget Statement, Performance and supporting documentation as of 31 December 2025**

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

**Council notes the Monthly Budget Statement, Performance and supporting documentation as of 31 December 2025.**

*For finalization by the Director: Finance, Mr P Mabhena.*

**ITEM HEADING**

**C50/2026 DIRECTORATE FINANCE: DEPARTMENT SUPPLY CHAIN  
MANAGEMENT: 2ND QUARTER STORE REPORT – JANUARY 2026**

*[English version of the report is the original]*

**FILE NUMBER**

6/1/1/1

**PURPOSE OF REPORT**

To present the stock take report on all stores for the period from 01 July 2025 to 08 January 2026 of the 2025/26 financial year.

**BACKGROUND**

With reference to Clause 39 of the Supply Chain Management Policy:

**39. LOGISTICS MANAGEMENT**

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include -
  - a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
  - b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
  - c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
  - d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and are in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
  - e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
  - f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
  - g) monitoring and reviewing the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

With reference to Section 63 of the Municipal Finance Management Act (No. 56 of 2003):

**S63. ASSET AND LIABILITY MANAGEMENT**

- (1) The accounting officer of a municipality is responsible for the management of-
- a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
  - b) the liabilities of the municipality.
- (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure-
- a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
  - b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognized accounting practice; and
  - c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

**DISCUSSION**

An audit was conducted at all the respective stores in the Theewaterskloof Municipality by the SCM unit in conjunction with the storekeepers. The 1st quarter stock counts took place on 06, 07 and 08 January 2026, for the various stores in the Theewaterskloof Municipal Area. The process followed when conducting the audit was the external audit process. The findings can be found attached to the Annexures and below is the summary of the audit:

The physical count sheets on all stores can be found attached to Annexure A and the summary of the audit findings for the 2nd quarter for the 2025/26 financial year follows hereto:

**Summary per Store 08 January 2026:**

Description	Total Surplus "R"	Total Loss "R"
Caledon General Store	-	R 2 589.57
Caledon Electrical Store	R 162.00	R 1 436.23
Caledon Water Store	R 47.05	R 3 615.56
Grabouw General Store	-	R 675.96
Grabouw Water Store	R 586.17	R 1 211.05
Villiersdorp General Store	R 189.83	R 730.17
Villiersdorp Electrical	R 70.50	R 1 964.27

Store		
Villiersdorp Water Store	R 586.79	R 225.03
Riviersonderend General Store	-	R 249.49
Riviersonderend Water Store	R 519.00	R 1 494.45
Genadendal General Store	-	-
Genadendal Water Store	-	R 1 970.67
<b>TOTAL</b>	<b>R 2 161.34</b>	<b>R 16 162.45</b>

The above results indicate that the stores have a surplus of R 2 161.34 and a loss of (R 16 162.45) for the 2<sup>nd</sup> quarter stock take.

**Reconciliation between General Ledger and Stores:**

Description	General Ledger Total "R"	Store Total "R"	Difference "R"
<b>TOTAL</b>	6 493 222.73	6 493 222.72	-0.01

Proof of counts and variances can be found attached.

**FINANCIAL IMPLICATIONS**

As shown out.

**LEGISLATIVE REQUIREMENTS**

Regulation 39 of the Supply Chain Management Policy.

**RISK MANAGEMENT IMPLICATION**

None

**RECOMMENDATION BY ITEM AUTHOR:**

**It is recommended:**

- 1. That the Finance Portfolio Committee takes cognisance of the report.**
- 2. That the Finance Portfolio Committee grants approval for the write-off of item 75 – Anionic Stable Mix for Riviersonderend with a value of R15,120.85 as this item was identified as obsolete.**
- 3. That SCM conduct an investigation into the variances at the stores and to rectify it.**

**RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 19 OCTOBER 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, it was unanimously recommended as follows:

1. That Council takes cognisance of the report.
2. That Council grants approval for the write-off of item 75 – Anionic Stable Mix for Riviersonderend with a value of R15,120.85 as this item was identified as obsolete.
3. That SCM conduct an investigation into the variances at the stores and to rectify it.

**RECOMMENDATION BY THE EMC TO COUNCIL: 19 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor C Cloete and seconded by Councillor H Linnerts, it was recommended as follows:

1. That Council takes cognisance of the report.
2. That Council grants approval for the write-off of item 75 – Anionic Stable Mix for Riviersonderend with a value of R15,120.85 as this item was identified as obsolete.
3. That SCM conduct an investigation into the variances at the stores and to rectify it.

**RECOMMENDATION TO COUNCIL:**

It is recommended:

1. That Council takes cognisance of the report.
2. That Council grants approval for the write-off of item 75 – Anionic Stable Mix for Riviersonderend with a value of R15,120.85 as this item was identified as obsolete.
3. That SCM conduct an investigation into the variances at the stores and to rectify it.

**RESOLVED BY COUNCIL: 22 JANUARY 2026**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Councillor C Cloete it was resolved as follows:

1. Council takes cognisance of the report.

2. That Council grants approval for the write-off of item 75 – Anionic Stable Mix for Riviersonderend with a value of R15,120.85 as this item was identified as obsolete.
3. That SCM conduct an investigation into the variances at the stores and to rectify it.

*For finalization by the Director: Finance, Mr P Mabhena.*

O. DRINGENDE AANGELEENTHEDE  
URGENT MATTERS

Geen / None

P. OORWEGING VAN KENNISGEWINGS VAN MOSIES  
CONSIDERATION OF NOTICES OF MOTIONS

Q. OORWEGING VAN KENNISGEWINGS EN VRAE  
CONSIDERATION OF NOTICES AND QUESTIONS

R. OORWEGING VAN DRINGENDE MOSIES /  
CONSIERATION OF NOTICES AND QUESTIONS

S. IN-KOMITEEVERGADERING AGENDA-ITEMS VIR BESPREKING  
IN-COMMITTEE MEETING AGENDA-ITEMS FOR DISCUSSION

Minuted and distributed as a separate Minutes of the Meeting.

T. VERDAGING / ADJOURNMENT

Die vergadering verdaag om 17:28.  
The meeting adjourned at 17:28.

NOTULE BEKRAGTIG OP DIE ..... DAG VAN  
..... AS PRIMA FACIE BEWYS VAN DIE  
JUISTHEID DAARVAN.

MINUTES CONFIRMED ON THE ..... DAY OF  
..... AS PRIMA FACIE EVIDENCE OF  
IT'S CORRECTNESS.

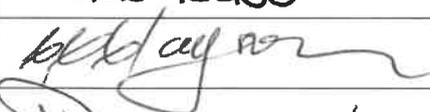
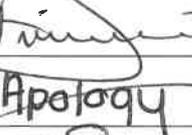
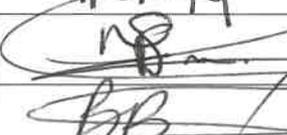
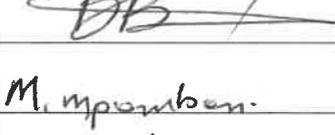
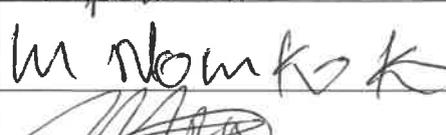
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SPEAKER

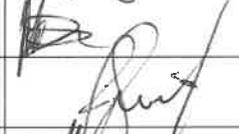
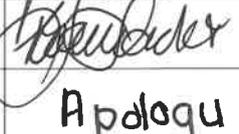
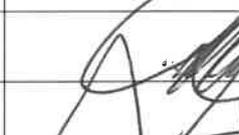
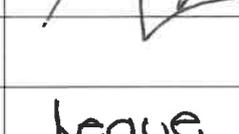
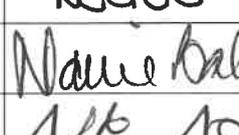
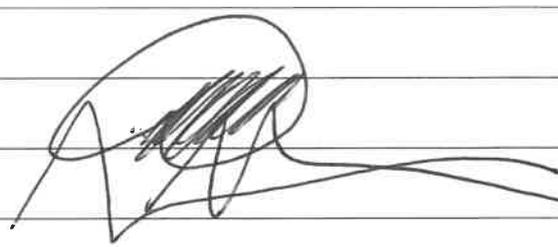
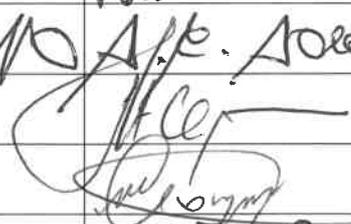
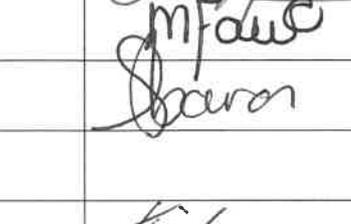
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DATUM/DATE

OPGESTEL EN BYGEHOU DEUR:  
COMPILED AND RECORDED BY:

*M. Fauc.*  
.....  
S BARON  
SEKRETARIAAT DIENSTE  
SECRETARIAT SERVICES

**RAADSVERGADERING**  
**COUNCIL MEETING**  
**22 JANUARIE / JANUARY 2026**

NAAM EN VAN / NAME AND SURNAME	HANDTEKENING / SIGNATURE
<b><u>Raadslede / Councillors :</u></b>	
Raadsheer/Alderman LM de Bruyn	Sick leave
Raadsheer/Alderman CC Clayton	
Raadslid/Councillor WH Wells	
Raadsheer/Alderman DA Appel	
Raadslid/Councillor CA Benjamin	
Raadslid/Councillor M Botes	
Raadslid/Councillor CT Cloete	
Raadsheer/Alderman S Fredericks	
Raadslid/Councillor M Gana	
Raadslid/Councillor DA Jacobs	
Raadslid/Councillor D Jooste	 Jooste
Raadslid/Councillor H Linnerts	 Linnerts
Raadslid/Councillor JD Lekhori	 Apology
Raadslid/Councillor TP Lemina	
Raadsheer/Alderman BB Mkhwibiso	
Raadslid/Councillor M Mpambani	M. Mpambani
Raadslid/Councillor MA Nomkoko	
Raadsheer/Alderman MR Nongxaza	

Raadslid/Councillor FO Ntantiso	
Raadslid/Councillor V Papier	
Raadsheer/Alderman M Plato-Mentoor	
Raadslid/Councillor MS Shale	
Raadslid/Councillor J Smit	
Raadslid/Councillor C Smith	
Raadslid/Councillor PJ Stander	
Raadslid/Councillor YM van Tonder	
Raadslid/Councillor TB Zimmermann	
	A p d o q u
<b><u>Amptenare/Officials:</u></b>	
Mnr/Mr W Hendricks	
Mnr/Mr GW Hermanus	
Mnr/Mr P Mabhena	
Mnr / Mr H Matthee	leave
Me./Ms N Baliso	Naine Baliso
Mnr./Mr WSE Solomons-Johannes	M. App. Solomons-Johannes
Mnr./Mr A Opperman	
Mnr/Mr H Gxoyiya	
Me./Ms M Faul	M Faul
Me./Ms S Baron	S Baron
Me./Ms F Ngxowa	
Ms. T. Michel	Michel
A. Carckse	
ZK BENJAMIN	





**Western Cape  
Government**

Department of Agriculture  
**Michael Brinkhuis**  
 Acting Head of Department  
 Michael.Brinkhuis@westerncape.gov.za | Tel: 021 808 5101

Mr Walter Hendricks  
 Municipal Manager  
 Theewaterskloof Local Municipality  
**Caledon**  
 Email: [m@twk.gov.za](mailto:m@twk.gov.za)

Dear Mr Hendricks

**WESTERN CAPE PRESTIGE AGRI WORKER AWARDS 2025: THEEWATERSKLOOF (TWK) MUNICIPALITY - PROVINCIAL WINNERS**

The Western Cape Department of Agriculture would like to congratulate your municipality on the achievement of the TWK agri workers in this year's Western Cape Prestige Agri Worker Awards. Through this initiative the Western Cape Department of Agriculture annually seeks to broaden the agri workers' scope and understanding of the agricultural sector and expose them to new life experiences. It further serves to motivate agri workers to improve their knowledge and skills base to unlock opportunities and personal growth for future career path development.

This year the Department had a total of 1 393 entries across the province, inclusive of 126 participants from the TWK region. On 1 November 2025, the provincial winners were announced at a prestigious gala event at Eureka Estate, Durbanville.

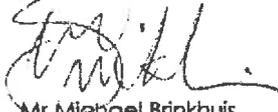
The Department hereby confirms the achievement of the following agri workers:

Category and position	Winner	Farm
Driver 3 <sup>rd</sup>	Daantjie Mei	Oak-Valley: Aprilskraal
Technical Operator 2 <sup>nd</sup>	Vuyo Nomandla	Fruitways: Alafontana
Junior Management 1 <sup>st</sup>	Lungelo Ntamane	Fruitways: Glen Elgin
Best Potential 3 <sup>rd</sup>	Vuyo Nomandla	Fruitways: Alafontana

*Verlyp*  
*Na*  
*M Faul*

Agri workers are the backbone of the agricultural economy and deserve to be celebrated and rewarded. The Department would like to thank you for your continued support of this initiative.

Kind regards



Mr. Michael Brinkhuis

8/01/2026

**Acting Head of Department: Agriculture**



# BOTRIVIER SKILLS ACADEMY

VANESSA POTGIETER

# TABLE OF CONTENTS

01. BOTRIVIER	08. STAFFING AND BUILDINGS
02. DDCOF	09. MANAGEMENT STRUCTURE / GOVERNANCE
03. SKILLS ACADEMY	10. FUNDING
04. SKILLS OFFERED	11. FUNDING OVERVIEW
05. LEARNERS & CURRICULUM	12. ACTION PLAN
06. CURRICULUM	13. ANNEXURES
07. SITE	14. GET INVOLVED
	13. CONTACT



# BOTRIVIER

## WHERE & WHY?

### CENTRALLY LOCATED IN OVERBERG

- Grabouw
- Caledon
- Kleinmond
- Hawston
- Lehanon
- Greyton
- Genaadendal
- Vyeboom
- Villiersdorp
- Knoflokskraal



### BOTRIVIER VILLAGE

- Seasonal agricultural workers
- SASSA grants
- One primary school

- Figures from Botrivier Primary indicate that there will be between 80-100 Botrivier learners entering Grade 8 annually
- As there are already primary school learners attending Grabouw schools, that figure could be increased by at least 25.

- Traveling is the only option currently for Secondary School learners

= Botrivier's social and economic standing will be considerably enhanced by the introduction of a secondary learning Institution.



# OOCOF

“

OUR CHILDREN DO NOT PERFORM POORLY BECAUSE THEY ARE LESS INTELLIGENT OR “STUPID”, BUT BECAUSE THE SA GOVERNMENT HAS FAILED TO PROVIDE AN ENVIRONMENT THAT IS CONDUCTIVE TO LEARNING.”

- PROFESSOR W LE CORDEUR, UNIVERSITY OF STELLENBOSCH

ROOTED IN GROWTH

## WHOS IS OOCOF?

- Overberg Our Community Our Future (OOCOF)
- Registered Community-driven NPO
- Reimagining Botrivier as a place for skills development of youth
- find a way to provide an environment that is conducive to learning

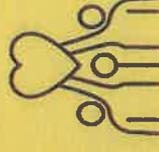
## OOCOF'S PURPOSE

OOCOF's purpose is to enable the building of a school of skills that will transform the lives of children in the Overberg.

## OOCOF'S VISION

- To develop curiosity, creative, positive and proactive mindsets within a values-rich learning environment.
- The school of skills will allow learners to enter in grade eight to be able to receive four years of quality, employment appropriate education.

**OVERBERG -  
OUR COMMUNITY,  
OUR FUTURE**



# SKILLS ACADEMY

## WHY A SKILLS ACADEMY?

### STATISTICS SOUTH AFRICA (2020):

- drop-out rates in grades ten, eleven and twelve are high across the country.
- In grade eleven, 28% of learners dropped out of school.
- = for every 1000 learners nationally starting out in education, only 534 managed to reach Grade 12.

### 2 KEY REASONS:

- poor academic performance.
- no money for fees and/or transport.

### INTO THE FUTURE:

- By 2030 eight thousand two hundred extra learners will need school placement in the Overberg district. (If the current growth rate remains steady year on year from a 2021 base.
- More skills schools must be built in the Overberg:
  - train learners with critical skills
  - Overberg industrial and farming sector
  - fill a critical skills gap (NOT AI)
  - grow a population of entrepreneurs
  - be employment-ready
  - purposeful life of income generation
  - stabilising households year-on-year

## WHERE DOES THE OVERBERG FIT INTO THIS LANDSCAPE?

### LEARNER RETENTION RATE

2021 reported:

- matric pass rate of 80%
- learner retention rate 69%
- = the national rate of 69% of learners entering matric (2020)

### GOVERNMENT SCHOOLS STATUS

Overberg:

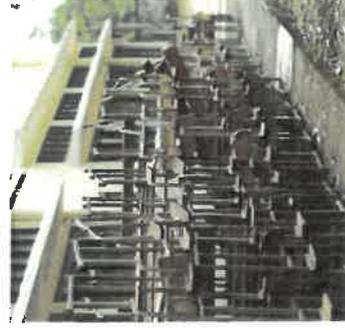
- 22 no-fee-paying operational government high schools
- Provide an education for an estimated 46,975 learners
- = rate of growth annually is reported as 22%

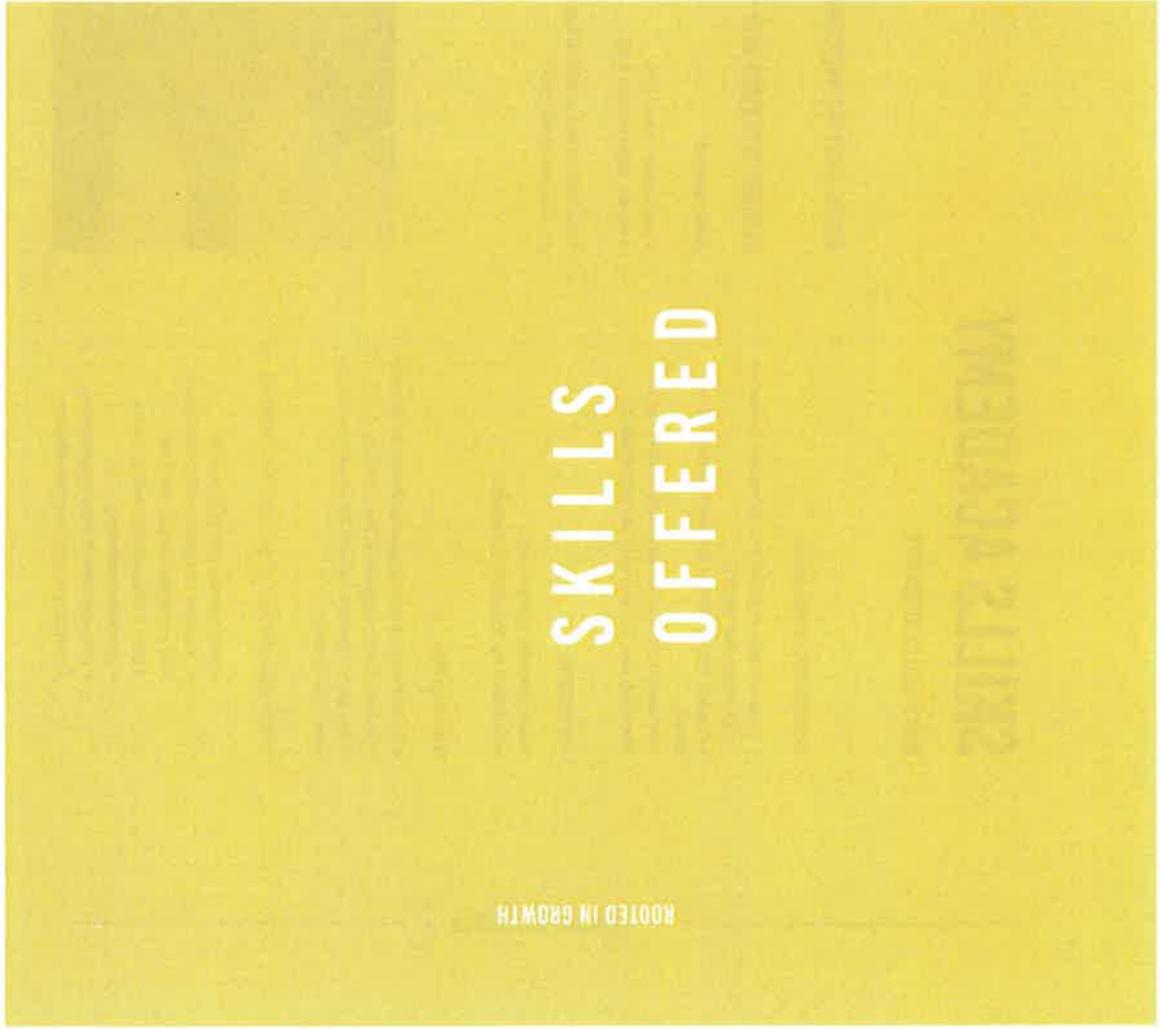
(WC Gov. Socio Economic Profile 2021)

### HIGH DROP OUT RATES

Public schools (50km radius of Botrivier):

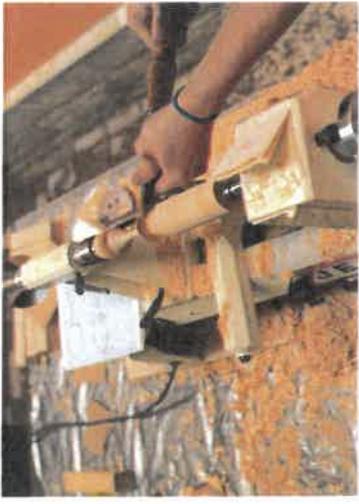
- Umyezo wa Apile
- Groenberg High in Grabouw = academically-focussed schools but continue to have high drop-out rates.
- De Rust Futura Academy in Elgin:
  - newly expanded curriculum
  - range of agricultural, hospitality and more subjects, has started to turn this around.





### WHAT WILL BOTRIVIER SKILLS ACADEMY OFFER?

- A comprehensive suite of learning and growing programme for learners, out-of-school youth, community at large.
- A dynamic, fit-for-purpose institution.
- A nucleus of skills development for the Overberg community.
- A choice of skills/artisanal subjects.
- A fully inclusive policy of admittance.
- Opportunities for parents and stakeholders to participate in school governance processes.
- Myriad volunteer service opportunities.
- Future development: sports and arts centre in the community.



# LEARNERS & CURRICULUM

## WHO WILL THE ACADEMY BE OPEN TO?

- Three language groups living in the Overberg.
- Low-fee-paying school.
- Entrance:
  - Grade 8
  - Grade 12 or NQF 4
- Exit
- 4-year skills training programme
- Range of subjects:
  - civil, electrical, and mechanical skills
  - hospitality
  - consumer studies
  - tourism
  - agricultural skills / sciences / management
  - environmental studies

## KEY RATIONALE:

- Graduates employable or entrepreneurs
- Ideally youth to remain in the area and contribute to the local economy.

AFRIKAANS

ENGLISH

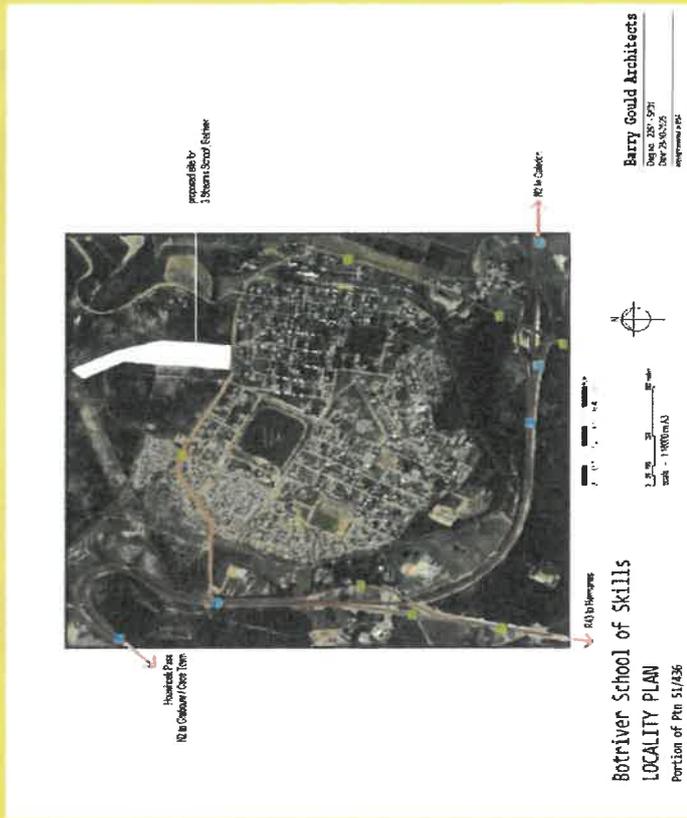
ISIXHOSA



# SITE

## OUR PREFERRED SITE

- Site situated on the outskirts of Botrivier on its northern edge.
- Below the extension of Plantation Road off Main Road (white strip).
- Currently zoned residential.
- Owner of land has committed to selling five hectares of the land to the Ocoof NPO.
- Botrivier Skills Academy will be built on it.
- An environmental impact study together with rezoning will need to be effected.



# STAFFING & BUILDINGS

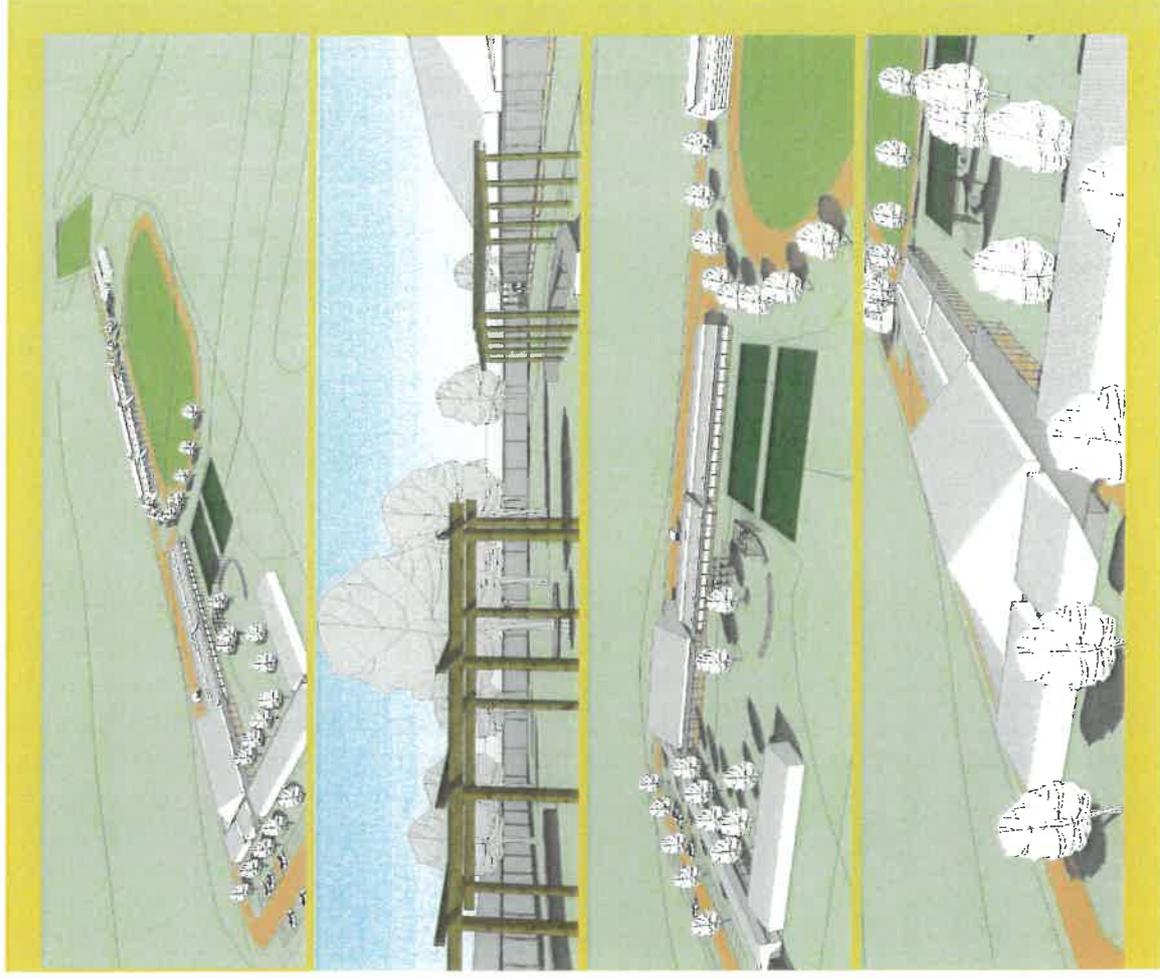
## HOW MANY TEACHERS AND LEARNERS WILL BE ACCOMMODATED?

- 4 years
- Annually: 60 learners divided into four classes of 15.
- 240 learners (fully operational).
- Assistant teachers (for isiXhosa & Afrikaans).
- Headed by a principal & department heads.
- **YEAR 1:** 4 teachers
- **YEAR 2:** 8 teachers
- **YEAR 3:** 12 teachers
- **YEAR 4:** 16 teachers

## WHAT WILL THE BUILDING PHASES LOOK LIKE?

Built in phases / grow over time.

- **PHASE ONE** 4 classrooms, 4 theory rooms, 4 workshops, a kitchen, agriculture shed, administration offices & ablution facilities.
- **YEAR TWO & THREE** hall, extra classrooms, workshops, sports field & tuck shop.
- Annexure A: plan of Academy on the preferred site.



# MANAGEMENT STRUCTURE & GOVERNANCE

Inspiration for the Botriver Skills Academy has primarily been the

- Jakes Gerwel Tegiese Hoërskool in Bonnievale
- Ashton School of Skills in Ashton

- The overall governance led by a board
- Board's responsibilities:
  - Academy's operations
  - Maintaining authority over finances & resources, including donations both in kind and in cash.
- OOCOF:
  - NPC status that will take over ownership of the land.
  - Drive fundraising campaign and construction of the school.
  - A school principal will be appointed, followed by appt of teachers.

## GOVERNANCE

- Divided into two areas:
  - Day-to-day school business:
    - SGB (School Governing Body) will be constituted.
      - = principal, teachers, parents, and Board members.
      - Board members maintaining a 50% voting right.
    - Global school upkeep:
  - Board will have full executive authority, with the school principal maintaining a non-executive role.



**NPC STATUS**

# FUNDING

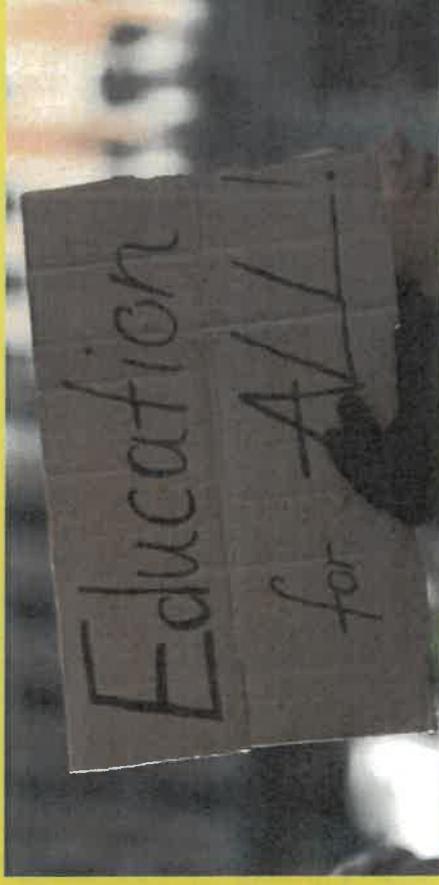
## HOW WILL THE BOTRIVIER SKILLS ACADEMY BE FUNDED?

### PREMISE OF VISION

Our local district and wider region requires schools that will produce a regular stream of qualified graduates to join the industrial sector and help build the local economy.

- OOCOF will work closely with:
  - local chambers of commerce and industry
  - agricultural associations
  - Invite captains of these sectors to support this initiative.
- OOCOF will:
  - aim to raise a significant portion of the initial required share
  - this will represent a foundation to grow our donor portfolio.
- Therafter:
  - distribute our vision in a wider arc
  - seek donors in collaboration with fellow independent schools
  - target local non-residents (high net-worth individuals) who are well acquainted with the district, to become ambassadors in their respective countries to raise funds for the Academy.
  - An endowment fund will play a central role in the funding strategy.
  - Have faith and an abiding belief in support both locally, nationally, and internationally.

ROOTED IN GROWTH



# FUNDING OVERVIEW

## WHAT DOES IT LOOK LIKE?

"There is no better investment a nation can make than education. It is an investment in economic development, an investment in opportunity and an investment in our shared future."  
- Evelyn Weber

### LAND ACQUISITION

- The NPC will take responsibility for purchasing the land which has an asking price of R.....

### BUILDING COSTS

- The overall budget for the build and fitting out of the school is R26 million.

### Contributions will be:

- hard cash
- pro-bono
- in-kind
- goods
- services well
- contribution of community volunteers

### BREAKDOWN

- Total Build Cost Phase 1: R24 million.
- Education subsidy (Quintile 1):
  - R11 000\* per learner annually starting in year 2.
  - this may increase

- Financing the Project will be based on the 20:80 Principle:

- The finance model will focus on securing 80% of the funds from 20% of an extensive donor base.

- This means that the most effort will be focused on the funding sources that are able to provide the biggest contributions.

### FINANCIAL MODEL OUTLINE

- A. Community Funding Initial Capital for Land Purchase: Target: R... million for land acquisition – within 12 months of launch of project.

Potential Sources: Local businesses, community fundraising events, initial high-net-worth individual (HNWI) donors, especially internationally based.

- B. Construction Funding Approach: Secure long-term pledges from donors, grant applications, and corporate sponsorships.

### OPERATIONAL FUNDING AND SUSTAINABILITY ANNUAL OPERATING BUDGET

- Fund through a mix of local business BB-BEE partnerships, corporate social responsibility programmes, community contributions, annual fundraising campaigns and a learner subsidy.

• Potential Donors and Stakeholders Identifying the 20% Donor Base: High-Net-Worth Individuals (HNWI): Approach local and regional HNWIs with connections to the Overberg area. Leverage existing community networks to identify potential HNWIs.

- Corporate Sponsors: Engage local businesses, especially those benefiting from a skilled workforce (e.g., agriculture, tourism, manufacturing). Offer naming rights or sponsorship packages.

• Philanthropic Foundations: Apply for grants from educational foundations and trusts focused on community development and education.

- Government Grants and subsidies: Seek additional funding from national and provincial government education and community development programs. A quintile 1 subsidy of R11 000 per learner (2025 figure) will be applied for.

• International Donors: Identify and approach international organisations and expatriates with ties to South Africa or interest in educational development.

# ACTION PLAN

WHAT DOES IT LOOK LIKE?

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By following this comprehensive plan, focusing on securing large donations from a targeted donor base, and leveraging community and governmental support, the financial model for Botrivier Skills Academy can be strengthened and made sustainable. This approach will ensure the successful establishment and operation of the school, providing long-term educational and socio-economic benefits to the Overberg region.

R.... MILLION

## LAND PURCHASE

- Launch a capital campaign targeting local businesses, HNWI's, and initial donor events.
- Secure commitments from key stakeholders and finalise the purchase.
- Community Contribution for Construction (24 million):
- Develop detailed fundraising materials outlining the benefits and impacts of the school.
- Schedule meetings with potential major donors (HNWI), corporates, foundations).
- Organise fundraising events and campaigns.
- Commitment to employ local labour and suitably registered expertise.
- Sustainable Funding: Establish an endowment fund to support long-term operational costs. Implement annual giving programs and recurring donation schemes.

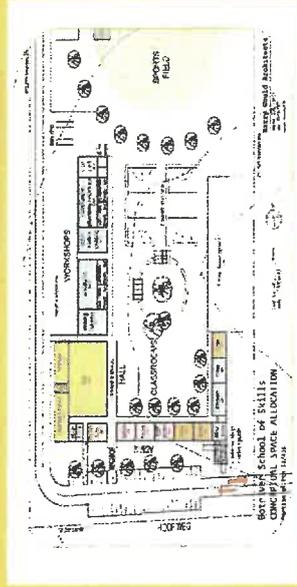
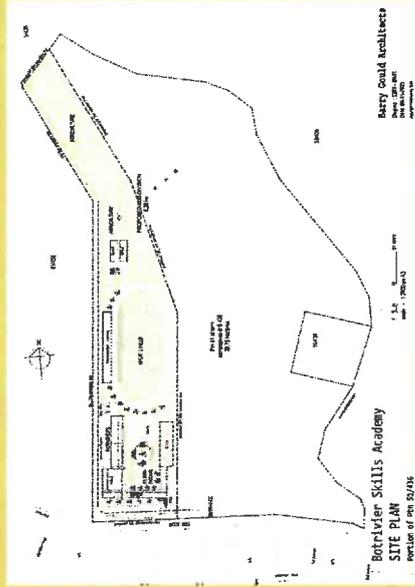
## DETAILED STEPS

- **Form a Fundraising Task Team:** Include members with strong community ties and experience in fundraising. Assign specific targets and timelines.
- **Develop Fundraising Materials:** Create brochures, presentations, and a detailed case for support. Highlight the transformative impact of the school on the community and region.
- **Host Launch Events:** Organise high-profile events to launch the fundraising campaign. Invite potential major donors and influencers.
- **Engage with Media:** Use local and regional media to publicise the project and fundraising efforts. Highlight success stories and endorsements from key figures.

# ANNEXURE A

PLAN OF ACADEMY ON BEAUMONT LAND

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LONG-TERM VISION

Our goal is to develop a comprehensive infrastructure for sports and arts in the Overberg. This includes the construction of a turf hockey field and tennis courts, as well as the establishment of facilities and programs for creative arts. By investing in these areas, we are investing in the future of our youth, providing them with the tools they need to succeed and thrive.



# ANNEXURE B

## YOUTH DEVELOPMENT: SPORTS AND ARTS



### SPORTS & DISCIPLINE

Sports activities require regular practice, adherence to rules, and a commitment to teamwork and personal improvement. By participating in sports, youth learn the value of perseverance, time management, and goal-setting.

### ENHANCING LEARNING

Regular participation in sports increases concentration, memory, and classroom behaviour. The discipline learned on the field translates into better study habits and academic achievements

### HOLISTIC DEVELOPMENT

Creative arts offers an equally valuable avenue for development. Programmes in music, singing, dance, hip hop, promote discipline, focus, and a sense of accomplishment. These activities encourage self-expression, creativity, and emotional intelligence.

### COMMUNITY/SOCIAL IMPACT

As youth come together to pursue common goals, they build friendships and learn the importance of working together towards a collective good. This sense of community spirit extends beyond the activities themselves, contributing to a more positive and supportive social environment in the Overberg.

WHAT DO WE ENVIAGE?

# GET INVOLVED!

## HOW CAN YOU HELP?

Every contribution helps us restore dignity, equip our youth with skills, and build a brighter future for the Overberg!

You can help us grow by:

- **Donating**  
Financial contributions, land, infrastructure support, or equipment.
- **Partnering**  
Businesses can collaborate to shape relevant training and provide opportunities for graduates.
- **Volunteering**  
Share your time, skills, and mentorship to inspire learners.
- **Spreading the word**  
Help us build momentum by sharing our vision with others.

# SUPPORT BOTRIVIER SKILLS ACADEMY

## JOIN HANDS WITH US!

Our Future is inviting the business community to partner with us on our exciting journey!

We are convinced that the future for, and well-being of, the children of the Overberg, lies in the establishment of a centre of learning that includes mainstream skills training of a vocational and technical nature.

The future of the district lies in our hands.

Support for this exciting initiative in the broader community is expectedly high and is helping drive momentum. Hand in hand with the Overberg business community, we will turn what started out as a vision two years ago, into a reality. Our conviction is driving us forward and will continue to do so as we travel further down the road towards our destination: securing appropriate and meaningful education for the youth of the Overberg.

Can we count on you and the business community in joining us on this our chosen road out of poverty?



ROOTED IN GROWTH

# CONTACT US

WE LOOK FORWARD TO HEARING FROM YOU TODAY!



SCAN QR CODE FOR WEBSITE

