MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[23 SEPTEMBER 2026]

KENNISGEWING / NOTICE

RAADSVERGADERING / COUNCIL MEETING

A G E N D A

DATUM / DATE : 30 SEPTEMBER 2026

PLEK / VENUE : RAADSAAL / COUNCIL CHAMBERS: CALEDON

TYD / TIME : 10:00

MUNISIPALITEIT THEEWATERSKLOOF

Kantoor van die Munisipale Bestuurder
Munisipale Kantore
CALEDON

23 September 2026

KENNISGEWING AAN ALLE RAADSLEDE

RAADSVERGADERING VAN DIE THEEWATERSKLOOF MUNISIPALE RAAD

Kennis geskied hiermee dat 'n Raadsvergadering geskeduleer is vir Woensdag, 30 September 2026 om 10:00 in die Raadsaal: Caledon om die onderstaande agenda te bespreek.

Raadslede se aandag word gevestig op die Gedragskode vir Raadslede, Skedule 7 van die Wysigingswet op Plaaslike Regering: Munisipale Strukture, 2021 (Wet 3 van 2021) en Munisipale Beamptes, Skedule 2 van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000).

Rdsh WH Wells
SPEAKER

THEEWATERSKLOOF MUNICIPALITY

Office of the Municipal Manager
Municipal Offices
CALEDON

23 September 2026

NOTICE TO ALL COUNCILLORS

COUNCIL MEETING OF THE THEEWATERSKLOOF MUNICIPAL COUNCIL

Notice is hereby given that a Council Meeting is scheduled for Wednesday, 30 September 2026 at 10:00 in the Council Chambers: Caledon, to discuss the undermentioned agenda.

The attention of Councillors is directed to the Code of Conduct for Councillors, Schedule 7 of the Local Government: Municipal Structures Amendment Act, 2021 (Act 3 of 2021) and Municipal Officials, Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

Aldm WH Wells
SPEAKER

NAAM EN VAN / NAME AND SURNAME
Raadslede / Councillors :
Raadsheer/Alderman LM de Bruyn
Raadsheer/Aderman CC Clayton
Raadsheer/Alderman WH Wells
Raadslid/Councillor CA Benjamin
Raadslid/Councillor CT Cloete
Raadsheer/Alderman S Fredericks
Raadslid/Councillor M Gana
Raadslid/Councillor DA Jacobs
Raadslid/Councillor H Linnerts
Raadslid/Councillor JD Lekhori
Raadslid/Councillor TP Lemina
Raadsheer/Alderman BB Mkhwibiso
Raadslid/Councillor M Mpambani
Raadslid/Councillor MA Nomkoko
Raadslid/Councillor FO Ntantiso
Raadslid/Councillor MH Witbooi
Raadsheer/Alderman C Wood
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

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

RAADSVERGADERING / COUNCIL MEETING

AGENDA

[30 SEPTEMBER 2026]

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B. **VERKIESING VAN SPEAKER** *(indien nodig)*
ELECTION OF SPEAKER *(if necessary)*

C. **BYWONINGSREGISTER**
ATTENDANCE REGISTER

C.1 Teenwoordig / Present

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

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. UBK vergadering – 18 Augustus 2026
EMC Meeting – 18 August 2026

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

E.1. Spesiale Raadsvergadering – 13 Augustus 2026
Special Council Meeting – 13 August 2026

E.2. Raadsvergadering – 25 Augustus 2026
Council Meeting – 25 August 2026

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G.	**VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**	
H.	**VOORLEGGINGS PRESENTATIONS**	
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I.	**VERSLAE VOORGELê DEUR DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER REPORTS SUBMITTED BY THE OFFICE OF THE MUNICIPAL MANAGER**	
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P.	**OORWEGING VAN KENNISGEWINGS VAN MOSIES / CONSIDERATION OF NOTICES OF MOTIONS**	
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PROPOSAL TO THEEWATERSKLOOF MUNICIPALITY

Outspan Eco Estate and Business Park @ Wildekrans

A broad development proposal for a portion of the Remainder of Farm No. 820, Caledon District

Presented by **The Wildekrans Trust**

Wildekrans Wine Estate · Bot River · Theewaterskloof Municipality

30 September 2026

BACKGROUND

The Farm, The Estate, The Application

Wildekrans Wine Estate

A 1000 hectare working wine and agricultural estate in the Bot River Valley, in the Theewaterskloof municipal area, focused on wine production, mixed farming and agri-tourism.

Remainder of Farm No. 820

Most of the portion of the farm that we wish to develop has been identified as unsuitable for agriculture. The planning started more than 10 years ago and in 2022, we submitted an application to the municipality to rezone this portion for a mixed-use development.

The long-term plan

Since 2022, the Wildekrans Trust has been working with the municipality to responsibly turn a small part of the farm into homes, shops and other uses in an area that substantially covers the Theewaterskloof (TWK) Spacial Development Framework for Bot River. This will support the municipality's social and economic development objectives, create over 1 000 jobs and significantly enhance rate revenue for TWK.

WHERE THINGS STAND

What The Municipality Decided In 2024

The municipality's planning committee made this decision on 22 May 2024, on our 2022 application.

SAID YES TO

Splitting the farm into two pieces:

Portion A — ±463.68 ha
The rest of the farm — ±149.7 ha

Why they said yes: it fits their own future plans for the area (SDF), there are no legal restrictions on the title deed, it won't affect municipal services, it's a good use for the land and it won't harm the neighbours.

SAID NO TO

Changing Portion A's zoning (±463.68 ha) so it could actually be developed

Their exact words:

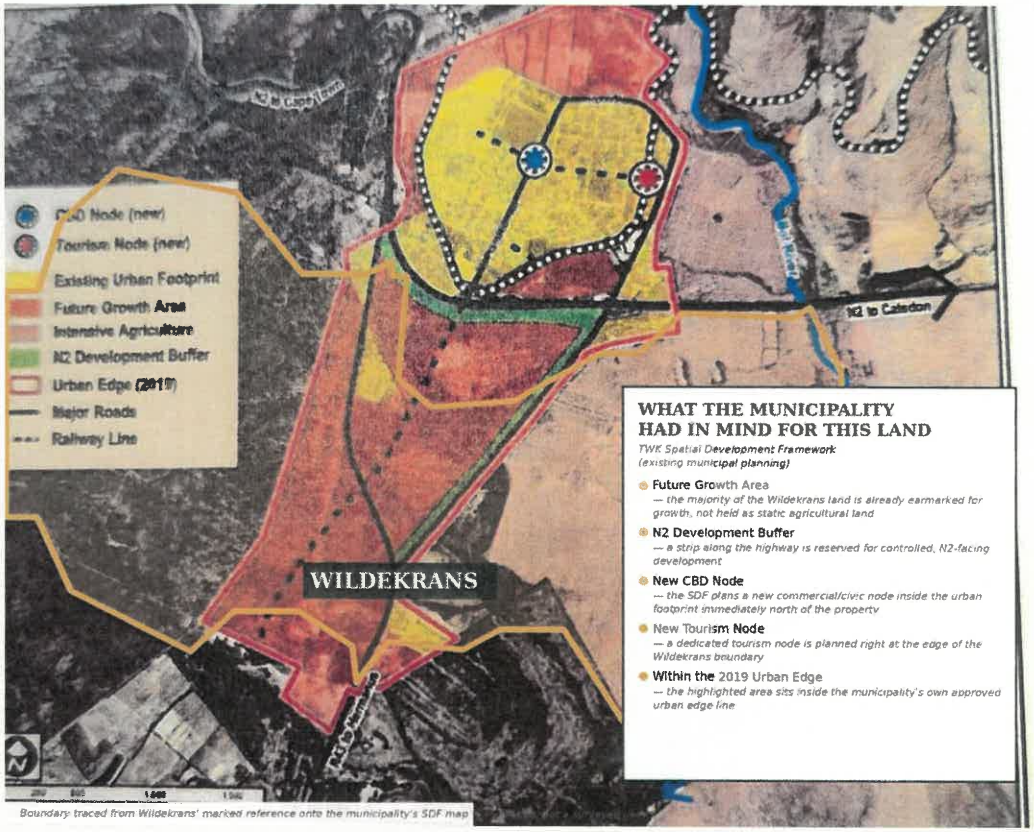
"Rezoning of Portion A cannot be justified since no broad development proposals, as prescribed in terms of the applicable legislation, have been indicated."

In plain English: we hadn't shown them enough detail of what the land would be used for.

WHY THIS LAND

The Municipality Already Had This in Mind

The municipality's own future plans for the area already show this land is meant for growth — long before we even applied.



Boundary traced from Wildekrans' marked reference onto the municipality's SDF map

THE ANSWER

We Now Have The Plan They Asked For

In 2024, the municipality said they needed to see an actual plan for the land — not just a request to change its zoning. That's exactly what we now have.

1

Zoning Plan

Shows exactly what each part of the land will be used for — homes, shops, light industries, healthcare and community spaces.

2

Site Development Plan

Shows where every building, road and parking area will go, drawn up by professional architects (Creative Transition).

3

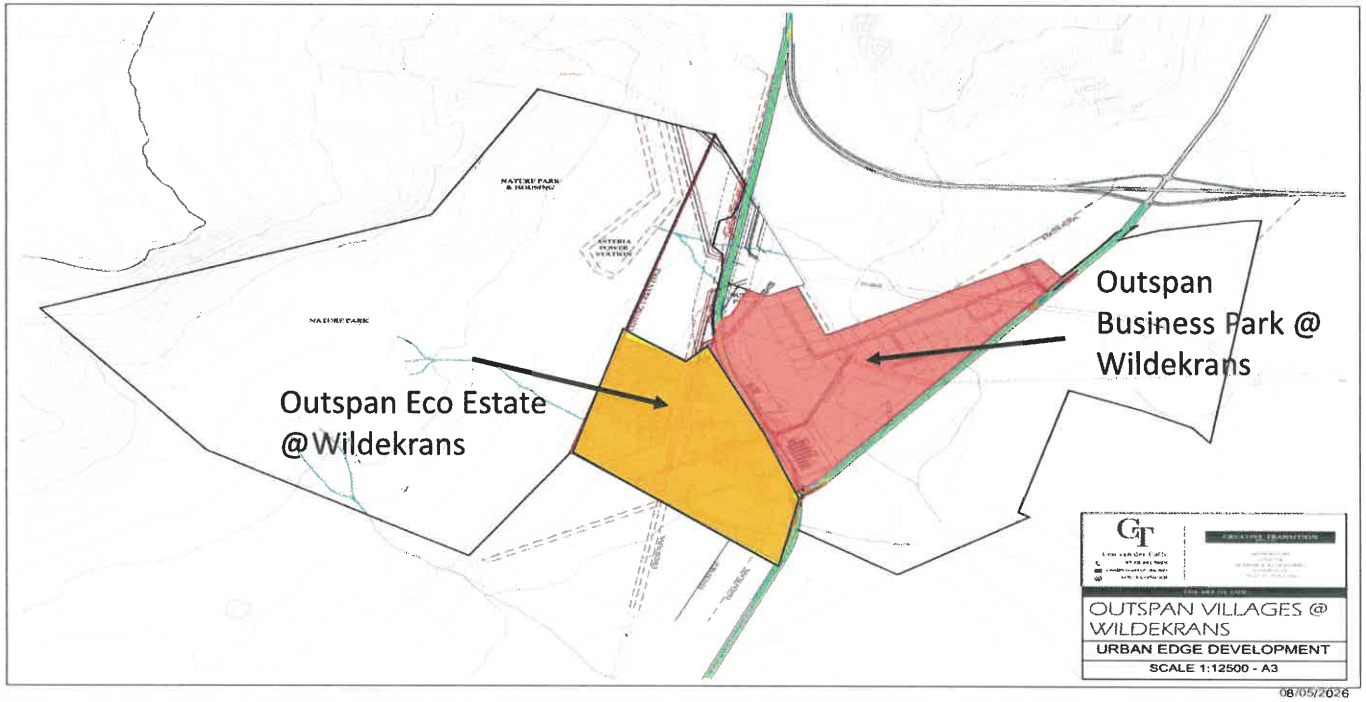
Urban Edge Map

Shows that the development stays inside the town's approved boundary line, with the rest of the farm left as open land.

THE SITE

Staying Inside the Town's Boundary

The area we want to develop (highlighted) is inside the town's approved boundary line. The mountain and nature area to the west stays untouched and protected.



Prepared by

Creative Transition
Con van der Colff

Dated

08 May 2026

Scale

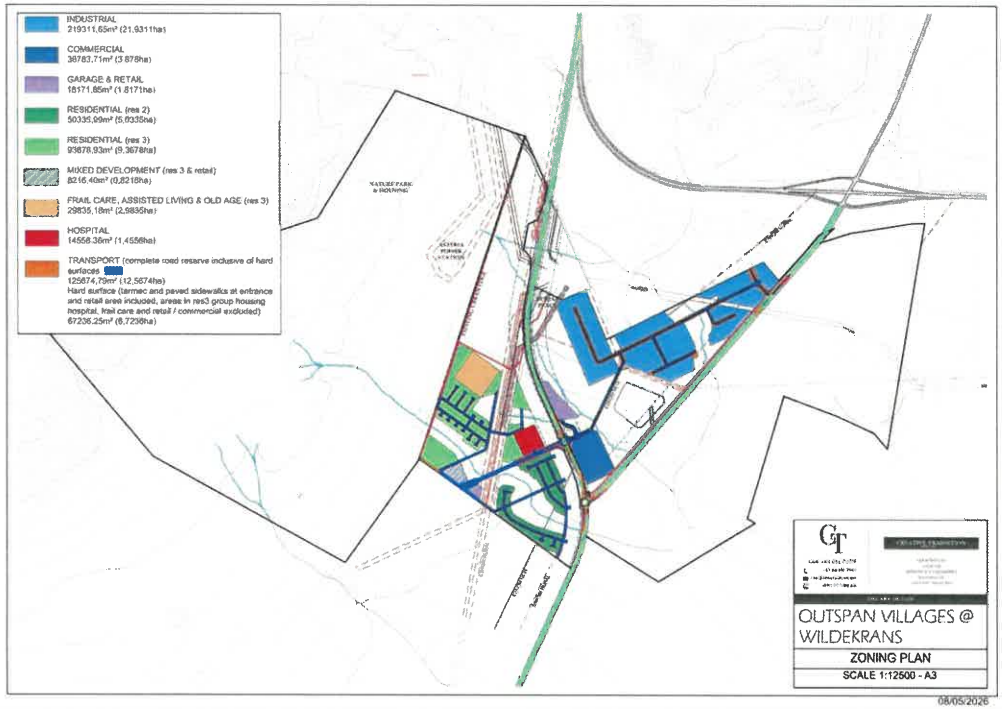
1:12 500 (A3)

Reference

Farm No. 820, Caledon District

THE PROPOSAL

How The Land Will Be Used



Land Use	Area
Factories & industry	21.93 ha
Roads	12.57 ha
Homes (type 1)	9.37 ha
Shops	3.88 ha
Homes (type 2)	5.03 ha
Frail care home	2.98 ha
Garage & small shops	1.82 ha
Hospital	1.46 ha
Mixed homes & shops	0.82 ha

We're only using about 60 hectares out of the 463 hectares available — a small, focused area, not the whole farm.

THE PROPOSAL

Housing & Community Mix



457 residential units
across Res 2 & Res 3, single- and double-storey, plus duplexes

278 parking bays
allocated for hospital and communal use

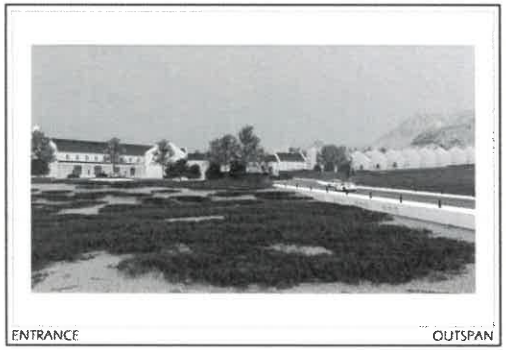
44 duplex units
(472 – 552 m²)

Also included: a community hall, corner shop, tea room, bar, hair salon, PostNet outlet, offices, guard houses and a sewage treatment plant.

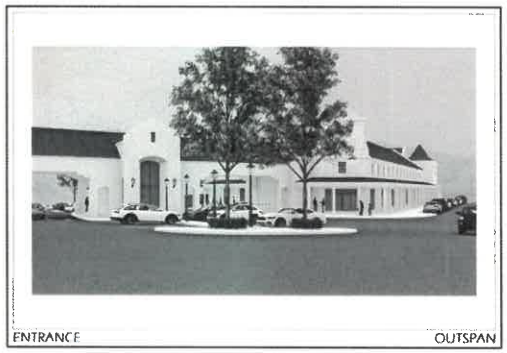
THE VISION

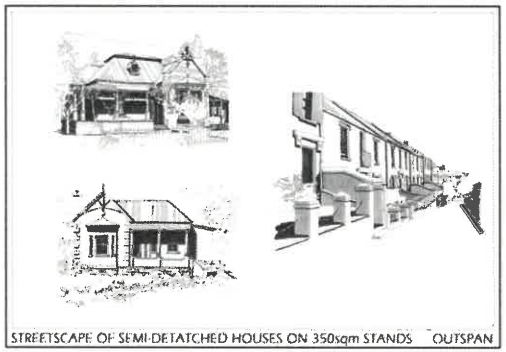
What It Could Look Like

Concept and preliminary images from Wildekrans' design team, showing the style and character intended for the estate. These are artist impressions of the architectural style only — layouts and unit numbers have since been refined in the current plans shown earlier.













WHY IT MATTERS

Benefits to the Municipality

10

1

New jobs, new business

Space for new light industry, pack houses, storage facilities and shops, means real jobs and real opportunities for local people — not just during construction, but for years afterwards.

2

A boost for a struggling area

Bot River has very little economic activity today. This development brings real investment and opportunity to an area that badly needs it.

3

More money for the municipality

New homes, shops and businesses bring in more rates revenue for the municipality — not just from farmland, as it is now.

4

Homes for more families

457 new homes, including care for the elderly, give local families more places to live as well as attracting new residents boosting the local economy.

5

Better healthcare, close to home

A hospital and a frail care home mean better healthcare and elderly care right here, instead of having to travel far.

6

Low cost, low impact for the municipality

We pay for any new infrastructure ourselves, and we're only developing a small part of the farm approximately 15% — the rest remains our core business of agriculture and eco tourism.

MEETING THEIR REQUIREMENTS

How We've Answered Every Concern

The law the municipality used to say no in 2024 lists exactly what they need to see before they can say yes. Here's how we now tick every box.

What they need to see —	What we now show them —
How many homes, and how densely built	Our site plan: 457 homes of different types, including care homes for the elderly
What each part of the land is used for	Our zoning plan: exactly how much land goes to homes, shops, light industrial and more
Roads and parking	Our site plan: all roads, entrances and 278 parking spaces
Water, sewage and other services	Our site plan: a sewage treatment plant and all other services
Public spaces and community areas	Our zoning plan: a community hall, a greenhouse, and open spaces for everyone
Fitting within the approved boundary	Our urban edge map: the development stays inside the town's approved line

Reference: Section 17(8) of the Municipality's own By-law on Municipal Land Use Planning, 2022 — the same law the 2024 refusal was issued under.

NEXT STEPS

What We're Asking Of The Municipality

1

Review

Look at OutspanEco Estate & Business Park at Wildekrans as the actual plan the municipality asked us for back in 2024.

2

Re-apply

Let us apply again to change the zoning on that land, now that we have a real plan to show.

3

Work together

Work with us on anything else needed to make this happen — studies, conditions, or further meetings.

Prepared for Theewaterskloof Municipality · 30 September 2026 · The Wildekrans Trust, Bot River

ITEM TITLE

C211/2026 OFFICE OF THE MUNICIPAL MANAGER: ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES (AARTO): AUTHORISATION TO DECLARE AN INTERGOVERNMENTAL DISPUTE IN TERMS OF THE INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT 13 OF 2005

[English version of the report is the original]

FILE NUMBER

17/2/11

PURPOSE OF REPORT

For Council to consider declaring an Intergovernmental dispute in terms of the Intergovernmental Relations Framework Act 13 of 20025 regarding the implementation of AARTO.

BACKGROUND

1. Council previously considered the proposed implementation of the Administrative Adjudication of Road Traffic Offences Act 46 of 1998 ("AARTO") and the Administrative Adjudication of Road Traffic Offences Amendment Act 4 of 2019, following the proposed implementation of the AARTO system within Theewaterskloof Municipality.
2. At its meeting of 27 February 2026, Council considered the Municipality's readiness for implementation and recorded several material concerns, including the absence of adequate budgetary provision, the readiness of the municipal back office, the availability of Regulations and Standard Operating Procedures ("SOPs"), the operational position of the South African Post Office ("SAPO"), and various concerns relating to the proposed service level agreement associated with the implementation of AARTO.
3. Council further noted concerns regarding, inter alia—

   (a) the enforceability of obligations imposed on the Road Traffic Infringement Agency ("RTIA") where the RTIA was not a party to the proposed agreement;
   (b) the absence of adequate arrangements for reconciliation of infringement notices and payments;
   (c) possible revenue losses to the Municipality;
   (d) advance-payment requirements potentially conflicting with the Local Government: Municipal Finance Management Act 56 of 2003 ("MFMA");
   (e) SAPO's capacity to perform its obligations; and
   (f) the risk that failures by SAPO could result in notices not being served within the prescribed timeframes, without an adequate remedy for the Municipality.

4. Council consequently resolved, amongst other matters, that an application for postponement be made and authorised the Municipal Manager to address the Municipality's concerns formally to the RTIA. Council further resolved that, should the City of Cape Town seek an interdict against the implementation of AARTO, such action would be supported by Theewaterskloof Municipality, and authorised the Executive Mayor to address the President and the Minister of Transport regarding the Municipality's concerns.
5. Pursuant to the Council resolution, the Executive Mayor addressed correspondence to the RTIA on 30 October 2025 setting out Theewaterskloof Municipality's concerns. The Municipality expressly advised that it would not be able to implement AARTO or enter into an AARTO-related service level agreement until clarity had been obtained on the outstanding matters.
6. The correspondence identified, amongst others, the absence of funding provision, training and back-office readiness, outstanding infrastructure numbers, the readiness of NaTIS, the availability of handheld devices and system interfaces, the absence at the time of final Regulations and SOPs and concerns regarding SAPO.
7. On 30 October 2025 the Executive Mayor, acting pursuant to Council's authority, also addressed the President and the Minister of Transport. Theewaterskloof Municipality expressly supported the City of Cape Town's request for a deferral of AARTO implementation and recorded that the implementation challenges identified by the City of Cape Town were, to a material extent, equally applicable to Theewaterskloof Municipality.
8. Theewaterskloof Municipality specifically recorded that premature implementation presented risks to the lawfulness and enforceability of traffic fines, municipal revenue, traffic law-enforcement operations, public safety and compliance with applicable financial-management requirements.

DISCUSSION

SUBSEQUENT DEVELOPMENTS

1. Since Council's previous consideration of the matter, the City of Cape Town has continued engaging the Minister of Transport, the National Department of Transport, the RTIA, the Road Traffic Management Corporation ("RTMC") and other relevant parties regarding the implementation of AARTO.
2. On 30 April 2026, after a series of engagements had failed to resolve the outstanding issues, the City of Cape Town formally declared an intergovernmental dispute in terms of **Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 ("IGRFA")** with the Minister of Transport, the Department, the RTMC, the RTIA and the President.
3. The City recorded that Chapter 4 of the IGRFA requires organs of state to make all reasonable efforts to resolve an intergovernmental dispute before resorting to judicial proceedings. The City accordingly sought a structured intergovernmental process aimed at resolving the outstanding matters without litigation.
4. The City's dispute is of direct relevance to Theewaterskloof Municipality because several of the substantive issues raised by the City correspond with concerns previously identified independently by Theewaterskloof Municipality.

MATERIAL ISSUES FORMING PART OF THE INTERGOVERNMENTAL DISPUTE

1. **National Road Traffic Amendment Act and registration of enforcement officials**

The City identified as a fundamental obstacle the fact that the National Road Traffic Amendment Act 8 of 2024 ("NRTAA"), together with the necessary regulatory framework, was not yet in effect at the time of its dispute declaration. The City contends that the existing legislative position prevents a substantial category of municipal law-enforcement personnel from being registered on NaTIS and obtaining the infrastructure numbers required to issue AARTO infringement notices.
This issue has direct relevance to Theewaterskloof Municipality, which had already raised concerns in October 2025 regarding the need for law-enforcement officers to obtain infrastructure numbers and the operational readiness of NaTIS.

2. **AARTO Regulations and Regulation 38**

The City has further disputed the lawfulness of Regulation 38 insofar as it allegedly shifts responsibilities relating to the training, registration and record keeping of SAPS personnel to municipalities. The City's position is that these responsibilities are imposed by primary legislation on national institutions and cannot validly be transferred to municipalities through subordinate legislation.
While this legal contention originates from the City of Cape Town's dispute and has not independently been determined by Theewaterskloof Municipality, it potentially has material constitutional, operational and financial implications for Theewaterskloof as an issuing authority and therefore warrants inclusion in an intergovernmental dispute process.

3. Financial implications and municipal revenue

Theewaterskloof Municipality has from the outset raised concerns regarding the effect of AARTO on municipal revenue, including the sharing or reduction of fine income and the financial implications associated with its implementation.
The City of Cape Town has similarly raised concerns that the AARTO financial model may reduce municipal fine revenue and that the level at which particular fine amounts have been determined does not in all instances compensate issuing authorities for the changed revenue-sharing regime.
This issue is particularly relevant in circumstances where municipalities are simultaneously expected to incur additional implementation, equipment, personnel, administration and training costs.

4. Mandatory reliance on the South African Post Office

Theewaterskloof Municipality previously expressed significant concern regarding SAPO's operational and financial capacity and the terms of the proposed service level agreement.

The City has subsequently identified the statutory reliance on SAPO for the service of AARTO infringement notices as a central component of its intergovernmental dispute. It contends that SAPO's financial and operational circumstances create a foreseeable risk of systemic failure, unenforceable notices and litigation, while the proposed contractual arrangements may also create MFMA-related concerns for municipalities.
These concerns correspond materially with those already recorded by the Theewaterskloof Council.

5. Equipment, systems and budgetary responsibility

Effective implementation of AARTO requires adequate NaTIS workstations, connectivity, handheld or other appropriate equipment, systems integration, back-office capacity and trained personnel.
The City has raised an intergovernmental dispute regarding the provision and funding of the required equipment and contends that municipalities cannot be required to assume unfunded responsibilities where the relevant national institutions have not supplied the infrastructure necessary for implementation.
Theewaterskloof Municipality similarly raised the absence of equipment, software interfaces and budgetary provision as material obstacles to lawful and effective implementation.

6. Standard Operating Procedures and training

The availability of final, workable SOPs and appropriate training has remained an important concern. Theewaterskloof previously advised that staff could not reasonably be trained and operational processes finalised in the absence of the necessary regulatory and procedural framework.
The City has included the SOPs, where not yet in force or were found to be unworkable, together with the related training requirements, amongst the matters that should be addressed through the IGRFA dispute-resolution process.

4. INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT

1. Chapter 4 of the IGRFA establishes a framework through which disputes between organs of state are to be addressed and were reasonably possible, resolved without resorting to litigation.
2. The City of Cape Town has relied on this framework on the basis that repeated engagement with the relevant national role players failed to resolve substantive legal, policy, operational and financial concerns. Its dispute notice records that reasonable prior efforts at engagement had been made before a formal dispute was declared.
3. Theewaterskloof Municipality has similarly sought to resolve its concerns through intergovernmental engagement. Its concerns were formally placed before the RTIA, the President and the Minister of Transport and the Municipality previously supported the City of Cape Town's efforts to secure postponement.

4. The passage of time and the continued existence of material unresolved matters indicate that the concerns are no longer merely questions of administrative preparation. They involve legal, financial, institutional and policy questions affecting the Municipality's ability to discharge its traffic-law-enforcement responsibilities safely, lawfully and effectively.
5. It is therefore considered appropriate for Theewaterskloof Municipality to invoke the formal intergovernmental-dispute mechanisms contemplated in Chapter 4 of the IGRFA.

5. PROPOSED NATURE AND SCOPE OF THE THEEWATERSKLOOF DISPUTE

1. It is proposed that the dispute declared by Theewaterskloof Municipality should relate to the lawful, rational, financially sustainable and practically implementable introduction of AARTO within the Theewaterskloof municipal area, having regard particularly to:

   (a) the legislative and regulatory prerequisites for the registration of authorised officers and allocation of infrastructure numbers;
   (b) the lawfulness and implications of obligations imposed upon municipalities under the AARTO Regulations, including Regulation 38;
   (c) the financial impact of the AARTO fine and revenue regime on issuing authorities;
   (d) the statutory reliance on SAPO and the legal, financial and operational risks arising therefrom;
   (e) responsibility for the provision and funding of the necessary NaTIS and other equipment;
   (f) the availability and workability of SOPs and the associated training requirements;
   (g) the readiness and interoperability of the necessary information technology and administrative systems;
   (h) compliance with the MFMA and the avoidance of unfunded or inadequately funded obligations being imposed upon the Municipality; and
   (i) such related implementation matters as may materially impair Theewaterskloof Municipality's ability to implement and administer AARTO lawfully and effectively.

2. The purpose of declaring a dispute would not be to oppose the objectives of improved road safety or effective traffic-law enforcement. Rather, it would seek to ensure that implementation takes place within a lawful, workable, properly funded and institutionally sustainable framework.

6. DISPUTE-RESOLUTION PROCESS

1. In its notice of 30 April 2026, the City formally declared a dispute in terms of section 41 of the IGRFA and thereafter invoked section 42(1) by calling for a meeting of the parties or their representatives.
2. The purpose of the section 42 process, as reflected in the City's notice, is to—

(a) determine the nature of the dispute;
(b) identify available mechanisms or procedures, other than judicial proceedings, through which it may be resolved;
(c) agree upon an appropriate mechanism or procedure to resolve the dispute; and
(d) designate a person to act as facilitator.

3. It would accordingly be appropriate that any authority conferred by Council upon the Executive Mayor be sufficiently broad to permit the Executive Mayor, assisted by the Municipal Manager and appropriate officials and professional advisers, to initiate and participate fully in the dispute-resolution process contemplated by the IGRFA.
4. The Municipality should at the same time reserve all its rights in the event that the intergovernmental process does not result in an effective resolution of the dispute.

7. SUBSEQUENT POSITION RECORDED BY THE CITY OF CAPE TOWN

1. In correspondence dated 19 May 2026, the City recorded that the Minister had proposed a further postponement for Western Cape municipalities to a subsequent phase. The City indicated, however, that in its view a fixed future date would not in itself resolve the underlying problem and proposed that implementation instead be linked to the commencement of the NRTAA and its Regulations, with sufficient time thereafter to complete the required registration and implementation processes.
2. The City further sought firm undertakings that the IGRFA dispute-resolution process would continue during the suspension period so that the outstanding issues concerning the Regulations, SAPO, equipment and budgetary matters, SOPs and training could be finally resolved before implementation.
3. This is an important development for Theewaterskloof Municipality: a postponement of an implementation date does not in itself dispose of the underlying legal, financial and operational concerns. A formal dispute process provides a mechanism through which those issues may be dealt with substantively before the Municipality is required to implement the system.

FINANCIAL IMPLICATIONS

1. The implementation of AARTO potentially has material financial implications for the Municipality, including impacts on fine revenue, personnel and training costs, information technology and equipment costs, administrative and back-office costs and costs arising from service arrangements with external institutions.
2. The purpose of the proposed dispute process is, amongst others, to seek clarity and resolution regarding these financial responsibilities and to avoid the Municipality assuming obligations that have not been properly funded, budgeted for or lawfully allocated.
3. Any legal or professional costs arising from the dispute-resolution process will be dealt with in accordance with the Municipality's approved budget, supply-chain-management requirements and applicable delegations.

CONCLUSION

1. Theewaterskloof Municipality has, since at least 2025, consistently raised substantive concerns regarding its ability to implement AARTO in a lawful, financially sustainable and operationally effective manner.
2. Those concerns were raised through the appropriate administrative and political channels and resulted in formal correspondence to the RTIA, the Minister of Transport and the President.
3. Subsequent developments, and particularly the formal intergovernmental dispute declared by the City of Cape Town, demonstrate that several of Theewaterskloof's concerns remain part of broader unresolved intergovernmental issues affecting municipalities in the Western Cape.
4. It is therefore appropriate that Theewaterskloof Municipality formally invoke Chapter 4 of the IGRFA in an effort to resolve these matters through cooperative government before any consideration is given to judicial proceedings.

LEGAL IMPLICATIONS

The following legislation is relevant:

(a) Constitution of the Republic of South Africa, 1996;
(b) Administrative Adjudication of Road Traffic Offences Act 46 of 1998;
(c) Administrative Adjudication of Road Traffic Offences Amendment Act 4 of 2019;
(d) Intergovernmental Relations Framework Act 13 of 2005;
(e) National Road Traffic Act 93 of 1996;
(f) National Road Traffic Amendment Act 8 of 2024;
(g) Road Traffic Management Corporation Act 20 of 1999;
(h) Local Government: Municipal Finance Management Act 56 of 2003; and
(i) applicable AARTO and road-traffic regulations.

ALIGNMENT TO THE IDP

Community Safety and Wellbeing / Quality and Reliable Services

The matter directly affects the Municipality's ability to maintain effective road-traffic enforcement and road safety and to ensure sustainable and legally compliant service delivery.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That Council takes cognisance of the previous resolutions and correspondence of Theewaterskloof Municipality regarding the implementation of the Administrative Adjudication of Road Traffic Offences Act 46 of 1998 and the Administrative Adjudication of Road Traffic Offences Amendment Act 4 of 2019;**

2. **That Council takes cognisance of the formal intergovernmental dispute declared by the City of Cape Town on 30 April 2026 in terms of Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 and the substantial overlap between the issues forming the subject of that dispute and the concerns previously raised by Theewaterskloof Municipality;**

3. **That Council confirms that the outstanding legal, financial, institutional and operational matters relating to the implementation of AARTO materially affect Theewaterskloof Municipality's ability to implement the system lawfully, effectively and in a financially sustainable manner;**

4. **That the Executive Mayor be authorised, on behalf of Theewaterskloof Municipality, to declare an intergovernmental dispute in terms of section 41 and Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 with the relevant organs of state, including, where appropriate, the President of the Republic of South Africa, the Minister of Transport, the National Department of Transport, the Road Traffic Infringement Agency and the Road Traffic Management Corporation, concerning the implementation of AARTO and the unresolved matters set out in this report;**

5. **That the Executive Mayor be authorised, with the assistance of the Municipal Manager and such officials and legal or other professional advisers as may be required, to—**

    5.1. **issue and sign the formal notice declaring the intergovernmental dispute;**
    5.2. **represent or nominate representatives of Theewaterskloof Municipality for purposes of any meeting or process contemplated in section 42 and Chapter 4 of the IGRFA;**
    5.3. **engage with the relevant organs of state and other affected municipalities with a view to resolving the dispute without litigation;**
    5.4. **agree to appropriate dispute-resolution mechanisms, including facilitation or mediation, subject thereto that any agreement having material financial or policy implications for the Municipality be referred to Council where required by law or the Municipality's system of delegations; and**
    5.5. **take all administrative and procedural steps reasonably necessary to give effect to this resolution;**

6. **That, as part of the dispute-resolution process, Theewaterskloof Municipality seek the resolution of, amongst others, the regulatory and officer-registration issues; Regulation 38; the financial and revenue implications of AARTO; the mandatory reliance upon SAPO; equipment and funding responsibilities; SOPs and training; NaTIS and system readiness; and all associated MFMA and unfunded-mandate concerns;**

7. **That Theewaterskloof Municipality request that AARTO not be implemented within its jurisdiction until the material legal, regulatory, financial and operational impediments affecting its lawful and effective implementation have been satisfactorily resolved through the intergovernmental-dispute process and the Municipality has been afforded a reasonable period thereafter to achieve operational readiness; and**

8. **That the Municipality reserves all its rights, including the right, subject to the applicable legal requirements and any further authority required, to approach a competent court for appropriate relief should the intergovernmental-dispute process fail to resolve the matter or should circumstances require urgent protection of the Municipality's interests.**

RECOMMENDATION BY THE EMC TO COUNCIL: 17 SEPTEMBER 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:

1. **That Council takes cognisance of the previous resolutions and correspondence of Theewaterskloof Municipality regarding the implementation of the Administrative Adjudication of Road Traffic Offences Act 46 of 1998 and the Administrative Adjudication of Road Traffic Offences Amendment Act 4 of 2019;**

2. **That Council takes cognisance of the formal intergovernmental dispute declared by the City of Cape Town on 30 April 2026 in terms of Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 and the substantial overlap between the issues forming the subject of that dispute and the concerns previously raised by Theewaterskloof Municipality;**

3. **That Council confirms that the outstanding legal, financial, institutional and operational matters relating to the implementation of AARTO materially affect Theewaterskloof Municipality's ability to implement the system lawfully, effectively and in a financially sustainable manner;**

4. That the Executive Mayor be authorised, on behalf of Theewaterskloof Municipality, to declare an intergovernmental dispute in terms of section 41 and Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 with the relevant organs of state, including, where appropriate, the President of the Republic of South Africa, the Minister of Transport, the National Department of Transport, the Road Traffic Infringement Agency and the Road Traffic Management Corporation, concerning the implementation of AARTO and the unresolved matters set out in this report;

5. That the Executive Mayor be authorised, with the assistance of the Municipal Manager and such officials and legal or other professional advisers as may be required, to—

   5.1. issue and sign the formal notice declaring the intergovernmental dispute;
   5.2. represent or nominate representatives of Theewaterskloof Municipality for purposes of any meeting or process contemplated in section 42 and Chapter 4 of the IGRFA;
   5.3. engage with the relevant organs of state and other affected municipalities with a view to resolving the dispute without litigation;
   5.4. agree to appropriate dispute-resolution mechanisms, including facilitation or mediation, subject thereto that any agreement having material financial or policy implications for the Municipality be referred to Council where required by law or the Municipality's system of delegations; and
   5.5. take all administrative and procedural steps reasonably necessary to give effect to this resolution;

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8. That the Municipality reserves all its rights, including the right, subject to the applicable legal requirements and any further authority required, to approach a competent court for appropriate relief should the intergovernmental-dispute process fail to resolve the matter or should circumstances require urgent protection of the Municipality's interests.

9. That Theewaterskloof Municipality position in terms of Section 139 and FRP must also be taken into consideration.

RECOMMENDATION TO COUNCIL:

It is recommended:

1. That Council takes cognisance of the previous resolutions and correspondence of Theewaterskloof Municipality regarding the implementation of the Administrative Adjudication of Road Traffic Offences Act 46 of 1998 and the Administrative Adjudication of Road Traffic Offences Amendment Act 4 of 2019;

2. That Council takes cognisance of the formal intergovernmental dispute declared by the City of Cape Town on 30 April 2026 in terms of Chapter 4 of the Intergovernmental Relations Framework Act 13 of 2005 and the substantial overlap between the issues forming the subject of that dispute and the concerns previously raised by Theewaterskloof Municipality;

3. That Council confirms that the outstanding legal, financial, institutional and operational matters relating to the implementation of AARTO materially affect Theewaterskloof Municipality's ability to implement the system lawfully, effectively and in a financially sustainable manner;

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    5.3. engage with the relevant organs of state and other affected municipalities with a view to resolving the dispute without litigation;
    5.4. agree to appropriate dispute-resolution mechanisms, including facilitation or mediation, subject thereto that any agreement having material financial or policy implications for the Municipality be referred to Council where required by law or the Municipality's system of delegations; and

5.5. take all administrative and procedural steps reasonably necessary to give effect to this resolution.

6. That, as part of the dispute-resolution process, Theewaterskloof Municipality seek the resolution of, amongst others, the regulatory and officer-registration issues; Regulation 38; the financial and revenue implications of AARTO; the mandatory reliance upon SAPO; equipment and funding responsibilities; SOPs and training; NaTIS and system readiness; and all associated MFMA and unfunded-mandate concerns;

7. That Theewaterskloof Municipality request that AARTO not be implemented within its jurisdiction until the material legal, regulatory, financial and operational impediments affecting its lawful and effective implementation have been satisfactorily resolved through the intergovernmental-dispute process and the Municipality has been afforded a reasonable period thereafter to achieve operational readiness; and

8. That the Municipality reserves all its rights, including the right, subject to the applicable legal requirements and any further authority required, to approach a competent court for appropriate relief should the intergovernmental-dispute process fail to resolve the matter or should circumstances require urgent protection of the Municipality's interests.

ITEM TITLE

C212/2026 OFFICE OF THE MUNICIPAL MANAGER: THEEWATERSKLOOF MUNICIPALITY: LITIGATION MANAGEMENT AND COST-REDUCTION STRATEGY 2026–2029

[English version of the report is the original]

FILE NUMBER

13/B

PURPOSE OF REPORT

The purpose of this Strategy is to ensure that all litigation involving the Municipality is:

- legally justified;
- properly authorised;
- financially sustainable;
- appropriately prioritised;
- actively managed;
- subject to effective cost control;
- resolved as expeditiously as reasonably possible;
- properly recorded;
- reported to the appropriate oversight structures; and
- aligned with the objectives of the FRP.

The Strategy also seeks to change the Municipality's approach from a reactive litigation model to a proactive litigation-risk management model.

FRP MANDATE

The FRP specifically identifies litigation as a weakness requiring corrective action. The implementation requirements are:

FRP Requirement	**Municipal Action**
Develop litigation register	Establish central electronic Litigation Register
Implement litigation register	Monthly updating and reconciliation
Develop litigation strategy	Adopt this Strategy
Implement litigation strategy	Monthly and quarterly monitoring
Appointing panel of lawyers	Procure and establish compliant legal panel
Streamline legal matters	Standardise instructions, reporting and cost estimates
Expedite legal matters	Introducing case-management deadlines
Reduce litigation exposure	Early intervention and dispute prevention
Reduce litigation costs	Strict legal-cost controls
Improve operational efficiency	Identify and eliminate recurring causes of litigation

The implementation period reflected in the FRP is **1 March 2026 to 30 June 2028**.

BACKGROUND

EXECUTIVE SUMMARY

Theewaterskloof Municipality ("the Municipality") is implementing a mandatory Financial Recovery Plan ("FRP") following the intervention contemplated in section 139(5) of the Constitution.

The approved FRP identifies **litigation** as a specific area requiring corrective intervention. The FRP records that the Municipality had six matters instituted by the Municipality and fifteen matters instituted against it. It further identified that the Municipality's litigation information was inadequate because the existing list did not properly record the status of matters, potential liability, attorneys on record and related information.

The FRP further records that the Municipality had no litigation strategy and no panel of lawyers.

The approved FRP therefore requires the Municipality to:

1. develop and implement a comprehensive litigation register;
2. develop and implement a litigation strategy;
3. appoint a panel of legal service providers; and
4. implement mechanisms to streamline, standardise and expedite legal matters.

The principal FRP outcome is:

Decrease in litigation exposure and litigation-related costs.

This Strategy gives effect to those FRP requirements and establishes a comprehensive framework for controlling litigation, reducing legal expenditure, preventing avoidable disputes, protecting municipal assets and recovering losses suffered by the Municipality.

DISCUSSION

STRATEGIC OBJECTIVE

The primary strategic objective is:

"To reduce the Municipality's litigation exposure, legal expenditure and adverse financial consequences while protecting the Municipality's legal, financial, operational and constitutional interests."

This shall be achieved through six strategic pillars:

Pillar 1 – Litigation Governance

Establish clear authority, accountability and reporting.

Pillar 2 – Litigation Register
Create a complete and reliable central database of every legal matter.

Pillar 3 – Cost Containment
Control legal fees, disbursements, counsel fees and unnecessary external legal expenditure.

Pillar 4 – Early Dispute Resolution
Resolve disputes before they develop into expensive litigation wherever legally and financially appropriate.

Pillar 5 – Loss Recovery
Identify and pursue money owed to the Municipality and losses caused by unlawful, negligent, irregular or fraudulent conduct.

Pillar 6 – Litigation Prevention
Identify the operational causes of litigation and ensure that corrective management action is taken.

LITIGATION GOVERNANCE STRUCTURE

1. Municipal Manager

The Municipal Manager shall:

- provide overall executive oversight;
- ensure implementation of the FRP litigation intervention;
- ensure that Directors comply with the Strategy;
- monitor high-risk litigation;
- ensure appropriate reporting to Council and Provincial Treasury;
- ensure accountability where avoidable litigation results from managerial failures; and
- ensure that litigation management supports financial recovery.

2. Director: Corporate Services

The Director: Corporate Services shall be accountable for:

- implementation of the Strategy;
- oversight of Legal Services;
- ensuring the Litigation Register is maintained;
- monitoring external attorneys;
- ensuring deadlines are met;

- reporting material litigation risks to the Municipal Manager; and
- ensuring implementation of the FRP litigation actions.

3. Legal Services

Legal Services shall:

- maintain the Litigation Register;
- conduct legal assessments;
- coordinate instructions to external attorneys;
- monitor court deadlines;
- monitor legal expenditure;
- advise management on litigation risks;
- coordinate settlements;
- identify recovery opportunities;
- monitor compliance with court orders; and
- submit monthly litigation reports.

4. Chief Financial Officer

The CFO shall:

- monitor legal expenditure;
- verify budget availability;
- monitor provisions and contingent liabilities;
- assess financial exposure;
- monitor settlements and judgments;
- ensure appropriate accounting treatment; and
- report material financial consequences.

5. Directors

Every Director shall be responsible for preventing litigation arising from his/her Directorate through:

- proper contract management;
- compliance with SCM;
- proper administrative decision-making;
- timely responses to complaints and demands;
- compliance with legislation;
- proper record keeping; and
- timely referral of legal risks to Legal Services.

LITIGATION MANAGEMENT COMMITTEE

A Litigation Management Committee ("LMC") shall be established.

Composition

- Municipal Manager – Chairperson;
- Director: Corporate Services;
- CFO;
- Head/Senior Manager: Legal Services;
- Manager Risk Management;
- Relevant Director;
- Internal Audit representative when appropriate;
- SCM representative when procurement matters arise.

Meetings

The LMC shall meet monthly.

Responsibilities

The LMC shall:

1. review the Litigation Register;
2. review high-risk matters;
3. review legal expenditure;
4. review settlement opportunities;
5. monitor court deadlines;
6. identify potential losses;
7. monitor recovery actions;
8. identify recurring causes of litigation;
9. monitor external attorneys;
10. identify matters requiring disciplinary or forensic investigation; and
11. monitor progress against the FRP.

CENTRAL LITIGATION REGISTER

The Municipality shall maintain one authoritative Litigation Register.
No legal matter may be excluded from the Register.

The Register must include:

Field	Required
Case number	Yes
Court/forum	Yes
Parties	Yes
Nature of matter	Yes
Date instituted	Yes
Amount claimed	Yes
Municipality's exposure	Yes
Probability of success	Yes

Field	Required
Attorney	Yes
Advocate	Where applicable
Legal costs to date	Yes
Estimated future costs	Yes
Provision/contingent liability	Yes
Current status	Yes
Next deadline/court date	Yes
Responsible Director	Yes
Responsible official	Yes
Settlement possibility	Yes
Recovery possibility	Yes
FRP impact	Yes
Recommended action	Yes

The Register must be reconciled monthly with Finance.

IMMEDIATE LITIGATION AUDIT

Within **30 days** of adoption of this Strategy, Legal Services shall conduct a complete audit of all existing litigation.

Each matter must be categorised as:

A – Critical
Potential exposure above R5 million or significant strategic/service-delivery implications.

B – High
Potential exposure between R1 million and R5 million or significant legal/regulatory consequences.

C – Medium
Potential exposure between R250 000 and R1 million.

D – Low
Exposure below R250 000 or matters with minimal financial consequences.
The financial thresholds may be adjusted by the Municipal Manager and CFO according to the Municipality's financial position.

REVIEW OF THE EXISTING 21 MATTERS

The FRP identified:

- **6 matters instituted by the Municipality;**
- **15 matters instituted against the Municipality.**

Every one of these matters must be reviewed.

For each matter the Municipality must determine:

1. whether it remains necessary to proceed;
2. prospects of success;
3. amount at risk;
4. legal costs already incurred;
5. estimated future legal costs;
6. possibility of settlement;
7. possibility of mediation;
8. potential recovery;
9. possibility of counterclaim;
10. whether prescription is relevant;
11. whether an official or contractor may be responsible for the underlying conduct;
12. whether the matter should be referred for investigation; and
13. whether continuing litigation is financially justified.

A matter must not continue merely because proceedings have already commenced.

LITIGATION "GO / NO-GO" TEST

Before commencing material litigation, Legal Services must answer:

Legal test

- Is there a valid cause of action?
- Is there sufficient evidence?
- Are there jurisdictional issues?
- Has prescription been considered?

Financial test

- What is the potential recovery?
- What will the litigation cost?
- What is the potential adverse cost order?
- Is the litigation affordable under the FRP?

Strategic test

- Will litigation protect municipal interests?
- Is there a service-delivery implication?
- Is settlement preferable?

Alternative resolution test

- Can negotiation resolve the dispute?
- Is mediation appropriate?
- Can arbitration be used?

DEFENDING LITIGATION

The Municipality shall not automatically defend every claim.

Each claim must be assessed according to:

- legal merits;
- evidence;
- potential exposure;
- legal costs;
- reputational risk;
- likelihood of success;
- availability of settlement; and
- financial recovery implications.

Where liability is clear and settlement is financially advantageous, settlement should be considered.

Where a claim is clearly made without merit, the Municipality must defend it firmly and seek appropriate costs were justified.

INSTITUTING LITIGATION

Litigation by the Municipality shall be prioritised where it is necessary to:

- recover significant municipal debt;
- recover losses;
- enforce contractual rights;
- protect municipal property;
- enforce regulatory obligations;
- recover monies improperly paid;
- set aside unlawful decisions;
- protect municipal revenue;
- enforce judgments; or
- protect essential service delivery.

LITIGATION COST CONTROL

All external legal work must be subject to:

- prior authorisation;
- budget confirmation;
- written instruction;
- scope of work;
- cost estimate;
- agreed hourly rates;
- monthly billing;
- matter-specific reporting;

- review of invoices; and
- monitoring against the approved estimate.

External attorneys must immediately notify the Municipality if estimated costs are likely to be exceeded.

No open-ended instruction may be permitted on material matters.

PANEL OF LEGAL PRACTITIONERS

The Municipality shall establish a properly procured panel of legal practitioners.

The panel should provide expertise in:

- municipal law;
- labour law;
- SCM/procurement;
- administrative law;
- commercial law;
- construction law;
- property law;
- environmental law;
- debt recovery;
- disciplinary matters;
- constitutional litigation; and
- municipal finance.

The establishment of the panel is a direct implementation measure arising from the FRP.

Allocation of work must be based on:

- expertise;
- complexity;
- capacity;
- conflicts;
- previous performance;
- cost;
- urgency; and
- value for money.

EXTERNAL ATTORNEY PERFORMANCE MANAGEMENT

Every firm appointed shall be subject to performance monitoring.

Performance must be measured against:

- costs versus estimates;
- quality of advice;

- success rate;
- responsiveness;
- compliance with deadlines;
- recovery achieved;
- settlement outcomes;
- reporting;
- value for money.

Repeated poor performance must result in corrective action in accordance with the procurement framework.

LEGAL OPINIONS

External legal opinions shall only be obtained where:

- the issue is legally complex;
- significant financial consequences exist;
- internal capacity is insufficient;
- litigation risk is material; or
- an independent opinion is objectively required.

Before commissioning an opinion, Legal Services must confirm that:

- an existing opinion does not already answer the question;
- the issue cannot reasonably be resolved internally;
- the cost is justified; and
- the opinion is likely to influence the Municipality's decision.

SETTLEMENT FRAMEWORK

Settlement shall be considered at the earliest reasonable opportunity.

The following must be assessed:

- amount claimed;
- amount offered;
- prospects of success;
- legal costs already incurred;
- anticipated future legal costs;
- interest;
- potential adverse cost order;
- financial exposure;
- impact on service delivery; and
- impact on the FRP.

No material settlement may be concluded without the required authority.

LOSS RECOVERY PROGRAMME

Litigation management shall be linked to a Municipal Loss Recovery Programme.

Legal Services and Finance must identify:

- overpayments;
- duplicate payments;
- unauthorised expenditure;
- irregular expenditure;
- fruitless and wasteful expenditure;
- fraudulent payments;
- breach-of-contract losses;
- damage to municipal assets;
- unlawful payments; and
- other recoverable losses.

Where a person or entity is legally responsible for a recoverable loss, the Municipality must consider appropriate civil recovery, disciplinary and/or criminal processes.

UIF&W EXPENDITURE AND LITIGATION

Where litigation or legal expenditure arises from alleged:

- negligence;
- misconduct;
- non-compliance;
- failure to perform duties;
- failure to manage contracts;
- unlawful procurement;
- unauthorised commitments; or
- other irregular conduct,

The matter must be referred to the appropriate process to determine whether financial misconduct or UIF&W expenditure has occurred.

The legal cost consequence itself must be considered as part of the financial loss.

CONTRACT MANAGEMENT AS A LITIGATION-PREVENTION MEASURE

Each Directorate shall maintain a contract register containing:

- contract number;
- service provider;
- contract value;
- start date;
- expiry date;

- renewal provisions;
- responsible official;
- performance requirements;
- payment terms;
- termination provisions; and
- dispute-resolution mechanism.

A minimum **six-month contract expiry warning** must be implemented for material contracts.

The purpose is to prevent avoidable litigation caused by:

- expired contracts;
- late procurement;
- unlawful extensions;
- emergency deviations;
- disputed invoices; and
- unclear contractual obligations.

SCM-RELATED LITIGATION

Legal Services shall maintain a separate category for litigation arising from SCM failures.

Particular attention shall be given to litigation arising from:

- expired contracts;
- irregular extensions;
- defective specifications;
- unlawful deviations;
- tender disputes;
- appointment disputes;
- inadequate contract management; and
- failure to follow procurement procedures.

Each such matter must result in a **root-cause analysis**.

The purpose is to prevent recurrence.

LABOUR LITIGATION

All significant disciplinary matters must be assessed before proceedings are instituted.

Human Resources and Legal Services must ensure:

- adequate investigation;
- correct charges;
- proper evidence;
- correct delegation;

- procedural fairness;
- consistency;
- compliance with collective agreements; and
- proper record keeping.

The objective is to prevent unnecessary CCMA, bargaining council and court litigation.

COURT ORDER COMPLIANCE

A Court Order Compliance Register shall be established.

Each order must identify:

- case number;
- court;
- date;
- obligations;
- responsible Director;
- responsible official;
- deadline;
- financial implications; and
- confirmation of compliance.

Failure to comply with court orders must be treated as a **high-risk governance matter**.

DISPUTE PREVENTION

Every Directorate must immediately refer to potential legal disputes to Legal Services where:

- a letter of demand is received;
- a summons is threatened;
- an interdict is threatened;
- a contractor disputes payment;
- a service provider threatens legal action;
- an employee threatens litigation;
- a regulatory notice is received;
- a municipal decision is challenged; or
- material financial prejudice is alleged.

The objective is to intervene before litigation is instituted.

MONTHLY REPORTING

Legal Services shall submit a monthly report to the Municipal Manager containing:

- number of active matters;
- new matters;
- matters finalised;
- matters instituted by the Municipality;
- matters instituted against the Municipality;
- total exposure;
- legal expenditure;
- settlements;
- judgments;
- recoveries;
- adverse cost orders;
- high-risk matters;
- overdue matters;
- matters requiring management intervention; and
- progress against the FRP.

QUARTERLY FRP REPORTING

The Municipal Manager shall incorporate litigation performance into the Municipality's quarterly FRP reporting.

The report must demonstrate:

Input
Resources allocated to litigation management.

Activities
Register development, litigation review, attorney management and dispute resolution.

Outputs
Updated register, reviewed cases, panel established, cost controls implemented.

Outcomes
Reduced legal costs, reduced exposure, increased recoveries and fewer avoidable disputes.

Impact
Improved financial sustainability and reduced pressure on municipal resources.

KEY PERFORMANCE INDICATORS

Indicator	Target
Litigation Register established	100%
Existing litigation captured	100%
Existing litigation reviewed	100%
Register updated	Monthly
High-risk matters reviewed	Monthly
Legal costs monitored	Monthly
Cost estimates obtained	100% material matters
Settlement assessment	100% material matters
Panel of attorneys	Established
Attorney performance reviews	Quarterly
Court orders recorded	100%
Contract expiry monitoring	100% material contracts
Recoverable losses identified	100% identified cases
FRP litigation reporting	Quarterly
Avoidable litigation costs	Year-on-year reduction
Litigation exposure	Year-on-year reduction

FRP IMPLEMENTATION MATRIX

FRP Finding	Corrective Action	Responsible	Deadline	Evidence
Inadequate litigation information	Complete litigation audit	Legal Services	30 days	Audit report
No comprehensive register	Establish Litigation Register	Legal Services	30 days	Register
No litigation strategy	Adopt Strategy	MM / Council	Immediate	Approved Strategy
No case-status information	Monthly updates	Legal Services	Monthly	Updated register
Potential liability not recorded	Liability assessment	Legal/CFO	60 days	Risk assessment
No panel of lawyers	Procure legal panel	Corporate/SCM	FRP timeframe	Panel
Legal matters not streamlined	Standard instruction protocol	Legal Services	90 days	SOP
Excessive legal exposure	Case review	LMC	Quarterly	Review report
Legal costs not	Cost-control	CFO/Legal	60 days	Cost report

FRP Finding	Corrective Action	Responsible	Deadline	Evidence
adequately controlled	framework			
Recurring litigation	Root-cause analysis	Legal/Directorate	Quarterly	RCA reports
Recoverable losses not pursued	Loss Recovery Programme	MM/CFO/Legal	90 days	Recovery register

30–60–90 DAY ACTION PLAN

First 30 Days

1. Approve Strategy.
2. Establish Litigation Management Committee.
3. Create central Litigation Register.
4. Capture all existing matters.
5. Identify all attorneys on record.
6. Identify all high-risk matters.
7. Identify matters with imminent court deadlines.
8. Freeze unauthorised new external legal instructions.
9. Reconcile litigation with Finance.

Days 31–60

1. Complete legal assessment of all existing matters.
2. Complete financial exposure assessment.
3. Review settlement opportunities.
4. Identify recoverable losses.
5. Introduce legal cost reporting.
6. Establish Court Order Compliance Register.
7. Commence procurement process for legal panel.
8. Establish standard litigation instruction template.

Days 61–90

1. Complete review of all litigation.
2. Finalise panel procurement process.
3. Implement external attorney performance monitoring.
4. Commence recovery actions.
5. Implement contract expiry monitoring.
6. Identify recurring causes of litigation.
7. Report first measurable cost-reduction results to Council.

LITIGATION COST REDUCTION TARGET

The Municipality shall establish a baseline of:

- legal expenditure;
- number of active cases;

- total potential exposure;
- adverse cost orders;
- settlement payments; and
- recoveries.

Once the baseline has been confirmed, annual reduction targets shall be approved by the Municipal Manager and CFO.

The objective is not merely to reduce the number of cases, but to reduce avoidable financial exposure while ensuring that legitimate municipal claims are pursued.

ACCOUNTABILITY FOR AVOIDABLE LITIGATION

Where an investigation establishes that litigation arose because of an official or management structure:

- failed to act;
- failed to comply with legislation;
- failed to follow SCM;
- failed to manage a contract;
- ignored legal advice;
- failed to comply with a court order;
- made an unauthorised commitment;
- acted negligently; or
- otherwise exposed the Municipality to avoidable financial loss,

The Municipality shall consider appropriate consequence-management measures.

This may include:

- counselling;
- corrective instruction;
- performance management;
- disciplinary action;
- recovery of losses;
- civil proceedings; and/or
- criminal referral where appropriate.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Discussed under Background.

LEGAL IMPLICATIONS

This Strategy must be read together with:

- Constitution of the Republic of South Africa, 1996;
- Local Government: Municipal Finance Management Act 56 of 2003 ("MFMA");
- Local Government: Municipal Systems Act 32 of 2000;

- Municipal Supply Chain Management Regulations;
- Municipal Cost Containment Regulations;
- Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings;
- Applicable labour legislation;
- Promotion of Administrative Justice Act 3 of 2000;
- Applicable court rules;
- Municipality's SCM Policy;
- Municipality's Delegations Framework;
- Municipality's Cost Containment Policy;
- Municipality's Risk Management Policy;
- Municipality's Credit Control and Debt Collection Policy;
- Approved Budget;
- Approved Financial Recovery Plan; and
- Applicable National Treasury and Provincial Treasury directives and circulars.

Section 142 of the MFMA requires a financial recovery plan to identify financial problems, establish strategic objectives and provide strategies for reducing unnecessary expenditure and increasing revenue collection. The litigation intervention must accordingly be implemented as a direct financial recovery measure.

RISK MANAGEMENT IMPLICATIONS

Litigation risks shall be incorporated into the Municipality's institutional Risk Register.

The following risks must be monitored:

1. adverse judgment;
2. adverse cost order;
3. excessive legal fees;
4. prescription;
5. failure to defend matters;
6. failure to institute recovery proceedings;
7. failure to comply with court orders;
8. unlawful administrative decisions;
9. SCM-related disputes;
10. contract-management failures;
11. labour litigation;
12. environmental/service-delivery claims;
13. contingent liabilities; and
14. reputational damage.

SUCCESS MEASURES

The Strategy shall be considered successful where the Municipality demonstrates:

- a complete and reliable Litigation Register;
- fewer avoidable disputes;

- reduced legal expenditure;
- reduced adverse cost orders;
- improved settlement outcomes;
- improved recovery of municipal losses;
- improved management of external attorneys;
- improved contract management;

- improved court-order compliance; and
- measurable contribution to the objectives of the FRP.

GOVERNANCE AND REPORTING FLOW

Legal Services
?

Director: Corporate Services
?

Litigation Management Committee
?

Municipal Manager + CFO
?

Executive Management / relevant Council Committee
?

Municipal Council
?

FRP Reporting / Provincial Treasury / National Treasury where required

REVIEW

This Strategy shall be reviewed:

- quarterly during the FRP implementation period;
- annually thereafter;
- when material legislative changes occur;
- when directed by Council;
- when directed by Provincial Treasury/National Treasury; or
- when material changes occur in the Municipality's financial position.

CONCLUSION

The Municipality's litigation position must be managed as an integral component of its financial recovery.

The FRP does not merely require the Municipality to keep a list of court cases. It requires a fundamental improvement in the manner in which litigation is **identified, authorised, managed, monitored, reported and financially controlled**.

The implementation of this Strategy must therefore achieve three outcomes:

1. PREVENT
Prevent avoidable litigation through better management, SCM compliance, contract management and early legal intervention.

2. CONTROL
Control the cost and financial exposure of unavoidable litigation.

3. RECOVER
Use appropriate legal mechanisms to recover municipal debt, losses and assets.
The Strategy accordingly gives practical effect to the FRP objective of achieving a **decrease in litigation exposure and litigation-related costs**, while protecting the Municipality's ability to enforce its rights and fulfil its constitutional mandate.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council:

1. **NOTES the litigation findings contained in the Municipality's approved Financial Recovery Plan.**

2. **APPROVES the Theewaterskloof Municipality Litigation Management and Cost-Reduction Strategy 2026–2029.**

3. **DIRECTS the Municipal Manager to ensure implementation of the Strategy as an integral component of the Municipality's Financial Recovery Plan.**

4. **DIRECTS the Director: Corporate Services and Legal Services to establish and maintain a comprehensive central Litigation Register.**

5. **DIRECTS that all existing litigation be audited and assessed within 30 days of approval of this Strategy.**

6. **DIRECTS that all material litigation be subjected to legal, financial and strategic assessment.**

7. **DIRECTS the establishment of a Litigation Management Committee chaired by the Municipal Manager or his/her delegated official.**

8. **DIRECTS the CFO and Legal Services to implement strict controls over legal expenditure.**

9. **DIRECTS the relevant officials to expedite the procurement of a compliant panel of legal practitioners in accordance with the Municipality's SCM Policy and applicable legislation.**

10. **DIRECTS that external legal practitioners be subject to regular performance and cost reviews.**

11. **DIRECTS that a Municipal Loss Recovery Programme be established to identify and pursue recoverable losses.**

12. **DIRECTS all Directors to implement preventative measures to reduce litigation arising from their respective Directorates.**

13. **DIRECTS that litigation performance be included in the Municipality's quarterly FRP implementation reports.**

14. **REQUIRES the Municipal Manager to report to Council quarterly on implementation of this Strategy.**

15. **REQUIRES that any significant failure by an official or management structure that causes avoidable litigation or financial loss be referred for appropriate consequence management.**

16. **REQUIRES that the Strategy be reviewed annually and aligned with any amendments to the approved Financial Recovery Plan.**

ITEM TITLE

C213/2026 OFFICE OF THE MUNICIPAL MANAGER: NOTIFICATION OF RETIREMENT AND REQUEST FOR APPROVAL FOR THE ADVERTISING OF THE VACANCY: DIRECTOR: TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES

[English version of the report is the original]

FILE NUMBER

4/4/1/11

PURPOSE OF REPORT

To submit a report to the Municipal Council in respect of the recruitment and selection process re the filling of the position of Director: Technical- and Infrastructure Implementation Services and to obtain approval for the advertising of the post.

BACKGROUND

The positions of Director: Technical- and Infrastructure will become vacant on 1 November 2026, with the retirement of the current incumbent, Mr. HJ Matthee.

DISCUSSION

In terms of the Regulations on Appointment and Conditions of Service for Senior Managers, Regulation 41.1 reads as follows: "A senior manager has the right to retire and must retire, on the first day of the month following the day on which he or she turns 65 years of age."

Mr. Matthee turns 65 years of age on 11 October 2026.

FINANCIAL RESPONSIBILITIES

Budgetary provision was made in the 2026/2027 Budget.

LEGAL RESPONSIBILITIES

Municipal Systems Amendment Act 32 of 2000.

Regulation on the Appointment and Conditions of Employment for Senior Managers (GNR 583 GG 37245 on 17 January 2014.

RISK MANAGEMENT IMPLICATION

None.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council notes the content of the report.**

2. **That Council grants approval that the position of Director: Technical and Infrastructure Implementation Services, be advertised with the view of starting the recruitment and selection process.**

3. **That Council appoints a selection committee as prescribed by regulation 12 that will consist of the following:**

   3.1. **The Municipal Manager – who will be the chairperson for the selection panel;**

   3.2. **The member of the mayoral committee / councillor who is the portfolio head of the Technical Services portfolio;**

   3.3. **At least one person who is not a councillor or a staff member of the municipality, and who has the expertise or experience in the area of the advertised posts; and**

4. **That in respect of 3.3 above, the Municipal Manager approach a suitable expert to form part of the selection panel.**

Theewaterskloof Municipality

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Telephone: +27 (28) 2143300
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Website: www.twk.org.za

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Enquiries: Mr. Fisher

01 September 2026

Mr. Hendrik Matthee (10637)

Sir

NOTIFICATION OF REACHING NORMAL RETIREMENT AGE

In terms of clause 4.34 on the conditions of employment a Senior Manager must retire on the first calendar day of the month following the day on which he or she turns 65 years of age.

According to our records you will be reaching the normal retirement age of 65 on 11 October 2026 and consequently your last working day will be on 31 October 2026.

Please accept my sincere gratitude on behalf of the Council and the entire municipality for your dedicated leadership, professionalism, and valuable contribution to senior management over the years. Your efforts have significantly impacted our service delivery and community growth.

We trust that you will enjoy the well-earned rest with your family.

Ms. Simone Tait from our HR Department will contact you to complete the necessary exit forms.

Sincerely,

W Hendricks
MUNICIPAL MANAGER

ITEM TITLE

C214/2026 OFFICE OF THE MUNICIPAL MANAGER: TELKOM SA SOC LTD – CLARIFICATION OF ITS STATUS AS AN "ORGAN OF STATE" AND REQUEST FOR CORRECTION/RECONSIDERATION OF THE AUDIT FINDING

[English version of the report is the original]

FILE NUMBER

5/15/1/1/1

PURPOSE OF THE REPORT

The report is to:

1. inform Council of the clarification issued by National Treasury in **MFMA Circular No. 133 dated 24 February 2026** regarding the status of Telkom SA SOC Ltd ("Telkom") as an "organ of state";
2. advise Council of the implications of the Circular for Theewaterskloof Municipality's procurement and supply chain management processes;
3. place before Council the impact of the National Treasury clarification on the audit finding raised by the Auditor-General of South Africa ("AGSA") relating to the Municipality's treatment of Telkom as an organ of state;
4. request Council to support management in engaging AGSA, National Treasury and the Western Cape Provincial Treasury regarding the reconsideration and, where appropriate, correction of the adverse audit finding arising from the Municipality's historical treatment of Telkom as an organ of state; and
5. ensure that the Municipality's future procurement from Telkom is dealt with in accordance with MFMA Circular No. 133 and the applicable SCM legislative framework.

BACKGROUND

The Municipality has, in previous financial years, treated Telkom as an organ of state for purposes of section 110(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("MFMA").

The basis for this treatment included the fact that Telkom has historically been regarded as a State-owned/public entity and remains listed in **Schedule 2 to the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("PFMA")**.

The classification of Telkom has, however, been the subject of uncertainty within the municipal sector, with municipalities historically relying on Telkom's status as a public entity and the State's shareholding in Telkom when determining whether the exemption in section 110(2)(a) of the MFMA could be applied.

The issue has consequently affected a number of municipalities and has also resulted in audit findings where municipalities treated Telkom as an organ of state for procurement purposes.

National Treasury has now expressly addressed this matter.

NATIONAL TREASURY MFMA CIRCULAR NO. 133

On **24 February 2026**, National Treasury issued **MFMA Circular No. 133: The meaning of "organ of state" as contemplated in section 110(2)(a) of the MFMA**.

The Circular specifically addresses:

- the meaning of "organ of state";
- section 110(2)(a) of the MFMA;
- the listing of Telkom in Schedule 2 to the PFMA; and
- whether Telkom qualifies as an organ of state for purposes of section 110(2)(a) of the MFMA.

Section 110(2)(a) of the MFMA provides an exemption from the procurement requirements in Part 1 of Chapter 11 of the MFMA where a municipality contracts with **another organ of state** for the provision of goods or services.
National Treasury confirms that the term "organ of state" must be interpreted with reference to **section 239 of the Constitution**.
The Circular further confirms that State ownership or shareholding, on its own, does not automatically make an entity an organ of state.

NATIONAL TREASURY'S SPECIFIC FINDING REGARDING TELKOM

The Circular expressly states that:

"Although the State is a shareholder in Telkom, Telkom does not meet any of the criteria in the definition to be an 'organ of state' as contemplated in section 239 of the Constitution."

National Treasury consequently concludes that:

1. the exemption in section 110(2)(a) of the MFMA does **not** apply to Telkom;
2. a municipality may not invoke section 110(2)(a) of the MFMA to procure goods or services from Telkom;
3. Telkom must, like other potential suppliers to a municipality, be subjected to an applicable SCM procurement process before goods or services are procured from it; and
4. the fact that Telkom remains listed as a public entity in Schedule 2 to the PFMA does not alter this conclusion.

National Treasury further explains that Telkom remains listed in Schedule 2 to the PFMA despite no longer meeting the requirements for such listing and that Telkom has been exempted from the PFMA pending its de-listing through an amendment to the PFMA.

SIGNIFICANCE FOR THE THEEWATERSKLOOF MUNICIPALITY

The National Treasury Circular is particularly significant to the Municipality because the previous treatment of Telkom as an organ of state was based upon an interpretation which has now been expressly clarified by National Treasury.

The Municipality must distinguish between:

1. The historical position

The Municipality's historical treatment of Telkom was made in circumstances where there were uncertainty and differing interpretations concerning Telkom's status.
Telkom was, and remains, listed in Schedule 2 to the PFMA and is commonly described as a State-owned/public entity.
It was therefore not unreasonable for municipalities to have experienced uncertainty concerning whether Telkom constituted an organ of state for purposes of section 110(2)(a) of the MFMA.

2. The clarified position

National Treasury has now expressly determined that Telkom does not qualify as an organ of state for purposes of section 110(2)(a) of the MFMA.
The Municipality must accordingly apply this interpretation prospectively to all procurement processes.

IMPACT ON THE AGSA AUDIT FINDING

The Municipality has previously received an adverse audit finding relating to the treatment of Telkom as an organ of state.
The finding must now be considered in light of the subsequent National Treasury clarification contained in MFMA Circular No. 133.

It is important to distinguish between:

(a) whether the Municipality's historical accounting/procurement treatment complied with the law applicable at the time; and
(b) whether the Municipality should continue to be negatively affected in its audit outcome by an interpretation which National Treasury has subsequently clarified.

The Circular does not retrospectively erase an audit finding. However, it provides significant authoritative clarification of the legal position and creates a proper basis for the Municipality to engage AGSA regarding the treatment of the finding, particularly where the finding arose solely from the Municipality's reliance on Telkom's status as a public entity/state-owned entity.

The Municipality should therefore request AGSA to reconsider the finding in the context of:

- the historical uncertainty surrounding Telkom's classification;
- Telkom's continued listing in Schedule 2 to the PFMA;
- the subsequent authoritative clarification issued by National Treasury;
- the distinction between being a public entity/PFMA-listed entity and being an "organ of state" under section 239 of the Constitution; and
- the Municipality's corrective action to ensure full compliance going forward.

IMPORTANT DISTINCTION: PROCUREMENT VERSUS ACCOUNTING TREATMENT

The Council is advised that the National Treasury Circular principally addresses the application of section 110(2)(a) of the MFMA and SCM procurement requirements.

Accordingly, the Municipality should not simply remove or reverse any historic accounting entry without first determining precisely what the AGSA finding relates to.

Management must establish whether the audit finding concerned:

1. non-compliance with SCM requirements;
2. irregular expenditure;
3. the incorrect application of section 110(2)(a);
4. the classification or disclosure of Telkom;
5. the recognition or measurement of expenditure; or
6. another related matter.

The precise wording of the AGSA findings and the corresponding management response must therefore be reviewed.

This will enable the Municipality to determine whether the appropriate remedy is:

- withdrawal of the finding;
- amendment of the finding;
- correction of the audit working papers;
- correction of the financial statements;
- reversal/reclassification of irregular expenditure;
- retrospective investigation under section 32 of the MFMA; or
- simply prospective corrective action.

DISCUSSION:

CORRECTIVE ACTION BY THE MUNICIPALITY

Management has reviewed the National Treasury Circular and will ensure that the Municipality's SCM processes are aligned with the clarified position.

With effect from the date of implementation of MFMA Circular No. 133:

1. Telkom will not be treated as an organ of state for purposes of section 110(2)(a) of the MFMA.
2. Procurement from Telkom will be undertaken in accordance with the Municipality's SCM Policy, the MFMA, the SCM Regulations and other applicable legislation.
3. The section 110(2)(a) exemption will not be relied upon for procurement from Telkom.
4. All future procurement documentation involving Telkom will clearly record the applicable procurement process and legal basis.
5. The Municipality's SCM Policy and internal procedures will be reviewed where necessary to ensure that the clarification is properly incorporated.

ENGAGEMENT WITH AGSA, NATIONAL TREASURY AND PROVINCIAL TREASURY

It is recommended that the Municipal Manager, Chief Financial Officer and relevant officials engage with:

- the Auditor-General of South Africa;
- National Treasury; and
- Western Cape Provincial Treasury,

to present the Municipality's position and request guidance regarding the treatment of the historical Telkom audit findings.

The Municipality should submit to AGSA:

1. MFMA Circular No. 133;
2. the relevant historical AGSA audit finding;
3. the Municipality's previous management response;
4. the procurement documentation relating to the Telkom transactions;
5. evidence demonstrating the basis upon which Telkom was previously regarded as an organ of state;
6. the corrective measures now implemented; and
7. a formal request for reconsideration/correction of the finding where legally justified.

National Treasury itself directs municipalities to table MFMA Circular No. 133 before Council and requires that the Circular be brought to the attention of municipal officials, the disciplinary board and the Audit Committee.

CONSEQUENCE OF INCORRECTLY APPLYING THE EXEMPTION GOING FORWARD

Council is further advised that National Treasury has specifically warned municipalities that where section 110(2)(a) is incorrectly applied to an entity which is not an organ of state, the expenditure must be dealt with in accordance with the MFMA.
National Treasury states that such expenditure must be reported to and investigated by the relevant municipal structures in terms of section 32(2)(b) of the MFMA and may also trigger the financial misconduct framework where applicable.
The Municipality must therefore ensure that the historical issue is not repeated.

FINANCIAL IMPLICATIONS

The implementation of the National Treasury clarification should not result in additional material expenditure.

However, future procurement from Telkom may require the Municipality to follow the applicable SCM process rather than relying on the exemption in section 110(2)(a) of the MFMA.

The financial implications of any historical expenditure affected by the audit finding must be determined separately following a review of the relevant transactions and AGSA findings.

LEGAL IMPLICATIONS

MFMA Circular No. 133 must be considered together with:

- section 217 of the Constitution;
- section 239 of the Constitution;
- section 110 of the MFMA;
- Chapter 11 of the MFMA;
- the Municipal Supply Chain Management Regulations, 2005;
- the Municipality's SCM Policy; and
- applicable accounting and auditing requirements.

National Treasury has expressly determined that Telkom does not qualify as an organ of state for purposes of section 110(2)(a) of the MFMA.
The Municipality must therefore align its procurement practices with this clarified position.

GOVERNANCE IMPLICATIONS

The implementation of MFMA Circular No. 133 will strengthen:

- compliance with the MFMA;
- SCM governance;
- financial reporting;
- audit readiness;

- accountability;
- consistency in procurement practices; and
- the Municipality's response to recurring audit findings.

The Circular should also be brought to the attention of the Audit Committee and relevant officials as expressly required by National Treasury.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council:

1. **NOTES MFMA Circular No. 133 issued by National Treasury on 24 February 2026 concerning the meaning of "organ of state" for purposes of section 110(2)(a) of the MFMA.**

2. **NOTES the National Treasury determination that Telkom SA SOC Ltd does not qualify as an "organ of state" as contemplated in section 239 of the Constitution for purposes of section 110(2)(a) of the MFMA.**

3. **NOTES that the fact that Telkom remains listed in Schedule 2 to the PFMA and that the State remains a shareholder in Telkom does not, in itself, make Telkom an organ of state for purposes of section 110(2)(a) of the MFMA.**

4. **APPROVES that the Municipality shall, with immediate effect, not rely upon section 110(2)(a) of the MFMA when procuring goods or services from Telkom.**

5. **INSTRUCTS the Municipal Manager and Chief Financial Officer to ensure that all future procurement from Telkom complies with the Municipality's SCM Policy, the MFMA, the SCM Regulations and all applicable legislation.**

6. **NOTES the historical AGSA audit finding relating to the Municipality's treatment of Telkom as an organ of state.**

7. **APPROVES that the Municipal Manager, Chief Financial Officer and relevant officials formally engage with AGSA, National Treasury and Western Cape Provincial Treasury regarding the historical audit finding and the implications of MFMA Circular No. 133.**

8. **REQUESTS AGSA to reconsider the relevant audit finding in light of MFMA Circular No. 133, particularly insofar as the finding was based upon the Municipality's treatment of Telkom as an organ of state.**

9. **DIRECTS the Chief Financial Officer, in consultation with the Municipal Manager and the Municipality's legal advisors where necessary, to review the historical transactions underlying the audit finding and to submit a report to Council on:**

   9.1. **the nature of the finding;**
   9.2. **the legal basis relied upon at the time;**
   9.3. **the financial impact;**
   9.4. **whether any irregular expenditure was identified;**
   9.5. **whether any section 32 process is required;**
   9.6. **the response received from AGSA; and**
   9.7. **any further corrective measures required.**

10. **NOTES that MFMA Circular No. 133 must be brought to the attention of the Municipality's officials, disciplinary board and Audit Committee.**

11. **DIRECTS that the Municipality's SCM procedures, templates and internal controls be reviewed and amended where necessary to ensure that Telkom is no longer incorrectly treated as an organ of state for purposes of section 110(2)(a) of the MFMA.**

12. **REQUESTS that the outcome of the engagement with AGSA, National Treasury and Provincial Treasury be reported to the next appropriate Council meeting.**

ITEM TITLE

C215/2026 OFFICE OF THE MUNICIPAL MANAGER: SECTION 147 QUARTERLY PROGRESS REPORTS ON THE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN FOR THE PERIODS 01 JANUARY 2026 TO 31 MARCH 2026 AND 01 APRIL 2026 TO 30 JUNE 2026

[English version of the report is the original]

FILE NUMBER

5/B

PURPOSE OF REPORT

To submit to Council, for noting, the two quarterly progress reports of the Western Cape Provincial Government on the provincial intervention in Theewaterskloof Municipality and on the implementation of the mandatory Financial Recovery Plan ("the FRP"), covering the periods 01 January 2026 to 31 March 2026 and 01 April 2026 to 30 June 2026, as transmitted to the Executive Mayor by the Provincial Minister of Finance under cover of her letter dated 11 September 2026 (reference PTR 16/1/15/1).

BACKGROUND

1. The Provincial Executive approved an intervention in Theewaterskloof Municipality in terms of section 139(5)(a) of the Constitution of the Republic of South Africa, 1996, on 6 November 2024. Following an extensive consultation process, a mandatory Financial Recovery Plan was approved on 19 September 2025 and implementation commenced on 1 October 2025.
2. The FRP is structured around four pillars, namely governance (Pillar 1), institutional (Pillar 2), financial management (Pillar 3) and service delivery (Pillar 4), and is implemented in three phases: a Rescue Phase (Phase 1), a Stabilisation Phase (Phase 2) and a Sustainability Phase (Phase 3). The Municipality is currently in the Rescue Phase.
3. Implementation is overseen through three structures, namely the Oversight Committee (which reports to the MEC for Finance and the Provincial Executive and meets at least quarterly), the Technical Committee (monthly check-in meetings convened by Provincial Treasury and the Department of Local Government) and the Cash Flow Committee (which meets weekly, on Wednesdays, and reports monthly to the Technical Committee).

4. Section 147(1)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("the MFMA") requires the Provincial Government to regularly review the intervention, including progress with resolving the Municipality's financial problems, its financial recovery and the effectiveness of the financial recovery plan. In terms of section 147(1)(b), the review report must be submitted to the Municipality, the Minister of Finance, the Minister of Cooperative Governance and Traditional Affairs, the provincial legislature and organised local government in the province (SALGA).
5. The two review reports now submitted are the third and fourth quarterly reports of the 2025/26 financial year and are the reports referred to in the Provincial Minister's letter of 11 September 2026. They are attached to this item as Annexures A and B, with the Provincial Minister's covering letter attached as Annexure C.

DISCUSSION

1. Overall progress against FRP activities (Dashboard 1)

The proportion of FRP activities per pillar that had not started, were in progress, were on track towards completion or had been completed, moved as follows between the quarter ended 31 March 2026 and the quarter ended 30 June 2026:

Pillar	Not started Mar / Jun	In progress Mar / Jun	On track Mar / Jun	Completed Mar / Jun
Pillar 1: Governance	0% / 3%	48% / 21%	33% / 37%	18% / 39%
Pillar 2: Institutional	15% / 3%	76% / 16%	9% / 0%	0% / 81%
Pillar 3: Financial	0% / 9%	30% / 19%	30% / 21%	41% / 51%
Pillar 4: Services	55% / 35%	30% / 55%	0% / 5%	15% / 5%
Average performance	18% / 10%	46% / 24%	18% / 17%	18% / 48%

Average completion improved from 18 per cent at the end of the third quarter to 48 per cent at the end of the fourth quarter, with the most significant gains recorded under Pillar 2 (Institutional) and Pillar 3 (Financial Management). Pillar 4 (Service Delivery) remains the weakest performing pillar, with 35 per cent of activities not yet started as at 30 June 2026.

2. Financial impact of the FRP (Dashboard 2)

The key financial indicators monitored under the FRP moved as follows over the 2025/26 financial year (the first quarter reflecting the position prior to the commencement of the FRP):

Indicator	Q1 Sep 2025	Q2 Dec 2025	Q3 Mar 2026	Q4 Jun 2026
Cash on hand	R10.33 m	R34.33 m	R39.10 m	R24.86 m
Total debtors	R426.02 m	R433.68 m	R440.92 m	R321.10 m
Provision for impairment	R331.65 m	R378.74 m	R402.00 m	R303.16 m
Nett debtors	R94.37 m	R54.94 m	R38.92 m	R17.84 m

Total creditors excl. Eskom	R40.55 m	R37.87 m	R36.57 m	R62.96 m
Creditors as % of total operating expenditure	15.4%	16.5%	13.8%	16.6%
Current Eskom debt	R90.95 m	R102.17 m	R79.85 m	R78.32 m
Eskom balance excl. current	R90.95 m	R102.17 m	R65.89 m	R56.22 m
Collection rate	80%	83%	83%	86%
Current ratio	0.52:1	0.49:1	0.52:1	0.34:1
Cash coverage	0.34 months	0.84 months	0.84 months	0.39 months
Conditional grants cash-backed	R4.14 m	R2.88 m	R15.20 m	R12.25 m

The following is highlighted from the fourth quarter report:

- The collection rate improved from 80 per cent in the first quarter to 86 per cent as at 30 June 2026 and is therefore above the FRP target of 85 per cent, although still below the long-term benchmark of 88 per cent referred to in the third quarter report.
- Nett debtors declined from R94.37 million to R17.84 million over the year. The decline in the fourth quarter is primarily attributable to the write-off of irrecoverable debt and, in the earlier quarters, to increased impairment provisioning rather than to improved collections.
- Cash on hand decreased from R39.10 million at 31 March 2026 to R24.86 million at 30 June 2026 (of which R18.79 million is held in a call account), largely as a result of loan repayments made during June 2026. The fourth quarter report separately records a bank balance of R5.47 million plus R18.79 million in call accounts as at 30 June 2026.
- The Eskom payment agreement, signed on 1 April 2026, has been consistently honoured at R19.35 million per month, and the Eskom balance excluding the current portion reduced from R90.95 million to R56.22 million over the financial year.
- The current ratio regressed to 0.34:1 and cash coverage to 0.39 months, both below the norms of 1:1 and one to three months respectively, indicating continued liquidity pressure.
- Creditors excluding Eskom increased to R62.96 million and creditors as a percentage of total operating expenditure regressed to 16.6 per cent, although this compares favourably with the 21.8 per cent recorded at 30 June 2025. Provincial Treasury cautions that the audited financial statements identified significant adjustments relating to trade payables and accruals, indicating possible under-reporting of creditors.

3. Performance against FRP revenue and expenditure targets (Dashboard 3)

Actual budget performance at 30 June 2026, measured against the 2025/26 adjustments budget which is aligned to the FRP targets, was as follows (R'000, per the WC031_M12 2025/2026 C4 National Treasury database):

Budget item	2024/25 Audited	2025/26 Adj. budget / FRP target	Actual YTD 30 June 2026	YTD variance
Property rates	161 347	170 753	171 382	0.4%
Electricity revenue	150 632	165 981	166 254	0.2%
Water revenue	98 182	115 999	120 458	3.8%
Sanitation revenue	46 372	49 988	50 713	1.5%
Refuse revenue	44 412	46 603	46 589	0.0%
Interest: debtors	26 223	30 059	26 467	-12.0%
Investment revenue	3 484	3 300	3 269	-0.9%
Operational grants	163 406	186 152	174 519	-6.2%
Fines and penalties	28 520	43 941	8 813	-79.9%
Other revenue	30 024	50 286	26 830	-46.6%
Total operational revenue	752 602	863 062	795 294	-7.9%
Total operational expenditure	797 488	905 962	764 872	-15.6%
Surplus / (Deficit)	(44 886)	(42 900)	30 423	

- Operating revenue underperformed the year-to-date target by 7.9 per cent. The underperformance was driven mainly by fines income (-79.9 per cent), other revenue (-46.6 per cent) and operational grants (-6.2 per cent).
- The core trading services – electricity, water, sanitation and refuse removal – all exceeded their projected targets, with an average overperformance of 1.5 per cent as at 30 June 2026, and property rates exceeded target by 0.4 per cent.
- Operating expenditure reflects an underspending of 15.6 per cent against the year-to-date budget, largely attributable to cost containment measures and slower than anticipated spending on interest cost, employee related cost and contracted services.
- Employee related cost represented 39.7 per cent of total operating expenditure as at June 2026, and Provincial Treasury requires that this ratio be reduced in the 2026/27 financial year.

4. Progress and matters raised per pillar

Pillar 1: Governance

- A legal opinion on the governance model and the status of the Executive Mayor position was obtained and the matter is to be tabled before Council.
- Risk management strategies and plans were updated and adopted by Council, and consequence management training was provided to councillors and managers.

- The by-law audit is being finalised, a project plan for the review and update of by-laws has been developed and by-law reviews are underway.
- The Immovable Property Governance Strategy, the Administration of Immovable Property Policy, related guidelines and standard operating procedures have been submitted for Council consideration.
- The Grabouw Abattoir matter was confirmed as the only matter that may constitute a contingent liability. A comprehensive Contingent Liabilities Register has been finalised and is ready for Council consideration and noting.

Pillar 2: Institutional

- All senior manager vacancies are filled and no further action is required on this activity.
- The Accounting Officer provides quarterly reports to Council detailing all contract and temporary staff appointments, renewals and extensions. An Overtime Policy was approved by Council, but its implementation remains a concern.
- Leave is continuously managed by the Municipal Manager, a wellness programme and policy were approved by Council and communicated to staff, and the draft ICT Contingency Plan and draft Municipal Governance of ICT Framework Policy have been submitted for inclusion in the agenda of the Performance and Audit Committee.
- Staff verification reports, including supporting evidence of physical verification, continue to be submitted to Council.

Pillar 3: Financial Management

- The weekly Cash Flow Committee remains operational and continues to drive the finance pillar, with improved creditor management and adherence to the signed Eskom payment agreement.
- Draft framework amendments were workshopped, key revenue leakages were identified and policy reviews were drafted and approved for public participation. Provincial Treasury requires that the Revenue Enhancement Strategy be finalised and operationalised and that a Revenue Management Committee be established with clear terms of reference.
- Council approved the write-off of debt amounting to R148.33 million, which was not budgeted for. While the initiative is acknowledged, Provincial Treasury requires that such activities be implemented within approved budget provisions and that future initiatives be adequately planned and budgeted for.
- The contract of the external service provider appointed for debt collection came to an end. The Municipality commenced with strict enforcement measures using in-house capacity in July 2026.
- The annual cost of supply review and reconciliation with the National Treasury tool was completed and submitted as part of the 2026/27 budget process.

- Notwithstanding progress on cost containment, overtime, standby and acting allowances remain a key concern when compared to the original budget, resulting in increasing requests for additional allocations during the adjustments budget process.
- Provincial Treasury records that the processing of unauthorised, irregular, fruitless and wasteful expenditure cases from previous financial years remains slow, that the risk of National Treasury taking steps under section 216 of the Constitution remains high, and that the Local Government Equitable Share was withheld for 30 days in July 2026.
- Contract management remains a concern, with several key FRP activities yet to commence, placing the Municipality at risk of increased irregular expenditure. Procurement plan mandatory fields remain incomplete and contract register gaps remain.
- The mSCOA steering committee has been established and the roadmap is under review, but ongoing data string misalignments continue to affect reporting reliability.
- Provincial Treasury requires that a loan repayment strategy be implemented to avoid the risk of non-payment, and that the smart water meter project be implemented.

Pillar 4: Service Delivery

- A comprehensive 2025 Water Conservation and Water Demand Management Strategy and Water Loss Reduction Plan was submitted, but no identifiable Council resolution or proof of publication was submitted and adoption and publication therefore remain unverified.
- No socio-technical study on non-payment for water services and on water services to backyard and informal settlement dwellers was submitted. Provincial Treasury requires that the study be treated as a cross-functional intervention led by Finance/Revenue, with Technical Services and community-facing functions providing service and settlement data.
- The electricity loss register covering July 2025 to June 2026 records purchases of 57 611 888 kWh, sales of 52 340 740 kWh and losses of approximately 9.15 per cent. Separate quarterly analyses and proof of submission to management were, however, not provided.
- No completed or approved Asset Management Strategy was submitted for the period ended 30 June 2026. The Municipality remains responsible for developing and approving the strategy, with technical support from the Department of Local Government and MISA where required.
- The Waste Services Expansion Plan and the R400 000 Municipal Intervention Grant provide a basis for expanding waste services in Villiersdorp and Grabouw, but evidence of a settlement-level service assessment, hotspot register, approved implementation schedule, procurement records and proof of deployment was not submitted.
- The Accelerated Service Delivery Programme contains planned maintenance and clean-up activities, but no evidence was submitted confirming formal approval or demonstrating that the planned work was completed during the reporting period.

5. Support provided to the Municipality

Provincial Treasury and the Department of Local Government continue to provide hands-on support to the Municipality, including continuous advice and participation in the Cash Flow Committee and FRP technical meetings, the utilisation of Municipal Finance Improvement Programme (MFIP) and Municipal Infrastructure Support Agent (MISA) advisors, and support on revenue enhancement initiatives to improve collection rates. This support is complemented by a broader support package being coordinated by the Department of Local Government under section 154 of the Constitution.

6. Provincial conclusions

- The Municipality remains in a state of financial crisis and financially vulnerable, but has demonstrated improved cash flow management, reductions in Eskom debt, improved liquidity indicators, improved grant cash backing and continued implementation of cost containment measures.
- The Municipality remains in the Rescue Phase (Phase 1) of the FRP. Although measurable progress has been achieved, particularly within Pillar 3: Financial Management, implementation across the governance, institutional and service delivery pillars remains uneven, with several activities still in progress or not yet commenced.
- Various directives issued by the Municipality have not been consistently implemented across all directorates. Provincial Treasury emphasises that the management team must work collectively to ensure effective implementation of the FRP objectives, with particular focus on improving service delivery outcomes.
- The senior administration had previously been stabilised through the filling of critical vacancies, including the Municipal Manager and Chief Financial Officer positions. This stability was subsequently affected by the suspension of both incumbents. Although the Municipal Manager has since returned, governance and institutional risk remain a significant concern, and litigation costs continue to increase.
- In the third quarter report, Provincial Treasury recorded that although material financial, governance and institutional risks remain, the evidence does not indicate a material or persistent failure that would warrant escalation of the intervention at this stage.

7. Provincial recommendations

- The Municipality must address the FRP targets that have been missed and intensify its implementation of the FRP, including implementing the recommendations listed in Tables 1, 2, 3 and 4 of each report.
- The Municipality has made good progress in stabilising the cash flow position while servicing its Eskom accounts and loan repayments. However, the majority of the Phase 1 FRP activities have not yet been finalised and the Municipality should prioritise finalising these activities in order to move to the next phase.

- Provincial government will continue to provide support to assist the implementation of the FRP, conditional on the cooperation of the Municipality and its commitment to implement changes identified through support activities.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

There is no direct financial implication arising from the noting of the attached reports. The matters raised in the reports do, however, carry financial consequences for the Municipality, including the monthly Eskom commitment of R19.35 million, loan repayment obligations, the unbudgeted write-off of debt amounting to R148.33 million, the requirement to reduce the employee related cost ratio of 39.7 per cent of total operating expenditure in the 2026/27 financial year, and the requirement that the 2026/27 budget and any adjustments budget be aligned to the FRP targets.

LEGAL IMPLICATIONS (ITEM AUTHOR)

1. Section 139(5)(a) of the Constitution of the Republic of South Africa, 1996, requires the provincial executive to impose a recovery plan aimed at securing a municipality's ability to meet its obligations to provide basic services or its financial commitments where the municipality is in a crisis in its financial affairs.
2. Section 146 of the MFMA regulates the implementation of a financial recovery plan in a mandatory provincial intervention and requires the municipal council and the accounting officer of the municipality to implement the approved recovery plan, and the mayor to report monthly to the MEC for local government on the implementation of the plan.
3. Section 147(1)(a) of the MFMA requires the provincial executive to review the intervention regularly, including progress with resolving the Municipality's financial problems, its financial recovery and the effectiveness of the financial recovery plan. Section 147(1)(b) requires the resulting report to be submitted to the Municipality, the Minister of Finance, the Minister of Cooperative Governance and Traditional Affairs, the provincial legislature and organised local government in the province.
4. Section 154 of the Constitution obliges national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.
5. Section 216(2) of the Constitution empowers the National Treasury to stop the transfer of funds to an organ of state in the event of a serious or persistent material breach of the prescribed treasury norms and standards.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

The following risks are recorded in the attached reports and require continued management attention:

- Liquidity risk – the current ratio of 0.34:1 and cash coverage of 0.39 months remain below the prescribed norms.
- Creditor risk – the increase in creditors excluding Eskom to R62.96 million and the possible under-reporting of creditors identified through audit adjustments to trade payables and accruals.
- Revenue risk – underperformance of 7.9 per cent against the operating revenue target, particularly in respect of fines and other revenue, and the transition of debt collection and credit control to in-house capacity following the expiry of the external service provider's contract.
- Consequence management and section 216 risk – the slow processing of unauthorised, irregular, fruitless and wasteful expenditure cases from previous financial years, following the withholding of the Local Government Equitable Share for 30 days in July 2026.
- Supply chain and contract management risk – incomplete procurement plan fields, contract register gaps and FRP activities not yet commenced, exposing the Municipality to increased irregular expenditure.
- Governance and institutional risk – instability in the senior administration and increasing litigation costs.
- Service delivery risk – 35 per cent of Pillar 4 activities had not commenced at 30 June 2026, and evidence of implementation was not submitted for several key service delivery activities, including the Asset Management Strategy, the water services study and the waste services expansion programme.
- mSCOA and data credibility risk – ongoing data string misalignments affecting the reliability of financial reporting.
- Escalation risk – failure to finalise the outstanding Phase 1 activities will delay the progression of the intervention from the Rescue Phase to the Stabilisation Phase.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council notes the Progress Report on the Provincial Intervention in Theewaterskloof Local Municipality for the period January 2026 to March 2026, attached as Annexure A;**

2. **That Council notes the Progress Report on the Provincial Intervention in Theewaterskloof Local Municipality for the period 1 April 2026 to 30 June 2026, attached as Annexure B;**

3. **That Council notes the letter of the Provincial Minister of Finance dated 11 September 2026 (reference PTR 16/1/15/1), attached as Annexure C, by which the reports were submitted to the Municipality in terms of section 147(1)(b) of the Municipal Finance Management Act, 2003;**

4. **That Council notes that the Municipality remains in the Rescue Phase (Phase 1) of the Financial Recovery Plan and that average completion of FRP activities improved from 18 per cent at 31 March 2026 to 48 per cent at 30 June 2026;**

5. **That Council notes the improvement in the collection rate to 86 per cent, which is above the FRP target of 85 per cent, and the reduction in the Eskom balance excluding the current portion to R56.22 million;**

6. **That Council notes the areas of concern raised by Provincial Treasury, in particular the regression in the current ratio and cash coverage, the increase in creditors excluding Eskom, the slow processing of unauthorised, irregular, fruitless and wasteful expenditure, the outstanding contract management and supply chain matters and the limited progress under Pillar 4: Service Delivery; and**

7. **That Council notes that the Municipal Manager will ensure that the recommendations contained in Tables 1 to 4 of the attached reports are implemented and that progress is reported to Council through the established FRP reporting arrangements.**

Annexure A: Progress Report on Provincial Intervention in Theewaterskloof Local Municipality: January 2026 – March 2026

Western Cape Government

PROGRESS REPORT ON PROVINCIAL INTERVENTION IN THEEWATERSKLOOF LOCAL MUNICIPALITY FOR THE PERIOD JANUARY 2026 TO MARCH 2026

1. BACKGROUND

1.1 The Provincial Executive approved an intervention in the Theewaterskloof Municipality ("the Municipality") in terms of section 139(5)(a) of the Constitution on 6 November 2024. Following an extensive consultation process, a mandatory Financial Recovery Plan ("FRP") was approved on 19 September 2025, and implementation began on 1 October 2025.

1.2 The FRP is structured with four pillars, for governance, institutional, financial management and service delivery.

1.3 Quarterly reports detailing the progress of the implementation of the FRP are prepared in terms of section 147(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("the MFMA") and submitted to stakeholders in terms of section 147(1)(b) of the MFMA.

1.4 Section 147(1)(a) requires a review on any discretionary provincial intervention referred to in section 137 of the MFMA or any mandatory provincial intervention referred to in section 139 of the MFMA, including progress with resolving the municipality's financial problems and its financial recovery and the effectiveness of any financial recovery plan.

1.5 In terms of section 147(1)(b) of the MFMA, this report must be submitted to:

i. the Municipality;

ii. the Minister of Finance;

iii. the Minister of Cooperative Governance and Traditional Affairs;

iv. the provincial legislature; and

v. organised local government in the province (South African Local Government Association – "SALGA").

1.6 This report covers the period 1January 2026 to 31 March 2026.

2. INSTITUTIONALISATION OF THE FRP

2.1 Committees established to oversee the FRP

The implementation of the FRP is the responsibility of the Municipality, with the support of the provincial government. Three structures/committees were established which allow the Municipality to provide feedback on progress regarding the implementation. These committees are structured as follows:

Oversight Committee

The FRP stipulates that the intervention will be subject to oversight by an Oversight Committee who will report directly to the MEC Finance and the Provincial Executive of the Western Cape. The Oversight Committee monitors progress and assists to unblock any challenges that may hinder the success of this intervention. This Committee has the authority to recommend that certain actions from the FRP should be prioritised or delayed. The Committee will also confirm the updated numerical targets in the FRP in instances where spending limits and revenue targets are based on variable data such as inflation rates, administered price increases and past performance. The Committee is also tasked with assessing progress and approving the shift from one phase of the FRP to another. This committee meets at least quarterly.

Technical Committee

Monthly Technical Committee check-in meetings organised by Provincial Treasury ("PT") and the Department of Local Government ("DLG") are held to monitor detailed progress on the implementation plan of the FRP where challenges are identified, and remedial steps/solutions are provided. This Committee includes but is not limited to the Municipal Manager, Chief Financial Officer and Senior Management of the Municipality, officials from PT and DLG, and also representatives from SALGA.

Cash Flow Committee

The rescue phase of the FRP includes a requirement to "Establish a Cashflow Committee that must meet weekly to discuss financial status of the Municipality and prioritise cashflow commitments" (page 53 of the FRP). The Cash Flow Committee meets once a week, on Wednesdays. The committee discusses the current financial position of the Municipality, monitors progress on revenue collection and recommends actions to improve collections. The Committee also discusses and agrees on the prioritisation of payments. PT's Director: Local Government Revenue and Expenditure (Group 1) and officials directly responsible for budget and cash analysis as well as the NT MFIP advisor attends all meetings of the Committee (on the virtual platform) and provides advice to the Municipality. The Committee reports monthly on its activities to the Technical Committee in a standardised template.

2.2 Structure of FRP

The FRP adopts a strategic, focused approach which is time-bound yet comprehensive enough to ensure that the underlying causes of the crisis are adequately addressed. To achieve this objective, the FRP presents a phased approach to recovery, differentiating between issues to be addressed in the short, medium, and long term. The FRP is divided into three distinct but interdependent phases. These include a Rescue Phase (Phase 1) which focuses primarily on cash and restoring the cash position of the Municipality, followed by a Stabilisation Phase (Phase 2) which expands on the financial indicators to be monitored and emphasises key governance and institutional issues which must simultaneously be addressed and finally, a Sustainability Phase (Phase 3) to *inter alia* ensure that indicators are developed that will give effect to the long-term financial sustainability of the

Municipality. The approach is designed to ensure that financial recovery is not only achieved, but more importantly, that progress is institutionalised and sustained within the Municipality.

A financial forecasting model has been used to set financial targets for the FRP over the MTREF period. Grounded on the effective implementation of the FRP, it is anticipated that the Municipality will progressively move towards a position of improved financial sustainability over a 3-year period, should the Municipality comply with its obligations in terms of the FRP and continue to work together with the various role players.

The activities in each phase of the FRP are grouped under four pillars. The key actions in the first phase of the FRP include the following:

Pillar 1 - Governance: Investigation of financial misconduct, the establishment of functional Council committees, investigation of unauthorised, fruitless, wasteful, and irregular expenditure in accordance with section 32 of the MFMA, implementation of an audit action plan, review of the system of delegations, various activities to improve contract management and the development and implementation of a MFMA legal compliance matrix to address the high level of contingent liabilities.

Pillar 2 - Institutional: Management of employee-related costs, leave management, the development of a model or policy for the identification and filling of the vacant positions. The FRP further requires the verification of staff qualifications, the filling of critical vacancies and re-establishing of the Local Labour Forum.

Pillar 3 - Financial Management: The preparation of a credible and funded MTREF Budget, cost containment measures, revenue improvement activities, a revenue enhancement strategy, the re-negotiation of creditor payment plans, cost-reflective tariffs and activities for the effective administration and measures to address SCM compliance and value for money are some of the priorities identified in the FRP.

Pillar 4 - Service Delivery: Water and electricity management, technical and non-technical losses, electricity provision and Eskom debt as well as waste and refuse removal and asset management are priorities listed in the FRP.

3. PROGRESS ON THE IMPLEMENTATION OF THE FRP

3.1 The progress on the implementation of the FRP is collated and obtained through the following reports and engagements, amongst others:

- Monthly FRP Implementation Plan reports submitted by the Municipality to both DLG and PT and uploaded on the GoMuni portal.
- Action notes from Technical Committee meetings and Cash Flow Committee meetings.
- Monthly and quarterly reports on financial performance required in terms of section 71 of the MFMA.
- The adopted 2025/26 MTREF budget of the Municipality.

3.2 The subsections below set out a summary of progress against the targets in each of the four pillars of the FRP in the period from January 2026 to March 2026. This report is not intended to give a comprehensive account of all indicators, but rather to summarise overall progress on each of the four pillars of the FRP.

FRP DASHBOARDS – OVERVIEW OF PERFORMANCE AGAINST FRP TARGETS

The table below highlights the proportion of activities under each of the 4 pillars of the FRP that have been completed, are nearing completion, are in progress and activities that have not started yet.

DASHBOARD 1 – PROGRESS ON ACTIVITIES PER PILLAR

	Not started	In progress	On track (towards completion)	Completed/ target being met
Pillar 1: Governance	0%	48%	33%	18%
Pillar 2: Institutional	15%	76%	9%	0%
Pillar 3: Financial	0%	30%	30%	41%
Pillar 4: Services	55%	30%	0%	15%
Average performance	**18%**	**46%**	**18%**	**18%**

The Municipality is implementing a budget for 2025/26 that was prepared prior to the FRP being approved.

DASHBOARD 2 - FRP FINANCIAL IMPACT

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing))	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	Movement	Data Notes and Comments
Cash on hand	R10.33 million	R34.33 million	R39.10 million	↑	Cash balances slightly improved in the third quarter to R39.10 million from R34.33 million in the second quarter. The FRP was implemented at the start of the 2nd quarter. This reflects improved cash management. The current level indicates short-term liquidity relief, although sustainability remains dependent on consistent inflows.
Total Debtors	R426.02 million	R433.68 million	R440.92 million	↑	Net debtors increased in the first quarter before declining to R54.94 million in the second quarter and further declining to R38.92 million in the third quarter. The decline is mainly attributable to increased impairment provisioning against outstanding debtors, while gross debtors continued to trend upward, indicating that the reduction was not driven by improved collections.
Provision for debtors (impairment)	R331.65 million	R378.74 million	R402 million	↑	
Nett debtors	R94.37 million	R54.94 million	R38.92 million	↓	
Total Creditors excluding Eskom	R40.55 million	R37.87 million	R36.57 million	↓	Creditors decreased consistently over the last two quarters following the implementation of the FRP. This indicates an improvement in the municipality's ability to reduce outstanding creditor

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing))	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	Movement	Data Notes and Comments
					balances, supported by ongoing efforts to address key obligations such as employee related costs and Eskom accounts. However, the 2024/25 audited financial statements identified adjustments relating to trade payables and accruals, indicating a risk of under reporting of creditors during the financial year.
Creditors as a percentage of Total operational Expenditure	15.4 %	16.5 %	13.8%		The ratio improved to 13.8 per cent in the third quarter. The overall reduction reflects improved expenditure management and indicates progress towards strengthening fiscal discipline in support of the Municipality's FRP objectives.
Current Eskom Debt	R90.95 million	R102.17 million	R79.85 million		The Municipality committed to pay R19.35 million over the past few months in line with the payment arrangement, showing commitment to settle their Eskom debt. A payment plan was submitted to Eskom in January 2026 and the agreement was officially signed 1 April 2026 by both parties.
Outstanding Eskom balance excluding current	R90.95 million	R102.17 million	R65.89 million		Eskom Debt increased between quarter one and two before decreasing significantly in quarter three. This is mainly due to the current debt at R13.96 million at the end of 31 March 2026.
Collection rate	80%	83%	83 %		The collection rate improved steadily from 80% to 83% between quarter one and two. However, it is concerning that no further improvement was achieved during the last quarter, with the collection rate remaining stagnant. Furthermore, the collection rate remains below the FRP target of 85% and well below the long-term benchmark of 88%, indicating that further strengthening of revenue management and credit control is required.
Current ratio	0.52:1	0.49:1	0.52:1		The current ratio improved to 0.52:1 in the third quarter. This reflects a gradual improvement in the Municipality's short-term liquidity position over the reporting period. Although there is an overall improvement, the ratio remains below the norm of 1:1, indicating continued liquidity pressure and

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing))	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	Movement	Data Notes and Comments
					limited ability to meet short-term obligations from current assets.
Cash coverage	0.34 months	0.84 months	0.84 months		The cash coverage ratio improved from 0.34 months in the first quarter to 0.84 months in both the second and third quarters. This indicates gradual strengthening of liquidity; however, the level remains below the minimum norm (1 - 3 months), highlighting ongoing vulnerability in sustaining operations without disruption.
Conditional Grants cash-backed	R 4.14 million	R 2.88 million	R15.12 million		Grants are cash-backed.

- It is important to note that the FRP commenced at the start of the second quarter of the municipal financial cycle. However, significant progress had already been achieved on some indicators prior to its implementation.
- The first 6 months following the commencement of the FRP have shown strong progress across most key financial indicators, including an improved cash flow position, the ringfencing of grant funding, and an Eskom agreement that is honoured. Cash flow ratios have also improved, although they remain below the desired norm.
- Areas of ongoing concern during the third quarter, include:
  - The high outstanding Eskom debt;
  - The high percentage (13.8 per cent) of total creditors relative to total operating expenditure. Furthermore, the audited financial statements identified significant adjustments relating to trade payables and accruals, indicating possible under reporting of creditors during the financial year. As a result, the reported improvement should be interpreted with caution, as it may not fully reflect the Municipality's actual financial obligations;
  - Increasing outstanding debtor balances;
  - Collection rates stagnating at 83 per cent which is below the FRP target of 85 per cent; and
  - The slow progress in implementing the procurement plan, which has negatively affected spending on the capital programme and will impact service delivery objectives if not accelerated during the remainder of the financial year.
- When the performance is measured against the end of the previous financial year, greater efforts are evident to stabilise the cash position while maintaining service delivery and other operational commitments.

DASHBOARD 3 - PROGRESS AGAINST FRP TARGETS FOR REVENUE AND EXPENDITURE

3.3 The table below reflects actual budget performance against the revenue and expenditure targets contained in the current adjusted budget and aligned to the FRP targets for the third quarter of the 2025/26 financial year. Despite the Municipality experiencing ongoing data credibility challenges relating to mSCOA data string alignment, the Schedule C4 utilised for the population of the table below indicated alignment between the National Treasury data strings and the municipal budget data sets.

BUDGET ITEM	2024/25 AUDITED OUTCOMES R'000	2025/26 ADJUSTMENT BUDGET R'000	TARGETS: 2025/26 YTD BUDGET R'000	ACTUAL:YTD 2025/26 (31 March) R'000	YTD VARIANCE %
REVENUE					
Property Rates	161,347	170,753	136,306	138,126	1.3%
Electricity Revenue	150,632	165,981	119,046	126,022	5.9%
Water Revenue	98,182	115,999	82,791	92,577	11.8%
Sanitation Revenue	46,372	49,988	36,790	37,660	2.4%
Refuse Revenue	44,412	46,603	35,352	35,341	0.0%
Interest: Debtors	24,800	30,059	23,800	21,084	-11.4%
Investment Revenue	3,484	3,300	3,874	1,955	-49.5%
Operational Grants	163,406	186,152	135,951	148,051	8.9%
Fines & Penalties	28,520	43,941	24,839	6,325	-74.5%
Other Revenue	31,447	50,286	44,267	20,473	-53.8%
Total Operational Revenue	752,602	863,062	643,016	627,614	**-2.4%**
EXPENDITURE					
Employee Cost	281,509	313,696	235,126	218,385	-7.1%
Remuneration of Councillors	13,148	15,017	11,240	9,943	-11.5%
Debt impairment	100,461	110,914	86,024	73,257	-14.8%
Depreciation and impairment	41,321	43,848	28,733	26,033	-9.4%
Finance Charges	47,204	54,459	35,886	17,332	-51.7%
Bulk Purchases	120,104	139,207	104,405	92,772	-11.1%
Other Materials	22 094	45,840	32,843	27,870	-15.1%
Contracted Services	58,563	64,090	46,364	28,635	-38.2%
Transfers and Grants	5,501	11,549	8,975	1,083	-87.9%
Other expenditure	129,676	107,342	69,441	75,452	8.7%
Total Operational Expenditure	797,488	905,962	659,037	570,762	**-13.4%**
Surplus/ (Deficit)	(44,886)	(42,900)	(16,022)	56,852	

Source: WC031_M09 2025/2026 C4 NT Database

- The financial results at the end of the third quarter of the 2025/26 FRP implementation reflect a marginal underperformance in operating revenue of 2.4 per cent against the year-to-date target.
- Despite the overall revenue underperformance, the Municipality recorded positive performance in its core trading services, namely electricity, water, sanitation and refuse removal revenue. These revenue streams exceeded projected targets.
- The overall revenue underperformance was mainly driven by lower than anticipated fines income, other revenue categories, which offset the positive performance recorded in the grants and trading services.
- Operating expenditure reflects an underspending of 13.4 per cent against the year-to-date budget, largely attributable to the implementation of cost containment measures and slower than anticipated spending across several operational expenditure items including employee related cost, contracted services and finance charges.

- Furthermore, a positive cash flow position has been maintained, with a bank balance of R39.10 million as at 31 March 2026. The weekly Cash Flow Committee meetings have ensured close and continuous monitoring of the Municipality's cash position.

Pillar 1: Governance

1. A number of key initiatives under the governance pillar of the FRP have commenced or progressed during the period under review - these are detailed in the table below. These initiatives have been aimed at laying the foundation for institutionalising stable governance which is fundamental to ensuring that the objectives of the FRP are not only realised during the duration of the intervention but also sustained once the intervention ends.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 1 Financial Recovery Plan Activities and Progress for Pillar 1: Governance

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Governance model – Executive Mayor position	Legal opinion obtained and status of Executive Mayor Confirmed. Item to be tabled before council.	Matter to be tabled. Continued reporting on progress.
Risk management	Disciplinary action (where relevant). Updated and adopted risk management strategies and plans. Council Resolution.	Matter finalised no further action required.
Consequence management and Disciplinary management	Consequence management training provided to councillors and managers. Being reported on.	Matter finalised. No further action required.
Immovable property	Report to council attaching rental property register. Adopted organisational review report.	The status remains the same for Property Management. Provide draft policies. Awaiting evidence.
ICT Management	Grabouw with the new fibre tender approved will be equipped with a sufficient internet line to accommodate DR requirements.	Continued reporting on progress. Awaiting evidence.
Litigation	Reduction in potential legal exposure expected once mitigation measures are implemented. Minimal costs incurred for analysis, funded through existing Legal Services budget.	Continued reporting on progress. Awaiting evidence.
Contingent liabilities	Draft contingent liability register compiled and under review. Quarterly reporting framework being developed to ensure ongoing monitoring and updates.	Continued reporting on progress awaiting evidence.

- The Grabouw Abattoir matter was confirmed as the only matter that may constitute a contingent liability. No additional contingent liabilities were identified.
- The Municipality's contingent liability exposure has been clearly defined, limited, and documented. A comprehensive Contingent Liabilities Register has been finalised and is ready for Council consideration and noting.

Pillar 2: Institutional

1. A number of key initiatives under the institutional pillar of the FRP have commenced or progressed during the period under review - these are detailed in the table below.
2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 2 Financial Recovery Plan Activities and Progress for Pillar 2: Institutional

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Employee-related cost	Report submitted to Council, including a register of all contract and temporary staff appointments. The Accounting Officer must provide quarterly reports to Council detailing all contract and temporary staff appointments, as well as any renewals and extensions. • Overtime approved only by MM • Departmental monthly forecasts • Overtime approved budgets	Continued, detailed reporting on the implementation of control measures, including comprehensive tracking of expenditure and clear articulation of progress against planned targets.
Filling of critical vacant positions (Senior Managers)	All senior manager vacancies are filled.	No action required.
Leave Management	Leave continuously managed by Municipal Manager. Programme of wellness activities and policy approved by council. Policy communicated to all staff and proof of receipt by staff.	Continued control and reporting.
Physical verification of staff and vetting of qualifications	Ongoing submission of staff verification reports to Council, including supporting evidence of physical verification. Annual reporting to the Municipal Manager (MM) on audit outcomes and verification results, reflecting continuous progress and compliance.	Continued control and reporting.

Pillar 3: Financial management

1. The established Cash Flow Committee continued as the driver of the implementation of the finance pillar of the FRP.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 3 Financial Recovery Plan Activities and Progress for Pillar 3: Financial Management

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Strengthening budget funding and expenditure controls (incl. Section 71 monitoring and spending prioritisation)	Monthly reporting embedded; overspending pressures noted on key items (e.g. employee costs, contracted services); limited clarity on implementation of cost reductions. This is concerning as revenue from sale of immovable property did not realise.	Implement the cost containment measures and alignment of the budget with the objectives of the FRP. Adopt and implement an adjustment budget in line with MFMA section 28(2)(a).
Development and implementation of Revenue Enhancement Strategy and policy reforms	Draft framework amendments workshopped; key revenue leakages identified; policy reviews drafted and approved by council for public participation.	Finalise and operationalise Revenue Enhancement Strategy and establish Revenue Management Committee with clear Terms of Reference (ToR).
Revenue recovery initiatives focusing on top 50 debtors and credit control enforcement	External service provider appointed; active engagement with debtors; repayment plans and monitoring in place; maintained collections are noted.	Strengthen enforcement for non-compliant debtors; clarify processes for disputed accounts; enhance reporting on disconnections and outcomes.
Cost reflective tariffs	The annual cost of supply review and reconciliation with the National Treasury tool was completed and submitted as part of the 2026/27 draft budget process.	Continue annual cost of supply reviews and strengthen alignment between tariffs and FRP sustainability objectives.
Cashflow and creditor management through Cash Flow Committee and prioritisation of payments	Weekly Cash Flow Committee operational; improved creditor management (excluding Eskom); formalised payment agreement signed.	Formalise and implement creditor prioritisation framework; strengthen alignment between cashflow and procurement/spending decisions. Implement recommendation to strengthen alignment between the Cash Flow Committee meeting and the objectives of the FRP. Sufficiently provide for loan repayments and other commitments in the last quarter of the year.

Eskom debt management and affordability constraints	Eskom debt decreased. An agreement was signed between Eskom and the Municipality and payments are consistently adhered to.	Continue to honour the payment arrangement with Eskom.
Cost containment and expenditure efficiency (essential vs non-essential spending)	Initial analysis completed; expenditure prioritisation applied through cashflow structures.	Institutionalise cost containment measures and integrate into procurement and budgeting processes.
mSCOA compliance and financial data alignment	Steering committee established; roadmap under review; ongoing data string misalignments affecting reporting reliability.	Accelerate mSCOA data alignment; ensure updated roadmap, governance functionality and accurate reporting across schedules.
SCM compliance and procurement planning improvements	Procurement plan in place; deviation controls via systems; limited detail in reporting; contract register gaps remain.	Strengthen SCM reporting transparency; finalise deviation standard operating procedures (SOPs); implement contract register and monitor procurement plan performance.

Pillar 4: Service Delivery

1. The Municipality is dealing with a broad range of service delivery challenges. Addressing these within the Municipality's existing financial and capacity constraints is a critical aspect of the FRP's implementation. The table below highlights some of the key activities during the period under review. It shows a focus on water and energy infrastructure, among others, and the efforts under the FRP to ensure that infrastructure is developed, maintained, and repaired to reduce future expenditure and bolster the municipality's capacity to enhance revenue.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 4 Financial Recovery Plan Activities and Progress for Pillar 1: Service Delivery

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Finalise and adopt the Water Conservation and Water Demand Management Plan (WC/WDM), with MISA support.	WC/WDM Plan finalised, adopted by Council, and published.	Monitoring the implementation to continue. Output: reduced water losses, water use behavioural change required.
Conduct a study on non-payment of water services and a study on water services for backyard and informal settlement dwellers. Consider the following: • Socio-economic factors driving non-payment. • Access and affordability barriers driving non-payment. • Informal and backyard	The Finance department and the Technical Services department must design the study, the approach, and the methodology.	The Technical Services department must drive the study supported by the Finance department.

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
settlements' service access. • Possible revenue leakage from informal connections.		
Maintain and update the electricity loss control register quarterly to track trends and intervene early if losses increase.	Quarterly electricity loss reports compiled and submitted to management.	Municipal reporting on this activity must be improved to record improvements and/or challenges.
Development of an Asset Management Strategy.	DLG and MISA to assist the municipality with the template and capacity	DLG: Municipal Infrastructure (Planning and Support) to drive the plan development.
Identify hotspots and un-serviced areas (informal settlements) and develop a plan to expand waste collection services to those areas.	DLG through the Interventions Grant has allocated R400 000 towards Improve Waste Management to Strengthen Local Waste Management Systems by Piloting Improvements in Collection Points, Recycling and Separation Initiatives (Villiersdorp and Grabouw).	The implementation of the project will be managed by the Municipality with support from DLG.
Perform noticeable maintenance and repairs and expand clean-up efforts of public facilities.	The Municipality has not given an account to this.	The Municipality must submit a plan with clearly defined activity.

4. SUPPORT PROVIDED TO THE MUNICIPALITY

4.1 PT and DLG are continuing to support the Municipality in the implementation of the FRP.

4.2 On-going hands-on support is provided to the Municipality and both PT and DLG are committed to ensuring that the objectives of the FRP are achieved. Some examples include:

- Continuous advice and support through participation in the Cash Flow Committee and FRP technical meetings.
- Utilisation of Municipal Finance Improvement Programme (MFIP) / Municipal Infrastructure Support Agent (MISA) advisors.
- Support from PT on revenue enhancement initiatives to improve collection rates.

4.3 Support for the FRP is also complimented by a broader support package coordinated by DLG under section 154 of the Constitution. This support is currently being drafted and more details will be provided as soon as it is finalised.

5. CONCLUSIONS

5.1 Section 147(1)(a) of the MFMA requires that an intervention be reviewed quarterly to establish:

- progress with resolving the Municipality's financial problems and its financial recovery; and
- the effectiveness of the FRP.

5.2 While the quarter under review reflected continued implementation of the FRP and measurable improvements in several key financial indicators, the Municipality remains in a state of financial crisis and financially vulnerable. The Municipality has, however, demonstrated improved cash flow

management, reductions in creditor balances excluding Eskom debt, improved liquidity indicators, improved grant cash backing and continued implementation of cost containment measures.

5.3 The Municipality remains in the Rescue Phase (Phase 1) of the FRP. Although measurable progress has been achieved, particularly within Pillar 3: Financial Management. The implementation across the governance, institutional and service delivery pillars remains uneven, with several activities still in progress or not yet commenced.

5.4 The cooperation of the municipal administration and support of Council have been a key factor in the successful institutionalisation of the FRP in the Municipality.

5.5 The senior administration had previously been stabilised through the filling of critical vacancies, including the Municipal Manager and Chief Financial Officer positions. However, this stability has subsequently been affected by the suspension of both the Municipal Manager and Chief Financial Officer, which continues to present a governance and institutional risk to the sustained implementation of the FRP. In addition, the litigation costs are increasing on a continuous basis which is a direct threat to the Municipality's financial position.

5.6 During the quarter under review, the Municipality continued implementation of the 2025/26 adjustment budget with increased alignment to the objectives of the FRP. During March 2026 PT advised the Municipality to further strengthen alignment between the adjustment budget and the FRP, including the need to table an additional adjustment budget to address the material under collection of revenue, specifically relating to anticipated revenue from the sale of property which did not materialise.

5.7 Although material financial, governance and institutional risks remain, the Municipality continues to implement the approved FRP and the current evidence does not indicate a material or persistent failure that would warrant escalation of the intervention at this stage.

6. RECOMMENDATIONS

6.1 The Municipality must address the FRP targets that have been missed and intensify its implementation of the FRP, including implementing recommendations listed in tables 1, 2, 3 and 4 of this report.

6.2 Provincial government will continue to provide support to assist the implementation of the FRP (conditional on the cooperation of the Municipality and its commitment to implement changes identified through support activities).

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Annexure B: Progress Report on Provincial Intervention in Theewaterskloof Local Municipality: 1 April 2026 – 30 June 2026

PROGRESS REPORT ON PROVINCIAL INTERVENTION IN THEEWATERSKLOOF LOCAL MUNICIPALITY FOR THE PERIOD 1 APRIL 2026 TO 30 JUNE 2026

1. BACKGROUND

1.1 The Provincial Executive approved an intervention in the Theewaterskloof Municipality ("the Municipality") in terms of section 139(5)(a) of the Constitution on 6 November 2024. Following an extensive consultation process, a mandatory Financial Recovery Plan ("FRP") was approved on 19 September 2025, and implementation began on 1 October 2025.

1.2 The FRP is structured with four pillars, for governance, institutional, financial management and service delivery.

1.3 Quarterly reports detailing the progress of the implementation of the FRP are prepared in terms of section 147(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("the MFMA") and submitted to stakeholders in terms of section 147(1)(b) of the MFMA.

1.4 Section 147(1)(a) requires a review on any discretionary provincial intervention referred to in section 137 of the MFMA or any mandatory provincial intervention referred to in section 139 of the MFMA, including progress with resolving the municipality's financial problems and its financial recovery and the effectiveness of any financial recovery plan.

1.5 In terms of section 147(1)(b) of the MFMA, this report must be submitted to:

i. the Municipality;

ii. the Minister of Finance;

iii. the Minister of Cooperative Governance and Traditional Affairs;

iv. the provincial legislature; and

v. organised local government in the province (South African Local Government Association – "SALGA").

1.6 This report covers the period 1 April 2026 to 30 June 2026.

2. INSTITUTIONALISATION OF THE FRP

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2.1 Committees established to oversee the FRP

The implementation of the FRP is the responsibility of the Municipality, with the support of the provincial government. Three structures/committees were established which allow the Municipality to provide feedback on progress regarding the implementation. These committees are structured as follows:

Oversight Committee

The FRP stipulates that the intervention will be subject to oversight by an Oversight Committee who will report directly to the MEC Finance and the Provincial Executive of the Western Cape. The Oversight Committee monitors progress and assists to unblock any challenges that may hinder the success of this intervention. This Committee has the authority to recommend that certain actions from the FRP should be prioritised or delayed. The Committee will also confirm the updated numerical targets in the FRP in instances where spending limits and revenue targets are based on variable data such as inflation rates, administered price increases and past performance. The Committee is also tasked with assessing progress and approving the shift from one phase of the FRP to another. This committee meets at least quarterly.

Technical Committee

Monthly Technical Committee check-in meetings organised by Provincial Treasury ("PT") and the Department of Local Government ("DLG") are held to monitor detailed progress on the implementation plan of the FRP where challenges are identified, and remedial steps/solutions are provided. This Committee includes but is not limited to the Municipal Manager, Chief Financial Officer and Senior Management of the Municipality, officials from PT and DLG, and also representatives from SALGA.

Cash Flow Committee

The rescue phase of the FRP includes a requirement to "Establish a Cashflow Committee that must meet weekly to discuss financial status of the Municipality and prioritise cashflow commitments" (page 53 of the FRP). The Cash Flow Committee meets once a week, on Wednesdays. The committee discusses the current financial position of the Municipality, monitors progress on revenue collection and recommends actions to improve collections. The Committee also discusses and agrees on the prioritisation of payments. PT's Director: Local Government Revenue and Expenditure (Group 1) and officials directly responsible for budget and cash analysis as well as the NT MFIP advisor attends all meetings of the Committee (on the virtual platform) and provides advice to the Municipality. The Committee reports monthly on its activities to the Technical Committee in a standardised template.

2.2 Structure of FRP

The FRP adopts a strategic, focused approach which is time-bound yet comprehensive enough to ensure that the underlying causes of the crisis are adequately addressed. To achieve this objective, the FRP presents a phased approach to recovery, differentiating between issues to be addressed in the short, medium, and long term. The FRP is divided into three distinct but interdependent phases. These include a Rescue Phase (Phase 1) which focuses primarily on cash and restoring the cash position of the Municipality, followed by a Stabilisation Phase (Phase 2) which expands on the financial indicators to be monitored and emphasises key governance and institutional issues which must simultaneously be addressed and finally, a Sustainability Phase (Phase 3) to *inter alia* ensure that indicators are developed that will give effect to the long-term financial sustainability of the

Municipality. The approach is designed to ensure that financial recovery is not only achieved, but more importantly, that progress is institutionalised and sustained within the Municipality.

A financial forecasting model has been used to set financial targets for the FRP over the MTREF period. Grounded on the effective implementation of the FRP, it is anticipated that the Municipality will progressively move towards a position of improved financial sustainability over a 3-year period, should the Municipality comply with its obligations in terms of the FRP and continue to work together with the various role players.

The activities in each phase of the FRP are grouped under four pillars. The key actions in the first phase of the FRP include the following:

Pillar 1 - Governance: Investigation of financial misconduct, the establishment of functional Council committees, investigation of unauthorised, fruitless, wasteful, and irregular expenditure in accordance with section 32 of the MFMA, implementation of an audit action plan, review of the system of delegations, various activities to improve contract management and the development and implementation of a MFMA legal compliance matrix to address the high level of contingent liabilities.

Pillar 2 - Institutional: management of employee-related costs, leave management, the development of a model or policy for the identification and filling of the vacant positions. The FRP further requires the verification of staff qualifications, the filling of critical vacancies and re-establishing of the Local Labour Forum.

Pillar 3 - Financial Management: The preparation of a credible and funded MTREF Budget, cost containment measures, revenue improvement activities, a revenue enhancement strategy, the re-negotiation of creditor payment plans, cost-reflective tariffs and activities for the effective administration and measures to address SCM compliance and value for money are some of the priorities identified in the FRP.

Pillar 4 - Service Delivery: Water and electricity management, technical and non-technical losses, electricity provision and Eskom debt as well as waste and refuse removal and asset management are priorities listed in the FRP.

3. PROGRESS ON THE IMPLEMENTATION OF THE FRP

3.1 The progress on the implementation of the FRP is collated and obtained through the following reports and engagements, amongst others:

- Monthly FRP Implementation Plan reports submitted by the Municipality to both DLG and PT and uploaded on the GoMuni portal.
- Action notes from Technical Committee meetings and Cash Flow Committee meetings.
- Monthly and quarterly reports on financial performance required in terms of section 71 of the MFMA.
- The adopted 2025/26 MTREF budget of the Municipality.

3.2 The subsections below set out a summary of progress against the targets in each of the four pillars of the FRP in the period from April 2026 to June 2026. This report is not intended to give a comprehensive account of all indicators, but rather to summarise overall progress on each of the four pillars of the FRP.

FRP DASHBOARDS – OVERVIEW OF PERFORMANCE AGAINST FRP TARGETS

The table below highlights the proportion of activities under each of the 4 pillars of the FRP that have been completed, are nearing completion, are in progress and activities that have not started yet.

DASHBOARD 1 – PROGRESS ON ACTIVITIES PER PILLAR

	Not started	In progress	On track (towards completion)	Completed/ target being met
Pillar 1: Governance	3%	21%	37%	39%
Pillar 2: Institutional	3%	16%	0%	81%
Pillar 3: Financial	9%	19%	21%	51%
Pillar 4: Services	35%	55%	5%	5%
Average performance	**10%**	**24%**	**17%**	**48%**

The Municipality is implementing a budget for 2025/26 that was prepared prior to the FRP being approved.

DASHBOARD 2 - FRP FINANCIAL IMPACT

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing)	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	4th Quarter 2025/26 June 2026	Movement	Data Notes and Comments
Cash on hand	R10.33 million	R34.33 million	R39.10 million	R24.86 million (call account R18. 79 million)	↓	Cash balances dropped in the fourth quarter to R24.86 million from R39.10 million at the end of March 2026. The negative movement is largely influenced by loan repayments made during June.
Total Debtors	R426.02 million	R433.68 million	R440.92 million	R321.10 million	↓	Net debtors increased in the first quarter before declining to R54.94 million in the second quarter and further declining to R38.92 million, and R17.84 million in the third and fourth quarters respectively. The significant decline in net debtors during the fourth quarter is primarily attributable to the write-off of irrecoverable debts, which significantly
Provision for debtors (impairment)	R331.65 million	R378.74 million	R402 million	R303.16 million	↓	
Nett debtors	R94.37 million	R54.94 million	R38.92 million	R17.84 million	↓	

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing)	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	4th Quarter 2025/26 June 2026	Movement	Data Notes and Comments
						reduced the outstanding debtors balance.
Total Creditors excluding Eskom	R40.55 million	R37.87 million	R36.57 million	R62,96 million		Creditors decreased consistently over the second and third quarters, however an increase is noted in the last quarter. Some of these creditors may be settled in period 13.
Creditors as a percentage of Total operational Expenditure	15.4 %	16.5 %	13. 8%	16.6%		The ratio improved to 13.8 per cent in the third quarter, however regressed to 16.6 per cent as at the end of June 2026. As different commitments become due at different times, a comparison against the 21.8 per cent as at the end of June 2025, show a positive decline.
Current Eskom Debt	R90.95 million	R102.17 million	R79.85 million	R78.32 million		The Municipality has consistently honoured the agreement with Eskom which was officially signed on 1 April 2026 by both parties.
Outstanding Eskom balance excluding current	R90.95 million	R102.17 million	R65.89 million	R56.22 million		Eskom Debt decreased between quarter one and four. This is mainly due to the agreed payment of R19.35 million per month.
Collection rate	80%	83%	83 %	86%		The collection rate improved steadily from 80% to 86% between quarter one and four.

Item	1st Quarter 2025/26 September 2025 (Prior to FRP commencing)	2nd Quarter 2025/26 December 2025	3rd Quarter 2025/26 March 2026	4th Quarter 2025/26 June 2026	Movement	Data Notes and Comments
						Furthermore, the collection rate is above the FRP target of 85%
Current ratio	0.52:1	0.49:1	0.52:1	0.34:1		The current ratio decreased to 0.34:1 in the fourth quarter.
Cash coverage	0.34 months	0.84 months	0.84 months	0.39 months		The cash coverage ratio decreases from 0.84 months in the first quarter to 0.39 months. The reason for the decline is the settlement of loans in June 2026 as well as honouring the Eskom agreement.
Conditional Grants cash-backed	R 4.14 million	R 2.88 million	R15.20 million	R12.25 million		Grants are cash-backed.

- It is important to note that the FRP commenced at the start of the second quarter of the municipal financial cycle. However, significant progress had already been achieved on some indicators prior to its implementation.
- The first 9 months following the commencement of the FRP have shown strong progress across most key financial indicators, including an improved cash flow position, and the ringfencing of grant funding, and the Eskom agreement that is honoured. Cash flow ratios have also improved, although they remain below the desired norm.
- Areas of ongoing concern during the third quarter include:
  - The high outstanding Eskom debt;
  - The high percentage (16.6 per cent) of total creditors relative to total operating expenditure. Furthermore, the audited financial statements identified significant adjustments relating to trade payables and accruals, indicating possible under reporting of creditors during the financial year. As a result, the reported improvement should be interpreted with caution, as it may not fully reflect the Municipality's actual financial obligations; and
  - The slow progress in implementing the procurement plan, which has negatively affected spending on the capital programme which may impact service delivery objectives if not accelerated during the remainder of the financial year.
- When the performance is measured against the end of the previous financial year, greater efforts are evident to stabilise the cash position while maintaining service delivery and other operational commitments.

DASHBOARD 3 - PROGRESS AGAINST FRP TARGETS FOR REVENUE AND EXPENDITURE

3.3 The table below reflects actual budget performance against the revenue and expenditure targets contained in the current adjusted budget and aligned to the FRP targets for the fourth quarter of the 2025/26 financial year. Despite the Municipality experiencing ongoing data credibility challenges relating to mSCOA data string alignment, the Schedule C4 utilised for the population of the table below indicated alignment between the National Treasury data strings and the municipal budget data sets.

BUDGET ITEM	2024/25 AUDITED OUTCOMES R'000	2025/26 ADJUSTMENT BUDGET R'000	FRP TARGETS: 2025/26 YTD BUDGET R'000	ACTUAL:YTD 2025/26 (30 June) R'000	YTD VARIANCE %
REVENUE					
Property Rates	161,347	170,753	170,753	171,382	0.4%
Electricity Revenue	150,632	165,981	165,981	166,254	0.2%
Water Revenue	98,182	115,999	115,999	120,458	3.8%
Sanitation Revenue	46,372	49,988	49,988	50,713	1.5%
Refuse Revenue	44,412	46,603	46,603	46,589	0.0%
Interest: Debtors	26,223	30,059	30,059	26,467	-12.0%
Investment Revenue	3,484	3,300	3,300	3,269	-0.9%
Operational Grants	163,406	186,152	186,152	174,519	-6.2%
Fines & Penalties	28,520	43,941	43,941	8,813	-79.9%
Other Revenue	30,024	50,286	50,286	26,830	-46.6%
Total Operational Revenue	752,602	863,062	863,062	795,294	**-7.9%**
EXPENDITURE					
Employee Cost	281,509	313,696	313,696	290,412	-7.4%
Remuneration of Councillors	13,148	15,017	15,017	13,242	-11.8%
Debt impairment	100,461	110,914	110,914	(23,628)	-121.3%
Depreciation and impairment	41,321	43,848	43,848	34,302	-21.8%
Finance Charges	47,204	54,459	54,459	24,273	-55.4%
Bulk Purchases	120,104	139,207	139,207	123,906	-11.0%
Other Materials	39,711	45,840	45,840	37,746	-17.7%
Contracted Services	58,563	64,090	64,090	46,205	-27.9%
Transfers and Grants	5,501	11,549	11,549	2,294	-80.1%
Other expenditure	89,965	107,342	107,342	216,119	101.3%
Total Operational Expenditure	797,488	905,962	905,962	764,872	**-15.6%**
Surplus/ (Deficit)	(44,886)	(42,900)	(42,900)	30,423	

Source: WC031_M12 2025/2026 C4 NT Database

- The financial results at the end of the 2025/26 financial year, following implementation of the FRP, reflect an underperformance in operating revenue of 7.9 per cent against the year-to-date target.
- Despite the overall revenue underperformance, the Municipality recorded positive performance in its core trading services, namely electricity, water, sanitation and refuse removal revenue. These revenue streams exceeded projected targets, resulting in an average overperformance of 1.5 per cent as at 30 June 2026.
- The overall revenue underperformance was mainly driven by lower than anticipated fines income, other revenue categories such as other gains, which offset the positive performance recorded in trading services.
- Operating expenditure reflects an underspending of 15.6 per cent against the year-to-date budget, largely attributable to the implementation of cost containment measures and slower than anticipated spending across several operational expenditure items including interest cost, employee related cost, and contracted services.

- Furthermore, a positive cash flow position has been maintained, with a bank balance of R5.47 million (plus R18.79 million in call accounts) as at 30 June 2026. The weekly Cash Flow Committee meetings have ensured close and continuous monitoring of the Municipality's cash position.

Pillar 1: Governance

1. A number of key initiatives under the governance pillar of the FRP have commenced or progressed during the period under review - these are detailed in the table below. These initiatives have been aimed at laying the foundation for institutionalising stable governance which is fundamental to ensuring that the objectives of the FRP are not only realised during the duration of the intervention but also sustained once the intervention ends.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 1 Financial Recovery Plan Activities and Progress for Pillar 1: Governance

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Governance model – Executive Mayor position	Legal opinion obtained and status of Executive Mayor Confirmed. Item to be tabled before council.	Matter to be tabled. Continued reporting on progress.
Risk management	Disciplinary action (where relevant). Updated and adopted risk management strategies and plans. Council Resolution.	Matter finalised no further action required.
By-laws	Finalise By-law audit. Develop a project plan for review and update of By-laws and draft amendments or consolidated Bylaws as needed. By-law reviews underway. Project plan developed.	Complete by-law review.
Immovable property	Report to council attaching rental property register. Adopted organisational review report. SUBMITTED - Immovable Property Governance Strategy; Administration of Immovable Property Policy; Acquisition, Sale and Granting of Rights Guideline; SOP for Buying and Selling of Immovable Property; SOP Granting of Rights by means of Leasing; SOP Revenue Billing, Financial Instruction and Contract Monitoring for Municipal Lease, Encroachment and Related Property Agreements.	Submitted policies to be considered by council.
ICT Management	Grabouw with the new fibre tender approved will be equipped with a sufficient internet line to accommodate DR requirements.	Committee Continued reporting on progress.
Litigation	Reduction in potential legal exposure expected once mitigation measures are implemented. Minimal costs	Continued reporting on progress. Awaiting evidence.

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
	incurred for analysis, funded through existing Legal Services budget.	
Contingent liabilities	Draft contingent liability register compiled and under review. Quarterly reporting framework being developed to ensure ongoing monitoring and updates.	Continued reporting on progress awaiting evidence.

- The Grabouw Abattoir matter was confirmed as the only matter that may constitute a contingent liability. No additional contingent liabilities were identified.
- The Municipality's contingent liability exposure has been clearly defined, limited, and documented. A comprehensive Contingent Liabilities Register has been finalised and is ready for Council consideration and noting.

Pillar 2: Institutional

3. Significant progress was achieved during the quarter under review in advancing key initiatives under the Institutional Pillar. A number of planned interventions were successfully implemented, while others reached critical milestones in accordance with approved timelines and targets. These achievements have contributed positively to strengthening institutional capacity, improving governance processes, and supporting the overall objectives of the FRP.

4. The table below highlights areas where notable progress and measurable achievements were recorded during the quarter, including the completion of several planned deliverables and the advancement of priority initiatives. It also identifies key risks, challenges, and mitigating actions associated with the implementation of this pillar. While substantial progress has been made against quarterly targets, the table is not intended to provide a comprehensive account of all activities undertaken. Detailed information on all initiatives and performance against targets is contained in the Municipality's monthly reports. The table therefore focuses specifically on strategic matters, key accomplishments, emerging risks, and areas requiring the attention of the Oversight Committee.

Table 2 Financial Recovery Plan Activities and Progress for Pillar 2: Institutional

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Employee-related cost	The Accounting Officer provides quarterly reports to Council detailing all contract and temporary staff appointments, as well as any renewals and extensions. Overtime Policy approved by Council, however, the implementation still a concern.	Continued, detailed reporting on the implementation of control measures, including comprehensive tracking of expenditure and clear articulation of progress against planned targets.
Filling of critical vacant positions (Senior Managers)	All senior manager vacancies are filled.	No action required.
Leave Management	Leave continuously managed by Municipal Manager.	Continued control and reporting.

	Programme of wellness activities and policy approved by council. Policy communicated to all staff and proof of receipt by staff. Draft ICT Contingency Plan and the draft Municipal Governance of ICT Framework Policy have been submitted for inclusion in the agenda of the Performance & Audit.	
Physical verification of staff and vetting of qualifications	Ongoing submission of staff verification reports to Council, including supporting evidence of physical verification. Annual reporting to the Municipal Manager on audit outcomes and verification results, reflecting continuous progress and compliance	Continued control and reporting.

Pillar 3: Financial management

1. The established Cash Flow Committee continued as the driver of the implementation of the finance pillar of the FRP.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 3 Financial Recovery Plan Activities and Progress for Pillar 3: Financial Management

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Strengthening budget funding and expenditure controls (incl. Section 71 monitoring and spending prioritisation).	Notwithstanding the progress made on certain initiatives, overtime, standby, and acting allowances remain a key concern when compared to the original budget. This indicates ongoing operational pressures on the budget, resulting in increasing requests for additional allocations during the adjustments budget process. As of June 2026, employee-related costs represented 39.7% of total operating expenditure.	Continue implementing cost-containment measures and align the budget with the objectives of the FRP. Measures must be implemented to reduce employee-related costs, particularly acting allowances, standby payments, and overtime expenditure. The **employee related cost** ratio must be reduced in the 2026/27 financial year.
Development and implementation of Revenue Enhancement Strategy and policy reforms.	Draft framework amendments were workshopped, key revenue leakages were identified, policies were adopted, and implementation measures are underway. Council approved the write-off of debt amounting to R148.33 million, which was not budgeted for. While the initiative is acknowledged,	Finalise and operationalise the Revenue Enhancement Strategy and establish a Revenue Management Committee with clear Terms of Reference. Debt collection measures must be strictly enforced, and future initiatives

	such activities should be implemented within approved budget provisions.	should be adequately planned and budgeted for. Smart meter water project must be implemented.
Revenue recovery initiatives focusing on top 50 debtors and credit control enforcement.	External service provider appointed; active engagement with debtors; repayment plans and monitoring in place; maintained collections are noted.	Strengthen enforcement for non-compliant debtors; clarify processes for disputed accounts; enhance reporting on disconnections and outcomes. The external service provider's contract came to an end and the Municipality will perform debt collection and credit control functions in-house where feasible. In July 2026, the Municipality already commenced with strict enforcement measures with the in-house capacity.
Cost reflective tariffs.	The annual cost of supply review and reconciliation with the National Treasury tool was completed and submitted as part of the 2026/27 budget process.	Continue annual cost of supply reviews and strengthen alignment between tariffs and FRP sustainability objectives.
Cashflow and creditor management through Cash Flow Committee and prioritisation of payments.	Weekly Cash Flow Committee operational; improved creditor management (excluding Eskom); formalised payment agreement signed.	Formalise and implement creditor prioritisation framework; strengthen alignment between cash flow and procurement/spending decisions. Implement recommendation to strengthen alignment between the Cash Flow Committee meeting and the objectives of the FRP. Implement a loan repayment strategy to avoid the risk of non-payment.
Eskom debt management and affordability constraints.	Eskom debt decreasing, Eskom agreement signed and payments consistently adhered to.	Continue to honour the payment arrangement with Eskom.
Cost containment and expenditure efficiency (essential vs non-essential spending).	Initial analysis completed; expenditure prioritisation applied through cashflow structures.	Institutionalise cost containment measures and integrate into procurement and budgeting processes.
UIFW	Despite progress made in implementing the UIFW Strategy and Consequence Management Policy, the processing of UIFW cases from previous financial years remains slow. The risk of National Treasury taking steps under section 216 of the Constitution remains high and could have a significant impact, particularly following the withholding of the Local Government Equitable Share for 30 days in July 2026. The Municipality must enforce the guidance provided	Accelerate the resolution of UIFW cases from previous financial years and strengthen the implementation of consequence management. Ensure full compliance with National Treasury directives to mitigate the risk of measures being implemented under section 216 of the Constitution.

	by National Treasury.	
Contract Management	Contract management remains a concern, with several key FRP activities yet to commence. The Municipality remains at risk of increased irregular expenditure if these matters are not addressed.	Implement proactive measures to strengthen contract management and prevent deviations from SCM processes.
mSCOA compliance and financial data alignment	Steering committee established; roadmap under review; ongoing data string misalignments affecting reporting reliability.	Accelerate mSCOA data alignment; ensure updated roadmap, governance functionality and accurate reporting across schedules.
SCM compliance and procurement planning improvements	Procurement plan in place, however, a number of mandatory fields remain incomplete, posing a risk to effective procurement planning and oversight; deviation controls via systems; limited detail in quarterly reporting; contract register gaps remain.	Strengthen SCM reporting transparency; finalise deviation standard operating procedures; implement contract register and monitor procurement plan performance.

Pillar 4: Service Delivery

1. The Municipality is dealing with a broad range of service delivery challenges. Addressing these within the Municipality's existing financial and capacity constraints is a critical aspect of the FRP's implementation. The table below highlights some of the key activities during the period under review. It shows a focus on water and energy infrastructure, among others, and the efforts under the FRP to ensure that infrastructure is developed, maintained, and repaired to reduce future expenditure and bolster the municipality's capacity to enhance revenue.

2. The table below indicates areas of notable progress as well as risks and challenges in implementing this pillar during the quarter under review. The table below is not a complete list of all the activities in this pillar – details of that are set out in the monthly report completed by the Municipality. This table only highlights the activities that need to be brought to the attention of the Oversight Committee.

Table 4 Financial Recovery Plan Activities and Progress for Pillar 1: Service Delivery

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Finalise and adopt the Water Conservation and Water Demand Management Plan (WC/WDM), with MISA support.	A comprehensive 2025 WC/WDM Strategy and Water Loss Reduction Plan was submitted and supports that the plan was finalised. However, no identifiable Council resolution or proof of publication was submitted; adoption and publication therefore remain unverified.	The Municipality must submit the Council resolution and proof of publication, and report on implementation, expenditure, targeted interventions and measurable reductions in water losses.
Conduct a study on non-payment of water services and a study on water services for backyard and informal settlement dwellers.	No socio-technical study was submitted. Water-loss and billing information provides baseline data on informal settlements and unbilled consumption, but it does not address affordability, reasons for non-payment,	The activity should be treated as a cross-functional intervention activity. Finance/Revenue should lead the non-payment and

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
Consider the following: • Socio-economic factors driving non-payment. • Access and affordability barriers driving non-payment. • Informal and backyard settlements' service access. • Possible revenue leakage from informal connections.	service-access barriers, stakeholder consultation or an implementation roadmap.	affordability assessment, with Technical Services and relevant community-facing functions providing service and settlement data.
Maintain and update the electricity loss control register quarterly to track trends and intervene early if losses increase.	The submitted electricity-loss register covers July 2025 to June 2026 and records purchases of 57,611,888 kWh, sales of 52,340,740 kWh and losses of approximately 9.15%. This demonstrates monitoring for the reporting year, but separate quarterly analyses and proof of submission to management were not provided.	Continue maintaining the register and submit quarterly loss analyses to management, including explanations for variances, identified high-loss areas, interventions undertaken and the results achieved.
Development of an Asset Management Strategy.	No completed or approved Asset Management Strategy was submitted for the period ended 30 June 2026. A BEC agenda dated 28 July 2026 indicates subsequent progress with procurement for infrastructure asset verification and CIDMS-aligned work, but this occurred after the Q4 reporting date and does not demonstrate completion of the strategy.	The Municipality remains responsible for developing and approving the Asset Management Strategy, with DLG and MISA providing technical support where required. The award, signed SLA, strategy, implementation plan and approval record must be submitted once completed.
Identify hotspots and un-serviced areas (informal settlements) and develop a plan to expand waste collection services to those areas.	The Waste Services Expansion Plan and the R400,000 Municipal Intervention Grant provide a basis for expanding and improving waste services in Villiersdorp and Grabouw. However, the evidence does not include a complete settlement-level service assessment, hotspot register or map, approved implementation schedule, responsible officials, targets, procurement records or proof of deployment.	The Municipality must finalise the detailed implementation programme and provide evidence of procurement, asset deployment, expanded collection services, expenditure, beneficiary areas and performance monitoring. DLG should continue providing grant oversight and technical support.
Perform noticeable maintenance and repairs and expand clean-up efforts of public facilities.	The Accelerated Service Delivery Programme contains planned maintenance and clean-up activities and provides an initial implementation framework. However, no evidence was submitted confirming formal approval or demonstrating that the planned work was completed during the reporting period.	Submit the approved maintenance schedule, completed work orders, before-and-after photographs, expenditure records, monthly implementation reports, performance against targets

Key Activities prioritised during the quarter under review	Key Actions and Progress and/or Challenges and Risks	Recommendations for next quarter
		and a consolidated quarterly progress report.

4. SUPPORT PROVIDED TO THE MUNICIPALITY

4.1 PT and DLG are continuing to support the Municipality in the implementation of the FRP.

4.2 On-going hands-on support is provided to the Municipality and both PT and DLG are committed to ensuring that the objectives of the FRP are achieved. Some examples include:

- Continuous advice and support through participation in the Cash Flow Committee and FRP technical meetings.
- Utilisation of Municipal Finance Improvement Programme (MFIP) / Municipal Infrastructure Support Agent (MISA) advisors.
- Support from PT on revenue enhancement initiatives to improve collection rates.

4.3 Support for the FRP is also complimented by a broader support package coordinated by DLG under section 154 of the Constitution. This support is currently being drafted and more details will be provided as soon as it is finalised.

5. CONCLUSIONS

5.1 Section 147(1)(a) of the MFMA requires that an intervention be reviewed quarterly to establish:

- progress with resolving the Municipality's financial problems and its financial recovery; and
- the effectiveness of the FRP.

5.2 While the quarter under review reflected continued implementation of the FRP and measurable improvements in several key financial indicators, the Municipality remains in a state of financial crisis and financially vulnerable. The Municipality has, however, demonstrated improved cash flow management, reductions in Eskom debt, improved liquidity indicators, improved grant cash backing and continued implementation of cost containment measures.

5.3 The Municipality remains in the Rescue Phase (Phase 1) of the FRP. Although measurable progress has been achieved, particularly within Pillar 3: Financial Management, implementation across the governance, institutional and service delivery pillars remains uneven, with several activities still in progress or not yet commenced.

5.4 It has been noted that various directives have been issued by the Municipality; however, these have not been consistently implemented across all directorates. It is essential for the Municipality's management team to work collectively to ensure the effective implementation of the FRP objectives, with a particular focus on improving service delivery outcomes.

5.5 The senior administration had previously been stabilised through the filling of critical vacancies, including the Municipal Manager and Chief Financial Officer positions. However, this stability has subsequently been affected by the suspension of both the Municipal Manager and Chief Financial Officer. Although the Municipal Manager has since returned, governance and institutional risk remains a significant concern for the sustained implementation of the FRP. In addition, the litigation costs are increasing on a continuous basis which is a direct threat to the Municipality's financial position.

6. RECOMMENDATIONS 96

6.1 The Municipality must address the FRP targets that have been missed and intensify its implementation of the FRP, including implementing recommendations listed in tables 1, 2, 3 and 4 of this report.

6.2 The Municipality has made good progress to stabilise the cash flow position whilst also servicing its Eskom accounts and loan repayments. However, the majority of the phase 1 FRP activities have not yet been finalised. Based on this, the Municipality should prioritise finalising the activities in order to move to the next phase.

6.3 Provincial government will continue to provide support to assist the implementation of the FRP (conditional on the cooperation of the Municipality and its commitment to implement changes identified through support activities).

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Annexure C: Letter from the Provincial Minister of Finance to the Executive Mayor dated 11 September 2026 (PTR 16/1/15/1)

Western Cape Government

Ministry of Finance
Deidré Baartman | Provincial Minister
Deidre.Baartman@westerncape.gov.za | Tel: 021 483 4700

Reference number: PTR 16/1/15/1

The Executive Mayor
Theewaterskloof Municipality
PO Box 24
Caledon
7230

Per email: mayor@twk.gov.za

Dear Executive Mayor De Bruyn

PROGRESS REPORTS ON THE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN FOR THEEWATERSKLOOF MUNICIPALITY FOR THE PERIOD ENDING JUNE 2026

The Provincial Executive is required to intervene in terms of section 139(5) of the Constitution (1996), in any municipality that is experiencing a financial crisis, and impose a financial recovery plan (FRP).

As required by section 147 of the Municipal Finance Management Act (2003, "the MFMA") the Provincial Government must regularly review each intervention, including progress with resolving the municipality's financial problems and the effectiveness of the financial recovery plan. The review report for Theewaterskloof for the period January to June 2026 is attached to this letter, in line with the requirements of section 147(1)(b) of the MFMA.

Yours sincerely

MS D BAARTMAN
MINISTER OF FINANCE
DATE: 11 SEPTEMBER 2026

Cc: Mr Walter Hendricks, Municipal Manager (Theewaterskloof Municipality) walterhe@twk.gov.za

ITEM TITLE

C216/2026 OFFICE OF THE MUNICIPAL MANAGER: NOTIFICATION OF VACANCY: WARD COUNCILLOR

[English version of the report is the original]

FILE NUMBER

3/1/3

PURPOSE OF THE REPORT

To inform Council of the letter received from the Chairperson of the Federal Council of the Democratic Alliance, dated 08 September 2026, that Councillor D Jooste ceased to be a member of the Democratic Alliance and that he also ceases to be a Councillor in the Theewaterskloof Municipality.

BACKGROUND

As per the "Purpose of the Report".

DISCUSSION

After receiving the letter from the Democratic Alliance, the Municipal Manager informed the Independent Electoral Commission (IEC) on 08 September 2026 that a vacancy has arisen in the Municipal Council following the resignation of Councillor D Jooste, the duly elected Ward Councillor for Ward 9 in Theewaterskloof Municipality, with immediate effect.

FINANCIAL IMPLICATIONS

Not applicable.

LEGAL RESPONSIBILITIES

Municipal Structures Act 117 of 1998 (Schedule 1):

Item 18 - Filling of vacancies

(1)(b) Whenever a councillor ceases to hold office, the Municipal Manager concerned must within seven days after the councillor ceased to hold office, inform the Chief Electoral Officer accordingly.

RISK MANAGEMENT IMPLICATIONS

None.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council takes cognizance of the content of the letter received from the from the Chairperson of the Federal Council of the Democratic Alliance to the Speaker and the letter from the Municipal Manager to the Independent Electoral Commission (IEC) regarding the notification of a Ward Councillor vacancy as Councillor D Jooste ceases to be a member of the Democratic Alliance and a Councillor of Theewaterskloof Municipality, with immediate effect.

Theewaterskloof Municipality Head Office
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Telephone: +27 (28) 2143300
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Website: www.twk.org.za

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Date: 8 September 2026

The Electoral Officer
Independent Electoral Commission (IEC)
Western Cape IEC Office

For attention: Mr. M Hendrickse **e-mail:** hendricksem@elections.org.za

Dear Sir

THEEWATERSKLOOF MUNICIPALITY: NOTIFICATION OF VACANCY: WARD COUNCILLOR

This letter serves to formally notify the Independent Electoral Commission (IEC) that a vacancy has arisen in the Municipal Council following the resignation of Councillor D Jooste, the duly elected Ward Councillor for Ward 9.

The Municipality received a letter dated 8 September 2026, from the Chairperson of the Federal Council of the Democratic Alliance, informing us that Councillor D Jooste ceases to be a member of the DA and Councillor of Theewaterskloof Municipality, with immediate effect.

Kindly accept this correspondence as the official notification of the vacancy to enable the IEC to initiate the necessary processes for the filling of the vacant ward councillor seat in accordance with the relevant electoral legislation.

Should you require any additional information or supporting documentation, please do not hesitate to contact the undersigned.

Yours faithfully,

WF Hendricks
Municipal Manager
Theewaterskloof Municipality

Enclosures:
- Letter from the Chairperson of the Federal Council of the DA

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ASHOR SARUPEN
Chairperson of Federal Council
Tel: +27 21 465 1431
Email: fedexchair@da.org.za
www.da.org.za
P.O. Box 1475, Cape Town, 8000

8 September 2026

ALDERMAN WELDON WELLS
SPEAKER: THEEWATERSKLOOF LOCAL MUNICIPALITY, WESTERN CAPE

Dear Speaker

RE: DAWID JOOSTE – CESSATION AS A MEMBER OF THE DEMOCRATIC ALLIANCE

Cllr Dawid Jooste ceased to be a member of the DA. According to the DA Federal constitution he also ceases to be a councillor in the Theewaterskloof Municipality.

3.5.2 A member, who ceases to be a member of the Party, loses all privileges of Party membership and, if that member is a public representative, he or she also loses the office which he or she occupies by virtue of his or her membership, with immediate effect.

Yours sincerely

Ashor Sarupen

ASHOR SARUPEN
CHAIRPERSON OF FEDERAL COUNCIL

ITEM TITLE

C217/2026 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT IDP/PERFORMANCE MANAGEMENT: 4th 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 (April 2026 to June 2026) after Annual Financial Statement and Annual Performance Report was submitted.

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.

During a Council meeting held on 30 July 2026, with Council Resolution Number C185/2026, Council resolved as follows:

RESOLVED BY COUNCIL: 30 JULY 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 the outcome of the 2025/2026 performance report of the Municipality for the 4th Quarter.**

2. **Council noted the corrective measures.**

3. **Council noted that a final Report will only be available after Annual Financial Statement has been approved.**

4. **Council noted that there is a commitment made that the KPI'S will be aligned accordingly.**

5. **Council resolved that a comprehensive report be submitted at the next Council meeting, setting out the reasons why the KPIs were not achieved and outlining the immediate corrective measures that will be implemented to ensure that the targets are achieved going forward.**

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.

The Report could only be finalized after the submission of the Annual Performance Report dated 31 August 2026. The Quarter 4 Top Layer SDBIP has been updated to be in line with the Annual Performance Report and corrective measurements were outlined in order to ensure that the targets are achieved in 2026/ 2027.

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)

None.

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 4th Quarter after the Annual Financial Statements has been approved and the Annual Performance Report has been submitted.**

2. **That Council takes note of the corrective measures after Annual Financial Statements has been approved and Annual Performance Report has been submitted.**

OFFICE OF THE MUNICIPAL MANAGER

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Responsible Owner	Baseline	Source of Evidence	Calculation Type	Target Type	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2026						
														Original Target	Target Adjustments	Target	Actual	R	Performance Comment	Corrective Measures
TL1	Office of the Municipal Manager	Good Governance	Democratic, responsive, and accountable government	Compile and submit the final IDP to Council by 31 May 2026	Final IDP submitted to Council	Municipal Manager	1	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL2	Office of the Municipal Manager	Financial Viability	Democratic, responsive, and accountable government	Compile and submit the final annual budget to Council by 31 May 2026	Final budget submitted to Council	Municipal Manager	1	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL3	Office of the Municipal Manager	Good Governance	Democratic, responsive, and accountable government	Compile and submit the Oversight Report to Council by 31 March 2026	Report submitted to Council	Municipal Manager	1	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL4	Office of the Municipal Manager	Good Governance	Democratic, responsive, and accountable government	Compile and submit the Draft Annual Report to Council by 31 January 2026	Draft Annual Report submitted to Council	Municipal Manager	1	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL5	Office of the Municipal Manager	Basic Service Delivery	Sound financial management and continuous revenue growth	The percentage of the municipal capital budget spent on projects as at 30 June 2026 ((Actual amount spent on capital projects excluding orders/Total amount budgeted for capital projects)X100)	% of capital budget spent	Municipal Manager	60%	S71 Report And Financial Statements	Last Value	Percentage	95%	95%	28%	95%	0%	95%	97.15%	G2	Target well achieved	
TL6	Office of the Municipal Manager	Good Governance	Democratic, responsive, and accountable government	Compile and submit Annual Performance Report (APR) to the AG by 31 August 2025	Annual Performance Report Submitted	Municipal Manager	1	Confirmation by AG	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL52	Office of the Municipal Manager	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	Municipal Manager	0	Proof of submission	Accumulative	Number	3	3	3	3	0	3	3	G	Target Achieved	

Overall Summary of Res

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		7

FINANCIAL SERVICES

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Target Type	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2026						
													Original Target	Target Adjustments	Target	Actual	R	Performance Comment	Corrective Measures
TL7	Financial Services	Financial Viability	Sound financial management and continuous revenue growth	Achieve a debtor payment percentage of 85% as at 30 June 2026 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	84%	Section 71 Report/Financial Statements	Last Value	Percentage	85%	85%	83%	85%	0%	85%	85,55%	G2	Target Well Achieved	
TL8	Financial Services	Financial Viability	Sound financial management and continuous revenue growth	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2026 ((Total Operating Revenue-Operating Grants)/Debt Service Payments (i.e. interest + redemption) due within one year)	Ratio achieved	11.28	Section 71 Report/Financial Statements	Reverse Last Value	Number	11	11	0	11	0	11	19,5	B	Target Extremely Well Achieved	
TL9	Financial Services	Financial Viability	Sound financial management and continuous revenue growth	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2026 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	0	Section 71 Report/Financial Statements	Last Value	Number	1.20	1.20	0	1.20	0	1.20	0,03	R	**Target not Achieved: The Western Cape Provincial Government approved an intervention in Theewaterskloof Municipality under section 139(5)(a) of the Constitution. Following an extensive consultation process, a mandatory Financial Recovery Plan (FRP) was approved on 19 September 2025 and implementation commenced on 01 October 2025.** **The first implementation phase, the Rescue Phase (Phase 1), focuses on stabilising the Municipality's cash position through improved cash management, cost containment, enhanced revenue collection, ring-fencing of conditional grants, and the timely payment of creditors. The Municipality has demonstrated strong commitment since the commencement of the FRP, which is evidenced by the institutionalisation of the Cash Flow Committee, improved debtor collection rates, strengthened grant management with ringfenced conditional grants, the conclusion and adherence to a payment agreement with Eskom, and improved creditor payments.** .	Strengthening overall financial sustainability in line with the FRP objectives. While the Municipality remains in the Rescue Phase, significant progress has been made in strengthening its cash position and creating a foundation for longer-term recovery and improved service delivery
TL10	Financial Services	Financial Viability	Sound financial management and continuous revenue growth	Financial viability measured in terms of the outstanding service debtors as at 30 June 2026 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors	92.39%	Section 71 Report/Financial Statements	Reverse Last Value	Percentage	70%	70%	0%	70%	0%	70%	71,57%	G2	Target Well Achieved	
TL11	Financial Services	Basic Service Delivery	Basic services for all	Provide 6kl free basic water per month to all indigent households during the 2025/26 financial year	Number of indigent households receiving free basic water	6 314	Report From The Financial System With Registered Indigent Households	Last Value	Number	6 250	6 000	6 009	6 250	-250	6 000	5 897	O	**Target almost achieved:**The target set for indigent households could not be met in June 2026 due to an Audit finding raised by the Audit General in the previous financial year. To address the finding a report was obtained from our service provider, cbp to verify all the deceased persons on the indigent register. These records than had to be removed from the register to comply with the AG's requirements,	To improve indigent application performance, the municipality will intensify community engagement innitiatives, provide application, assistance through outreach programs, strenghthen collaboratin with ward structures and monitor progress monthly to ensure that indigent registration targets are achieved.

TL12	Financial Services	Basic Service Delivery	Basic services for all	Provide 70kwh of free basic electricity per month to all indigent households (Excluding Eskom) during the 2025/26 financial year	Number of indigent households receiving free basic electricity	2 583	Report From The Financial System With Registered Indigent Households	Last Value	Number	2 700	2 600	2 545	2 700	-100	2 600	2 548	O	**Target almost achieved:**The target set for indigent households could not be met in June 2026 due to an Audit finding raised by the Audit General in the previous financial year. To address the finding a report was obtained from our service provider, cbp to verify all the deceased persons on the indigent register. These records than had to be removed from the register to comply with the AG's requirements,	To improve indigent application performance, the municipality will intensify community engagement innitiatives, provide application, assistance through outreach programs, strenghthen collaboratin with ward structures and monitor progress monthly to ensure that indigent registration targets are achieved.
TL13	Financial Services	Basic Service Delivery	Basic services for all	Provide free basic refuse removal to indigent households in terms of the equitable share requirements during the 2025/26 financial year	Number of indigent households receiving free basic refuse removal	6 333	Report From The Financial System With Registered Indigent Households	Last Value	Number	6 250	6 000	6 027	6 250	-250	6 000	5 914	O	**Target almost achieved:**The target set for indigent households could not be met in June 2026 due to an Audit finding raised by the Audit General in the previous financial year. To address the finding a report was obtained from our service provider, cbp to verify all the deceased persons on the indigent register. These records than had to be removed from the register to comply with the AG's requirements,	To improve indigent application performance, the municipality will intensify community engagement innitiatives, provide application, assistance through outreach programs, strenghthen collaboratin with ward structures and monitor progress monthly to ensure that indigent registration targets are achieved.
TL14	Financial Services	Basic Service Delivery	Basic services for all	Provide free basic sanitation to indigent households in terms of the equitable share requirements during the 2025/26 financial year	Number of indigent households receiving free basic sanitation	6 308	Report From The Financial System With Registered Indigent Households	Last Value	Number	6 250	6 000	5 999	6 250	-250	6 000	5 888	O	**Target almost achieved:**The target set for indigent households could not be met in June 2026 due to an Audit finding raised by the Audit General in the previous financial year. To address the finding a report was obtained from our service provider, cbp to verify all the deceased persons on the indigent register. These records than had to be removed from the register to comply with the AG's requirements,	To improve indigent application performance, the municipality will intensify community engagement innitiatives, provide application, assistance through outreach programs, strenghthen collaboratin with ward structures and monitor progress monthly to ensure that indigent registration targets are achieved.
TL15	Financial Services	Basic Service Delivery	Basic services for all	Number of residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the services during 2025/26 financial year	Number of residential properties which are billed for water or have prepaid meters	16 057	Report From The Financial System Indicating Billed Debtors	Last Value	Number	16 000	16 000	16 085	16 000	0	16 000	16 090	G2	**Target achieved .**	N/A
TL16	Financial Services	Basic Service Delivery	Basic services for all	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (excluding ESKOM areas) and billed for the services during the 2025/26 financial year	Number of residential properties which are billed for electricity or have prepaid meters (excluding ESKOM areas)	7 558	Report From The Financial System Indicating Billed Debtors	Last Value	Number	7 560	7 560	7 574	7 560	0	7 560	7 693	G2	**Target achieved .**	N/A
TL17	Financial Services	Basic Service Delivery	Basic services for all	Number of residential properties for which refuse is removed once per week and billed for the services during the 2025/26 financial year	Number of residential properties which are billed for refuse removal once a month	16 120	Report From The Financial System Indicating Billed Debtors	Last Value	Number	16 100	16 100	16 147	16 100	0	16 100	16 178	G2	**Target achieved .**	N/A
TL18	Financial Services	Basic Service Delivery	Basic services for all	Number of residential properties connected to the municipal waste water sanitation/sewer network for sewerage services (inclusive of septic tanks) irrespective of the number of water closets (toilets) and billed for the services during the 2025/26	Number of residential properties which are billed for sewerage	15 702	Report From The Financial System Indicating Billed Debtors	Last Value	Number	15 680	15 680	15 738	15 680	0	15 680	15 764	G2	**Target achieved .**	N/A
TL19	Financial Services	Basic Service Delivery	Maintenance, replacements, and upgrades of municipal infrastructure	Spend 95% of project budget spent on the replacement of water meters project by 30 June 2026 ((Total actual expenditure for the project/Total amount budgeted for the project)x100}	% of budget spent	0%	Report From The Financial System	Last Value	Percentage	95%	95%	92%	95%	0%	95%	91,66%	O	**Target Achieved: April: 700 meters received into stores in April 2026 installation to resume shortly once the handheld programming devices arrive. Invoices for Mrach was paid in April 2026 to the value of R2 181 008.** **Target Achieved: May: total of 700 smart meters have been successfully procured and are currently housed in storage.**	The remaining unspent amount of R 208 425.75 represents the labour and materials portion of the project, being the installation of the meters. The installation could not commence during 2025-26 as it was dependent on the delivery of the procured meters, and the recruitment process could only be concluded thereafter. The expenditure is therefore unavoidably deferred and not the result of underperformance
TL20	Financial Services	Good Governance	Democratic, responsive, and accountable government	Compile and submit the Annual Financial Statements to the Auditor General (AG) by 31 August 2025	Annual Financial Statements submitted to the AG	1	Acknowledgement of receipt	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	

TL55	Financial Services	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	0	Proof of submission	Accumulative	Number	3	3	2	3	0	3	3	G	**Target Achieved:April :**Financial Services: Submit monthly reports of FRP together with supporting documentation **Target Achieved: May:** Submit Monthly Reports for Financial Services regarding the implementation of FRP **Target Achieved for June:**	

Overall Summary

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	5
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	6
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
	Total KPIs:		**15**

CORPORATE SERVICES

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Target Type	YTD Actual	Year to Date Values for Quarter ending June 2026						
											Original Target	Target Adjustments	Target	Actual	R	Performance Comment	Corrective Measure
TL21	Corporate Services	Institutional Development	Healthy and productive workforce	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2026 [(Actual amount spent on training/total personnel budget)x100]	% of the personnel budget spent	0.08%	Budget Expenditure Report	Last Value	Percentage	0.03%	0.10%	0%	0.10%	0,026	R	**Target not Achieved: Municipality cannot budget 1% of personnel budget for training due to budgetary constraints**	Due to the prevailing financial challenges experienced by the Municipality the training budget could not be fully utilized during the reporting period. Training intervention has been advertised as per approved WSP. SCM is currently in process to appoint a service provider to roll-out the training initiatives.
TL22	Corporate Services	Institutional Development	Healthy and productive workforce	The number of people from employment equity target groups employed (new appointments) in the three highest levels of management in compliance with the equity plan by 30 June 2026	Number of people employed	3	Appointment letters and Equity Plan	Accumulative	Number	2	2	0	2	2	G	Target Achieved	
TL23	Corporate Services	Institutional Development	Healthy and productive workforce	Review the organogram and submit to Council 30 June 2026	Organogram submitted	1	Proof of submission	Carry Over	Number	1	1	0	1	1	G	Target Achieved	
TL24	Corporate Services	Institutional Development	Healthy and productive workforce	Compile and submit a Rewards and Recognitions Policy to Council by 30 June 2026	Rewards and Recognitions Policy submitted by 30 June 2026	1	Proof of submission	Carry Over	Number	0	1	0	1	0	R	**Target not Achieved: The Policy was discussed by HR Policy Working Group on 26 May 2026 and was referred back**	Target not Achieved: June: The Policy will be referred back to HR Policy Working Group
TL25	Corporate Services	Institutional Development	Healthy and productive workforce	Compile and submit a Probation Policy to Council by 30 June 2026	Probation Policy submitted by 30 June 2026	1	Proof of submission	Carry Over	Number	1	1	0	1	1	G	Target Achieved	
TL26	Corporate Services	Institutional Development	Healthy and productive workforce	Submit the Employment Equity Report to the Department of Employment and Labour by 15 January 2026	Employment Equity Report submitted by 15 January 2026	0	Proof of submission	Carry Over	Number	1	1	1	1	1	G	Target Achieved	
TL54	Corporate Services	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	0		Accumulative	Number	3	3	0	3	3	G	Target Achieved	

Overall Summary of Resu

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	2
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		7

COMMUNITY SERVICES

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Target Type	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2026					Performance Comment	Corrective Measures
													Original Target	Target Adjustments	Target	Actual	R		
TL27	Community Services	Basic Service Delivery	Basic services for all	Achieve an averaga of 90% water sample compliance with SANS 241 micro biological indicators Water Treatment Works ((% achievement all WTW's/WTW's tested)	Average % water compliance in terms of SANS 241 achieved	93.04%	Independent Laboratory Test Results (IRIS System)	Last Value	Percentage	90%	90%	93.30%	90%	0%	90%	90.83	G2	Target well Achieved	
TL28	Community Services	Basic Service Delivery	Basic services for all	65% of effluent samples comply with permit values ((% compliance of all WWTW's achieved / the number of WWTW's tested))	Average % achieved	54.37%	Independent Laboratory Test Results (IRIS System)	Last Value	Percentage	65%	65%	49.93%	65%	0%	65%	50,0%	R	**Target not Achieved:** The target was not achieved due to operational and mechanical challenges affecting the performance of several Wastewater Treatment Works (WWTW). The main contributing factors are as follows: -Botrivier: The Wastewater Treatment Works are currently undergoing upgrade and construction works, resulting in certain sections of the plant not being fully operational. The construction works are nearing completion, after which the plant is expected to be fully functional. The upgrade is anticipated to improve overall plant performance and effluent quality, with results expected to comply with the applicable General Standard limits. -Caledon: The chlorine contact tank requires more frequent cleaning due to the high chlorine demand. The chlorine dosage must be continuously monitored and adjusted according to the chlorine demand to improve disinfection efficiency and final effluent quality. -Grabouw: The plant performance was adversely affected by two unserviceable aerators and three of the six settling tanks being out of service, resulting in poor chemical quality of the final effluent. The outstanding mechanical equipment requires urgent repair and attention during the 2026/27 financial year. •Villiersdorp: Poor plant performance is attributed to low sludge mass and sludge age. The return activated sludge rate at Clarifier 2 needs to be increased to improve the sludge mass within the aeration basin and support improved treatment performance. -Genadendal: Three of the four aerators are currently unserviceable and require repair. In addition, the underflow sludge pump requires urgent repair to improve the sludge return rate to the bioreactor and restore optimal treatment processes. •Tesselaarsdal: Low sludge masses in Aeration Tanks 1 and 3 have negatively affected plant performance. Sludge wasting should be suspended, and all aerators should operate continuously to improve the sludge mass and treatment efficiency. •Riviersonderend and Greyton: The Wastewater Treatment Works are currently complying with the applicable final effluent standards. Overall, the non-achievement of the target is primarily attributable to plant upgrade activities, unserviceable mechanical equipment, inadequate sludge massage and operational challenges.	Botrivier: The Wastewater Treatment Works are currently being upgraded and due to that, parts of the plant are not fully functional. The construction works are nearly completed, and the plant will be fully functional again. With the upgrading of the plant, it is expected that the plant will perform much better with improved effluent results within the General Standard limits. Caledon: The chlorine contact tank needs to be cleaned more regularly. The chlorine demand is very high, and the chlorine dosage need to be adjusted according to the demand. Grabouw: Due to two aerators and 3 of the 6 settling tanks that are unserviceable, the final effluent was of a poor chemical quality. All unserviceable mechanical equipment needs to be repaired in the 2026/27 financial year. Villiersdorp: The plant performance remain poor due to low sludge mass/age. The sludge return rate in clarifier 2 should be increased. This will also improve the sludge mass in the aeration basin. Genadendal: Three of the four aerators are unservicible and need to be repaired. The underflow sludge pump also need to be repaired urgently to improve the sludge return rate to the bioreactor. Tesselaarsdal: Sludge masses in aeration tank 1 and 3 are low, and slugde wastage need to be suspended. All aerators need to operate continously. Riviersonderend and Greyton WWTW comply with final effluent standards.
TL29	Community Services	Basic Service Delivery	Basic services for all	Limit unaccounted water to less than 20%((Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified) x 100)	% unaccounted water captured in the report	16.10%	Quarterly Report from Technical Service to Director Community Services	Reverse Last Value	Percentage	22%	20%	22%	22%	-2%	20%	17,41%	G2	Target Well Achieved:	
TL30	Community Services	Basic Service Delivery	Maintenance, replacements, and upgrades of municipal infrastructure	Spend 95% of the project budget for the procurement of vehicles by 30 June 2026 ((Total actual expenditure for the project/Total amount budgeted for the project)x100)	% budget spent	0%	Budget Expenditure Report	Last Value	Percentage	95%	95%	0%	95%	0%	95%	85,62%	O	**Target almost Achieved:**The target has not been achieved due to the need for the Budget Office and Supply Chain Management Unit to strengthen budget verification and procurement planning, particularly regarding the VAT implications of capital acquisitions. Capital budgets are allocated exclusive of VAT, while purchase orders are processed inclusive of VAT. This results in the full available budget being committed at the time of procurement, with the VAT component subsequently written back to the relevant budget vote. This process has impacted the availability and alignment of budget allocations during procurement. For grant-funded projects, the funding structure, including any municipal co-funding requirements, will be confirmed with the relevant grant authority prior to the commencement of procurement. This will ensure that the total project funding requirements are accurately determined, budgets are correctly aligned, and potential funding shortfalls or delays to other procurement processes are avoided. Going forward, the Budget Office and Supply Chain Management Unit will strengthen the pre-procurement budget verification process to ensure that VAT implications, grant funding conditions and municipal co-funding requirements are considered before procurement is initiated.	The outstanding VAT requirement must be addressed through the appropriate budget adjustment process, subject to the availability of funding and Council approval where applicable.
TL53	Community Services	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	0	Proof of submission	Accumulati ve	Number	3	3	2	3	0	3	3	G	Target Achieved	

Overall Summary of

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		5

TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Responsible Owner	Baseline	Source of Evidence	Calculation Type	Target Type	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2026						
														Original Target	Target Adjustments	Target	Actual	R	Performance Comment	Corrective Measures
TL31	Technical and Infrastructure Implementation Services	Basic Service Delivery	Maintenance, replacements, and upgrades of municipal infrastructure	Spend 95% of the project budget for the Botrivier Treatment Works (Phase 2) by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	%budget spent	Director: Technical and Infrastructure Implementation Services	76%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	100%	95%	0%	95%	100%	G2	Target Well Achieved	
TL33	Technical and Infrastructure Implementation Services	Basic Service Delivery	Maintenance, replacements, and upgrades of municipal infrastructure	Spend 95% of the project budget for the provision of new bulk water and sewer service to Gypsy Queen and Erf 313 housing projects by 30 June 2026	Spend 95% of project budget	Director: Technical and Infrastructure Implementation Services	0%	Section 71 Report	Last Value	Percentage	95%	190%	92%	95%	95%	95%	92,24%	O	Target almost Achieved: 92,24% of adjusted budget 4 achieved by 30 June 2026. Unspent funding is due to the cancellation of the Phase B tender (June 2026)	Phase B will be readvertised in 2026/27. The MIG funds that remained unspent in 2025/26 will be included in the new budget for implementation.
TL34	Technical and Infrastructure Implementation Services	Basic Service Delivery	Basic services for all	Limit unaccounted electricity to less than 12% as at 30 June 2026 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	% unaccounted electricity captured in the report	Director: Technical and Infrastructure Implementation Services	3.70%	Distribution Losses Report	Reverse Last Value	Percentage	10%	10%	6.57%	10%	0%	10%	9,15%	G2	Target Well Achieved	
TL58	Technical and Infrastructure Implementation Services	Basic Service Delivery	Basic services for all	Complete the design and procurement documentation related to the Riviersonderend Water Purification upgrading by 30 June 2026	Design Report and Tender Document received from consultants	Director: Technical and Infrastructure Implementation Services	0	Design report and tender documentation	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved:	
TL59	Technical and Infrastructure Implementation Services	Basic Service Delivery	Maintenance, replacements, and upgrades of municipal infrastructure	Spend 95% of budget allocated for the Upgrade of Pineview Park Sport Ground Phase 1 by June 2026	95% of budget spent	Deputy Director: Technical and Infrastructure Implementation Services	0%	Section 71 Report	Last Value	Percentage	95%	95%	0%	95%	0%	95%	78,91%	O	Target Almost achieved: All invoices were submitted to spend 100% of the allocated budget however 78.76% was available on the budget	Proactive Planning for funding in terms of Cashflow Management
TL60	Technical and Infrastructure Implementation Services	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	Director: Technical and Infrastructure Implementation Services	0	Proof of submission	Accumulative	Number	3	3	3	3	0	3	3	G	Taget Achieved	

Overall Summary of R

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	2
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		6

ECONOMIC AND DEVELOPMENT SERVICES

4th QUARTER SDBIP REPORT TO COUNCIL 2025-26

KPI Ref	Responsible Directorate	Municipal KPA	Strategic Objective	KPI	Unit of Measurement	Baseline	Source of Evidence	Calculation Type	Target Type	Original Annual Target	Revised Annual Target	YTD Actual	Year to Date Values for Quarter ending June 2026						
													Original Target	Target Adjustments	Target	Actual	R	Performance Comment	Corrective Measures
TL36	Economic Development and Planning	Local Economic Development	Improve the social environmental fabric of TWK community	Create temporary work opportunities in terms of EPWP by 30 June 2026	Number of temporary work opportunities created	346	Participant list	Accumulative	Number	251	251	255	251	0	251	261	G2	Target Well Achieved	
TL39	Economic Development and Planning	Basic Service Delivery	Improve the social environmental fabric of TWK community	Develop and submit an Expanded Policy Works Policy and Implementation Protocol to Council by 30 June 2026	Expanded Policy Works Policy and Implementation Protocol submitted to Council by 30 June 2026	0	Proof of submission	Last Value	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL40	Economic Development and Planning	Basic Service Delivery	Make Theewaterskloof the investment destination of choice and promote second and township economy	Complete the Land Audit and submit to Council by 30 June 2026	Land Audit completed and submitted to Council by 30 June 2026	0	Proof of submission	Carry Over	Number	1	1	0	1	1	1	1	G	Target Achieved	
TL41	Economic Development and Planning	Basic Service Delivery	Make Theewaterskloof the investment destination of choice and promote second and township economy	Complete the Draft Strategic Land Management Strategy to Council by 30 June 2026	Draft Strategic Land Management submitted to Council by 30 June 2026	0	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL42	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget professional fees for Greyton Erf 595 by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	78%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	8%	95%	0%	95%	1,12%	R	The overall performance is satisfactory. The detailed designs have been completed, and detailed engineering report has been submitted.	April: Request proof of payment from DOI in order to journalise expenditure against the budget. Municipality can propose to enter into TOR of SOP to streamline payment processes. The municipality through the Accounting Officer can also request the the Human Settlements Grant Funds be paid to the municipiaity for processing of invoices. The Provincial Department of Human Settlements pays all service providers directly. The municipiaity submits payment claims to DOI for payment to service providers. The municipiaity request proof of payment from DOI in order to journalise expenditure against the project budgets which indicates project spending.On a monthly basis the municipiaity request proof of payment from DOI,however the reponse time is not always expeditous. The municpiaity has no control over the response times of DOI. May: Tender completion and advertisement June : Tender completion and advertisement
TL43	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Review the Human Settlements Pipeline and submit to Council by 31 December 2025	Human Settlements Pipeline reviewed and submitted to Council by 31 December 2025	0	Proof of submission	Carry Over	Number	1	1	1	1	0	1	1	G	Target Achieved	
TL44	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Service 408 sites in Villiersdorp Destiny Farm (Phase 2b) by 30 June 2026	Number of sites serviced	408	Practical Completion certificate	Accumulative	Number	408	408	408	408	0	408	408	G	Target Achieved	
TL45	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Civil Engineering Services for Caledon Riemvasmaak by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	100%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	1%	95%	0%	95%	1,12%	R	Spending not to be achieved in the current financial year as the advertised tender was formally cancelled.	Re-advertise tender in new financial year

TL46	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Professional Services for Botrivier Beaumont (Phase 2) by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	100%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	19%	95%	0%	95%	**48,23%**	R	**Target Not achieved: Actual Expenditure amounts to R 3 376 100(48.23%) of the adjustment budget of R 7 000 000.00 (June 2026)**	Target not Achieved: Conduct monthly technical meetings with professional team on project status and implementation. Municipality can propose to enter into TOR of SOP to streamline payment processes. The municipality through the Accounting Officer can also request the the Human Settlements Grant Funds be paid to the municiplaity for processing of invoices. The Provincial Department of Human Settlements pays all service providers directly. The municiplaity submits payment claims to DOI for payment to service providers. The municiplaity request proof of payment from DOI in order to journalise expenditure against the project budgets which indicates project spending.On a monthly basis the municiplaity request proof of payment from DOI,however the reponse time is not always expeditous. The municiplaity has no control over the response times of DOI.
TL47	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Civil Engineering Services for Grabouw Rooidakke 1054 by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	40%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	0%	95%	0%	95%	0,79%	R	**Target not Achieved: The project has been halted as the tender's validity expired which resulted in tender being cancelled.**	Re-apply to DOI to have the project on the 2026/27 business plan for funding in order to re-advertise the tender.
TL48	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Botrivier Beaumont Temporary Residential Area (TRA) by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	0%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	19%	95%	0%	95%	48,23%	R	**Target not Achieved: The project is 3 weeks behind, the recovery plan has been compiled and approved, completion anticipated 30 June 2026. Fencing of the structures in the TRA are encroaching on the road reserve.**	In collaboration with Informal Settlements Team the discussions have started with affected households. Contractor arranged meeting with Eskom to conclude the wayleave application.
TL49	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Submit a Project Feasibility Report for Greater Villiersdorp UISP (2800) to the Department of Infrastructure by 30 June	Feasibility Report submitted to the Department of Infrastructure by 30 June	0	Proof of submission	Carry Over	Number	1	1	0	1	0	1	0	R	**Target not Achieved: Awaiting delayed response which remains pending from the Department of Environmental Affairs and Development Planning (DEADP) regarding the strategy to be implemented, whether Basic Assessment Report or a Section 24G application process. The project feasibility Report has not been ready for submission due to the outstanding Environmental process.**	Continuous engagement with the Department of Environmental Affairs and Consulting Engineers. Request Project implementation Plans from service providers to ensure implementation timelines are aligned with SDBIP targets.
TL50	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Grabouw Hillside Top Structures by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	0%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	3%	95%	0%	95%	3,28%	R	**Awaiting delayed response which remains pendi**	Continuous engagement with the Department of Environmental Affairs and Consulting Engineers. Request Project implementation Plans from service providers to ensure implementation timelines are aligned with SDBIP targets.
TL51	Economic Development and Planning	Basic Service Delivery	Upgrading of Informal Settlements and prioritising the most needy housing allocation	Spend 95% of the approved project budget for Greater Grabouw Planning by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spent	0%	Financial System Expenditure Report	Last Value	Percentage	95%	95%	38%	95%	0%	95%	42,60%	R	**Target not Achieved: June: Project Implementation Readiness Report to be submitted in February 2026. Farm RE/9/313 - Detailed design commenced and the Draft Basic Assesment Report has been submitted. Farm 295,292&301: Preliminary designs commenced, engagement with Department of Environmental Affairs and Development Planning regarding environmental authorization process commenced. Farm RE/9/313 Soci-economic facility: The preliminary designs have been completed and approved, detailed design have commenced. Waterworks - Preliminary design have been completed, the Project Feasibility Report has been submitted to Department of Infrastructure. (June 2026)**	Awaiting funding approvals from DOI . Municipality can propose to enter into TOR of SOP to streamline payment processes. The municipality through the Accounting Officer can also request the the Human Settlements Grant Funds be paid to the municiplaity for processing of invoices.
TL56	**Economic Development and Planning**	**Basic Service Delivery**	**Maintenance, replacements, and upgrades of municipal infrastructure**	**Spend 95% of the project budget approved for Villiersdorp Taxi Rank Upgrade (Phase 3A) by 30 June 2026 {(Total actual expenditure for the project/Total amount budgeted for the project) x 100}**	**% budget spent**	**0%**	**Financial System Expenditure Report**	**Last Value**	**Percentage**	**0%**	**95%**	**99%**	**0%**	**95%**	**95%**	**100%**	**G2**	**Target Well Achieved**	N/A

TL57	Economic Development and Planning	Financial Viability	Sound financial management and continuous revenue growth	Submit monthly reports for Financial Services regarding the implementation of FRP together with supporting documentation	Submission of Reports	0	Proof of submission	Accumulative	Number	0	3	3	0	3	3	3	G	Target Achieved

Overall Summary of

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	8
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
	Total KPIs:		16

ITEM TITLE

C218/2026 DIRECTORATE CORPORATE SERVICES: OFFICE OF THE DIRECTOR: FINANCIAL RECOVERY PLAN: REQUIREMENT OF NATIONAL AND PROVINCIAL GOVERNMENTS TO RECTIFY THE ELECTION OF "INTERIM" MAYOR

[English version of the report is the original]

FILE NUMBER

3/1/3

PURPOSE OF THE REPORT

To inform Council that the election of an interim Mayor is the first focus area indicated on the Governance Pillar of the Financial Recovery Plan, published in the Government Gazette as part of the recovery phase in terms of the Section 139 (5)(1)(a) Administration in Theewaterskloof Municipality, to be rectified by the Council for official feedback and submission of proof of evidence of the action taken by Council to the Technical Committee (including Provincial and National Government).

BACKGROUND

The Director: Corporate Services is the Coordinator for the Governance and Institutional Pillars of the Financial Recovery Plan. Feedback on progress and an action plan regarding this focus area must be submitted for escalation to Provincial and National Government through the Technical Committee and the Municipal Manager instructed the Director: Corporate Services to compile an agenda item to resolve this matter for consideration by Council and for escalation to the Technical Committee. Proof of Evidence of actions taken by Council, must be submitted to the Technical Committee for escalation to National and Provincial government.

The municipality is currently in the recovery phase of the Section 139 (5)(1)(a) Administration process and cannot proceed to the stability phase unless the issues identified to be rectified in the recovery phase, have not been resolved.

The facts in the matter are as follows:

1. A motion of no confidence in and removal of the Executive Mayor (Ald M Liebenberg) was hand delivered to the Office of the Speaker (Ald D A Appel) and the Acting Municipal Manager (Mr R Stevens) on 31 July 2024. The motion was signed by all the GOOD- and Democratic Alliance (DA) Councillors as well as Councillor M Gana. See Annexure A for the motion submitted.

2. At the Special Council meeting held on 14 August 2024, the Speaker requested Ald J R Michels to read out the content of the motion of no confidence in and removal of Executive Mayor Liebenberg, as submitted.

3. Ald J R Michels proposed that the Council expressed a vote of no confidence in Mayor Ald Mary Liebenberg, that the Mayor was requested to step down from the position with immediate effect and that an interim Mayor (as per the written motion) be appointed to ensure continuity of governance and to restore effective administration within the Municipality. The intent of the motion was clear, namely, to elect an interim (temporary) Mayor and not a full-time Executive Mayor.

4. Council accordingly resolved per Council Resolution SC11/2024 of 14 August 2024 as follows:

   "After the processes are followed in terms of Schedule 3, Ald L M de Bruyn was elected as the interim Executive Mayor of Theewaterskloof in terms of S55 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998 and amendment Act 3 of 2021". See Annexure B for the Council Resolution.

5. Ald De Bruyn submitted a resignation letter as Speaker of the Overberg District Municipality dated 14 August 2024 (see Annexure C) in which he wrote:

   "Following my election as Mayor of TWK Municipality, I hereby declare my resignation as Speaker at Overberg District Municipality. My last workday will be 14 August 2024."

   This is misrepresentation as Ald De Bruyn was elected as Interim Mayor and not as Mayor. At this stage, when he was elected as Interim Mayor of Theewaterskloof Municipality, shortly after 14:00 on 14 August 2024, Ald De Bruyn was still the Speaker of Overberg District Municipality, which is a contravention of Section 36 (5) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) prohibiting a councillor to hold 2 positions at the same time. The meeting closed at 17:00 and by then the Overberg District Municipality offices were already closed as they close at 16:30.

6. On 16 August 2024 the Municipal Manager of Overberg District Municipality informed the IEC of the vacancy in terms of Schedule 2 of the Local Government: Municipal Structures Act.

7. Two High Court cases (Case no: 19623/2024 with the ruling on 15 November 2024 and Case no 19623/2024 with the ruling on 4 February 2025) ensued, but, contrary to prior misrepresentations by Ald De Bruyn, the election of the Interim Mayor was not linked to the two court cases between political parties, which followed due to the removal of Ald De Bruyn as Mayor in September 2024 (which was a totally different issue).

8. There was an election of Mayor when Cllr Zimmerman was elected as Mayor. The High Court ruled that process followed was not compliant and declared the election illegal and that Ald De Bruyn must return to the position he held before his removal, which was the position of Interim Executive Mayor. Legally a full-time Mayor must still be elected.

DISCUSSION

As per the "Background" information provided.

FINANCIAL IMPLICATIONS

The financial implications of the oversight of Council to elect a full-time Executive Mayor shortly after Ald De Bruyn was elected as Interim Executive Mayor, is serious and needs to be rectified as directed by the requirements of the published Financial Recovery Plan. Financial implications that raise red flags include the following:

1. As Interim Executive Mayor (or acting Mayor as stipulated in the Act), Ald De Bruyn did not have the authority to appoint a Mayoral Committee resulting in illegal expenditure in relation to the remuneration of the Mayoral Committee members in extent of 17 months already; and

2. All resolutions taken by the Interim Executive Mayor and even Council, may be implicated by the fact that Ald De Bruyn was not appointed as full-time Executive Mayor, but as Interim (or acting) Executive Mayor.

LEGAL IMPLICATIONS

1. Section 56 (7) of the Municipal Structures Act stipulates the following:

   "If the executive mayor is absent or not available and the municipality does not have a deputy mayor, or the deputy mayor is also absent or not available, the Council must designate a councillor to act as executive mayor."

2. The Municipal Structures Act does not provide for the election of an interim Executive Mayor as requested in the written motion and the ensuing Council Resolution, but only for a Councillor to act as the Executive Mayor in his/her absence and the absence of a Deputy Executive Mayor. It is clear that the intention of Section 56 (7) is to provide for a temporary Executive Mayor and not for a full-time Mayor.

❖ *As indicated above, the motion clearly requested an "interim" Mayor and the ensuing minutes of the Council meeting on 14 August 2024 (Council Resolution SC11/2024) also confirms that Alderman De Bruyn was appointed as interim Executive Mayor and therefore his status from 14 August 2024 to date (1 year and 5 months), has been interim Executive Mayor and as interim Executive Mayor he could not appoint a Mayoral Committee. It is irregular for any "interim" or acting appointment to continue for such an extended period. Councillors at various meetings questioned the interim appointment of the Mayor but the status quo remained mainly because Ald De Bruyn insisted that he was the Mayor.*

4. Section 36 (5) of the Municipal Structures Act stipulates that, "A councillor may not hold office as whip, speaker, mayor or executive mayor at the same time." The risk of non-compliance with legislation and double remuneration exists.

5. The legal and financial implications of the extent of the interim appointment of Alderman De Bruyn are serious and cause major risks for Theewaterskloof Municipality. The Council needs to reassess its actions and ensure compliance with legal and constitutional requirements to mitigate unnecessary legal and financial risks to continue any longer.

RISK MANAGEMENT IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that:

1. **Council takes cognisance of the non-compliance with section 56 (7) of the Municipal Structures Act, specifically regarding Ald De Bruyn's election as Interim Executive Mayor and that a full-time Executive Mayor had not been legally elected shortly after the interim Executive Mayor election (as the High Court ruled the process for the election of Cllr Zimmerman as flawed and therefore illegal) recorded as the first focus area under the Governance Pillar of the Financial Recovery Plan, published in the Government Gazette (see Annexure D).**

2. **Council takes cognisance that Theewaterskloof Municipality is currently in the recovery phase of the Section 139 (5)(1)(a) Administration and that the municipality cannot progress to the stabilisation phase until the issues listed under the focus areas on the Financial Recovery Plan have not sufficiently been resolved and proof of evidence has not been submitted to the Technical Committee in this regard. A Council resolution that a Mayor has been legally elected after the election of the acting Mayor, is required to be submitted as proof of evidence.**

3. **Council reassesses its actions and ensures compliance with legal and constitutional requirements to mitigate unnecessary legal and financial risks to continue any longer by electing a full-time Executive Mayor.**

Annexure "A"

126

Petrus Stander
Theewaterskloof Municipality
Caledon
7230

31 July 2024

The Speaker
Derick Appel
Theewaterskloof Municipality
Caledon
7230

I, Cllr Petrus Stander, hereby submit two (2) motions to be discussed within 10 days as per article 26 of council's rules of order. I hereby request that the meeting be held on or before 14 August 2024.

I trust you will find the above in order.

PJ Stander

Acknowledgement of receipt : Motions

Speaker Signature

Date: 31.07.24
16:45

MOTION OF NO CONFIDENCE IN THE MAYOR

Proposed by: Ald John Michels

Theewaterskloof Municipal Council

Plein Street

Caledon

Seconded by : Ald Samuel Fredericks

Theewaterskloof Municipal Council

Plein Street

Caledon

To : THE SPEAKER

Theewaterskloof Municipal Council

Plein Street

Caledon

And To : THE MUNICIPAL MANAGER

Theewaterskloof Municiaplity

Plein Street

Caledon

Delivery : BY HAND AND BY E-MAIL

Date : 31 July 2024

MOTION OF NO CONFIDENCE AND REMOVAL OF THE MAYOR OF THEEWATERSKLOOF MUNICIPAL COUNCIL.[1]

Introduction

1. Theewaterskloof Municipality is committed to maintaining transparent and effective governance. However, concerns have been raised regarding the performance and conduct of the Mayor, which necessitates a motion of no confidence.

Reasons for Motion

2. **Lack of Transparency:** There have been multiple instances where important decisions were made without proper consultation with the council and the public.

3. **Ineffective Leadership:** The Mayor has failed to provide effective leadership, resulting in administrative inefficiencies and delays in critical projects.

4. **Failure to Address Community Concerns:** The Mayor has consistently neglected to address pressing issues raised by the community, leading to dissatisfaction and unrest among residents.

[1] See Section 58 of the Local Government : Municipal Structures Act 117 of 1998 as amended] read with Sections 25 and 26 of the By-Law "Rules for maintaining order during meetings" for Theewaterskloof Municipality.

Impact on Municipality

6. The ongoing issues have significantly affected the municipality's ability to deliver services efficiently, undermining public trust and confidence in the local government.

Resolution

7. In light of the above, it is recommended that:

   7.1 The council expresses a vote of no confidence in Mayor Ald Mary Liebenberg.

   7.2 The Mayor is requested to step down from the position with immediate effect.

   7.3 An interim Mayor is appointed to ensure continuity of governance and to restore effective administration within the municipality.

DATED AT CALEDON ON THIS 31st DAY OF JULY 2024

SIGNATURES :

Proposer : Ald _____ **Date:** 31 July 2024

Seconder : Ald _____ **Date:** 31/07/2024

Annexure "B"

ITEM HEADING

SC11/2024 OFFICE OF THE MUNICIPAL MANAGER: MOTION OF NO CONFIDENCE AND REMOVAL OF THE MAYOR OF THEEWATERSKLOOF MUNICIPAL COUNCIL

[English version of the report is the original]

FILE NUMBER

3/2/1/R

AIM/PURPOSE OF REPORT

To submit a motion of no confidence and removal of the Mayor of the Theewaterskloof Municipal Council, to Council.

BACKGROUND

A motion no confidence and removal of the Mayor of the Theewaterskloof Municipal Council was hand delivered to the Office of the Speaker (Alderman DA Appel) and the Acting Municipal Manager (Mr R Stevens) on 31 July 2024. The motion was signed by all the GOOD- and Democratic Alliance (DA) Councillors as well as Councillor M Gana.

The Speaker signed the acknowledgement of receipt of the motion on 31 July 2024 at 16:45.

DISCUSSION

The motion of no confidence, as presented was in writing, motivated, dated (31 July 2024) and was proposed and signed by Alderman JR Michels and seconded and signed by Alderman S Fredericks as per rule 26 of the Rules of Order for the Internal Arrangements of the Theewaterskloof Municipal Council.

The motion is attached as annexure to the item.

LEGAL IMPLICATIONS

BY-LAW ON RULES OF ORDER FOR THE INTERNAL ARRANGEMENTS OF THE MUNICIPAL COUNCIL

" 26. NOTICE OF MOTIONS

(1) A notice of a motion shall be in writing, motivated, dated and signed by the relevant councillor, and delivered to the Speaker at least ten (10) working days

before the date of the council meeting at which it is to be introduced, unless otherwise provided for in this rules of order."

FINANCIAL IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

Not applicable.

DISCUSSION DURING THE MEETING:

The Speaker requested Alderman JR Michels to read out the content of the motion of no confidence and removal of the Mayor of Theewaterskloof Municipal Council, as submitted.

Alderman JR Michels proposed that the Council expresses a vote of no confidence in Mayor Alderman Mary Liebenberg. That the Mayor is requested to step down from the position with immediate effect and that an interim Mayor is appointed to ensure continuity of governance and to restore effective administration within the Municipality.

Motion was seconded by Alderman S Fredericks.

The Speaker indicated that there are 14 signatures on the motion submitted and requested these Councillors to raise their hands indicating that they are in agreement with the motion. 14 Councillors raised their hands.

1. Nomination forms were provided to the various political parties for the nomination of candidates as Executive Mayor: Only two forms were handed out.

2. After completion, the nomination forms were handed to the Speaker by the representatives of the political parties and were signed off by the Speaker. Two nominations were received.

3. The details of the nominations, which were read out loud by the Speaker, are as follows:

   Name of candidate: Alderman LM de Bruyn
   Nominated by Alderman JR Michels
   Seconded by Alderman S Fredericks

   Name of candidate: Alderman M Liebenberg

Nominated by Alderman BB Mkhwibiso
Seconded by Councillor TP Lemina

4. The Manager: Corporate Services, Ms. M Faul handled the entire process of voting from this point onwards.

5. A ballot paper containing the details of the candidates was printed for each Councillor. Councillors signed receipt of the ballot papers, after which the ballot paper was handed to each Councillor. Councillors were given the opportunity to cast their vote in writing and to place the ballot paper in a ballot box.

6. The votes were counted by Ms. M Faul in the presence of representatives of all the political parties.

7. The result was as follows:

Alderman LM de Bruyn	-	14 votes
Alderman M Liebenberg	-	11 votes

2 x Councillors abstain from the voting process.

Total: Ballot papers - 27

RESOLVED BY COUNCIL : 14 AUGUST 2024

After the processes are followed in terms of Schedule 3, Alderman LM de Bruyn was elected as the interim Executive Mayor of Theewaterskloof Council in terms of Section 55 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and Amendment Act 3 of 2021.

For finalization by the Acting Municipal Manager, Mr. R Stevens.

Annexure "C"

ANNEXURE A

ALD LM de Bruyn
14b Protea street
CALEDON
7230
14 August 2024

The Municipal Manager
Overberg District Municipality
Mr Richard Bosman
Longstreet 26
BREDASDORP
7280

Re: RESIGNATION AS SPEAKER AND COUNCILLOR FROM ODM

Good day MM

Following my election as Mayor of TWK Municipality, I hereby declare my resignation as Speaker at Overberg District Municipality. My last work day will be 14 August 2024.

Thank you and the staff for the time I was able to work with ODM staff.

Greetings.

.....
ALD L M DE BRUYN

THEEWATERSKLOOF LOCAL MUNICIPALITY

Theewaterskloof Municipality

ASE 1: FINANCIAL RESCUE

	FOCUS AREA	KEY ASSESSMENT FINDING (BASELINE)	KEY ACTIVITIES	RESPONSIBLE	PORTFOLIO OF EVIDENCE	MUNICIPAL PROGRESS REPORT -JANUARY 2026			
						STEPS TAKEN	PROGRESS MADE	FINANCIAL IMPACT	OTHER NO DEVELO
LAR 1: GOVERNANCE									
1.	Governance model – Executive Mayor position	The status of the Executive Mayor is currently unresolved, i.e., being interim or acting Mayor.	Obtain formal legal opinion on resolving the status of the current Executive Mayor. Take opinion to Council to consider and resolve on the same. Implement governance resolution as taken by Council.	Legal Services: Mr Honey Gxoyiya	Legal opinion Council resolution	Unresolved	NO Council Resolution yet. Item must still serve before Council		The full report

Annexure "D"

The above-mentioned subject matter as well as the embedded communique refer.

In the interests of being meticulous, I will address the afore-mentioned matters *ad seriatim*.

1. **Appointment of Interim Mayor**

According to Council resolution SC11/2024 of 14 August 2024, as provided by you, the following is pertinent in the election of Ald. De Bruyn:

a) The process to elect a municipal office bearer as contained in Schedule 3 of the Local Government: Municipal Structures Act, 1998 **("Structures Act")** was complied with.
b) Ald. De Bruyn was elected in terms of section 55 of the Structures Act as the interim (*sic*) Executive Mayor.

I accept that it is axiomatic that the Structures Act makes no reference to an interim executive mayor and that no such appointment exists. Be this as it may, the council resolution denotes the procedure to be followed to elect an office bearer and the appointment was in terms of section 55, the election of an executive mayor. To this end, irrespective of the wording used, it is salient that the intention was to elect an executive mayor and it cannot be impugned that Ald. De Bruyn was not so appointed.

2. **Resignation by Ald. De Bruyn as Speaker of the Overberg District Municipal Council**

It is not in dispute that Ald. De Bruyn resigned his position as speaker, *supra*, on the same day as being elected as executive mayor, namely the 14th of August 2024. The fact that the resignation was only received by the municipal manager at some time after this does not negate such resignation.

In ***Mafika Sihlali v South African Broadcasting Corporation (Unreported J700/08 14/1/09)***, the Court held that a resignation is a unilateral act that does not require acceptance. I accept that this matter dealt with a labour relationship, however the principle remains relevant to this matter.

Given the argument, *supra*, it is evident that the resignation as speaker was effective as of the 14th of August 2024 and it is extrapolated that Ald. De Bruyn did not exercise the appointment as executive mayor and speaker simultaneously in contravention of section 36(5) of the Structures Act as alluded to in your summation.

You allude further that Ald. De Bruyn misrepresented the facts in his resignation in reference to his being elected as mayor and not as interim mayor. This point is moot given the elucidation provided, *supra*.

3. ***Democratic Alliance and Another v Council of Theewaterskloof Local Municipality and Others (19623/2024) [2024] ZAWCHC 371***

The above matter as cited by you refers.

The court ordered, inter alia, that:

"The decision by the Council of Theewaterskloof Local Municipality at its meeting on 2 September 2024 to –

1. remove Lincoln D Bruyn as the Executive Mayor of the Municipality, and
2. elect Theunis Zimmerman as the Executive Mayor of the Municipality
(the impugned decisions) are declared unconstitutional, unlawful and invalid.

The impugned decisions are reviewed and set aside".

The court makes no reference to an interim mayor, and I would argue further that if Ald. De Bruyn was not elected as the executive mayor no such application would have been necessary.

4. Conclusion

The ostensible lacuna in your summation extrapolates that Ald. De Bruyn was not appointed as the executive mayor and implies that he does not, *ex officio*, have the authority, in terms of section 60 of the Structures Act, to appoint a mayoral committee and therefore, by implication, any of the other powers and duties conveyed by law.

This is based solely on the term "interim mayor" without considering all the other relevant factors. I must once again reiterate that the applicable legislation does not make provision for the appointment of an interim mayor and no such position exists. Given the process followed by the council it is axiomatic that their intention was to appoint an executive mayor. You are making the supposition that the term interim refers to acting and that council conflicts with section 56(7) of the Structures Act. However, by your own argument you confirm that an acting executive mayor is designated as such by council and not elected, which is not consistent with the section 55 procedures exercised by council in this regard. Your summation is therefore not sound in law and Ald. De Bruyn, given the current facts, is the lawfully appointed executive mayor.

Any attempt to arrogate his appointment, outside of law, will be irresponsible and may result in unnecessary legal and financial risks for the municipality.

To this end, I trust that the above-mentioned elucidation has assuaged your concerns vis-à-vis the above.

Kind regards.

Adv. Robert Young
Legislation Development
Department of Local Government
Western Cape Government

8th Floor, 80 St Georges Mall, Waldorf Building, Cape Town, 8001

Tel: (021) 483 3379

Theewaterskloof Municipality

OFFICE OF THE MUNICIPAL MANAGER

Theewaterskloof Municipality – Administrative Head Office
6 Plein Street, PO Box 24 Caledon, Western Cape, 7230
Tel: +27 (28) 2143300 | Fax: +27 (28) 2141289
Website: www.twk.gov.za

Enquiries: Mr G W Hermanus mm@twk.gov.za

16 March 2026

Adv R Young Email: Robert.Young@westerncape.gov.za
Department of Local Government, Legislation Development
80 St Georges Mall
Waldorf Building
CAPE TOWN
8001

Sir

STATUS QUO OF EXECUTIVE MAYOR, THEEWATERSKLOOF MUNICIPALITY

Your email dated 16 March 2026 regarding the status quo of the Interim Executive Mayor refers.

Thank you for your valued opinion in this matter. With respect, as Acting Municipal Manager and Accounting Officer (seasoned senior manager with more than 20 years' experience), I disagree with some of the opinions mentioned in your email, specifically the following:

1. The motion of no confidence in the Executive Mayor that served before the Council on 14 August 2024, when Ald De Bruyn was "elected" as Interim Executive Mayor, was a motion of no confidence in Ald M Liebenberg and her stepping down (not for the removal of the removal of Cllr Zimmerman as incorrectly indicated in ensuing court cases and Council meetings). Section 56(7) of the Structures Act stipulates that Council must "designate" an Acting Mayor, not "elect" an Interim (acting) Mayor.

2. The ensuing court cases were between parties and incorrectly built around Cllr Zimmerman's removal instead of the no confidence in and removal of Ald Liebenberg.

3. The minutes of the meeting of 14 August 2026 clearly reflects (as can be heard on the recording of the of the meeting) that Ald De Bruyn was elected as Interim Executive Mayor and therefore the matter should have been referred to Council for election of an Executive Mayor.

4. Oudtshoorn Municipality also had a similar situation and recently elected an Interim Executive Mayor as well.

SALGA Western Cape was approached for a second opinion to restrict any risks of possible audit findings and unnecessary expenditure or further litigation around this matter, and SALGA Western Cape will refer the matter to their National Legal Team. for an opinion.

Yours sincerely

G W HERMANUS
ACTING MUNICIPAL MANAGER

Theewaterskloof Municipality

OFFICE OF THE MUNICIPAL MANAGER

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6 Plein Street, PO Box 24 Caledon, Western Cape, 7230
Tel: +27 (28) 2143300 | Fax: +27 (28) 2141289
Website: www.twk.gov.za

Enquiries: Mr G W Hermanus

mm@twk.gov.za

23 March 2026

The Provincial Executive Officer
SALGA Western Cape
PO Box 185
CAPE TOWN
8000

(For attention: Mr A Mpela)
Email: ampela@salga.org.za

Sir

STATUS QUO OF INTERIM EXECUTIVE MAYOR, THEEWATERSKLOOF MUNICIPALITY

With reference to our recent telephonic conversation, I am hereby providing a brief overview of what transpired before and after the election of Alderman L De Bruyn as Interim Executive Mayor and it will be much appreciated if you could forward the matter to your National Legal Team for a legal opinion.

The facts in the matter are as follows:

1. A motion of no confidence in and removal of the Executive Mayor (Ald M Liebenberg) was hand delivered to the Office of the Speaker (Ald D A Appel) and the Acting Municipal Manager (Mr R Stevens) on 31 July 2024. The motion was signed by all the GOOD- and Democratic Alliance (DA) Councillors as well. See ***Annexure A*** for the motion submitted requesting a Special Council meeting for 14 August 2024, and for Ald M Liebenberg to step down immediately.

2. In the meeting Ald J R Michels proposed that the Councillors submitting the motion expressed a vote of no confidence in Mayor Ald Mary Liebenberg, that the Mayor was

requested to step down from the position with immediate effect and that **an interim Mayor** (as per the written motion) be appointed. The intent of the motion was clear, namely to elect an interim (temporary) Mayor and not a full-time Executive Mayor. If it was the intention that Ald De Bruyn be elected as full-time Executive Mayor, the motion would not have included the word "interim".

3. Ald Liebenberg resigned as Executive Mayor and Council.

4. Council accordingly resolved per Council Resolution SC11/2024 of 14 August 2024 as follows:

   "After the processes are followed in terms of Schedule 3, Ald L M de Bruyn was elected as the interim Executive Mayor of Theewaterskloof in terms of S55 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998 and amendment Act 3 of 2021". See ***Annexure B*** for the Agenda and **Annexure *C*** for the Minutes of 14 August 2024.

5. Ald De Bruyn was elected as Interim Mayor and not as Executive Mayor. At this stage, when he was elected as Interim Mayor of Theewaterskloof Municipality, shortly after 14:00 on 14 August 2024, Ald De Bruyn was still the Speaker of Overberg District Municipality, which is a contravention of Section 36 (5) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) prohibiting a councillor to hold 2 positions at the same time. However, after the close of the meeting at 17:00, Ald De Bruyn's resignation as Speaker of the Overberg District Municipality were sent indicating his last day as Speaker as 24 August 2024. The resignation letter of Ald De Bruyn read as follows:

   "Following my election as Mayor of TWK Municipality, I hereby declare my resignation as Speaker at Overberg District Municipality. My last work day will be 14 August 2024."

   This was the first misrepresentation as Ald De Bruyn was elected as Interim Mayor and not as Mayor.

6. The minutes of the meeting of 14 August 2024 clearly reflects (as can be heard on the recording of the of the meeting) that Ald De Bruyn was elected as Interim Executive Mayor and therefore the matter should have been referred back to Council for election of an Executive Mayor. Accounting Officers since August 2024 have neglected to submit an agenda item to Council to elect an Executive Mayor as Ald De Bruyn was elected as an Interim Executive Mayor (for which the Municipal Structures Act does not provide).

7. Ald De Bruyn, immediately after the meeting, incorrectly made it known all over (in public, the press, in Council meetings, in ensuing court cases) that he is the Executive Mayor although the motion of no confidence and removal of Ald Liebenberg clearly requested that an interim Mayor was requested, which indicates that the intention was to have a temporary Mayor.

8. Oudtshoorn Municipality also had a similar situation and recently elected an Interim Executive Mayor as well.

It will be much appreciated if SALGA Western Cape can forward this matter to the SALGA National Legal team for a legal opinion and guidance as soon as possible as to whether the Council needs to reassess its actions and ensure compliance with legal and constitutional requirements elect an Executive Mayor to mitigate unnecessary legal and financial risks.

Yours sincerely

G W HERMANUS
ACTING MUNICIPAL MANAGER

Enquiries: Armstrong Mpela
Tel: 021 446 9800
E-mail: ampela@salga.org.za
Date: 30 March 2026

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SALGA
Inspiring service delivery

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Physical: 16th Floor, The Towers, Corner of 12 Heerengracht & Hertzog Boulevard, Foreshore, CAPE TOWN, 8000 **Postal:** PO Box 185, CAPE TOWN, 8001

Mr GW Hermanus
Theewaterskloof Municipality
6 Plein Street
Caledon
7230

30 March 2026

SUBJECT: STATUTORY POSITION ON THE NON-EXISTENCE OF AN "INTERIM EXECUTIVE MAYOR" AND RELATED GOVERNANCE IMPLICATIONS

1. PURPOSE

The purpose of this circular is to provide a structured statutory analysis of the concept commonly referred to as an *"interim executive mayor"*, to clarify its legal status, and to outline the governance, audit, and institutional risks arising from its use. The circular further identifies lawful corrective options available to municipal councils to restore legal certainty, compliance, and audit-defensible governance.

2. STATUTORY FRAMEWORK

The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) regulates the establishment and operation of municipal political office-bearers. The Act does not create, recognise, or permit the election or appointment of an "interim executive mayor."

In respect of executive mayoral authority, the Act provides for only two lawful mechanisms:

1. Election of an Executive Mayor in terms of section 55, read with Schedule 3, through a prescribed secret-ballot procedure; and
2. Designation of a councillor to act as Executive Mayor in terms of section 56(7), as a temporary arrangement where the Executive Mayor (and Deputy Executive Mayor, where applicable) is absent or unavailable.

Any council resolution, agenda item, or administrative practice purporting to establish an *"interim executive mayor"* therefore falls outside the statutory framework and is inconsistent with the Act.

3. ELECTION VERSUS ACTING: LEGAL AND GOVERNANCE LOGIC

The distinction between an elected Executive Mayor and a designated Acting Executive Mayor is substantively and legally material:

- An Executive Mayor occupies a substantive political office, is elected by council, and derives authority directly from section 55 following compliance with Schedule 3.
- An Acting Executive Mayor does not occupy a separate office, is not elected, and temporarily performs the functions of the Executive Mayor under section 56(7).

Accordingly: 143

- an acting arrangement cannot be created through an election; and
- an election cannot lawfully be qualified as "interim."

Any conflation of these mechanisms results in a governance arrangement that is procedurally defective and legally vulnerable.

4. CONCURRENT HOLDING OF OFFICE: SPEAKER AND EXECUTIVE MAYOR

4.1 Statutory position

Section 36(5) of the Municipal Structures Act provides that a councillor may not hold office as Speaker and Executive Mayor at the same time. The prohibition is peremptory and is directed at preserving internal separation of powers, preventing conflicts of interest, and safeguarding effective council oversight.

The statutory inquiry is therefore factual and time-bound: whether the councillor simultaneously held both offices at any point in time.

4.2 Resignation as Speaker and its legal effect

A resignation from political office takes effect once communicated and on the stated date; acceptance is not required. Where a resignation is communicated with immediate effect, the councillor vacates the office at the moment of resignation.

Where the record demonstrates that the resignation as Speaker took effect before the election of the Executive Mayor, no period of concurrent office-holding arises. In such circumstances, the statutory prohibition in section 36(5) is not infringed, as the councillor did not simultaneously occupy both offices.

The legal assessment therefore turns not on the calendar date alone, but on the sequence of legally operative events, specifically:

- the time at which the resignation as Speaker became effective; and
- the time at which the election as Executive Mayor was concluded.

Where the resignation predates the election, the councillor approaches the election unencumbered by an incompatible office.

4.3 Governance implications

From a governance perspective, clarity of sequencing is critical. Where resignation as Speaker precedes election as Executive Mayor:

- the statutory prohibition is complied with;
- the legality of the election process is not impugned on grounds of incompatibility; and
- governance risk associated with dual office-holding does not arise,

subject to the documentary record clearly evidencing this sequencing.

However, councils remain responsible for ensuring that the evidentiary record clearly reflects this sequence, through properly dated and time-stamped resignation letters, agenda documentation, and minutes of proceedings.

4.4 SALGA governance approach

SALGA emphasises that best governance practice requires councils to establish, on the face of the record, that a resignation from an incompatible office took effect prior to or at least contemporaneously with the commencement of an election process for a new office.

Where this sequencing is demonstrable, councils are on a sound legal footing. Where ambiguity exists, councils are advised to cure the record proactively in order to preserve legal certainty, audit defensibility, and institutional integrity.

5. GOVERNANCE AND AUDIT RISK ASSESSMENT

Continued reliance on unlawful or ambiguous mayoral construct exposes municipalities to cumulative institutional risk, including:

- reliance on an office unknown to law;
- vulnerability of decisions to judicial review;
- irregular expenditure risk, particularly in respect of mayoral committee appointments and remuneration; and
- adverse findings by oversight institutions on leadership, governance, and compliance.

These risks tend to compound over time if governance arrangements are not decisively regularised.

6. STATUS OF DECISIONS ALREADY TAKEN

SALGA notes the settled principle of South African administrative law that administrative acts remain legally effective until set aside by a court of law. Decisions taken under a defective governance premise are therefore not automatically void.

This position is, however, subject to the documentary record supporting the factual premise upon which such decisions were taken.

Notwithstanding, continued reliance on a known legal defect escalates governance and financial exposure. Municipal councils are accordingly expected to regularise governance arrangements prospectively and to place themselves on a legally defensible footing going forward.

7. PRACTICAL GUIDANCE AND CORRECTIVE OPTIONS

Municipal councils are advised to:

1. Formally acknowledge that the Act makes no provision for an "interim executive mayor";
2. Identify and clarify the legal basis currently being relied upon; and
3. Regularise the position without delay.

8. CONCLUDING OBSERVATION

Effective municipal governance requires statutory compliance, institutional discipline, and legal certainty. The concept of an *"interim executive mayor"* has no basis in the Municipal Structures Act and should not be utilised in council resolutions, records, or administrative practice.

Municipal councils are urged to act lawfully and decisively to safeguard institutional integrity and ensure audit-safe governance.

Should you require further assistance, please do not hesitate to contact Mr. Michael Cahuke at 072 553 5587 or via email at mchauke@@salga.org.za

Kind Regards

Mr KHALIL MULLAGIE
PROVINCIAL DIRECTOR OF OPERATIONS

Western Cape Government

Department of the Premier
Branch: Legal Services
Anniné Harington
Annine.Harington@westerncape.gov.za

File reference: 10/1/1/LO 16 of 2026-27

DEPARTMENT OF LOCAL GOVERNMENT
8th Floor, Waldorf Building
80 St Georges Mall
Cape Town
8001
(**Attention: Robert Young**)
Sent via email: Robert.Young@westerncape.gov.za

Dear Robert

OPINION RE ELECTION OF INTERIM EXECUTIVE MAYOR

1. We refer to your request to the Branch: Legal Services to prepare an opinion on the election of an interim executive mayor at the Theewaterskloof Municipality ("the Opinion").

2. Kindly find the Opinion, as prepared by our Ms Anniné Harington, attached to this letter.

3. Do not hesitate to contact us should you have any queries.

Yours faithfully,

Glenda Jeffries Digitally signed by Glenda Jeffries Date: 2026.04.22 12:19:43 +02'00'

GLENDA JEFFRIES
DIRECTOR: LEGAL ADVISORY SERVICES

Western Cape Government

OPINION

PRIVILEGED AND CONFIDENTIAL

TO:	DEPARTMENT OF LOCAL GOVERNMENT
SUBJECT:	ELECTION OF INTERIM EXECUTIVE MAYOR
LEGAL ADVISER:	ANNINÉ HARINGTON
REFERENCE:	10/1/1/LO 16 OF 2026-2027

DEPARTMENT OF THE PREMIER

LEGAL SERVICES

INTRODUCTION

1. Consultant is the Department of Local Government ("the Department").

2. We have been requested to provide a legal opinion relating to the appointment of Mr De Bruyn as "interim" executive mayor of the Theewaterskloof Municipality ("the Municipality").

BACKGROUND

3. On 31 July 2024, a motion of no confidence was delivered to the speaker and the acting municipal manager of the Municipality. In terms of the motion, it was recommended that the municipal council express a vote of no confidence in the executive mayor (Ms Liebenberg), that she be requested to step down from the position with immediate effect, and that "*an interim mayor be appointed to ensure continuity of governance and to restore effective administration within the municipality*".

4. At a municipal council meeting held on 14 August 2024, Ms Liebenberg was removed as executive mayor of the Municipality. Furthermore, the municipal council resolved that "*After the processes are followed in terms of Schedule 3, Alderman LM de Bruyn was elected as the interim Executive Mayor of Theewaterskloof Council in terms of Section 55 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and Amendment Act 3 of 2021*".

5. After the municipal council meeting, Mr De Bruyn resigned as speaker of the Overberg District Municipality. In his resignation letter, dated 14 August 2024, he stated that "*Following my election as Mayor of TWK Municipality, I hereby declare my resignation as Speaker at Overberg District Municipality. My last work day will be 14 August 2014*".

6. On 2 September 2024, Mr De Bruyn was removed as executive mayor of the Municipality through a vote of no confidence and a new executive mayor (Mr Zimmerman) was elected. On 15 November 2024, the Western Cape High Court, in *Democratic Alliance and Another v Council of Theewaterskloof Local*

Municipality and Others (19623/2024) [2024] ZAWCHC 371 (15 November 2024), held that the decision to remove Mr De Bruyn as executive mayor and to elect Mr Zimmerman as the new executive mayor was unconstitutional, unlawful and invalid. The decision was reviewed and set aside, and Mr De Bruyn was reinstated in the position of executive mayor.

7. Although Mr De Bruyn has held the position of executive mayor since 14 August 2024, it appears there is a dispute about whether he is legitimately holding this position. In a letter from the acting municipal manager of the Municipality to SALGA, dated 23 March 2026, it is argued that: Mr De Bruyn was appointed as interim executive mayor and not as full-time executive mayor; as such, the matter should have been referred back to the municipal council for election of a full-time executive mayor; as interim executive mayor Mr De Bruyn did not have the authority to appoint a mayoral committee, resulting in illegal expenditure in respect of the remuneration of the mayoral committee members; all resolutions taken by Mr De Bruyn and the municipal council after Mr De Bruyn's election as interim executive mayor may be subject to challenge; and at the time of his election as interim executive mayor, Mr De Bruyn was still the speaker of the Overberg District Municipality, which is a contravention of section 36(5) of the Local Government: Municipal Structures Act, 117 of 1998 ("the Structures Act").

8. On 30 March 2026, SALGA addressed a circular to the Municipality in which SALGA indicated the following:

   8.1. the Structures Act does not create, recognise, or permit the election or appointment of an "interim executive mayor";

   8.2. in respect of executive mayoral authority, the Structures Act provides for only two lawful mechanisms, being:

      8.2.1. the election of an executive mayor in terms of section 55, read with Schedule 3, of the Structures Act; and

      8.2.2 the designation of a councillor to act as executive mayor in terms of section 56(7) of the Structures Act, as a temporary

arrangement where the executive mayor (and deputy executive mayor, where applicable) is absent or unavailable;

8.3. an acting arrangement cannot be created through an election, and an election cannot lawfully be qualified as "interim";

8.4. section 36(5) of the Structures Act provides that a councillor may not hold office as speaker and executive mayor at the same time (thus preserving internal separation of powers, preventing conflicts of interest and safeguarding effective council oversight);

8.5. best governance practice requires councils to establish, on the face of the record, that a resignation from an incompatible office took effect prior to or at least contemporaneously with the commencement of an election process for a new office; and

8.6. administrative acts remain legally effective until set aside by a court of law, and decisions taken under a defective governance premise are therefore not automatically void.

9. We have been requested to provide an opinion on the appointment of Mr De Bruyn as "interim" executive mayor of the Municipality and his status under the Structures Act.

LEGISLATIVE FRAMEWORK

Local Government: Municipal Structures Act, 117 of 1998 ("the Structures Act")

10. Section 1 of the Structures Act defines an "*executive mayor*" as "*an executive mayor elected in terms of section 55* [of the Structures Act]".

11. Section 36 of the Structures Act deals with the election of speakers. Section 36(5) of the Structures Act provides that:

"*(5) A councillor may not hold office as whip, speaker, mayor or executive mayor at the same time.*"

12. Section 55 of the Structures Act deals with the election of executive mayors and provides that:

"*(1) If a municipal council chooses to have an executive mayor it must elect an executive mayor and, if the MEC for local government in the province so approves, also an executive deputy mayor, from among its members at a meeting that must be held-*

(a) within 14 days after the council's election;

(b) if it is a district council, within 14 days after the last of the local councils has appointed its representatives to the district council; or

(c) within 14 days after the date with effect from which the type of the municipality has been changed from any of those mentioned in section 8(a), (b), (c) or (d), 9(a), (b) or 10(a) to any of those mentioned in section 8(e), (f), (g) or (h), 9(c) or (d) or 10(b).

(2) A vacancy in the office of executive mayor or executive deputy mayor must be filled when necessary.

(3) The procedure set out in Schedule 3 applies to the election of an executive mayor and executive deputy mayor."

13. Section 56 of the Structures Act deals with the functions and powers of executive mayors. Section 56(6) and (7) provides that:

"*(6) The deputy executive mayor of a municipality exercises the powers and performs the duties of the executive mayor if the executive mayor is absent or not available or if the office of the executive mayor is vacant.*

(7) If the executive mayor is absent or not available and the municipality does not have a deputy executive mayor, or the deputy executive mayor is also absent or not available, the council must designate a councillor to act as executive mayor."

14. Section 58 of the Structures Act deals with removal from office and provides that:

"A municipal council, by resolution may remove its executive mayor or deputy executive mayor from office. Prior notice of an intention to move a motion for the removal of the executive mayor or deputy executive mayor must be given."

15. Section 59 of the Structures Act deals with vacation of office and provides that:

"An executive mayor or deputy executive mayor vacates office during a term if that person-

(a) resigns as executive mayor or deputy executive mayor;

(b) is removed from office as executive mayor or deputy executive mayor; or

(c) ceases to be a councillor."

APPLICATION

16. It is common cause that the Structures Act does not provide for the election of an "interim" executive mayor. The Structures Act only provides for:

16.1. the election of an executive mayor (and an executive deputy mayor, where approved by the MEC) in terms of section 55, read with Schedule 3, of the Structures Act;

16.2. the deputy executive mayor to exercise the powers and perform the duties of the executive mayor, if the executive mayor is absent or not available or if the office of the executive mayor is vacant (section 56(6) of the Structures Act); and

16.3. the council to designate a councillor to act as executive mayor, if the executive mayor is absent or not available and the municipality does not have a deputy executive mayor, or if the deputy executive mayor is also absent or not available (section 56(7) of the Structures Act).

17. It is my instructions that the election of Mr De Bruyn as interim executive mayor complied with the prescripts of section 55, read with Schedule 3, of the Structures Act for the election of an executive mayor. At the time of Mr De Bruyn's election, the Municipality had a duly elected deputy executive mayor. Furthermore, Mr De Bruyn's election was not a designation in terms of section 56(7) of the Structures Act.

18. Although the motion of no confidence (that was delivered to the speaker and the acting municipal manager of the Municipality on 31 July 2024) recommended that "*an interim mayor be appointed*", the motion of no confidence is silent on why an interim (as opposed to a full-term) executive mayor should be appointed and makes no mention of the interim period for which such an interim executive mayor would or should be appointed. Similarly, although the municipal council resolved on 14 August 2024, that "*Alderman LM de Bruyn was elected as the interim Executive Mayor*", the resolution made no mention of the interim period for which Mr De Bruyn was elected and when his term as interim executive mayor would come to an end. It is not clear from the motion of no confidence or the resolution why the term "interim" executive mayor was used, what the intention was with this term, or whether the use of this term was merely an error. It does however appear that, after his election, Mr De Bruyn referred to himself and conducted himself as the executive mayor, rather than as an interim executive mayor. Furthermore, he was referred to as the executive mayor, rather than an interim executive mayor, throughout the judgment handed down by the Western Cape High Court in *Democratic Alliance and Another v Council of Theewaterskloof Local*

Municipality and Others (19623/2024) [2024] ZAWCHC 371 (15 November 2024).

19. As the Structures Act does not provide for the election of an interim executive mayor, and as the motion of no confidence and the resolution make no mention of an interim period for which Mr De Bruyn was elected, and as the election of Mr De Bruyn complied with the prescripts of section 55, read with Schedule 3, of the Structures Act for the election of an executive mayor, it appears that Mr De Bruyn was in fact elected as the executive mayor of the Municipally, notwithstanding the use of the term "interim" executive mayor, and that he will continue to hold this position until he vacates office in terms of section 59 of the Structures Act. Furthermore, it appears that Mr De Bruyn resigned as speaker of the Overberg District Municipality immediately after he was elected as executive mayor (his election and resignation both being on 14 August 2024), thereby ensuring compliance with section 36(5) of the Structures Act.

20. If an aggrieved party wishes to challenge the election of Mr De Bruyn as executive mayor, they may institute court proceedings to review and set aside the election of Mr De Bruyn as executive mayor. However, I am not convinced that Mr De Bruyn's election will be reviewed and set aside based merely on the use of the term "interim" executive mayor in the motion of no confidence and the resolution. More would be needed in my view to show that his appointment was unlawful and invalid. Furthermore, it should be remembered that any court proceedings to review and set aside the election of Mr De Bruyn ought to have been instituted without undue delay. As Mr De Bruyn was elected on 14 August 2024, any party seeking to review and set aside his election at this late stage, will have to explain to the satisfaction of the court the delay in instituting the proceedings.

CONCLUSION

21. For the reasons set out above, I am of the view that Mr De Bruyn was elected as the executive mayor of the Municipally, notwithstanding the use of the term "interim" executive mayor.

22. I advise accordingly.

Annine Harington (56211988)

Digitally signed by Annine Harington (56211988)
Date: 2026.04.22 14:21:20 +02'00'

Anniné Harington

State Law Advisor

Legal Advisory Services

ITEM TITLE

C219/2026 OFFICE OF THE SPEAKER / DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: COUNCILLORS IN RECESS FROM 01 OCTOBER 2026 TO 03 NOVEMBER 2026

[English version of the report is the original]

FILE NUMBER

3/2/1/R

PURPOSE/AIM OF REPORT

To grant approval for the full Council to take a recess from 01 October 2026 until 03 November 2026 in preparation of the Local Government Elections scheduled for the 4th of November 2026.

BACKGROUND

President Cyril Ramaphosa has officially announced 4 November 2026 as the date for South Africa's upcoming Local Government Elections, setting the stage for political parties and voters to begin preparations.

The announcement marks the official start of preparations for the 2026 Municipal Elections, with political parties expected to ramp up campaigning.

DISCUSSION

Several requests were received by the Speaker for the possibility that the Councillors will go into recess from 01 October 2026 until 03 November 2026 in preparation of the Local Government Elections.

Should Council go into recess for the abovementioned period, the following meetings will continue to take place:

- Municipal Public Accounts Committee Meetings.
- Special Council Meetings, if needed to be scheduled.
- Council Meeting of 22 October 2026.

FINANCIAL IMPLICATIONS

None.

LEGAL IMPLICATIONS

The functioning of the Municipality as well as service delivery will not be adversely affected during the recess period.

RISK MANAGEMENT IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council notes the above information.**
2. **That Council takes a recess from 01 October 2026 to 03 November 2026 in preparation of the Local Government Elections.**
3. **That Municipal Public Accounts Committee Meetings be scheduled when necessary and attended by all the MPAC Members.**
4. **That Special Council Meetings be scheduled, when necessary, and attended by all Councillors.**
5. **That all Councillors attend the Council Meeting which will be scheduled for the 22nd of October 2026.**

ITEM TITLE

C220/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: ADVISORY LETTER FROM SALGA ON THE TRANSITIONAL MANAGEMENT PLAN: END OF TERM OF POLITICAL OFFICE

[English version of the report is the original]

FILE NUMBER

3/3/7/R

AIM/PURPOSE OF REPORT

That Council notes that the term of political office of the current Councillors will end the day preceding the declaration of the results of the 2026 Local Government Elections held on 04 November 2026.

BACKGROUND

An Advisory Letter was issued by SALGA dated 15 September 2026 to give clarity and guidance on the commencement and termination of Councillors' terms of office which are attached as Annexure to the item.

DISCUSSION

The term of office started when the Council was declared elected, which was 04 November 2021 for the current term.

In terms of the law, the IEC has 7 days to declare the results after the 2026 Municipal Local Government election on 04 November 2026.

Thus, the term of office ends the day preceding the declaration of the results.

FINANCIAL IMPLICATION

Municipalities will be required to remunerate the current Councillors on a pro rata basis from 01 November 2026 up until the day preceding the declaration of the results.

LEGAL RESPONSIBILITIES

Section 26 of the Local Government: Municipal Structures Act, Act 117 of 1998, provides that "a person is elected as member of a municipal council for a period ending when the next council is declared elected".

RISK MANAGEMENT IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council notes the content of the report.**

2. **That Council notes that the term of the current Councillors will end on the day preceding the declaration of the results of the 2026 Local Government Elections.**

3. **That Council notes that Councillors will be remunerated on a pro rata basis from 01 November 2026 up until the day preceding the declaration of the results.**

Enquiries: Simnikiwe Stemela
Tel: 021 446 9826
Cell: 062 660 1610
E-mail: sstemela@salga.org.za

Date: 15 September 2026

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SALGA
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Physical:
2 Heerengracht Street,
Cnr Hertzog Boulevard
The Towers South, Foreshore,
CAPE TOWN
8000

To : **Western Cape Municipalities**

Attention : **Executive Mayors**
Speakers
Municipal Managers
Director Corporate Services

Dear Honorable Councillors

ADVISORY LETTER ON THE TRANSITIONAL MANAGEMENT PLAN: END OF TERM OF POLITICAL OFFICE

As municipalities prepare for the Local Government Elections scheduled for 4 November 2026, SALGA remains committed to providing support and advisory services to ensure that the transition before, during and after the elections is managed effectively, efficiently and in line with the applicable legislative framework.

As part of SALGA's ongoing pre-election support programme, this advisory provides clarity and guidance on the commencement and termination of councillors' terms of office. Section 26 of the Local Government: Municipal Structures Act provides that "a person is elected as member of a municipal council for a period ending when the next council is declared elected". Accordingly:

- **Start of term of office:** When the council is declared elected, which was 4 November 2021 for the current term.
- **End of term of office:** When the new council is declared elected, currently projected as 11 November 2026.

The current term ends when the IEC declares the results of the elections. In terms of the law the IEC has 7 days to declare the results. Thus the term ends the day preceding the declarations of the results. Importantly for the remuneration of the current councillors municipalities will be required to remunerate on a pro rata basis from 1 November up until the day preceding the declaration.

Yours sincerely,

KHALIL MULLAGIE
PROVINCIAL DIRECTOR OF OPERATIONS

ITEM TITLE

C221/2026 DIRECTORATE COMMUNITY SERVICES: DEPARTMENT SUSTAINABLE DEVELOPMENT: INCLUSION OF THEEWATERSKLOOF MUNICIPALITY'S VOLUNTARY LOCAL REVIEW (VLR) IN THE GLOBAL OBSERVATORY ON LOCAL DEMOCRACY AND DECENTRALISATION

[English version of the report is the original]

FILE NUMBER

17/16/1/1

PURPOSE OF REPORT

The purpose of this report is to advise Management of the inclusion of Theewaterskloof Municipality's inaugural Voluntary Local Review (VLR) in the Global Observatory on Local Democracy and Decentralisation (GOLD Observatory) and to outline the significance of this achievement for the Municipality.

BACKGROUND

During 2025, Theewaterskloof Municipality received an invitation from the South African Local Government Association (SALGA) to participate in the national Voluntary Local Review (VLR) Community of Practice. Following consideration by the Mayoral Committee, the Municipality formally committed to undertaking its first Voluntary Local Review as part of South Africa's broader Sustainable Development Goals (SDGs) localisation programme.

The VLR process was designed to assess and document how municipal planning, governance, partnerships and development initiatives contribute towards the achievement of the 2030 Agenda for Sustainable Development. Unlike a compliance report, the VLR provides an evidence-based reflection of municipal development practices, innovation, institutional learning and partnership building.

Over the course of several months, the Municipality compiled a comprehensive review drawing together information from across departments and external stakeholders. The report demonstrated the integration of Vision 2030, the Integrated Development Plan (IDP), municipal performance information and a number of locally developed case studies showcasing sustainable development in practice.

The submission highlighted, amongst others:

- the Blue Deal Partnership and innovative approaches to water governance;
- the Local Drug Action Committee (LDAC);
- disability inclusion and the Disability Empowerment Model;
- the Safe House initiative;
- libraries and youth development programmes;

- community partnerships and collaborative governance; and
- the Municipality's contribution towards SDGs 5, 6, 10, 11, 16 and 17.

The VLR represents the first comprehensive international reporting exercise undertaken by Theewaterskloof Municipality specifically focused on SDG localisation.

DISCUSSION

Management is advised that Theewaterskloof Municipality's Voluntary Local Review has now been included in the Global Observatory on Local Democracy and Decentralisation (GOLD Observatory).

The GOLD Observatory is an internationally recognised knowledge platform coordinated by United Cities and Local Governments (UCLG). It serves as one of the principal global repositories documenting local government experiences, decentralisation practices, democratic governance and implementation of the Sustainable Development Goals.

The inclusion of the Municipality's VLR signifies that Theewaterskloof's experience has been recognised as making a meaningful contribution to the international body of knowledge on sustainable local governance.

SIGNIFICANCE OF THE ACHIEVEMENT

The inclusion of the Municipality's VLR in the Global Observatory represents considerably more than publication of a report. It provides international recognition of the Municipality's commitment to evidence-based planning, transparent governance and sustainable development.

Specifically, this achievement:

1. International Recognition

The Municipality now joins a global network of cities and municipalities whose experiences are being documented and shared internationally. The VLR may be consulted by international organisations, development partners, researchers, universities and other municipalities seeking examples of effective SDG localisation and local governance.

2. Validation of Municipal Practice

The inclusion demonstrates that the Municipality has successfully documented its planning, implementation and monitoring approaches in a manner consistent with internationally recognised VLR methodologies. It validates the work undertaken to integrate municipal planning with the Sustainable Development Goals while promoting accountability and stakeholder participation.

3. Global Visibility

Programmes developed within Theewaterskloof—including the Blue Deal Partnership, disability inclusion initiatives, the Local Drug Action Committee, community safety initiatives and youth development programmes—now have international visibility as practical examples of sustainable local development.

4. Opportunities for Partnerships

International visibility enhances the Municipality's reputation amongst development agencies, funding organisations, academic institutions and potential strategic partners. Although inclusion does not automatically result in funding opportunities, it strengthens the Municipality's credibility when pursuing future partnerships and grant applications.

5.Contribution to International Knowledge

The Municipality's experience contributes a South African and African perspective to the global discourse on local democracy, decentralization and SDG implementation. This assists in ensuring that international learning reflects the realities and innovations of municipalities operating within developing country contexts.

VALUE TO THE MUNICIPALITY

The achievement demonstrates that Theewaterskloof Municipality is capable of contributing to international development discourse despite operating within a challenging financial and institutional environment.

It further reinforces the Municipality's commitment to:

- integrated development planning;
- evidence-based decision making;
- collaborative governance;
- innovation in service delivery;
- stakeholder participation; and
- localisation of the Sustainable Development Goals.

The process has also strengthened internal collaboration between municipal departments and external partners by consolidating information that had previously existed across multiple programmes and reporting mechanisms.

ACKNOWLEDGEMENT

This achievement reflects the collective contribution of Council, Management, municipal officials, external partners and community stakeholders who provided information, participated in programmes and supported the development of the Municipality's inaugural Voluntary Local Review.

Special acknowledgement is extended to SALGA for facilitating South Africa's VLR Community of Practice and for providing municipalities with the opportunity to participate in this important international initiative.

WAY FORWARD

To maximise the value of this achievement, it is recommended that the Municipality:

1. Formally communicate the achievement internally and externally through appropriate municipal communication platforms.
2. Reference the VLR and its international recognition in future funding applications, partnership proposals and strategic planning documents.
3. Continue strengthening the integration of the Sustainable Development Goals into municipal planning, monitoring and reporting processes.
4. Participate in future VLR learning networks and peer exchanges coordinated by SALGA and international partners.
5. Consider periodic updates of the VLR to demonstrate ongoing progress towards the 2030 Sustainable Development Agenda.

CONCLUSION

The inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation represents a significant institutional achievement. It confirms that the Municipality's innovative practices, partnerships and commitment to sustainable development are contributing to international knowledge on local governance. The achievement enhances the Municipality's reputation, strengthens opportunities for collaboration and reinforces its position as a municipality committed to transparent, accountable and sustainable development.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None.

LEGAL IMPLICATIONS (ITEM AUTHOR)

None.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Management:

1. **Notes the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation.**

2. **Recognises the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

3. **Supports the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes.**

RECOMMENDED BY MANAGEMENT TO THE EMC: 12 AUGUST 2026

It is recommended that the EMC:

1. **Notes the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation.**

2. **Recognises the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

3. **Supports the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes.**

4. **That the contents of the report, of the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation facilitated by SALGA; the recognition of the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review BE NOTED.**

5. **That the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes as well as into IDP and directorate SDBIP processes and plans BE APPROVED by Council.**

RECOMMENDATION BY THE EMC TO COUNCIL: 17 SEPTEMBER 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 Alderman S Fredericks, it was recommended as follows:

1. **That Council notes the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation.**

2. **That Council recognises the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

3. **That Council supports the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes.**

4. **That Council notes that the contents of the report, of the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation facilitated by SALGA; the recognition of the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

5. **That the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes as well as into IDP and directorate SDBIP processes and plans BE APPROVED by Council.**

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That Council notes the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation.**

2. **That Council recognises the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

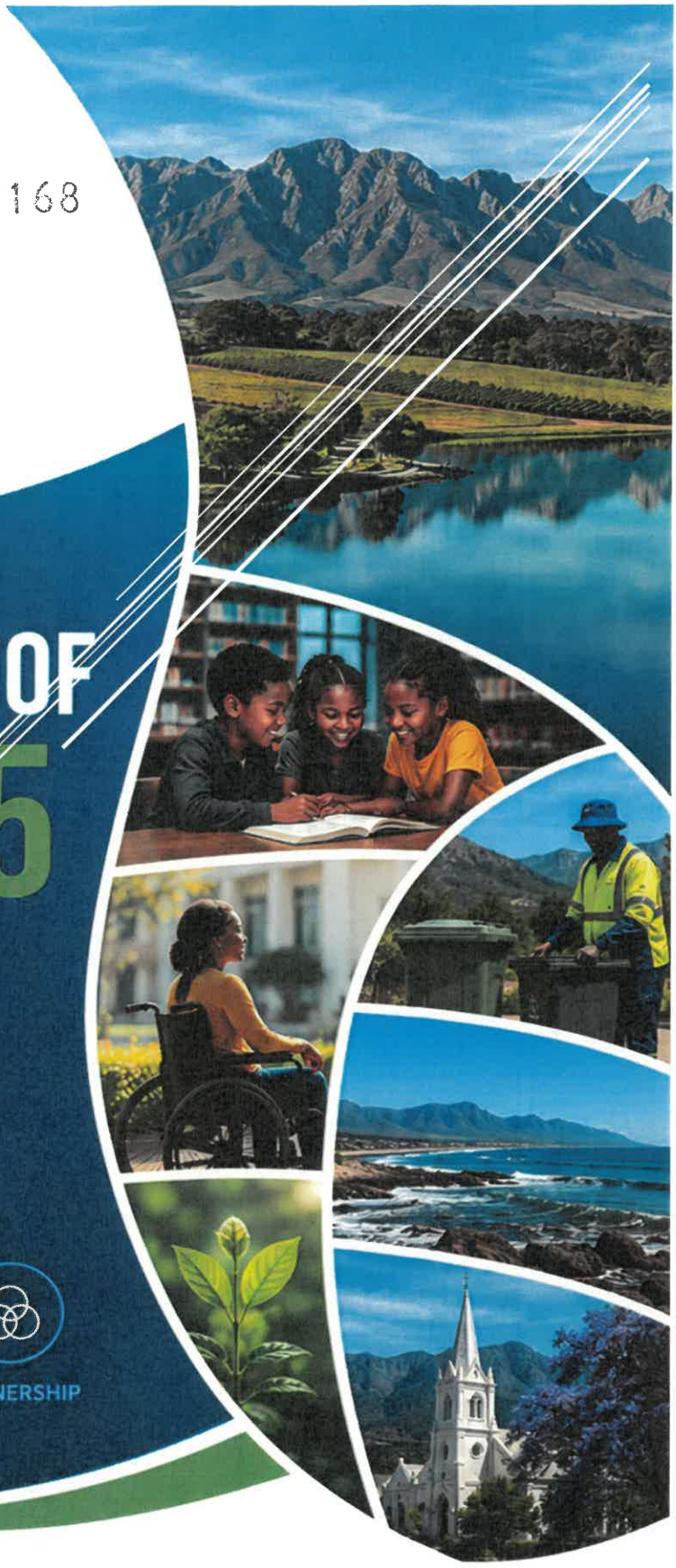
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4. **That Council notes that the contents of the report, of the inclusion of Theewaterskloof Municipality's Voluntary Local Review in the Global Observatory on Local Democracy and Decentralisation facilitated by SALGA; the recognition of the achievement as an important international milestone for the Municipality and acknowledges the collective efforts of all departments and partners who contributed to the successful completion of the Municipality's inaugural Voluntary Local Review.**

5. **That the continued integration of Sustainable Development Goal localisation into municipal planning, implementation, monitoring and reporting processes as well as into IDP and directorate SDBIP processes and plans BE APPROVED by Council.**

Theewaterskloof Municipality

DRIVEN BY NATURE • UNITED BY PURPOSE



THEEWATERSKLOOF VLR 2025

Voluntary Local Review

Building a Sustainable, Inclusive and Resilient Theewaterskloof for All

PEOPLE PLANET PROSPERITY PEACE PARTNERSHIP

LOCAL ACTION. GLOBAL IMPACT.

Working together with our communities and partners to accelerate the Sustainable Development Goals and create lasting, positive change for current and future generations.

LOCALISING THE SDGs

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CHAPTER 1: VOLUNTARY LOCAL REVIEW CONCEPT NOTE & STRATEGIC FOUNDATION

Theewaterskloof Voluntary Local Review (VLR): Process, Methodology and Inputs : Building on the Vision 2030 Strategy (2018)

1. Introduction

Theewaterskloof Municipality has embarked on a process to undertake its first Voluntary Local Review (VLR) as part of its commitment to localising the United Nations Sustainable Development Goals (SDGs). The VLR provides a structured platform through which the municipality can reflect on its development trajectory, assess progress towards sustainable development, and strengthen alignment between municipal planning frameworks and global development agendas.

This process builds on an existing foundation of strategic planning and community engagement within the municipality. In 2018, the municipality adopted the Community Development Strategy, which was informed by the long-term Vision 2030 framework. The vision articulated a collective aspiration for Theewaterskloof to become a desirable place to live, work and visit, characterised by a high-quality sustainable environment and a connected and creative community. The strategy recognised that the achievement of such a vision requires a developmental approach that places people, communities and partnerships at the centre of local governance.

The Community Development Strategy introduced a structured approach aimed at improving the quality of life of residents through stronger social cohesion, increased economic opportunity and improved collaboration between government, civil society and the private sector. The Voluntary Local Review builds on this strategic foundation and serves as a reflective and analytical instrument through which the municipality can assess its development progress while aligning its Integrated Development Plan (IDP), Financial Recovery Plan (FRP) and sector strategies with the Sustainable Development Goals.

2. Purpose of the Voluntary Local Review

The purpose of undertaking the Voluntary Local Review is to provide a transparent and evidence-based assessment of the municipality's contribution to sustainable development. Through the VLR process, the municipality seeks to strengthen the alignment between local development priorities and the Sustainable Development Goals while reinforcing the integration between the municipality's long-term vision, strategic planning frameworks and operational programmes.

The VLR also serves as a strategic planning instrument that assists the municipality in identifying opportunities for collaboration with civil society organisations, development partners and other spheres of government. By consolidating information from a variety of

municipal programmes and development initiatives, the VLR contributes to improving evidence-based decision-making and strengthening monitoring systems for sustainable development outcomes.

In this regard, the VLR functions not only as a reporting mechanism but also as a learning process that informs future planning, policy development and implementation within the municipality.

3. Strategic Foundation: Vision 2030 and the Community Development Strategy

The Vision 2030 framework was developed through a consultative process that engaged stakeholders across the municipality and sought to capture a long-term development vision for the Theewaterskloof region. The framework identified a range of development priorities including improving quality of life, strengthening the regional economy, expanding access to education and skills development opportunities, promoting environmental sustainability and fostering stronger relationships between communities and institutions.

To operationalise these ambitions, the Community Development Strategy introduced a developmental framework based on the "Having, Caring and Being" model. This model draws from international research on quality of life and conceptualises development as a multidimensional process that encompasses material well-being, social relationships and human potential.

Within this framework, the dimension of "Having" relates to access to basic needs and opportunities such as employment, education, housing and essential services. The dimension of "Caring" emphasises the importance of social cohesion, belonging and the networks of relationships that support resilient communities. The dimension of "Being" focuses on participation, civic engagement and the ability of individuals to realise their potential through cultural, social and recreational activities.

This integrated model reflects the holistic nature of the Sustainable Development Goals, which recognise that sustainable development requires the simultaneous advancement of social inclusion, economic opportunity and environmental sustainability.

4. Rationale for Undertaking the VLR

The decision to undertake a Voluntary Local Review is informed by the evolving development context within which the municipality operates. Local governments increasingly face significant pressures related to constrained financial resources, rising service delivery demands and complex social and economic challenges affecting communities.

Theewaterskloof Municipality continues to confront issues such as unemployment, social inequality and the need for stronger institutional collaboration across sectors. At the same time, the global adoption of the 2030 Agenda for Sustainable Development has highlighted the critical role that local governments play in translating global development goals into tangible local action.

The VLR therefore provides an opportunity for the municipality to reassess its development trajectory and to ensure that municipal planning, budgeting and implementation processes remain aligned with long-term sustainability objectives. Through this process, the municipality can also strengthen its partnerships with communities, civil society and development institutions while contributing to the broader national and global dialogue on sustainable development.

5. Methodology of the Voluntary Local Review

The methodology adopted for the Theewaterskloof Voluntary Local Review combines internationally recognised practices for SDG localisation with the municipality's participation in the South African Local Government Association (SALGA) Voluntary Local Review Community of Practice.

Theewaterskloof Municipality was invited by SALGA to participate in the national VLR initiative, which aims to document and consolidate the contributions of municipalities across South Africa towards the implementation of the Sustainable Development Goals. The initiative seeks to strengthen knowledge sharing between municipalities and to capture practical examples of how local governments are advancing sustainable development through their policies, programmes and partnerships.

Following the invitation from SALGA, the municipality prepared an internal proposal outlining its potential contribution to the VLR initiative. The proposal highlighted the municipality's ability to contribute through locally grounded case studies and field-based experiences drawn from its community development programmes, social development initiatives and environmental sustainability projects. Particular emphasis was placed on the municipality's existing strategic frameworks, including Vision 2030 and the Community Development Strategy, which provide a structured foundation for documenting development interventions and outcomes.

In accordance with municipal governance procedures, participation in the VLR initiative was subsequently presented to the Mayoral Committee for consideration. Following the endorsement of the Mayoral Committee, the municipality formally committed to participating in the SALGA VLR Community of Practice and to contributing to the national body of knowledge on SDG localisation.

As part of this commitment, the municipality undertook to document and present a series of locally grounded case studies that illustrate how municipal programmes and partnerships contribute to sustainable development outcomes. These case studies are intended to capture practical lessons, institutional experiences and community-based interventions that demonstrate the role of local government in advancing the Sustainable Development Goals.

6. Key Inputs Informing the VLR

The preparation of the Voluntary Local Review draws on a range of strategic, institutional and empirical inputs. These include the municipality's core planning instruments such as the Integrated Development Plan, Spatial Development Framework and Financial Recovery Plan, as well as long-term strategic frameworks including Vision 2030 and the Community Development Strategy.

In addition to municipal planning documents, the VLR incorporates socio-economic data drawn from national and provincial sources, municipal performance reports and programme-level monitoring information. Stakeholder contributions also form an important component of the review process. Insights from community organisations, civil society partners, ward committees, sector departments and development institutions contribute to a broader understanding of development outcomes and local priorities.

Through this integrated approach, the VLR seeks to combine quantitative data with qualitative insights in order to provide a comprehensive perspective on sustainable development within the municipality.

7. Expected Outcomes of the VLR

The Voluntary Local Review is expected to generate several important outcomes for the municipality. The process will provide a baseline assessment of the municipality's contribution to the Sustainable Development Goals and will strengthen the integration between long-term visioning, strategic planning and municipal budgeting processes.

The VLR will also contribute to improving monitoring and evaluation systems by identifying opportunities to incorporate SDG indicators into municipal performance management frameworks. Furthermore, the review process will support the strengthening of partnerships with civil society organisations, development partners and other municipalities participating in the SALGA VLR initiative.

By documenting practical experiences and lessons learned, the VLR contributes to greater transparency and accountability while also supporting knowledge sharing across the local government sector.

8. Conclusion

The Voluntary Local Review represents a natural continuation of Theewaterskloof Municipality's long-term development journey. Building on the Vision 2030 framework and the Community Development Strategy adopted in 2018, the VLR provides a structured mechanism through which the municipality can assess its progress, refine its development priorities and strengthen its contribution to the Sustainable Development Goals.

Through this process, the municipality seeks to reinforce the principles of developmental local government and to ensure that communities, institutions and development partners work collaboratively towards building a resilient, inclusive and sustainable future for the Theewaterskloof region.

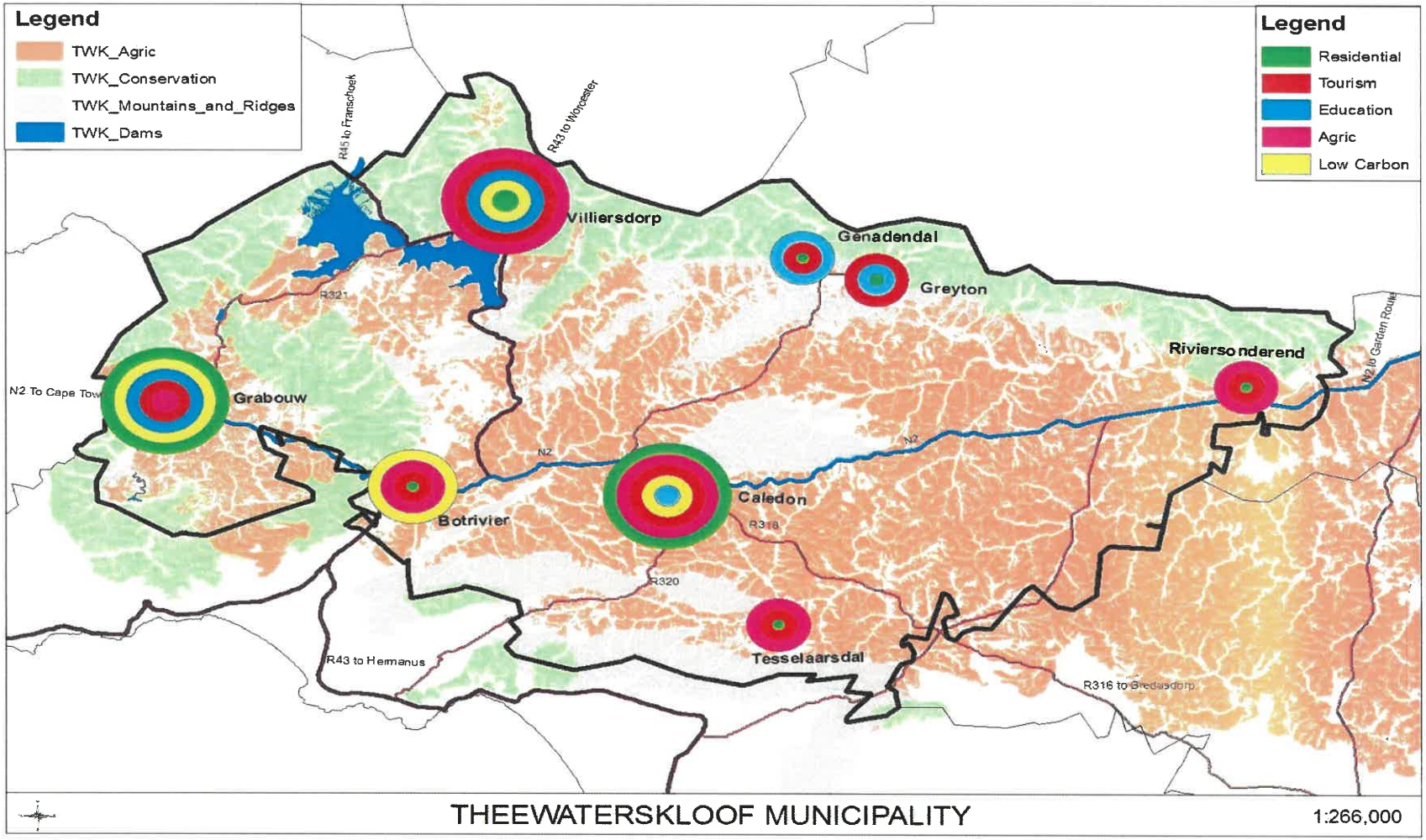
THEEWATERSKLOOF VOLUNTARY **LOCAL REVIEW** PARTICIPATION PROCESS



POTENTIAL THEEWATERSKLOOF CASE **STUDIES** AND SDG CONTRIBUTIONS

POTENTIAL CASE STUDY	LINKED SDGs
Love Alliance Project: Women who use drugs and strengthened linked to health and law enforcement	3, 5, 13
Disability Network	10
Local Drug Action Committee - substance use disorder support	3, 10, 17
Blue Deal / sustainable waste and water resource management	6, 19, 13
Safe House for victims of gender based violence	5, 16
Libraries for Learning & Development: combatting youth unemployment	4, 8

9. Geographical Location



Map of Theewaterskloof Region source: Theewaterskloof 2030 January 2011

CHAPTER 2: SOCIO-ECONOMIC PROFILE

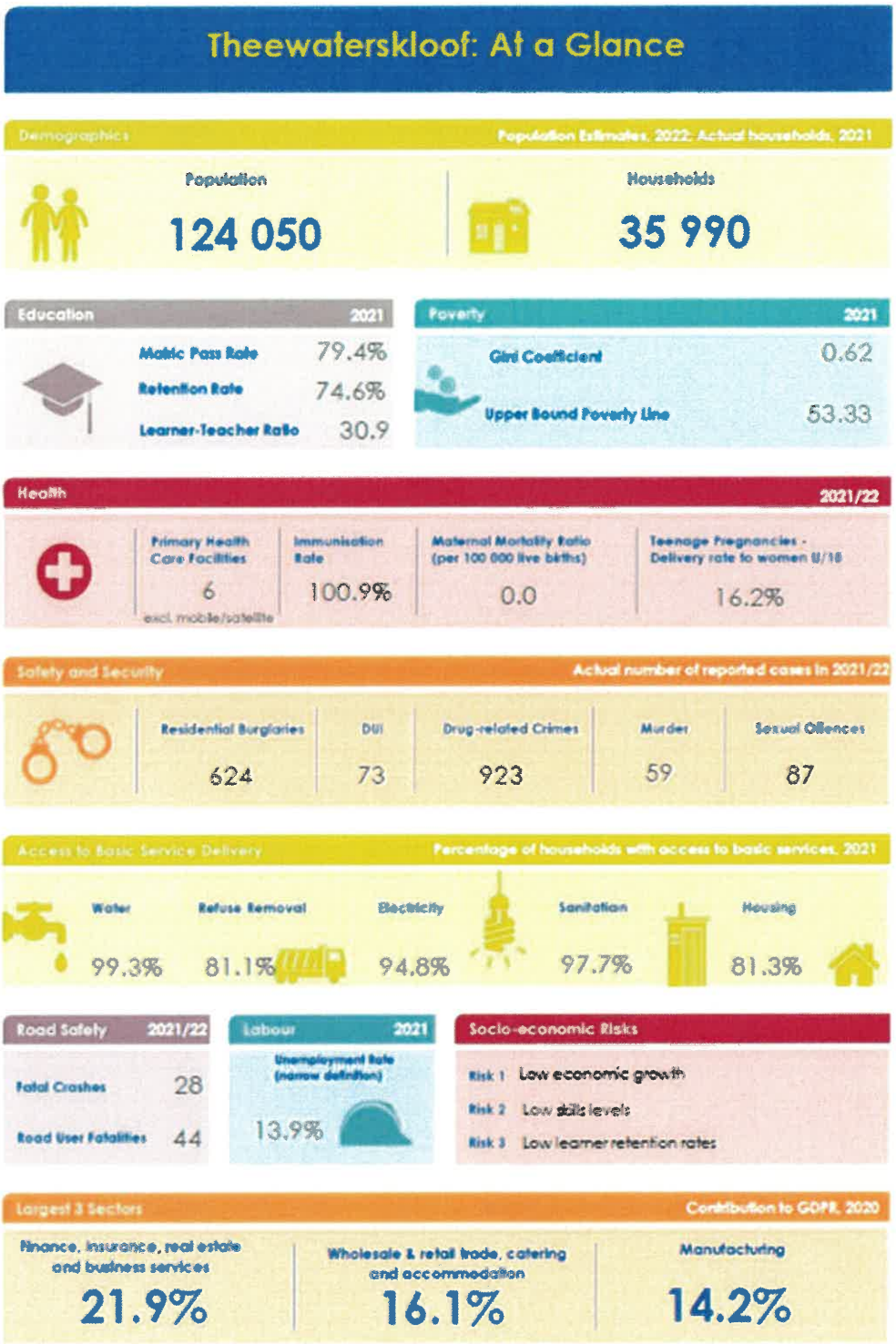
Theewaterskloof Municipality: Socio-Economic Data Study (MERO 2025–26)

1. Demographic Structure and Population Pressures

Theewaterskloof Municipality represents one of the more densely populated and socio-economically complex local municipalities within the Overberg District. The demographic profile reflects a predominantly working-age population, with a significant proportion of youth entering the labour market annually, thereby intensifying pressure on employment absorption capacity and municipal service delivery systems.

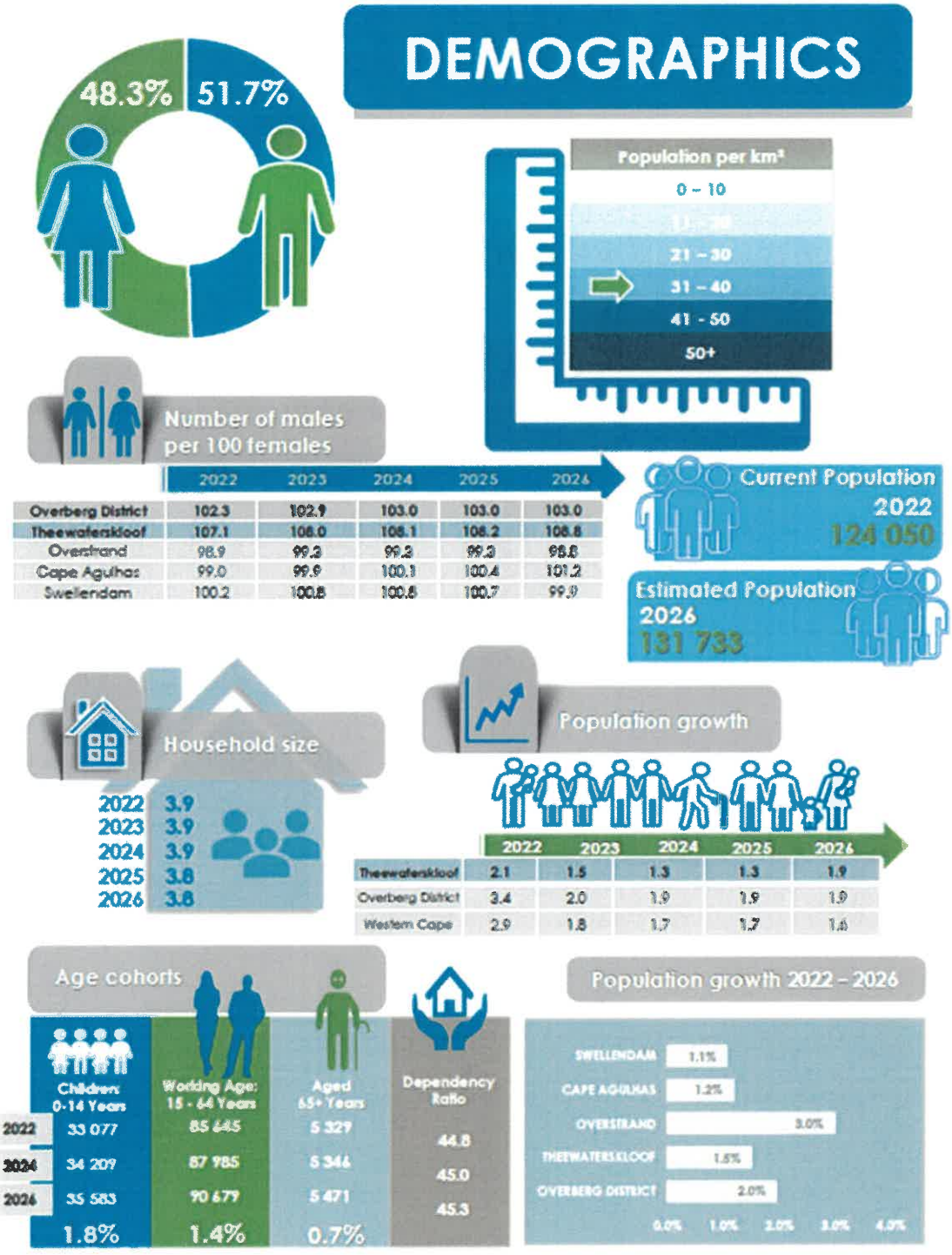
Population growth trends, consistent with broader Overberg patterns, indicate steady expansion driven by both natural growth and in-migration, particularly into urbanising nodes such as Grabouw and Villiersdorp. This growth has not been matched by proportional infrastructure expansion, contributing to the expansion of informal settlements and growing service delivery backlogs.

The demographic structure, therefore presents a dual challenge in that it offers the potential for a demographic dividend due to the size of the working-age population, while simultaneously placing increasing pressure on municipal systems where economic absorption remains constrained.



Source: Socio-Economic Profile 2024

Source: Socio-Economic Profile 2024

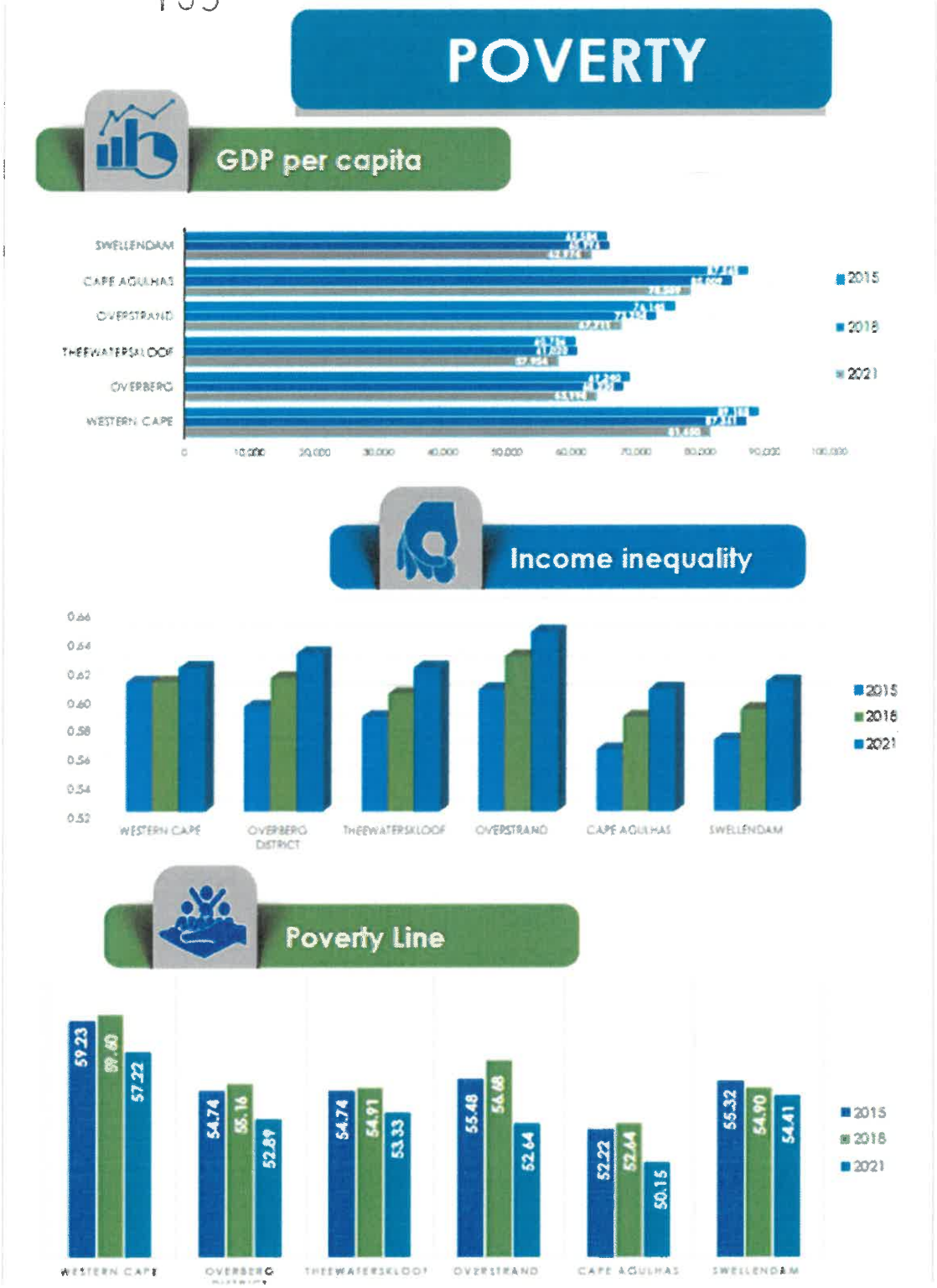


2. Income, Inequality and Household Vulnerability

The Municipal Economic Review and Outlook 2025-26 (MERO) indicates that Theewaterskloof experiences persistent income inequality, which is characteristic of rural and agriculturally driven economies. While certain sectors, particularly agriculture and agro-processing, contribute to economic output, the benefits of this activity are unevenly distributed across communities.

Households within the municipality are largely characterised by dependence on low and unstable income sources, many of which are seasonal. A significant proportion of households qualify as indigent, reflecting limited financial resilience and a continued reliance on social grants and informal income-generating activities.

Income inequality is further entrenched by the structural nature of agricultural employment, which is often low-wage and seasonal, as well as by limited diversification into higher-value economic sectors. In addition, there is a notable mismatch between the skills profile of the local labour force and the requirements of emerging economic opportunities. As a result, economic participation within the municipality does not consistently translate into economic security for households.



Source: Socio-Economic Profile 2024

3. Poverty and Livelihood Insecurity

Poverty remains a defining socio-economic challenge within Theewaterskloof Municipality. The MERO highlights that a considerable share of households fall within both the lower-bound and upper-bound poverty thresholds, reflecting the presence of both extreme and moderate poverty conditions.

A key feature of poverty in the municipality is the prevalence of working poverty, where individuals who are employed remain below the poverty line due to low wages and unstable employment conditions. This is compounded by patterns of intergenerational poverty, particularly in historically disadvantaged communities, where limited access to education, employment and assets perpetuates cycles of deprivation.

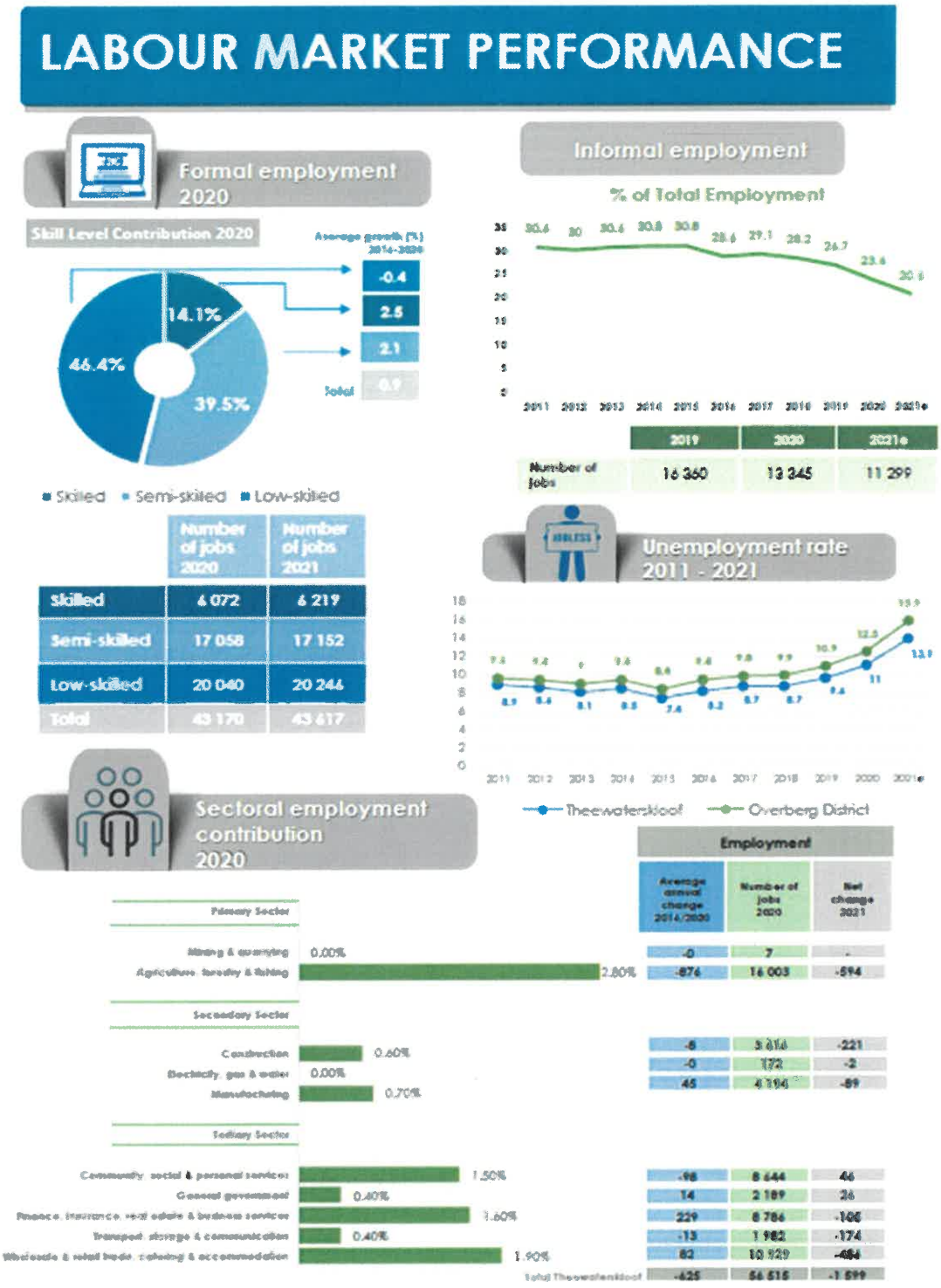
Poverty is also spatially concentrated, particularly within informal settlements and peripheral urban areas, where access to services and economic opportunities is more limited. The persistence of poverty is therefore not only a function of unemployment but also reflects the prevalence of low-quality employment and structural exclusion from more productive sectors of the economy.

4. Employment and Economic Structure

The local economy of Theewaterskloof is characterised by a relatively narrow sectoral base, with agriculture serving as the primary driver of employment, supported by agro-processing activities and the retail and services sectors. While these sectors provide important sources of employment, they are inherently vulnerable to external shocks, including climate variability and fluctuations in global markets.

Employment opportunities in these sectors are often seasonal, limiting households' ability to achieve year-round income stability. Furthermore, the sectors are generally associated with low wage levels and limited opportunities for skills development and career progression.

Unemployment remains a significant concern, particularly among youth, who face barriers to entry into the labour market. Even where employment is available, it often does not provide sufficient income or long-term security. The MERO therefore, highlights a structural challenge within the municipality, namely that while the local economy is capable of generating employment, it does not generate sufficient quality employment to support sustainable livelihoods.



	Number of jobs 2020	Number of jobs 2021
Skilled	6 072	6 219
Semi-skilled	17 058	17 152
Low-skilled	20 040	20 244
Total	43 170	43 617

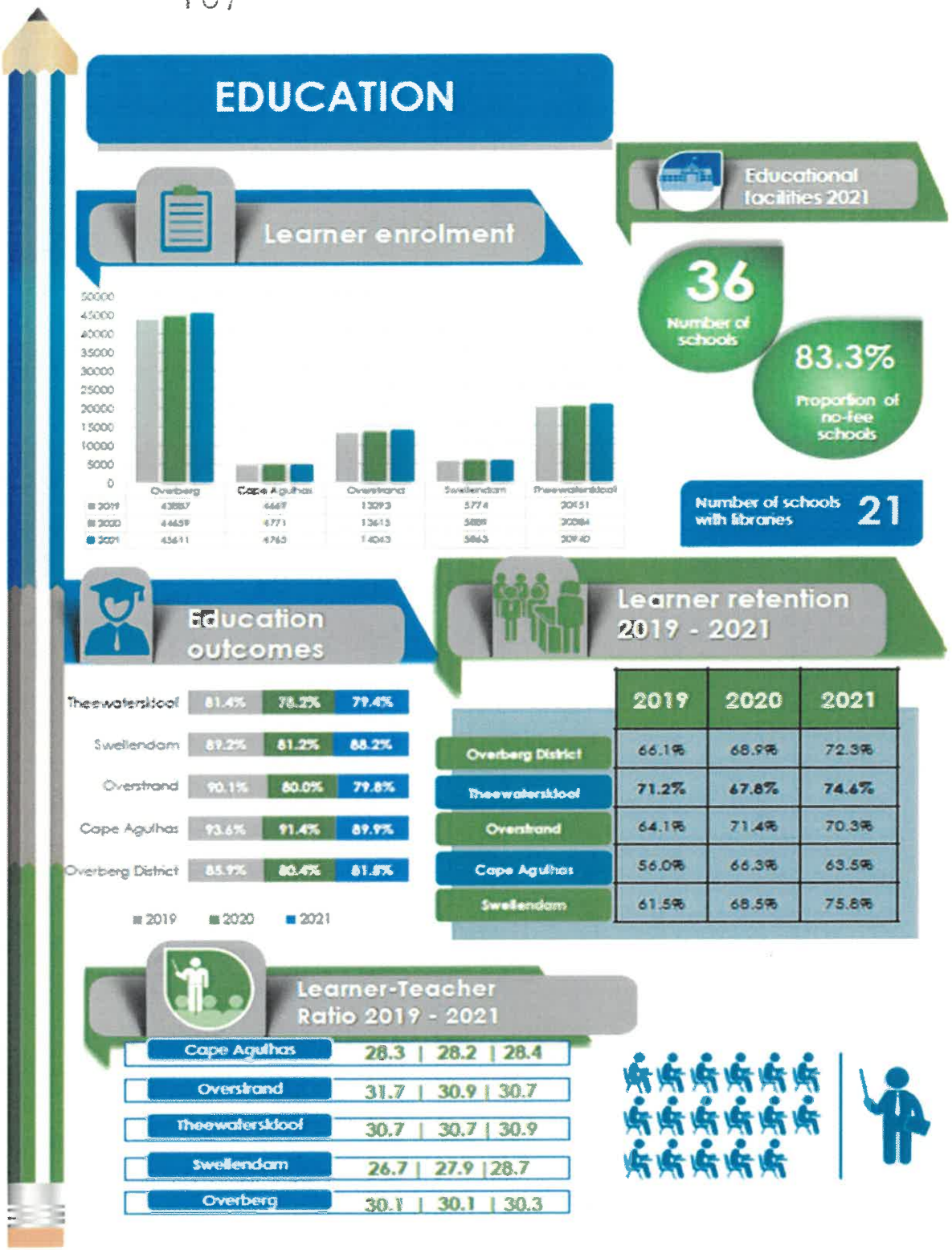
Source: Socio-Economic Profile 2024

5. Education and Skills Development Constraints

Education outcomes within Theewaterskloof Municipality reflect systemic challenges that have a direct impact on economic inclusion and social mobility. While access to basic education is relatively widespread, there are disparities in educational attainment, particularly in rural and under-resourced areas.

There is also a notable misalignment between the outputs of the education system and the needs of the local labour market, which contributes to skills shortages in certain sectors while leaving many individuals without the competencies required to access available opportunities. Access to post-school education and vocational training remains limited, further constraining pathways to employment.

These challenges result in a workforce that is not fully equipped to support economic diversification or to participate effectively in higher-value sectors. Consequently, youth unemployment and underemployment remain high, and the potential for entrepreneurship and innovation is constrained.



Source: Socio-Economic Profile 2024

6. Health Profile and Social Wellbeing

The MERO identifies ongoing health challenges within Theewaterskloof that influence both individual well-being and broader socio-economic outcomes. The burden of disease associated with HIV/AIDS and tuberculosis remains significant, placing pressure on the primary healthcare system.

Health outcomes are closely linked to socio-economic conditions, with poorer households experiencing greater barriers to accessing healthcare services. Informal settlements, in particular, are associated with environmental health risks related to inadequate sanitation and waste management.

In addition to communicable diseases, there are growing concerns related to substance abuse and mental health, which further exacerbate social vulnerability and place additional strain on community support systems. Health therefore functions both as an outcome of socio-economic conditions and as a constraint on development.

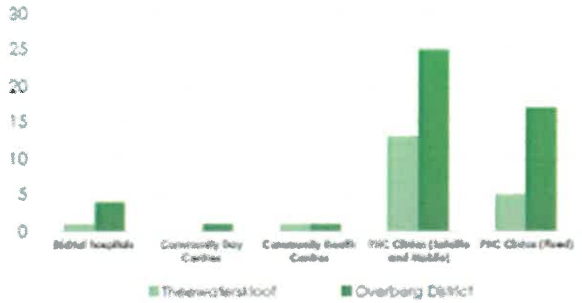
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HEALTH

HIV/AIDS

Area	Total Registered patients receiving ART		Number of new ART patients	
	2020/21	2021/22	2020/21	2021/22
Theewaterskloof	5 281	6 311	469	456
Overberg District	13 490	14 686	1 050	962

Healthcare facilities



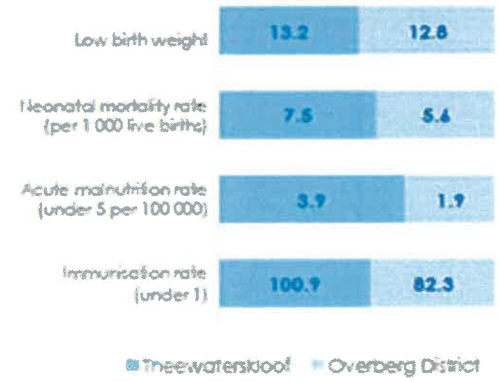
Maternal health

	Maternal Mortality Ratio		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Theewaterskloof	1.0	0.0	16.5	16.2	0.6	0.6
Overberg District	1.0	0.0	14.0	14.0	0.7	0.6

Emergency medical services 2021

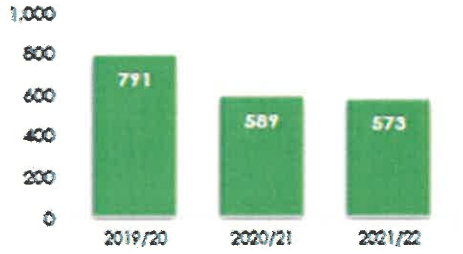
Health indicator	Theewaterskloof	Overberg District
EMS Operational Ambulances	12	23
No. of operational ambulances per 10 000 people	1.0	0.8

Child health



Tuberculosis

Number of patients



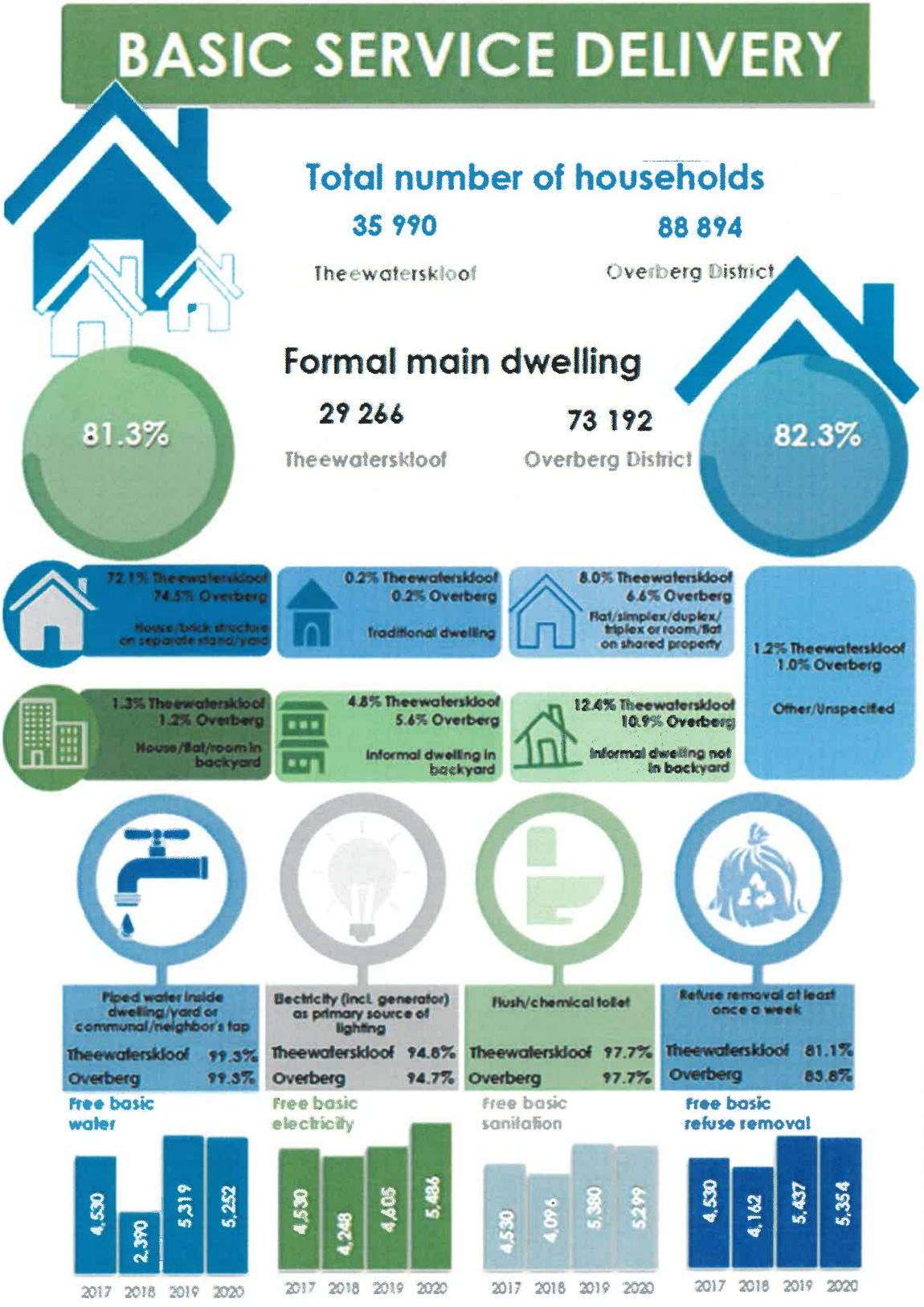
Source: Socio-Economic Profile 2024

7. Housing and Access to Basic Services

Theewaterskloof Municipality continues to experience increasing demand for housing, driven by population growth and urbanisation. This has resulted in the expansion of informal settlements and increased pressure on existing service delivery systems.

While progress has been made in improving access to basic services such as water, sanitation and electricity, significant challenges remain in ensuring equitable access and maintaining service quality. Infrastructure systems are under strain, particularly in rapidly growing settlements, and backlogs in formal housing provision persist.

These challenges contribute to environmental risks and reduced quality of life, particularly in areas where sanitation and waste management systems are inadequate. As such, service delivery constraints play a central role in reinforcing socio-economic vulnerability within the municipality.



Source: Socio-Economic Profile 2024

8. Crime and Community Safety

Crime remains a critical issue affecting both community wellbeing and economic development within Theewaterskloof Municipality. The MERO highlights the prevalence of both violent crime and property-related offences, which are often linked to underlying socio-economic conditions such as unemployment, inequality and substance abuse.

High levels of crime undermine social cohesion and reduce the sense of safety within communities. They also have a negative impact on investment and economic activity, as businesses and investors are deterred by safety concerns.

In addition, crime places a financial burden on the municipality through the need for increased security measures and the repair of damaged infrastructure. Community safety is therefore a key determinant of both social stability and economic growth.

9. Integrated Development Insight: A System Under Pressure

A synthesis of the socio-economic data presented in the MERO reveals that the challenges facing Theewaterskloof Municipality are deeply interconnected and mutually reinforcing. Population growth increases demand for services, while limited economic diversification constrains income growth and employment opportunities.

Low-quality employment contributes to persistent poverty, while gaps in education and skills development limit the municipality's ability to transition to a more diversified and resilient economy. Service delivery pressures further reinforce inequality, and challenges related to health and crime compound social vulnerability.

These dynamics collectively create a cycle of structural socio-economic stress, which requires integrated and coordinated interventions to address effectively.

10. Strategic Interpretation for IDP / FRP Context

From a strategic planning perspective, particularly within the context of the Financial Recovery Plan (FRP) and the amended Integrated Development Plan (IDP), Theewaterskloof Municipality can be understood as a municipality in transition but operating under significant constraints.

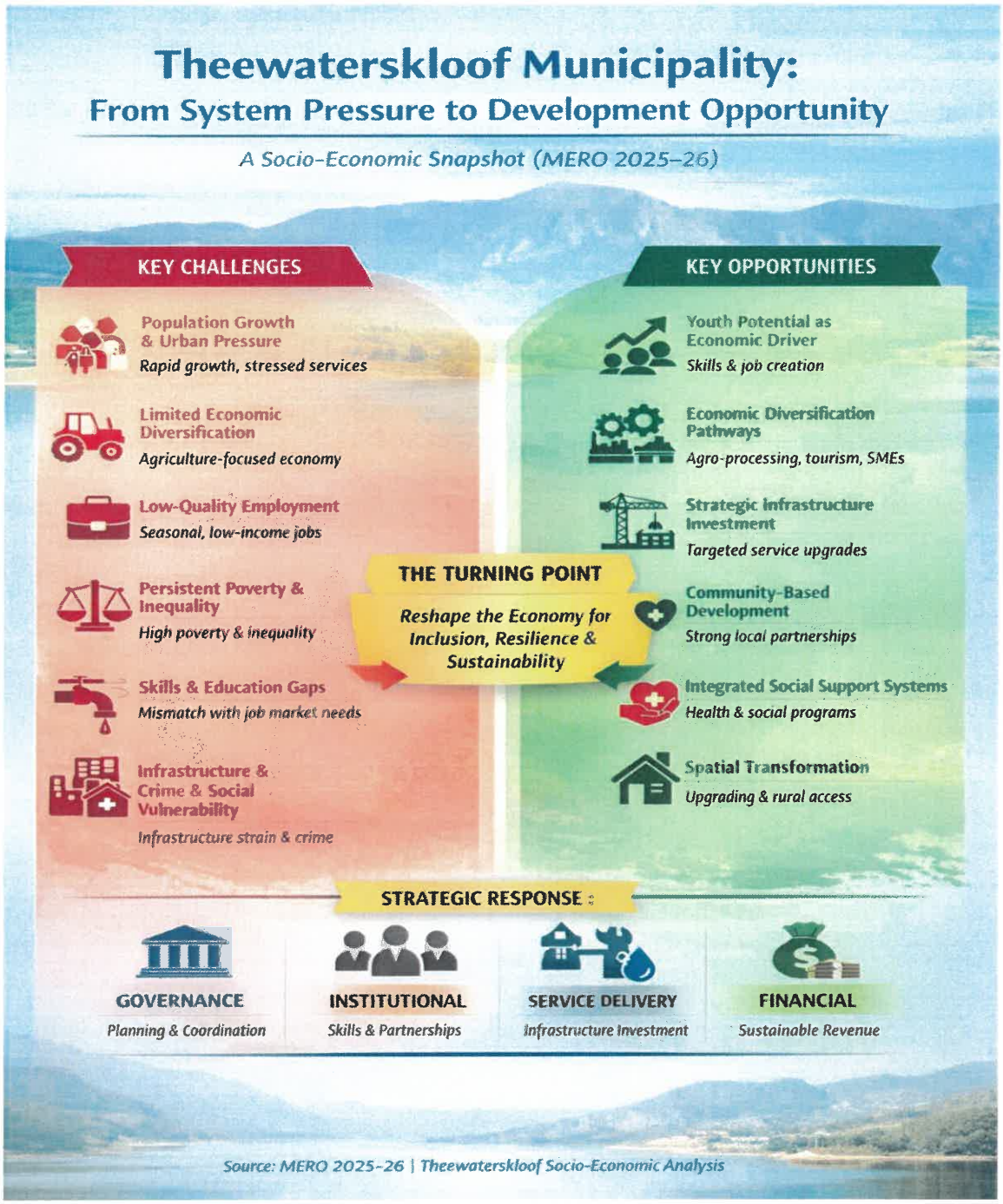
The local economy demonstrates activity but remains structurally narrow, while communities exhibit resilience despite increasing vulnerability. Population growth continues, but available resources and infrastructure are not expanding at a commensurate rate.

The data therefore points to the need for targeted interventions aimed at promoting economic diversification beyond agriculture, strengthening youth employment pathways and skills development, improving infrastructure and service delivery in high-growth areas, and enhancing integrated social support systems. Spatially targeted approaches to addressing poverty and informal settlement upgrading are also critical.

11. Conclusion:

The socio-economic profile of Theewaterskloof Municipality, as reflected in the MERO, is one of latent potential constrained by structural realities. While the municipality benefits from active economic sectors and strong community networks, these are offset by imbalances between growth, inclusion and sustainability.

The central developmental challenge is therefore not only to stimulate economic growth but to reshape the structure of the local economy in a manner that is more inclusive, less dependent on seasonal dynamics, more resilient to external shocks, and better aligned with the capabilities and needs of its population.


Theewaterskloof Municipality:
From System Pressure to Development Opportunity
A Socio-Economic Snapshot (MERO 2025–26)
KEY CHALLENGES
Population Growth & Urban Pressure
Rapid growth, stressed services
Limited Economic Diversification
Agriculture-focused economy
Low-Quality Employment
Seasonal, low-income jobs
Persistent Poverty & Inequality
High poverty & inequality
Skills & Education Gaps
Mismatch with job market needs
Infrastructure & Crime & Social Vulnerability
Infrastructure strain & crime
KEY OPPORTUNITIES
Youth Potential as Economic Driver
Skills & job creation
Economic Diversification Pathways
Agro-processing, tourism, SMEs
Strategic Infrastructure Investment
Targeted service upgrades
Community-Based Development
Strong local partnerships
Integrated Social Support Systems
Health & social programs
Spatial Transformation
Upgrading & rural access
THE TURNING POINT
Reshape the Economy for Inclusion, Resilience & Sustainability
STRATEGIC RESPONSE :
GOVERNANCE
Planning & Coordination
INSTITUTIONAL
Skills & Partnerships
SERVICE DELIVERY
Infrastructure Investment
FINANCIAL
Sustainable Revenue
Source: MERO 2025-26 | Theewaterskloof Socio-Economic Analysis

CHAPTER 3: DISABILITY EMPOWERMENT MODEL

Case Study: Localising Inclusion through the Disability Empowerment Model (DEM) in Theewaterskloof

1. Background and Rationale

In Theewaterskloof, as in many rural municipalities, persons with disabilities often experience layered exclusion from social, economic, and institutional processes. These challenges include limited access to services, social stigma, inadequate infrastructure, and insufficient representation in decision-making platforms. Recognising these systemic barriers, the municipality, in partnership with the Department of Social Development (DSD), sought to adopt a more structured and rights-based approach to disability inclusion.

The introduction of the Disability Empowerment Model (DEM) marked a significant shift from fragmented interventions towards an integrated, participatory framework. Developed through a four-year international cooperation initiative between DSD and the Japan International Cooperation Agency (JICA), the DEM approach provides practical guidelines for empowering persons with disabilities and embedding disability mainstreaming within local governance systems .

At its core, the DEM approach is anchored in the principle that disability inclusion is not a specialised function, but a cross-cutting development issue that must be embedded across all sectors of government and society.

2. Building the Foundation: The TWK Disability Network

The successful rollout of the DEM approach in Theewaterskloof was made possible by the existence of a strong and functional Disability Network, established in March 2021. This network emerged organically from the need to better understand and respond to the lived realities of persons with disabilities across the municipal area.

Over time, the network evolved into a dynamic platform comprising representatives from government, civil society organisations, persons with disabilities, and their caregivers. Meeting quarterly, the network provided a safe and inclusive space for dialogue, knowledge-sharing, and collaborative problem-solving.

Guided by the principle of "Nothing About Us, Without Us", the network placed persons with disabilities at the centre of discussions and decision-making processes. This people-centred approach aligns closely with the human rights model of disability, which emphasises dignity, equality, and accountability of institutions in ensuring equitable access to services. The strength and functionality of this network were recognised by the Department of Social Development, which subsequently selected Theewaterskloof as the first municipality in the Western Cape to pilot the DEM approach.

3. From Framework to Action: Implementing the DEM Approach

The rollout of the DEM approach in Theewaterskloof followed a structured, step-by-step methodology. As outlined in the implementation diagram on page 16, the process began

with stakeholder engagement and the establishment of a local working group to guide implementation .

Three towns—Grabouw, Genadendal, and Villiersdorp—were selected as pilot sites, based on the presence of active and organised disability-focused organisations, namely AGAPE Family Ministries, Mind Over Matter, and Tools4Life's OMGEE Groep. These organisations formed the backbone of the local implementation structures.

On 03 November 2023, coinciding with the start of Disability Rights Awareness Month, an induction session was held to formally initiate the DEM process. During this session, project managers and nominated representatives—who are themselves persons with disabilities—were capacitated to form part of a Working Group responsible for driving implementation at the local level.

This approach reflects one of the core principles of DEM: placing persons with disabilities and their families at the centre of development processes. Rather than being passive beneficiaries, individuals were positioned as leaders, facilitators, and agents of change within their communities.

Subsequent phases included training and capacity-building, scheduled for early 2024, followed by the rollout of baseline surveys and community dialogues. These activities aim to identify priority needs, map existing barriers, and co-design practical interventions that enhance quality of life and inclusion.

4. Creating Inclusive Communities through Practice

A defining feature of the DEM approach is its emphasis on practical, community-driven activities. The working groups are tasked with facilitating engagements within their communities, gathering data, and identifying actionable projects that respond directly to local needs.

This process not only generates evidence for planning but also strengthens social cohesion and collective ownership. It enables persons with disabilities to articulate their needs, engage with service providers, and influence municipal programmes and policies.

At the same time, the DEM approach strengthens government capacity by fostering collaboration between municipal departments, provincial stakeholders, and civil society organisations. This integrated approach ensures that disability considerations are mainstreamed across planning, budgeting, and service delivery processes.

The dual focus on community empowerment and institutional strengthening reflects the three foundational principles of DEM: putting people first, building government systems, and creating inclusive communities through practical action (see conceptual framework on page 19) .

5. Outcomes and Early Impact

Although still in the early stages of implementation, the DEM rollout in Theewaterskloof has already demonstrated several positive outcomes. The establishment of structured working

groups has strengthened local leadership among persons with disabilities, fostering confidence, agency, and representation.

The process has also improved coordination between stakeholders, creating clearer pathways for collaboration and resource mobilisation. Importantly, the initiative has begun to shift perceptions—from viewing disability as a welfare issue to recognising it as a rights-based development priority.

The Disability Network continues to play a central role in sustaining momentum, providing continuity between planning and implementation, and ensuring that the voices of persons with disabilities remain at the forefront.

6. Alignment to the Sustainable Development Goals (SDGs)

The DEM approach in Theewaterskloof contributes directly to several Sustainable Development Goals, reflecting its integrated and transformative nature.

It advances SDG 10: Reduced Inequalities by addressing systemic barriers that exclude persons with disabilities and by promoting equitable access to services and opportunities.

The initiative aligns strongly with SDG 16: Peace, Justice and Strong Institutions, as it strengthens participatory governance, enhances accountability, and ensures that marginalised groups are included in decision-making processes.

It contributes to SDG 11: Sustainable Cities and Communities by promoting inclusive, accessible, and resilient communities where all residents can participate fully in social and economic life.

The DEM approach also supports SDG 3: Good Health and Well-being, as improved inclusion leads to better access to healthcare, social services, and support systems for persons with disabilities.

Finally, the project embodies SDG 17: Partnerships for the Goals, through its collaborative framework involving local government, provincial departments, non-governmental organisations, and community networks.

DISABILITY EMPOWERMENT MODEL (DEM)
QUALITATIVE IMPACT SUMMARY

Theewaterskloof Municipality VLR | Oct 2023 – Mar 2026



Inclusion. Empowerment. Dignity. Rights for All.

KEY NUMBERS AT A GLANCE

- **417** Total participants across all engagements
- **≈ 286** Persons with disabilities represented (~69%)
- **12** Engagements implemented
- **Multiple** capacity building, training & awareness initiatives delivered

WHO WE ENGAGED

GENDER DISTRIBUTION



- Female ≈ 60%
- Male ≈ 30%
- Other/ Unspecified ≈ 10%

DISABILITY REPRESENTATION



≈ 69%

of participants are persons with disabilities

Participants span youth, working-age adults, and older persons, including individuals with physical, intellectual, psychosocial and sensory disabilities.

ENGAGEMENTS OVERVIEW (12 TOTAL)

1. Introduction of DEM model to TWK Disability Network
2. Establishment of DEM Working Group
3. Peer Training & Capacity Building
4. Awareness Campaigns (Cerebral Palsy, Autism, Disability Rights)
5. Skills Development (Costing & Pricing, Customer Care)
6. Alzheimer's & Dementia Education
7. DEM Induction & Engagements with DSD
8. Strategic Planning & 2-Day DEM Working Group Session
9. 4 x Disabilities Rights Awareness Engagements
10. DSD Provincial Disability Forum Engagement (Online)

WHAT WE DELIVERED (KEY OUTPUTS)

DEM IMPLEMENTATION
The Disability Empowerment Model institutionalised through a structured working group and task teams.

RIGHTS AWARENESS
Multiple campaigns and engagements promoted disability rights, inclusion and access to services.

PEER TRAINING
Continuous peer-led learning strengthened leadership, support networks and knowledge sharing.

CAPACITY BUILDING
Practical skills training in costing, customer care and advocacy improved personal and organisational capacity.

QUALITATIVE IMPACT (WHAT WE OBSERVED)

Stronger Voice & Representation
Persons with disabilities are more confident to speak up, participate in meetings and influence decisions.

Increased Inclusion & Belonging
Participants report feeling recognised, respected and valued within their communities and institutions.

Improved Knowledge & Awareness
Greater understanding of rights, available services and how to access support.

Empowerment & Agency
Participants expressed increased self-esteem, independence and commitment to community change.

Stronger Networks & Collaboration
The DEM network has grown, creating stronger connections across organisations and communities.

VOICES FROM THE DISABILITY COMMUNITY

"The DEM working group gives us a seat at the table." We are part of decisions that affect our lives."

"The training helped me understand my rights and how to help others in my community."

"I feel more confident now to speak for myself and for others."

ALIGNMENT WITH SDGs

- **10** Promotes inclusion and reduces inequalities for persons with disabilities.
- **4** Enhances lifelong learning and capacity development opportunities.
- **16** Advances rights-based participation and inclusive, accountable institutions.
- **17** Strengthens partnerships and multi-sectoral collaboration.

OVERALL IMPACT

The DEM process has built a foundation for an inclusive, rights-based and empowered disability community in Theewaterskloof. Through consistent engagement, learning and collaboration, we are building a municipality where every person belongs and can participate fully in community life.

INCLUSION • EMPOWERMENT • PARTICIPATION • DIGNITY • EQUALITY

#LeaveNoOneBehind

8. Conclusion

The rollout of the Disability Empowerment Model in Theewaterskloof represents a significant step towards institutionalising inclusion at the local level. By combining community empowerment with systemic change, the initiative moves beyond compliance towards meaningful participation and transformation.

This case study demonstrates that disability inclusion is not only a social imperative but also a development opportunity. When persons with disabilities are empowered to lead and participate, they contribute valuable insights, strengthen community resilience, and enhance the overall effectiveness of governance systems.

In localising the SDGs, the DEM approach offers a replicable model for municipalities seeking to build inclusive, equitable, and people-centred communities.

Disability Empowerment Model (DEM) for Inclusion

10 REDUCED INEQUALITY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Background

JICA

Developed through a **2016-2020** project by Department of Social Development & JICA

Framework to empower persons with disabilities & mainstreaming inclusion at the local level

Principles of DEM

- Putting Persons with Disabilities First & Centre
- Developing Government Capacity
- Creating Inclusive Communities

Putting Persons with Disabilities First & Centre

Towns: Grabouw, Genadendal Villiersdorp

Steps to Implementation:

TWK Municipality Pilot (2023-2024)

- Engage Stakeholders
- Conduct Surveys & Dialogues
- Identify and Develop Projects

Pilot Towns: Grabouw, Genadenal, Villiersdorp

Impact & SDG Alignment

10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	11 SUSTAINABLE CITIES AND COMMUNITIES	16 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS
Addressing systemic barriers to inclusion & equity	Enhancing governance & participatory processes	Promoting inclusive, accessible communities	Promoting inclusive, communities	Fostering multi-stakeholder collaboration

Notning About Us, Without Us

CHAPTER 4: LOCAL DRUG ACTION COMMITTEE

Case Study: Establishing the Theewaterskloof Local Drug Action Committee (LDAC) – From Institutional Formation to a Coordinated Drug Master Plan

1. Background and Context

Substance abuse has long presented a complex and deeply rooted challenge within the Theewaterskloof municipal area, affecting not only individual health outcomes but also contributing to broader social instability, including crime, family breakdown, and economic vulnerability. These interconnected challenges placed increasing pressure on municipal and provincial service delivery systems and highlighted the limitations of fragmented and uncoordinated interventions.

In response, and in alignment with the Prevention of and Treatment for Substance Abuse Act (Act 70 of 2008), the municipality initiated the establishment of a Local Drug Action Committee (LDAC) as a structured mechanism to coordinate and integrate responses to substance use disorder. The LDAC was envisioned as a platform that would bring together government departments, civil society organisations, and community stakeholders to collectively address the root causes and impacts of substance abuse through a unified and strategic approach.

2. Institutional Formation (2018–2019)

The formal establishment of the Theewaterskloof LDAC was the result of an inclusive and participatory process that culminated in a multi-stakeholder workshop held on 24 April 2019 in Caledon. This workshop marked a significant milestone, as it brought together a wide range of stakeholders, including representatives from the Department of Social Development, South African Police Service, Department of Health, education sector, non-profit organisations, and community-based structures.

During this engagement, participants collectively agreed on a foundational framework to guide the work of the LDAC. This framework was based on a three-pronged approach, comprising supply reduction, demand reduction, and harm reduction. Supply reduction focused on controlling the availability of illicit substances through law enforcement and regulatory measures. Demand reduction centred on prevention, education, and access to treatment services aimed at reducing the need for substance use. Harm reduction emphasised the importance of aftercare, rehabilitation, and reintegration into society to minimise the long-term social and health impacts of substance abuse .

In addition to defining the strategic approach, the workshop facilitated the election of an Executive Committee, which included leadership roles such as chairperson, vice-chairperson, sector leads, and a municipal secretariat. This ensured that the LDAC could begin functioning immediately, with clear roles and responsibilities assigned to key stakeholders. The process was formally endorsed and ratified by the Executive Mayor, thereby institutionalising the LDAC within the municipal governance framework and providing it with the legitimacy required to operate effectively .

3. Early Implementation and Coordination

Following its establishment, the LDAC began to operate as a central coordinating body, bringing together a diverse network of stakeholders involved in substance abuse prevention, treatment, and social support services. During this initial phase, the focus was on strengthening collaboration and building functional relationships between service providers, government departments, and community organisations.

Through regular engagements and joint initiatives, the LDAC facilitated the development of referral pathways that enabled individuals to access appropriate services more efficiently. Awareness and prevention programmes were expanded across communities, with particular attention given to schools, vulnerable groups, and high-risk areas. Collaborative operations between law enforcement and social services were also strengthened, contributing to a more integrated response to substance-related challenges.

While these efforts demonstrated the value of a coordinated approach, they also highlighted gaps in planning, data management, and long-term sustainability. The absence of a formalised strategic framework limited the ability of the LDAC to measure impact, prioritise interventions, and align resources effectively.

4. Transition to Strategic Planning: Development of the Mini Drug Master Plan (2025–2028)

In recognition of these limitations, the LDAC embarked on a strategic planning process aimed at formalising its work and strengthening its long-term impact. This process culminated in the development of the Mini Drug Master Plan (MDMP) for the period 2025 to 2028, which provided a comprehensive and structured framework for addressing substance use disorder within the municipality.

A key milestone in this process was a strategic planning session held on 30 September 2025 in Botrivier. During this session, stakeholders engaged in a collective reflection on the local context, identifying both the strengths and challenges of the existing system. Core values such as integrity, accountability, inclusivity, and a community-centred approach were adopted to guide the work of the LDAC. Participants also conducted detailed analyses of the operating environment, including SWOT and PESTLE assessments, which informed the identification of priority areas and risks.

The planning process further enabled stakeholders to map existing services, clarify institutional roles, and establish mechanisms for monitoring and reporting. Importantly, it resulted in the formulation of a set of strategic goal areas that would guide the implementation of the Mini Drug Master Plan. These included demand reduction, supply reduction, harm reduction, governance and coordination, research and monitoring, and socio-economic reintegration. Together, these pillars provided a holistic and integrated approach to addressing substance abuse and its associated social challenges.

5. Integrated Service Delivery Model

The adoption of the Mini Drug Master Plan marked a significant shift in the functioning of the LDAC, transforming it from a coordination platform into a structured and evidence-based system for service delivery. The LDAC now operates as the central hub through which

a wide range of stakeholders are aligned, including government departments, non-profit organisations, faith-based groups, and municipal services.

This integrated model enables a continuum of care that spans prevention, early intervention, treatment, aftercare, and reintegration. By strengthening coordination and reducing duplication, the LDAC ensures that resources are used more efficiently and that services are more accessible, particularly in rural and underserved communities. Structured reporting mechanisms and data-sharing processes have also enhanced accountability and enabled more informed decision-making, contributing to improved service delivery outcomes .

6. Outcomes and Impact

The establishment and evolution of the LDAC have resulted in a number of significant outcomes. The municipality now has a functional and institutionalised multi-sectoral platform for addressing substance abuse, supported by clear governance arrangements and defined roles and responsibilities. Coordination between stakeholders has improved, leading to more aligned and effective service delivery.

Community-based interventions have been strengthened, with increased emphasis on prevention, awareness, and early intervention. The introduction of evidence-based planning tools, such as community perception surveys, has improved the ability of the LDAC to respond to local needs and adapt interventions accordingly. In addition, structured monitoring and reporting systems have enhanced accountability and ensured alignment with municipal, provincial, and national priorities.

Perhaps most importantly, the LDAC has contributed to a shift in approach, moving away from reactive responses towards a more preventative, developmental, and systems-based model that addresses both the causes and consequences of substance abuse.

7. Alignment to the Sustainable Development Goals (SDGs)

The work of the Theewaterskloof LDAC contributes directly to the achievement of several Sustainable Development Goals. It advances SDG 3 by strengthening prevention, treatment, and rehabilitation services, thereby promoting health and well-being. It supports SDG 16 by establishing a formal and accountable governance structure that enhances safety, justice, and institutional effectiveness. Furthermore, it embodies SDG 17 through its emphasis on partnerships, demonstrating how collaboration between government, civil society, and communities can drive meaningful and sustainable change.

LOCAL DRUG ACTION COMMITTEE (LDAC)
QUALITATIVE IMPACT SUMMARY

Theewaterskloof Municipality VLR | July 2023 – March 2026

Working together for healthier, safer and drug-free communities.

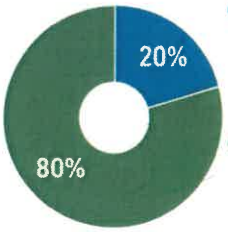


LDAC ENGAGEMENTS: KEY NUMBERS AT A GLANCE

- **916** Total Participants — across all engagements
- **180** Government Stakeholders — (~20%)
- **736** Civil Society / Community Stakeholders — (~80%)
- **18** Engagements Implemented — over the reporting period

WHO WE ENGAGE

STAKEHOLDER DISTRIBUTION



Government Stakeholders
180
Departments, municipal officials, SAPS, health services, education and other state partners.

Civil Society / Community Stakeholders
736
NGOs, CBOs, faith-based organisations, community groups, youth structures and residents.

Strong community participation demonstrates broad ownership and collaboration in addressing substance use challenges in Theewaterskloof.

ENGAGEMENTS OVERVIEW (18 TOTAL)

1. Substance Use Disorder Stakeholder Engagement
2. FAS Ambassadors Training
3. Substance Abuse Referral Network Sessions
4. LDAC Annual Planning Session
5. ASSIST Screening Tool Training
6. FAS Awareness Campaigns
7. Central Drug Authority WC Provincial Dialogue
8. Introduction to GBV Hub Services
9. Roadmap to Recovery Workshop
10. Recovery Capital Training
11. Drug Use & Abuse Awareness Campaigns
12. LDAC Core Group Review Meetings
13. Community Activation Sessions
14. Substance Use Awareness Campaigns
15. Referral Pathways Training
16. PSR Task Team Meetings
17. Mini Drug Master Plan Stakeholder Consultations
18. Mini Drug Master Plan Finalisation & Validation

A comprehensive range of engagements strengthening coordination, awareness, prevention, treatment pathways and recovery support.

KEY OUTPUTS & ACHIEVEMENTS

STRONGER NETWORKS
Expanded collaboration among government, civil society, health, education, law enforcement and community groups.

AWARENESS & PREVENTION
Multiple awareness campaigns on substance use, FAS, and harm reduction reached diverse communities.

CAPACITY BUILDING
Training for stakeholders on screening tools, recovery capital, referral pathways and best practices.

IMPROVED REFERRAL PATHWAYS
Stronger linkages between services improved access to treatment, counselling and recovery support.

STRATEGIC PLANNING
Development and validation of the Mini Drug Master Plan (2025–2028) to guide integrated local action.

COMMUNITY ACTIVATION
Increased community participation and ownership in addressing substance use challenges.

QUALITATIVE IMPACT

INCREASED COLLABORATION
Stronger trust and cooperation among stakeholders leading to more coordinated and effective responses.

GREATER COMMUNITY AWARENESS
People are more informed about the risks of substance use and the services available in their communities.

IMPROVED SERVICE ACCESS
Better understanding of referral pathways has helped more individuals access appropriate support services.

EMPOWERED COMMUNITIES
Community structures feel better equipped to lead prevention and support initiatives.

TOWARDS HEALTHIER, SAFER COMMUNITIES
Collective efforts are contributing to reduced harm and improved well-being across Theewaterskloof.

VOICES FROM OUR STAKEHOLDERS

"The LDAC brings everyone to the table." We can share ideas, solve problems and support each other." – Community Partner

"Training like ASSIST and Recovery Capital helps us understand people better and connect them to the right help." – Government Stakeholder

"Our community is more aware now. We see more people reaching out for help and support." – Community Member

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

- **3 GOOD HEALTH AND WELL-BEING** — Promotes health, prevention and access to support services.
- **4 QUALITY EDUCATION** — Builds awareness and skills for healthier life choices.
- **10 REDUCED INEQUALITIES** — Ensures inclusive participation and equitable support systems.
- **16 PEACE, JUSTICE AND STRONG INSTITUTIONS** — Strengthens community safety, social cohesion and effective institutions.
- **17 PARTNERSHIPS FOR THE GOALS** — Built on multi-sectoral partnerships and shared responsibility.

OVERALL IMPACT

Through inclusive collaboration, capacity building and community engagement, the LDAC is strengthening local systems to prevent substance use, support recovery and build safer, healthier communities for all.

9. Conclusion

The journey of the Theewaterskloof Local Drug Action Committee, from its establishment in 2018 to the development of a comprehensive Mini Drug Master Plan, illustrates the critical role of local government in addressing complex social challenges through coordinated and strategic action. By institutionalising collaboration, embracing evidence-based planning, and centring community needs, the LDAC has created a foundation for sustainable impact.

This case study demonstrates that meaningful progress in addressing substance abuse requires not only policy alignment but also strong partnerships, effective governance, and a commitment to continuous learning and adaptation. In doing so, it provides a practical example of how municipalities can localise and operationalise the Sustainable Development Goals in a way that is responsive to local realities and capable of delivering tangible outcomes.



CHAPTER 5: WOMEN WHO USE DRUGS

Case Study: Advancing Inclusive Health and Human Rights for Women Who Use Drugs in Theewaterskloof

1. Background and Rationale

In the rural towns of the Theewaterskloof municipal area, women who use drugs (WWUD) face multiple, overlapping vulnerabilities that limit their access to essential health and social services. These include high levels of stigma and discrimination, gender-based violence, limited service availability, and systemic barriers within healthcare, law enforcement, and social welfare systems. The situation is further exacerbated by poverty, rural isolation, and the criminalisation or marginalisation of key populations.

In response to these challenges, the Love Alliance Project was initiated in 2023 through a partnership between Social Transformation Action Defined (STAND), SANPUD, the Department of Health, and local stakeholders within the Overberg region. The project aimed to address structural barriers to healthcare access, particularly HIV and sexual and reproductive health services, while simultaneously empowering women through network-building, advocacy, and capacity development.

The project was grounded in the understanding that improving health outcomes for vulnerable populations requires not only service provision, but also systemic change, community empowerment, and institutional accountability .

2. Understanding the Problem: Voices from the Community

A critical starting point for the project was the facilitation of a focus group engagement held on 16 February 2023 in Caledon, which created a safe space for women to share their lived experiences. The insights generated during this session provided a powerful, evidence-based understanding of the barriers faced by WWUD in accessing services.

While some women reported positive experiences with healthcare providers, including access to clinics and mobile services across towns such as Grabouw, Caledon, and Genadendal, significant concerns were raised around confidentiality breaches, long waiting times, and staff shortages. These challenges discouraged consistent engagement with healthcare services and undermined trust in the system .

The most severe concerns, however, related to interactions with law enforcement. Women described experiences of stigma, discrimination, and in some cases, abuse and violations of their human rights. Reports included intimidation, unlawful searches, and exploitation, which created an environment of fear and mistrust. As a result, many women were reluctant to report gender-based violence or seek protection, further entrenching their vulnerability .

Social services were also identified as insufficient, with limited availability of social workers and long waiting periods for support. This lack of access meant that urgent cases of domestic violence, child neglect, and psychosocial distress often went unaddressed or escalated before intervention could occur .

These findings highlighted the need for a holistic intervention that not only improved access to services but also addressed systemic barriers and institutional behaviours.

3. Project Approach and Implementation

The Love Alliance Project adopted a multi-layered approach that combined community empowerment, service integration, and institutional engagement. The implementation process began with stakeholder alignment, including engagements with the Department of Health, civil society organisations, and municipal stakeholders, including the Local Drug Action Committee (LDAC), to secure buy-in and support.

Central to the project was the empowerment of women themselves. Through a series of structured workshops and engagements, women were capacitated to form networks, elect leadership, and develop organisational skills. These networks served as platforms for peer support, advocacy, and engagement with government and service providers. By mid-2023, six local networks had been established across the Theewaterskloof area, including in Grabouw, Caledon, Botrivier, Genadendal, Villiersdorp, and Riviersonderend .

At the same time, the project focused on strengthening service delivery systems. Healthcare workers, community caregivers, and law enforcement officials participated in sensitisation and harm reduction training, aimed at reducing stigma and improving the quality of services provided to WWUD. These engagements were informed directly by the focus group findings, ensuring that training content was grounded in local realities.

The project also prioritised direct service linkage. Women were actively supported to access HIV testing, sexual and reproductive health services, and broader healthcare interventions through partnerships with the Department of Health and implementing partners such as Right to Care. By mid-term, at least twenty-eight women had been successfully linked to these services, demonstrating early progress towards improved health outcomes .

In addition, the project incorporated elements of socio-economic empowerment. Network members were trained in budgeting, grant application processes, and basic digital skills, with network leaders receiving tablets and technical training to facilitate communication, coordination, and access to opportunities. Some networks were able to apply for small grant funding, laying the foundation for longer-term sustainability and economic resilience .

4. Learning, Adaptation and Mid-Term Review

A structured mid-term review conducted on 28 June 2023 provided an opportunity to reflect on progress, challenges, and emerging opportunities. The review confirmed that the project's participatory and rights-based approach had been effective in building trust, strengthening networks, and improving engagement with services.

The methodology diagram on page 9 illustrates how the project evolved through iterative stages, including stakeholder engagement, focus group data collection, network development, service linkage, and continuous engagement with network leaders. This adaptive approach allowed the project to respond dynamically to emerging needs and feedback from participants .

Importantly, the review highlighted the value of community-led monitoring and evaluation. Tools such as surveys, service monitoring instruments, and feedback mechanisms were developed to track both quantitative and qualitative outcomes, including service access and experiences of discrimination. This ensured that the project remained accountable to the communities it served and that data could inform ongoing improvements .

5. Outcomes and Impact

By the end of the initial implementation phase, the project had achieved several important outcomes. Women who had previously been marginalised and excluded from formal systems were now organised into functional networks with leadership structures and a collective voice. These networks not only provided peer support but also served as platforms for advocacy and engagement with government stakeholders.

Access to healthcare services had improved, with an increasing number of women accessing HIV testing, sexual and reproductive health services, and treatment where required. At the same time, service providers had become more aware of the specific needs and vulnerabilities of WWUD, contributing to gradual shifts in attitudes and practices.

The project also strengthened collaboration between stakeholders, including government departments, civil society organisations, and the LDAC. This multi-sectoral approach improved coordination and laid the groundwork for more integrated and sustainable service delivery.

Perhaps most significantly, the project demonstrated that when communities are empowered and meaningfully included, they can become active agents of change rather than passive recipients of services.

6. Alignment to the Sustainable Development Goals (SDGs)

The Love Alliance Project contributes directly to several Sustainable Development Goals, reflecting its integrated and multi-dimensional approach.

The project advances SDG 3: Good Health and Well-being by improving access to HIV testing, treatment, and sexual and reproductive health services, and by promoting harm reduction and preventative care.

It supports SDG 5: Gender Equality by addressing gender-based violence, empowering women through leadership and network-building, and advocating for gender-sensitive service delivery.

It contributes to SDG 10: Reduced Inequalities by focusing on marginalised and vulnerable populations and working to remove systemic barriers to services.

The project also aligns with SDG 16: Peace, Justice and Strong Institutions, as it promotes accountability within law enforcement and social services, and advocates for the protection of human rights.

Finally, it embodies SDG 17: Partnerships for the Goals through strong collaboration between government, civil society, and community networks, demonstrating the power of partnerships in addressing complex social challenges.

7. Conclusion

The Love Alliance Project in Theewaterskloof provides a compelling example of how localised, community-driven interventions can address deeply entrenched social and health challenges. By combining service delivery with empowerment, advocacy, and institutional engagement, the project has begun to transform both individual lives and the systems that affect them.

The case study highlights the importance of listening to community voices, building partnerships, and adopting flexible, evidence-based approaches. It also demonstrates that meaningful progress towards the Sustainable Development Goals requires not only policy commitments but also practical, on-the-ground action that is responsive to local realities.



Case Study: Empowering Vulnerable Women Who Use Drugs in Theewaterskloof: A Pathway to Resilient Health and Communities

From January to December 2023, the Love Alliance Project, led by STAND in Overberg's Theewaterskloof, focused on connecting vulnerable women who use drugs (WWUD) to health and support services including HIV testing and sexual reproductive health (SRH), developing support networks, and addressing systemic barriers through training and advocacy.

January

40 WWUD participated
1 Focus Group

February – June

3 Nietworks Formed and Capacitated
20 CHWs Training

April – December

28 Women connected to HIV and SRH services

June

70 Stakeholders attended Key Mid-term Review Meeting

Key Outcomes

6 Local Networks	28 Women	20 Community	70 Stakeholders
of Local Network vr Vulnerable Women Formed	Connected to Healthcare Services Including HIV Testing & SRH Care	Healthcare Workers Trained in Sensitization & Harm Reduction	Engaged in Advocacy & Systemic Change for Better Support

SDG Alignment

Good Health & Well-being

Gender Equality

Peace, Justice, & Institutions

Partnerships for the Goals

Conclusion

By empowering vulnerable rural women who use drugs, building supportive networks, and fostering multi-sectoral collaboration, the initiative made strides towards creating a more inclusive and health-resilient community in Theewaterskloof, setting a model for SDG-aligned local action.

CHAPTER 6: SAFE HOUSE NETWORK

Case Study: Establishing the Theewaterskloof Safe House Network – A Local Response to Gender-Based Violence

1. Background and Development Challenge

Gender-based violence (GBV) remains one of the most pervasive human rights violations in South Africa, deeply affecting the safety, dignity, and socio-economic wellbeing of women and children. Within the Theewaterskloof municipal area, this challenge is particularly pronounced, shaped by rural isolation, socio-economic inequality, substance abuse, and limited access to support services.

The municipality, as outlined in its Safe House Business Plan, recognised that GBV undermines fundamental constitutional rights, including dignity, equality, and freedom from violence, and directly impacts the ability of women and children to participate fully in society . Local crime trends, including high incidences of domestic violence, sexual offences, and drug-related crimes, further reinforced the urgency of establishing a structured and sustainable intervention.

In response, the Theewaterskloof Safe House Network was conceptualised as a multi-sectoral intervention to provide immediate protection, psychosocial support, and pathways to recovery for survivors of violence.

2. From Concept to Implementation

The Safe House initiative was formally developed in 2022 as part of the Overberg Joint District and Metro Approach (JDMA), reflecting a collaborative model between local, provincial, and national stakeholders. The project aimed to establish a network of safe houses across the municipality, with the dual objective of reducing GBV prevalence and strengthening existing support systems.

At its core, the project sought to create safe, dignified spaces where women and children could access temporary shelter, counselling, and referral services, while also being supported towards reintegration and resilience. The business plan articulated a comprehensive approach that combined infrastructure development, service provision, and institutional coordination .

A critical milestone in implementation was the securing of physical infrastructure. Through a formal lease agreement between the municipality and Reconnect Youth Development, a facility in Caledon (Erf 4857) was made available for the establishment of a safe house. The lease, as reflected in the addendum, ensured medium- to long-term tenure security, with provisions for extension, thereby enabling sustainability of the intervention .

3. Operationalisation and Service Delivery

The operationalisation of the Caledon Safe House was undertaken in partnership with Reconnect Youth, a non-profit organisation with extensive experience in working with vulnerable women, including those affected by substance abuse and violence.

By mid-2023, the facility had begun providing shelter and support services to women and children in crisis. The safe house offered a structured environment that included counselling, rehabilitation support, and life skills development. A multidisciplinary team comprising house mothers, counsellors, and social workers provided day-to-day care and facilitated access to external services such as healthcare, legal support, and social welfare.

The progress report highlights the transformative impact of these services through real-life testimonies. Women who had experienced severe abuse, exploitation, and addiction were able to access safety, rebuild relationships, and reintegrate into society. In several cases, survivors transitioned from situations of extreme vulnerability to stable employment, restored family connections, and sustained recovery from substance abuse .

These outcomes underscore the importance of safe spaces not only as emergency interventions, but as catalysts for long-term healing and empowerment.

4. Challenges and Adaptive Responses

Despite these achievements, the implementation process revealed several operational and systemic challenges. Security emerged as a critical concern, given the vulnerability of residents and the risk of intrusion or victimisation. The need for appropriate fencing, surveillance systems, and controlled access was identified as a priority intervention.

Infrastructure limitations also constrained the ability of the facility to accommodate increasing demand, highlighting the need for additional modular units to expand capacity and provide dedicated spaces for counselling and activities. Transport challenges further affected service delivery, particularly in emergency situations where immediate access to healthcare was required.

Financial sustainability remained a key concern, as operational costs were largely borne by the implementing organisation, relying heavily on donations and limited funding streams. These challenges emphasised the need for strengthened institutional support, diversified funding, and integration into broader municipal and provincial resource frameworks

Alignment of the Theewaterskloof Safe House Project to the Sustainable Development Goals (SDGs)

The Theewaterskloof Safe House Project represents a practical, localised response to the global commitment of the Sustainable Development Goals (SDGs), translating international development priorities into tangible, community-level interventions. By addressing gender-based violence through a multi-sectoral, victim-centred approach, the project contributes directly to several SDGs, while reinforcing the interdependence between social protection, institutional accountability, and human development.

At its core, the project advances SDG 5: Gender Equality, which seeks to eliminate all forms of violence against women and girls in both public and private spheres. The establishment of safe houses provides immediate protection and refuge for survivors of gender-based violence, while also enabling access to counselling, legal support, and reintegration

pathways. In doing so, the project not only responds to violence but actively contributes to restoring dignity, agency, and long-term empowerment for women and their children. This aligns strongly with targets related to ending violence, addressing harmful social norms, and strengthening support systems for survivors.

The project further contributes significantly to SDG 3: Good Health and Well-being, recognising that gender-based violence is both a public health crisis and a social determinant of health. Survivors accessing the safe house are supported through trauma counselling, access to healthcare services, and psychosocial interventions, all of which are critical to recovery and long-term wellbeing. The integration of services ensures that both physical and mental health needs are addressed, particularly for individuals who have experienced prolonged abuse, substance dependency, or untreated trauma.

In addition, the Safe House Project supports SDG 16: Peace, Justice and Strong Institutions, particularly in its focus on building safer communities and improving institutional responses to violence. By strengthening referral pathways between the municipality, the Department of Social Development, law enforcement, and civil society organisations, the project enhances coordination, accountability, and access to justice. It also contributes to addressing the underreporting of gender-based violence by providing a safe and trusted entry point into the system, thereby strengthening the overall effectiveness of local governance structures.

The project also aligns with SDG 1: No Poverty and SDG 10: Reduced Inequalities, as it targets some of the most vulnerable and marginalised members of society. Many beneficiaries of the safe house are affected by intersecting challenges, including poverty, unemployment, substance abuse, and social exclusion. By providing shelter, support services, and pathways to reintegration, the project helps to break cycles of vulnerability and creates opportunities for economic and social inclusion.

Importantly, the Safe House Project exemplifies SDG 17: Partnerships for the Goals, as it is built on a collaborative model involving local government, provincial departments, non-profit organisations, and community stakeholders. The partnership with Reconnect Youth Development, formalised through a lease agreement and operational collaboration, demonstrates how shared resources and expertise can be leveraged to deliver sustainable social interventions . This multi-sectoral approach is further reinforced through alignment with the Joint District and Metro Approach (JDMA), ensuring coherence across spheres of government and strengthening the collective impact.

5. Impact

SAFE HOUSE NETWORK
QUALITATIVE IMPACT SUMMARY

Theewaterskloof Municipality VLR | 2023 – 2026

Safe spaces. Support. Dignity. Hope.



KEY INDICATORS AT A GLANCE (2023–2026)

ESTIMATED ADMISSIONS
50
Women and children provided safe shelter and support.

ESTIMATED EXITS / REINTEGRATION
28
Survivors successfully supported to rebuild their lives.

PRIMARY BENEFICIARIES
Women and children survivors of GBV
Focus on dignity, safety, healing and empowerment.

OPERATIONAL PERIOD
2023–2026
Strengthening a coordinated local response to Gender-Based Violence.

WHO WE SUPPORT

Women and children who experience or are at risk of Gender-Based Violoport.

- Provide immediate safety and protection
- Offer psychosocial support, counselling and care
- Assist with legal, welfare and referral services
- Support reintegration and long-term recovery

A survivor-centred approach that restores confidence, hope and independence.

WHAT WE DO

- Provide safe, confidential accommodation.
- Offer trauma-informed counselling and psychosocial support.
- Facilitate access to legal assistance and protection orders.
- Link survivors with health, welfare, education and economic support services.
- Empower survivors through life skills, parenting support and economic empowerment.
- Support safe exits and reintegration into the community with dignity.

OUR REACH & OUTCOMES

JOURNEY OF SAFETY & HEALING

50 Admitted → **28** Exited / Reintegrated

Ongoing follow-up and aftercare support.

WHAT THESE NUMBERS REPRESENT

- **50** women and children found safety when they needed it most.
- **28** survivors took steps towards rebuilding their lives with dignity and support.
- Countless moments of courage, resilience and hope.

QUALITATIVE IMPACT

- **Safety & Protection:** Survivors feel safe, secure and protected in a supportive environment.
- **Emotional Healing:** Access to counselling and care helps survivors heal from trauma.
- **Empowerment:** Women gain confidence, life skills and knowledge to rebuild their futures.
- **Stronger Families:** Children experience stability, care and hope for a better future.
- **Community Change:** The Safe House Network strengthens awareness, support systems and accountability.

More than shelter – we restore dignity, strengthen resilience and empower futures.

VOICES OF SURVIVORS*

> "The safe house gave me and my children a place to breathe, heal and feel safe again."

> The support I received helped me find the strength to start over and believe in myself."

> I am so grateful for the care, guidance and respect. Today, I am building a new life for my children."

*Quotes are representative and anonymised.

ALIGNMENT WITH THE SDGs

This work contributes to building inclusive, safe and resilient communities in Theewaterskloof.

OVERALL IMPACT (2023–2026)

The Safe House Network provides more than shelter – it delivers safety, support and a pathway to a life free from violence.

50 admissions. 28 new beginnings. Countless lives strengthened.

Together, we stand against GBV and build a safer, more compassionate Theewaterskloof.

#EndGBV

6. Conclusion:

The Theewaterskloof Safe House Project illustrates how municipalities can play a pivotal role in localising the SDGs by addressing complex social challenges through integrated, community-based interventions. By providing safe spaces, strengthening institutional coordination, and empowering vulnerable populations, the project contributes not only to immediate protection and support, but also to long-term social transformation.

In doing so, it demonstrates that achieving the SDGs requires more than policy alignment—it requires practical, sustained action that is responsive to local realities, grounded in partnerships, and centred on human dignity.


Aligning the Theewaterskloof Safe House Project with the Sustainable Development Goals (SDGs)
5 GENDER EQUALITY
Provides protection and support for women and children, addressing gender-based violence and empowering survivors.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Promote safety and legal support for survivors of violence, enhancing community security.
3 GOOD HEALTH AND WELL-BEING
Offers trauma-informed care, counselling, and access to healthcare.
10 REDUCED INEQUALITIES
Targets vulnerable women, offering shelter and support to break cycles of poverty and exclusion.
17 PARTNERSHIPS FOR THE GOALS
Builds multi-sectoral partnerships with local government, NGOs, and other stakeholders.
NGO

CHAPTER 7: CASE STUDY: BLUE DEAL PARTNERSHIP & ECOCHANGEMAKERS – A COMMUNITY-DRIVEN, YOUTH-LED MODEL FOR SUSTAINABLE DEVELOPMENT

1. Context and Rationale

The Theewaterskloof Municipality (TWK), operating within the constraints of a Financial Recovery Plan (FRP), recognised that traditional service delivery models alone would not adequately address escalating environmental pressures, particularly those linked to waste management, water quality, and community vulnerability.

In response, TWK leveraged the Blue Deal Regional Memorandum of Understanding (2023)—a multi-level international partnership between local, provincial, national, and global stakeholders—to catalyse a new model of delivery. This model integrates community ownership, youth leadership, and international cooperation to address environmental and socio-economic challenges simultaneously.

The inclusion of ChangeMakersHub (CMH) as an implementation partner, formalised through a Letter of Intent, expanded the partnership to explicitly prioritise education, behavioural change, and grassroots mobilisation, with a strong emphasis on youth participation and local empowerment.

2. Partnership Architecture: Multi-Level Governance in Action

The project is anchored in a multi-level governance framework that brings together actors across local, provincial, national, and international spheres, alongside civil society and community structures. At the local level, Theewaterskloof Municipality provides overall coordination, institutional support, and integration of the initiative into the Integrated Development Plan. This is complemented by the involvement of regional and national departments, including the Department of Water and Sanitation and the Department of Social Development, as well as the Breede-Olifants Catchment Management Agency, which collectively contribute sector expertise and alignment with broader policy frameworks. The international dimension is enabled through the Dutch Water Authorities under the Blue Deal Programme, providing both technical collaboration and strategic support. ChangeMakersHub, as a civil society implementation partner, plays a central role in delivering the programme on the ground, particularly in driving community engagement and youth mobilisation. Community structures, including schools, youth groups, and local organisations, form the backbone of the initiative, ensuring that implementation is grounded in local realities. This architecture reflects a co-governance model in which responsibility and ownership are shared, enabling a shift from traditional top-down delivery to a more inclusive, participatory approach.

3. Project Design: From Concept to Place-Based Implementation

The EcoChangeMakers programme is designed as a place-based intervention that moves beyond isolated activities to establish a systemic and replicable model. It operates through a saturation approach, where targeted communities are engaged holistically to ensure that environmental, social, and economic dimensions are addressed simultaneously. Waste management is approached at source, with interventions aimed at intercepting waste before it enters natural systems. Youth are mobilised as active environmental stewards, while households

are engaged to drive behavioural change at the community level. Public spaces, such as the Thusong Centre in Grabouw, are transformed into visible and functional symbols of community ownership through greening, art installations, and infrastructure improvements. At the same time, the programme prioritises the transfer of practical skills, enabling participants to engage in recycling, repurposing, and other circular economy activities. This integrated design positions the initiative not as a once-off clean-up effort, but as a long-term system that links environmental restoration with social and economic empowerment.

4. Youth-Led and Community-Driven Approach

Central to the programme is a deliberate repositioning of communities, particularly young people, from passive beneficiaries to active agents of change. Youth are placed at the forefront of implementation, taking on roles in environmental education, mobilisation, and practical project delivery. Schools serve as critical entry points for engagement, allowing knowledge and behavioural change to extend beyond learners into households and the broader community. The programme emphasises co-creation, with communities actively involved in identifying priorities, shaping interventions, and maintaining outcomes. Through experiential, "learn-by-doing" approaches, participants gain practical skills that are directly linked to emerging opportunities in the green economy. This model not only addresses environmental challenges but also creates pathways for skills development, employment, and civic participation, particularly for marginalised groups.

5. From Crisis Response to Resilience Building

The initiative builds on a foundational shift from short-term crisis response to long-term resilience building. Drawing on ChangeMakersHub's approach of transforming "handouts into hand-ups," the programme seeks to reduce dependency by fostering agency and self-reliance within communities. Environmental challenges such as waste pollution are addressed alongside social and economic vulnerabilities, including unemployment and limited access to opportunities. By integrating these dimensions, the programme strengthens social cohesion, enhances trust between communities and the municipality, and builds the capacity of residents to actively contribute to local development. The result is a more resilient community system in which environmental stewardship becomes a driver of broader socio-economic transformation.

6. SDG Alignment

The initiative demonstrates strong alignment with multiple Sustainable Development Goals through its integrated design and implementation approach. It contributes to SDG 4 by embedding environmental education within schools and community learning platforms, using experiential methods to reach both learners and households. In relation to SDG 6, the programme supports the protection of water resources by reducing waste entering natural systems and improving catchment management practices. It advances SDG 8 through the development of skills and the creation of opportunities within the circular economy, enabling participants to engage in income-generating activities. The revitalisation of public spaces and the promotion of inclusive, community-led development contribute to SDG 11, while efforts to promote recycling, repurposing, and responsible waste management directly support SDG 12. The programme also contributes to SDG 13 by fostering climate awareness and encouraging environmentally sustainable behaviours at the local level. Importantly, the entire initiative is underpinned by strong partnerships across sectors and scales, exemplifying SDG 17 in practice.

7. Outcomes and Early Impact Pathways

Although the programme is being implemented in phases, early indications point to significant impact pathways. There is evidence of increased community awareness and participation in waste management and environmental stewardship, alongside improvements in the functionality and appearance of public spaces. The initiative is contributing to stronger relationships between the municipality and communities, fostering trust and collaboration. It is also laying the groundwork for improved waste diversion and recycling rates, as well as the development of localised economic activities linked to the circular economy. Importantly, the programme is generating a model that can be documented, refined, and replicated, both within Theewaterskloof and in other municipalities facing similar challenges.

8. Strategic Significance for the VLR

From a Voluntary Local Review perspective, this initiative provides a practical example of how municipalities can localise the SDGs within constrained financial environments. It demonstrates the value of leveraging partnerships to unlock resources, knowledge, and innovation, while also highlighting the importance of community ownership in ensuring sustainability. The project reflects a shift towards co-production, where service delivery is complemented by active participation from communities and civil society. It further illustrates how SDGs can be translated into tangible, measurable interventions that directly impact people's daily lives. In doing so, it provides a compelling case for the integration of similar approaches into municipal planning and performance systems.

9. Conclusion

The EcoChangeMakers and Blue Deal partnership in Theewaterskloof represents a transformative approach to local development, grounded in collaboration, inclusivity, and sustainability. It demonstrates that meaningful progress towards the SDGs can be achieved when communities are empowered, youth are engaged as leaders, and partnerships are leveraged effectively across multiple levels. By embedding these principles into practical, place-based interventions, the initiative offers a model for rethinking municipal delivery and advancing sustainable development in a way that is both locally relevant and globally aligned.

CHAPTER 8: CASE STUDY: YEARBEYOND "1000 STORIES" PROGRAMME – BUILDING LITERACY, YOUTH EMPLOYABILITY AND COMMUNITY RESILIENCE

1. Context and Rationale

The YearBeyond "1000 Stories" programme was implemented in Theewaterskloof Municipality as a targeted response to two interconnected development challenges: low literacy levels among young children and limited access to meaningful work experience for youth not in employment, education or training (NEETs). In South Africa, a significant proportion of children struggle to read for meaning, which has long-term implications for educational outcomes, employability, and social mobility .

Recognising this dual challenge, the municipality, through its Directorate of Community and Development Services, partnered with the YearBeyond initiative to design a programme that simultaneously strengthens early childhood literacy and creates pathways for youth development. The programme is embedded within municipal library services, positioning libraries as active community development hubs rather than passive service points .

2. Programme Design and Implementation

The "1000 Stories" programme is structured as a library-based youth service pilot, where young participants, known as YeBoneers, are placed within local libraries and community spaces as reading champions. The programme aims to provide approximately 60 youth with their first structured work experience, while improving reading and comprehension among children under the age of ten .

Implementation is decentralised across multiple towns, including Grabouw, Caledon, Villiersdorp, Botrivier, Greyton, Genadendal, Riviersonderend and Tesselaarsdal, ensuring equitable reach across both urban and rural communities. Libraries serve as operational anchors, supported by a network of schools, early childhood development centres, community organisations, and local mentors.

The programme combines structured reading sessions, storytelling, and immersive learning activities, supported by tools such as reading passports that incentivise children to engage with books consistently. At the same time, YeBoneers receive mentorship, skills development, and exposure to professional environments, enabling them to transition more effectively into further education or employment pathways .

3. Youth Development and Skills Building

A defining feature of the programme is its strong focus on youth empowerment. Participants are not only engaged as facilitators of reading programmes but are also

supported through a structured development pathway that includes personal mentorship, workplace exposure, and life skills training.

The programme intentionally builds a combination of technical and behavioural competencies, including communication, professionalism, emotional intelligence, accountability, and leadership. It also introduces participants to practical library and community outreach skills, equipping them with transferable capabilities relevant to both the public and private sectors .

Importantly, the programme responds to a common challenge expressed by youth themselves: the lack of clear pathways to access opportunities. By providing structured support, mentorship, and exposure, the programme bridges the gap between aspiration and access, enabling young people to navigate the transition into adulthood with greater confidence.

4. Community Impact and Social Cohesion

The programme has demonstrated significant impact at the community level, particularly in strengthening a culture of reading and learning. Regular engagement with early childhood development centres, schools, and community groups has resulted in increased participation in reading activities and improved literacy outcomes among young children.

As reflected in programme monitoring data, thousands of children have been reached through structured engagements, including classroom sessions, library outreach, and holiday programmes. For example, the September 2024 mentor report indicates over 6,500 children reached through 176 activations across multiple sites, demonstrating both scale and consistency of implementation.

Beyond literacy, the programme has contributed to increased parental involvement, the emergence of youth-led community initiatives, and stronger relationships between libraries and communities. Libraries are increasingly recognised as safe, inclusive spaces that support both learning and social development.

5. Institutional Integration and Partnerships

The success of the programme is underpinned by strong institutional integration and partnerships. Theewaterskloof Municipality plays a central coordinating role, embedding the programme within its youth development and library services functions. This ensures alignment with municipal priorities and sustainability beyond pilot phases.

A wide network of partners supports implementation, including schools, early childhood development centres, community-based organisations, and government departments such as the Department of Education and the Department of Social Development. Additional support is provided through partnerships with entities such as the National Youth

Development Agency, which contributes to skills development, career guidance, and entrepreneurship support .

This collaborative model reflects a whole-of-society approach, where different stakeholders contribute complementary resources, expertise, and networks.

6. Challenges and Learning

While the programme has achieved notable success, it has also highlighted key challenges that inform future scaling and improvement. These include constraints related to transport funding, which affects participation and access, as well as the need for enhanced digital literacy training among participants.

Additional challenges relate to the availability of experienced mentors, the need for stronger psychosocial support for youth facing complex personal circumstances, and the importance of consistent communication between programme stakeholders. These insights have informed ongoing programme refinement and underscore the importance of adaptive, responsive implementation approaches .

7. Alignment with the Sustainable Development Goals (SDGs)

The YearBeyond "1000 Stories" programme demonstrates strong alignment with several Sustainable Development Goals through its integrated approach:

The programme directly advances SDG 4 (Quality Education) by improving early childhood literacy and promoting a culture of reading. It contributes to SDG 8 (Decent Work and Economic Growth) by providing youth with work experience, skills development, and pathways to employment or further study.

Through its inclusive design and focus on marginalised communities, the programme supports SDG 10 (Reduced Inequalities), ensuring that both rural and underserved populations have access to educational and developmental opportunities. The use of libraries as community hubs aligns with SDG 11 (Sustainable Cities and Communities) by strengthening inclusive public spaces.

Furthermore, the programme exemplifies SDG 17 (Partnerships for the Goals) through its collaborative implementation model, bringing together government, civil society, and community stakeholders to achieve shared development outcomes.

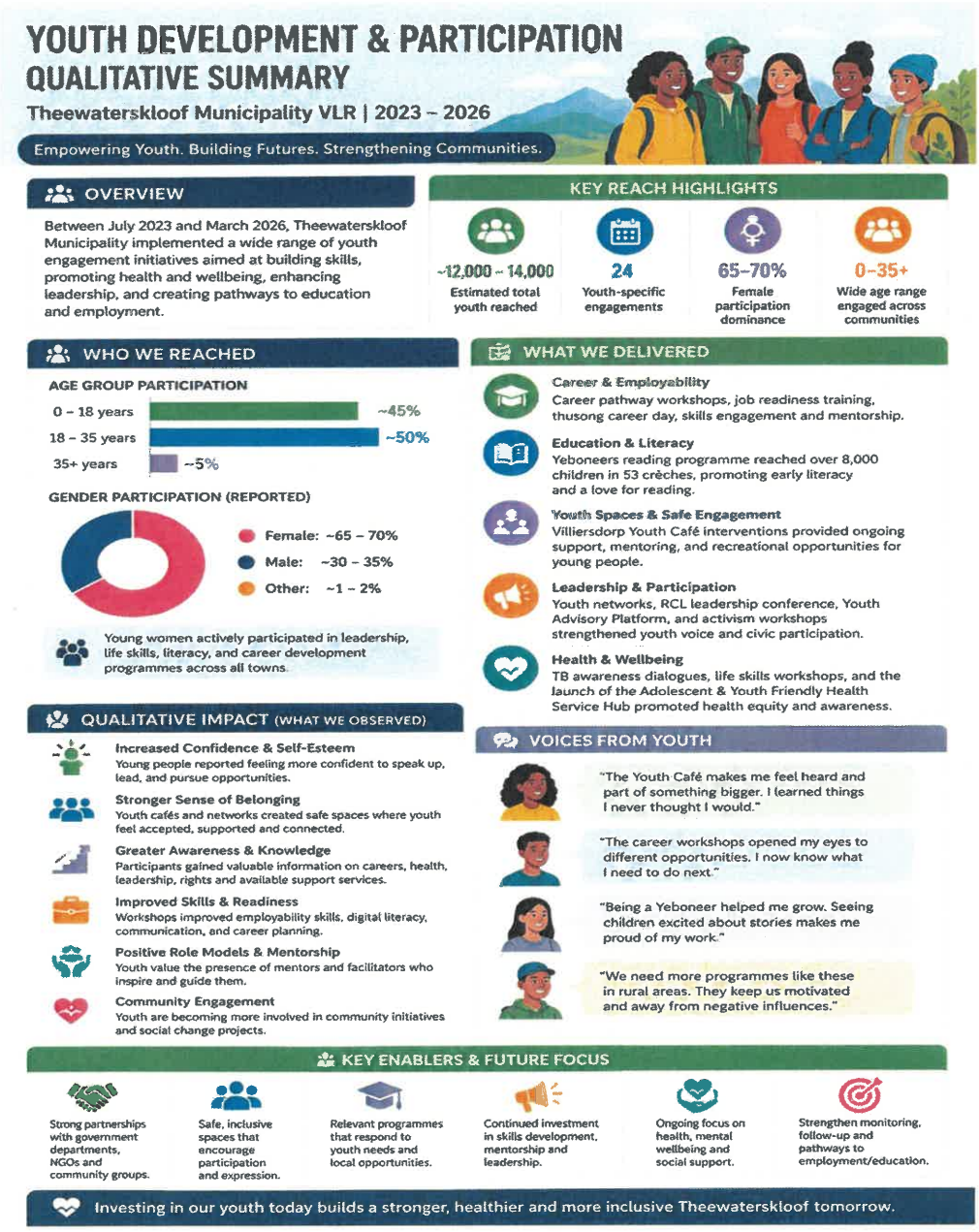
8. Strategic Significance for the VLR

From a Voluntary Local Review perspective, the "1000 Stories" programme provides a compelling example of how municipalities can localise the SDGs through practical, scalable

interventions. It demonstrates how existing infrastructure, such as libraries, can be leveraged to deliver integrated social, educational, and economic outcomes.

The programme also highlights the importance of investing in youth as agents of change, while simultaneously addressing foundational development challenges such as literacy. Its ability to generate measurable impact, strengthen institutional partnerships, and build community trust makes it a valuable model for replication.

9. Impact



10. Conclusion

The YearBeyond "1000 Stories" programme in Theewaterskloof Municipality illustrates the transformative potential of integrated, community-based interventions. By linking early childhood development with youth empowerment, and embedding these within local institutional structures, the programme creates a virtuous cycle of learning, opportunity, and resilience.

It demonstrates that sustainable development is most effective when it is locally grounded, youth-driven, and supported through strong partnerships, offering a practical pathway for municipalities to advance the Sustainable Development Goals in meaningful and measurable ways.

CHAPTER 9: FINAL REMARKS: VOLUNTARY LOCAL REVIEW

The Theewaterskloof Voluntary Local Review reflects a maturing institutional approach to development—one that moves beyond compliance-driven planning towards an integrated, evidence-based and community-centred model of governance. Grounded in the Vision 2030 framework and strengthened through alignment with the Integrated Development Plan and Financial Recovery Plan, the VLR process has demonstrated that sustainable development at local level is both a strategic and practical undertaking. It requires the deliberate integration of policy, partnerships and lived community experience.

The case studies presented throughout this document provide compelling evidence that meaningful progress is being achieved through locally embedded interventions. From advancing inclusive governance through the Disability Empowerment Model, to strengthening coordinated responses to substance abuse via the Local Drug Action Committee, to addressing gendered vulnerabilities through targeted health and human rights programmes, and expanding community-based support systems such as the Safe House Network—these initiatives collectively illustrate how development outcomes are realised through collaboration, adaptation and sustained engagement.

A key insight emerging from the process is that development is not linear, but iterative. The municipality's role is increasingly that of an enabler—facilitating partnerships, strengthening institutional systems, and creating platforms for communities to actively participate in shaping their own development trajectory. This is particularly important within the context of financial constraints, where innovation, co-learning and resource optimisation become essential to sustaining impact.

Importantly, the VLR has also reinforced the value of combining quantitative data with qualitative, community-derived evidence. The inclusion of stakeholder inputs, community dialogues and programme-level experiences has enriched the analysis and ensured that the review reflects both institutional performance and lived realities on the ground.

As part of strengthening the credibility and transparency of this submission, supporting evidence of community meetings, stakeholder engagements, and the implementation processes of the programmes reflected in the case studies will be included as annexures in the final submission. These annexures will serve to substantiate the findings presented, demonstrate accountability, and provide a practical record of the municipality's development journey.

Ultimately, the Voluntary Local Review positions Theewaterskloof Municipality not only as a participant in the global Sustainable Development Agenda, but as an active contributor to the localisation of the Sustainable Development Goals—demonstrating that even within constrained environments, progress is possible through partnerships, evidence-based planning, and a steadfast commitment to community-driven development.



Key Messages: 227

Key Message 1: Community-Centred Development Strengthens Sustainable Outcomes

The case studies collectively demonstrate that sustainable development is most effective when communities are positioned as active participants and co-creators of development rather than passive recipients of services. Across initiatives such as the Disability Empowerment Model, the Local Drug Action Committee, YearBeyond, and EcoChangeMakers, the municipality has increasingly adopted participatory governance methodologies that prioritise local leadership, stakeholder engagement, and community ownership. This approach strengthens social cohesion, builds local resilience, and ensures that interventions are grounded in lived realities, reinforcing the municipality's commitment to developmental local government and the localisation of the Sustainable Development Goals.

Key Message 2: Partnerships and Integrated Governance are Essential for SDG Localisation

The VLR highlights that the successful localisation of the SDGs depends on strong partnerships and integrated governance systems that connect local government, civil society, provincial and national departments, academic institutions, and international partners. Through collaborative models such as the Blue Deal Partnership, Love Alliance Project, and DEM rollout, the municipality has demonstrated the value of multi-level coordination and shared accountability in addressing complex development challenges. These partnerships enable resource-sharing, institutional learning, and collective action, illustrating that sustainable development in resource-constrained environments is strengthened through collaboration rather than isolated interventions.

Key Message 3: Evidence-Based and Human-Centred Planning Improves Institutional Resilience

A recurring lesson emerging from the VLR process is the importance of evidence-based and human-centred planning methodologies in strengthening institutional effectiveness and long-term development impact. The municipality's interventions increasingly integrate socio-economic data, community engagement, programme monitoring, and lived experience to inform adaptive planning and implementation. By combining quantitative indicators with qualitative community evidence, Theewaterskloof Municipality is building more responsive and resilient governance systems that are capable of addressing evolving social, economic, and environmental challenges while aligning municipal planning frameworks with the Sustainable Development Goals.

Quantitative Aggregated Report: VLR Programme Inputs (2023–2026)

This quantitative report aggregates participation and engagement data across the key Voluntary Local Review (VLR) case study categories within Theewaterskloof Municipality. The analysis reflects programme reach, stakeholder participation, and implementation outputs between July 2023 and March 2026.

Youth

Indicator	Value
Estimated Total Participants	12,000 - 14,000
Youth-specific engagements	24
Female participation dominance	Approx. 65-70% female
Key outputs	Career workshops, youth cafés, NYDA training, TB awareness, Yeboneers reading programmes

Disability

Indicator	Value
Total participants	417
Persons with disabilities represented	Approx. 286
Engagements	12
Key outputs	DEM implementation, rights awareness, peer training, capacity building

LDAC

Indicator	Value
Total participants	916
Government stakeholders	180
Civil society/community stakeholders	736
Engagements	18
Key outputs	Recovery workshops, FAS awareness, CBT training, Mini Drug Master Plan

Safe House Network

229

Indicator	Value
Estimated admissions	50
Estimated exits/reintegration	28
Primary beneficiaries	Women and children survivors of GBV
Operational periods	2023-2026

Cross-Cutting Development Insights

- Youth-focused interventions represented the largest engagement footprint, particularly through library, literacy, and career development programs.
- Women and female youth constituted the majority of participants across most social development interventions.
- The Disability Empowerment Model demonstrated strong representation of persons with disabilities within governance and implementation structures.
- The LDAC model reflected a highly collaborative governance approach, with significant participation from civil society organizations.
- The Safe House Network demonstrated the importance of sustained psychosocial and reintegration support for survivors of gender-based violence.

Sources:

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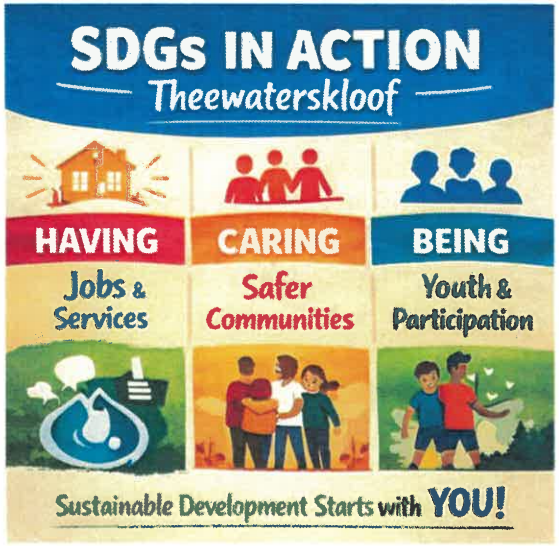
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Western Cape Government. 2024. *2024 Socio-Economic Profile: Theewaterskloof Municipality*. Cape Town: Department of Economic Development and Tourism, Western Cape Government.

Western Cape Government Department of Cultural Affairs and Sport & YearBeyond. n.d. *YearBeyond Programme*. Cape Town: Western Cape Government.

Annexure 1: DATA TABLE/LIST OF ENGAGEMENTS


What are the SDGs?
Sustainable Development Goals are 17 global goals for a better world by 2030.
In Theewaterskloof, the SDGs mean:
More Jobs & Skills
Safer Communities
Clean Water & Environment
Global Goals – Local Action


SDGs IN ACTION
Theewaterskloof
HAVING
Jobs & Services
CARING
Safer Communities
BEING
Youth & Participation
Sustainable Development Starts with YOU!


BE PART OF THE CHANGE!
How You Can Get Involved
Join a Community Group
Volunteer Your Time
Attend Local Meetings
Protect Our Environment
Support Local Projects
Small Actions, Big Impact!


LOCAL STORY:
Disability Inclusion
Making a Difference
Empowerment
Access for All
Equal Voice
SDG 10: Reduced Inequality


WHAT WE'RE WORKING ON
Youth Unemployment
Fighting Substance Abuse
Clean Water & Waste
Safety & Inclusion
Environmental Care
Together We Build Stronger Communities


SDG OF THE WEEK
Clean Water & Sanitation
Fixing Leaks Fast
Protecting Our Rivers
Stopping Pollution
Water is Life – Let's Protect It!

ITEM TITLE

C222/2026 DIRECTORATE COMMUNITY SERVICES: DEPARTMENT DISASTER MANAGEMENT AND ENVIRONMENTAL AFFAIRS: FIRE BREAKS MAINTENANCE PLAN FOR THEEWATERSKLOOF MUNICIPALITY 2025/2026

[English version of the report is the original]

FILE NUMBER

17/3/R

PURPOSE OF REPORT

The purpose of this item is to confirm the fire break maintenance plan for the 2025/26 fire season and to motivate the prioritization of Greyton / Genadendal for grader operations due to funding limitations and current fire risk conditions

BACKGROUND

The Environment & Disaster Management Department initially planned to appoint a grader to maintain fire breaks in:

- Riviersonderend
- Caledon
- Greyton / Genadendal

Due to budget constraints, funding is only available for three (3) days of grader operations, making it necessary to prioritize one area where the intervention will have the greatest impact.

DISCUSSION

Caledon and Riviersonderend have recently experienced extensive wildfires, which have significantly reduced fuel loads and lowered the short-term risk of rapid fire spread. In contrast, Greyton and Genadendal still contain large areas of dry, dense and alien invasive vegetation close to residential and agricultural areas, posing a high fire risk. Due to budget constraints allowing only three days of grader operation, allocating resources across multiple towns would be ineffective. It is therefore proposed that all three days be allocated to Greyton/Genadendal to maintain and widen fire breaks, clear priority routes, and create buffers between vegetation and built-up areas.

COMMENTS: OFFICE OF THE MUNICIPAL MANAGER

The recommendation is supported.

COMMENTS: LEGAL SERVICES

Item is noted.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Item must be discussed at management. on urgency basis

Services providers - Appointed on 3 years panel subject to funding.

COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES

Noted.

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

Noted.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

None.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (PUBLIC SAFETY)

That the contents of the report **BE NOTED** by Management, Community Services Portfolio Committee, Mayoral Committee and Council.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The legal result is that if no fire breaks have been done or the lack of fire breaks, and a fire ignites on our property without the necessary fire breaks we are liable for the damage that is caused.

LEGAL IMPLICATIONS (ITEM AUTHOR)

In accordance with Section 13 of the National Veld and Forest Fire Act, every owner responsible for preparing and maintaining firebreaks must ensure that, with due consideration to the weather, climate, terrain, and vegetation of the area:

a) The firebreak is wide and long enough to have a reasonable chance of preventing a veldfire from spreading to or from neighbouring land.
b) The firebreak does not cause soil erosion.
c) The firebreak is reasonably free of inflammable material capable of carrying a veldfire across it.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Poorly maintained or inadequate fire breaks can result in the rapid spread of fire, leading to significant loss of property, including residential buildings, agricultural infrastructure and municipal assets. Uncontrolled fires also pose a serious threat to human life, particularly to residents, farmers, emergency responders and vulnerable communities located close to high-risk areas. In addition, wildfires can cause extensive loss of biodiversity by destroying natural habitats, killing wildlife, and damaging sensitive ecosystems, with long-term impacts on ecological balance and environmental sustainability.

COMMENTS FROM LEGAL SERVICES

The item is supported.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Management, Community Services Portfolio Committee; EMC and Council take note of this item.

RECOMMENDATION BY MANAGEMENT TO THE COMMUNITY SERVICES PORTFOLIO COMMITTEE: 07 MAY 2026

1. **Management noted the report.**

2. **It is recommended that the Community Services Portfolio Committee, the EMC and Council take note of the item.**

RECOMMENDATION BY THE COMMUNITY SERVICES COMMITTEE TO EMC: 04 AUGUST 2026

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

1. **The Community Services Portfolio Committee resolved that a discussion be held with the Overberg District Municipality (ODM) regarding collaboration on fire-related matters.**

2. **It is recommended that Council takes cognizance of the report.**

RECOMMENDATION BY THE EMC TO COUNCIL: 18 AUGUST 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 cognizance of the report.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes cognizance of the report.

RECOMMENDATION BY COUNCIL TO A COUNCIL WORKSHOP: 25 AUGUST 2026

Council resolved that the Fire Breaks Maintenance Plan for 2025/2026 be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes cognizance of the report.

Theewaterskloof
Municipality

DIRECTORATE: COMMUNITY SERVICES

DEPARTMENT OF ENVIRONMENT AND DISASTER MANAGEMENT

FIRE BREAKS MAINTENANCE PLAN FOR 2025/26

JOHAN VILJOEN

Fire Breaks Maintenance Plan

Riviersonderend, Caledon & Greyton / Genadendal

1. Purpose

The purpose of this report is to confirm the fire break maintenance plan for the 2025/26 fire season and to motivate or request the prioritization of Greyton / Genadendal for grader operations due to funding limitations and current fire risk conditions.

2. Background

The Environment & Disaster Management Department initially planned to appoint a grader to maintain fire breaks in:

- Riviersonderend
- Caledon
- Greyton / Genadendal

Due to budget constraints, funding is only available for **three (3) days of grader operations**, making it necessary to prioritize one area where the intervention will have the greatest impact.

3. Current Fire Risk Status

3.1 Caledon and Riviersonderend

Caledon and Riviersonderend have recently experienced extensive wildfires, which have already removed large volumes of surrounding vegetation. This has resulted in a temporary reduction in fuel load, meaning that any new fire outbreak would be unlikely to spread rapidly or cause significant damage in the short term.

3.2 Greyton / Genadendal

Greyton and Genadendal currently contain large areas of unburnt, dry and dense vegetation, including alien invasive plants close to residential and agricultural areas. This presents a high risk of severe and fast-spreading fires.

4. Resource Constraints

The available budget allows for:

- Only 3 days operation of the Grader

Splitting this limited time across multiple towns would result in ineffective and incomplete fire breaks, providing insufficient protection.

5. Prioritization Decision

Based on the current fire risk and available resources, we would like to propose that:

All three (3) days of grader operations to be allocated to Greyton / Genadendal.

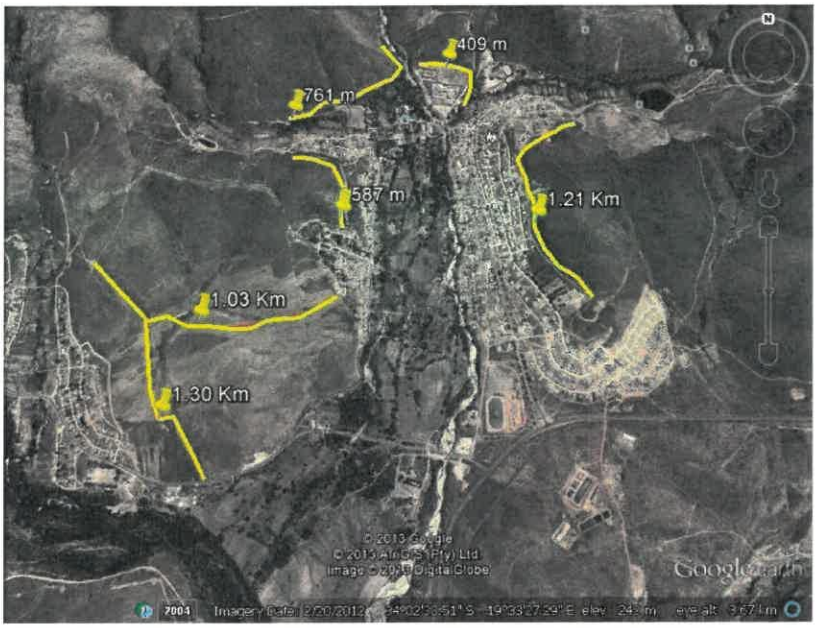
This ensures that the available resources are directed to the area with the highest current wildfire risk.

6. Implementation

The grader will be deployed in Greyton / Genadendal for the full three-day period to:

- Maintain and widen existing fire breaks
- Clear vegetation along priority routes
- Create buffers between natural vegetation and residential areas

The **Greyton / Genadendal Fire Breaks Maps** are attached to indicate priority areas.







7. Conclusion

Prioritising Greyton / Genadendaal represents the most effective and defensible use of limited funding, as it targets the area where a wildfire would be most likely to cause serious damage to communities, infrastructure and the environment. For more context on Greyton/Genadendaal fire breaks please refer to the report attached below:

WARD 2
FIRE PROTECTION

Firebreaks Ward 2

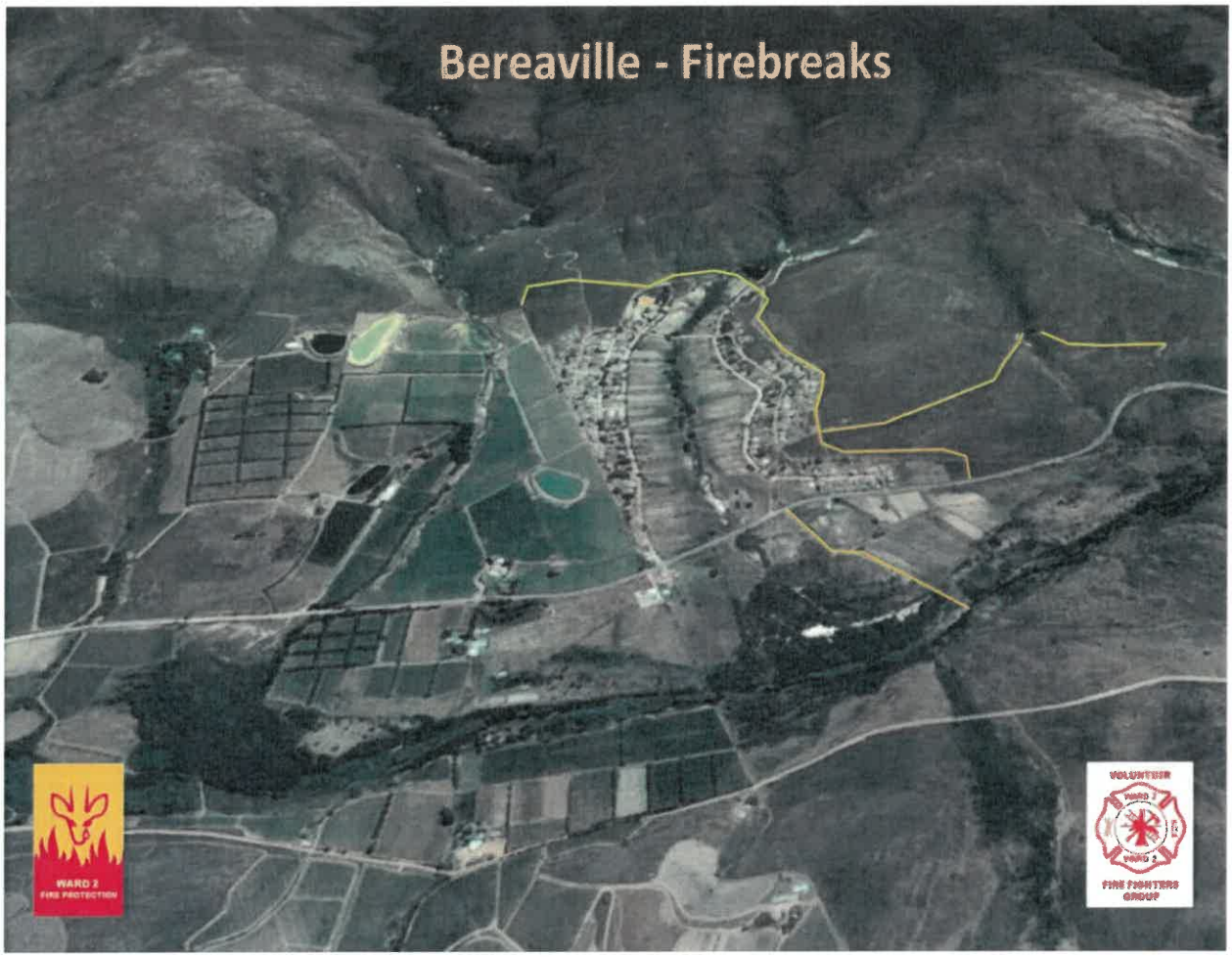
Herewith please find the proposed firebreaks for the respective villages within the Ward 2 area. Whilst we are cognizant of the severe financial constraints, in respect of making machinery available for the making & maintenance of the firebreaks, we have taken the following approach in determining the proposed firebreaks in each of the areas:

1. That existing roads be used as far as possible thereby reducing the need for new firebreaks to be made.
2. That a structured operational plan be put in place, over the next few years, to implement these firebreaks. To this end, we have also finalised a map which indicates the areas that have already been burnt over the last few years (2014 – 2018). This will aid in how to prioritise the need for firebreaks over a given period.
3. That, with time, the roads/new firebreaks be improved to give ease of access to specific areas in time of emergencies. i.e. response time to veld fires.

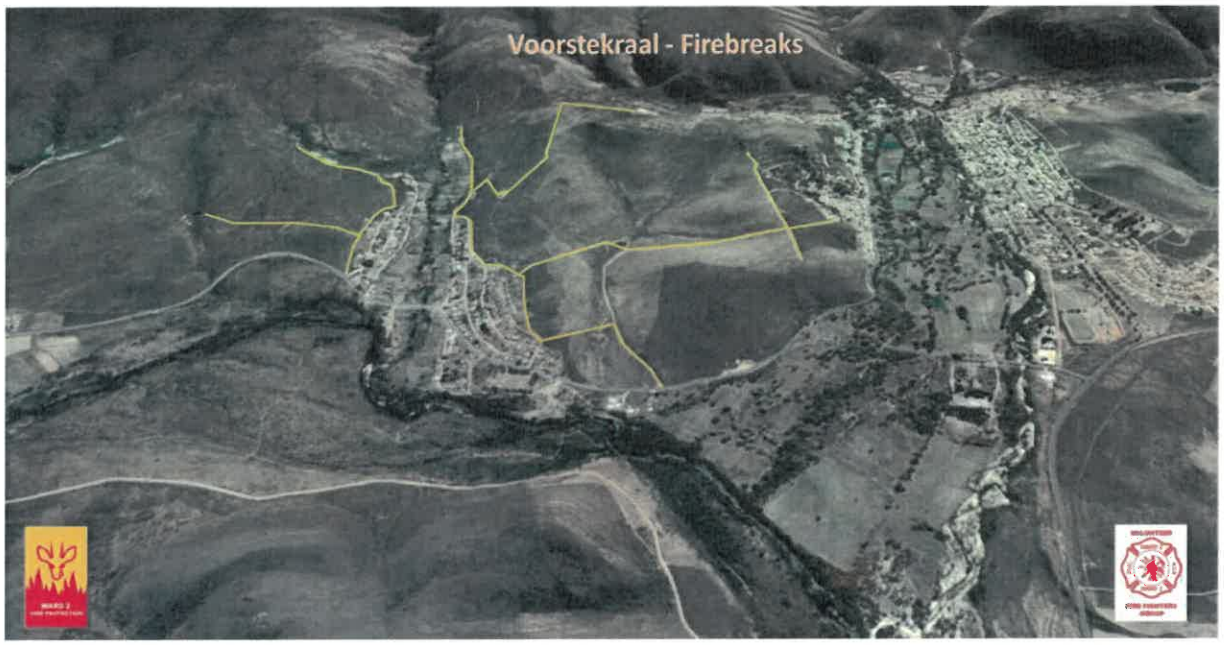
Total Fire Map (2014 – 2018)



Bereaville area:


Bereaville - Firebreaks
WARD 2
FIRE PROTECTION
VOLUNTEER
WARD 2
FIRE FIGHTERS
GROUP

Voorstekraal area:



Genadendal area:



Greyton Area:



Johan Viljoen

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ITEM TITLE

C223/2026 DIRECTORATE COMMUNITY SERVICES: DEPARTMENT COMMUNITY SAFETY: APPROVAL OF THE REVIEW OF THE COMMUNITY SAFETY PLAN - 2026/2027

[English version of the report is the original]

FILE NUMBER

17/2/1

PURPOSE OF REPORT

- Provide a framework for identifying and mitigating safety risks.
- Align municipal priorities with crime prevention, social cohesion, and development goals.
- Ensure inclusive participation of communities, stakeholders, and government.
- Strengthen law enforcement visibility, situational prevention, and social interventions.
- Promote economic and social development as foundations for safety in conjunction with all partners.

BACKGROUND

With the help of all partners, SAPS, EMS, Traffic, CPF, etc., the CSP aims to :

- Identify priority crime risk areas and develop local crime prevention partnerships.
- Roll out Emergency First Aid Responder training for partners as well as the broader community.
- Coordinate and manage safety initiatives that aim to reduce crime, violence and public fear.
- Collaborate with key role players with projects such as outdoor gyms that can be utilized for learner fitness for sports and overall health but also to have these gyms accessible for the partners.

DISCUSSION

- CSP provides Theewaterskloof Municipality with a guiding framework to:
- Create conditions where residents feel safe from crime, hunger, disease, unemployment, and exploitation.
- Address economic and social drivers of crime and insecurity.
- Strengthening partnerships through Community Safety Forums (CSFs).
- Enforce municipal by-laws to ensure well-managed environments.
- Enhance traffic, disaster, and emergency management systems.
- Implement targeted programs for youth at risk, victims of abuse, and gender-based violence.
- Promote economic development and safe transport systems.
- Support visible policing, and restorative justice interventions.

- Provide health services for prevention and early intervention through our Health and wellness partners.
- Address spatial injustices through inclusive urban planning.

COMMENTS FROM THE DIRECTORATE FINANCE

Review of the Plan has been noted.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Supported.

COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES

Noted.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

None.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)

Take note of the report. The Community Safety Plan does not have a section in the plan to report the crime statistics of the last year, and analysing the outcome of the statistics. The data from the crime statistics will guide the safety strategy and projects need to be align with the strategy for the next year.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (PUBLIC SAFETY)

For consideration and approval by Council.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

As per MFMA requirements.

LEGAL IMPLICATIONS (ITEM AUTHOR)

This CSP is aligned and complies with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa of 1996
- South African Police Services Act 68 of 1995
- National Development Plan (2012)
- Integrated Social Crime Prevention Strategy (2011)
- National Crime Prevention Strategy (1996)
- White Paper on Safety and Security (2016)

- Municipal Structures Act 117 of 1998
- Municipal Systems Act 32 of 2000
- Municipal Finance Management Act 56 of 2003
- Inter-Governmental Relations Framework Act 13 of 2005

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Limited resources and budget to implement the Community Safety Plan.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council considers and approves the Reviewed Community Safety Plan.

RECOMMENDATION BY THE COMMUNITY SERVICES COMMITTEE TO EMC: 04 AUGUST 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 considers and approves the Reviewed Community Safety Plan.

RECOMMENDATION BY THE EMC TO A COUNCIL WORKSHOP: 18 AUGUST 2026

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

That a Virtual Council Workshop be scheduled to consider and approve the Reviewed Community Safety Plan.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

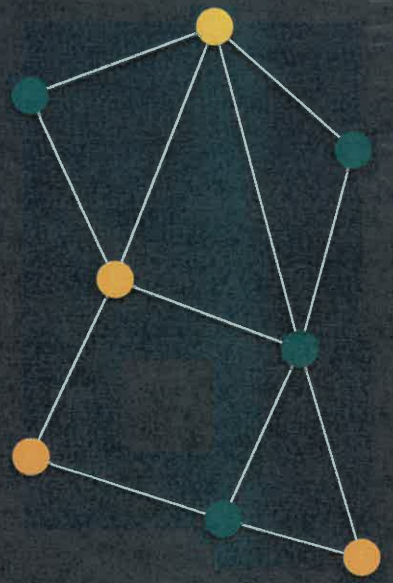
It is recommended that Council considers and approves the Reviewed Community Safety Plan.

COMMUNITY SAFETY PLAN

Integrated Community Services Presentation

Theewaterskloof Municipality | 2026/27





Executive Summary

SAFE PEOPLE

Prevention, youth support, GBV response, health and social interventions.

SAFE PLACES

Lighting, CCTV, safer public spaces, by-law enforcement and urban design.

SAFE PARTNERSHIPS

SAPS, CPF/NHW, CSF, NGOs, schools, businesses and communities.

SMART OVERSIGHT

Data-driven priorities, implementation tracking and continuous M&E.

- Community safety is broader than crime control: it includes social, economic and environmental conditions.
- The 2026/27 draft builds on the earlier plan with current priorities, interventions and stronger monitoring.
- Implementation requires a coordinated, multi-agency approach anchored through the Community Safety Forum.

Theewaterskloof Context



MUNICIPAL SCALE

3,258 km²; approximately 139,563 residents; eight primary towns.



RURAL CHARACTER

Agriculture, small holdings, open spaces and growing urban settlements.



CORE ASSETS

Theewaterskloof Dam, biodiversity, agriculture and tourism potential.

- Safety planning must reflect different town-level realities rather than applying one uniform response.
- The updated draft identifies poverty, unemployment and substance abuse among socio-economic pressures linked to crime trends.
- Service delivery, infrastructure maintenance, traffic, law enforcement and community development all contribute to safer environments.

From Foundation to Integrated 2026/27 Plan



- The updated draft states that the 2026–2030 approach builds on the 2022–2027 foundation.
- This presentation retains the original four-stage methodology while foregrounding current risks, interventions and governance.

What Community Safety Means

Safety is more than the absence of crime.

It includes social, environmental and developmental conditions that allow people to live without fear, intimidation or violence.

ECONOMIC

Economic opportunity and resilience

SOCIAL

Reduced poverty, exclusion and vulnerability

ENVIRONMENT

Well-managed, safer physical spaces

WELL-BEING

Prevention, early intervention and victim support

Three Integrated Crime Prevention Approaches

1. LAW ENFORCEMENT

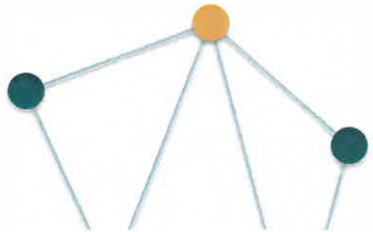
Visibility, accountability, coordinated operations, patrols and responsive policing.

2. SITUATIONAL PREVENTION

Address environmental risk: lighting, CCTV, public spaces, urban design and safer infrastructure.

3. SOCIAL PREVENTION

Address root causes through youth programmes, GBV support, substance-abuse interventions and community resilience.



TWK Strategic Objectives

01

Strengthen Law Enforcement Visibility

Expand SAPS, municipal Law Enforcement and CPF/NHW patrols.

02

Promote Social Prevention

Youth programmes, GBV support and substance-abuse interventions.

03

Enhance Situational Prevention

Urban design, lighting, CCTV and safer public spaces.

04

Foster Community Partnerships

CSFs, ward committees, Learner Law Enforcement, Peace Officers and Community in Blue.

05

Support Economic Development

Address poverty and inequality as drivers of crime.

Latest Crime Trends & Priority Areas

MURDER Grabouw identified as a hotspot; 51 cases in 2022/23. Villiersdorp also showing increases.

SEXUAL OFFENCES Villiersdorp reported a 230% increase over 10 years; Caledon and Grabouw also high.

DRUG-RELATED CRIME Sharp rises noted in Villiersdorp (225) and Caledon (345).

DUI Major increases in Caledon (+147%) and Grabouw.

TOWN-LEVEL PRIORITIES

Grabouw	Murders • robberies • extortion • drugs
Villiersdorp	Sexual offences • robberies • drugs • extortion
Caledon/Myddelton	GBV • property crime • drugs
Genadendal/Greyton	Sexual offences • domestic violence
Botrivier	Alcohol-related assaults • settlement safety • extortion • drugs
Riviersonderend	Drug-related crime
Tesselaarsdal	Burglary • alcohol-related violence

What Is Already Being Implemented



Law Enforcement

Learner Law Enforcement; Chrysalis officers; increased SAPS visibility



Victim Support

Caledon Safe House reopened in 2025 for GBV survivors



Technology

CCTV and floodlights in Botrivier, Grabouw and Villiersdorp; N2 expansion planned



Youth

Villiersdorp Youth Café; Grabouw Youth-at-Risk initiatives



Regulation

Joint operations with law enforcement and Liquor Board targeting illegal outlets



Schools

WCED, traffic, law enforcement and SAPS awareness campaigns

Planned Programmes & Projects

INTEGRATED VIOLENCE PREVENTION

- Road Safety Ambassador Programme
- Community Safety Communications Programme

SAFE & SECURE COMMUNITIES

- Rural Safety Plan
- Localised Community Safety Plans
- Collaboration Agreement

RESPONSIVE LAW ENFORCEMENT

- SAPS Station Maturity Improvement Programme
- Provincial Safety Coordination Centre

Partnership & Governance Model



- The CSF is positioned as the coordination, implementation, monitoring and evaluation vehicle.
- The updated draft stresses shared responsibility, evidence-based action, resource pooling and inclusivity.

Implementation Framework



1. SAFETY AUDIT

Community profile • crime data • risk identification



2. STRATEGY

Priority areas • partners • interventions • IDP linkage



3. IMPLEMENTATION

Roles • timelines • deliverables • budget • reporting



4. M&E

Indicators • progress • impact • lessons • improvement

- The earlier CSP provides the four-stage methodology; the updated draft adds sharper hotspot analysis, role clarity and continuous improvement.

AI-Enabled Community Safety Features

Trend Intelligence

Consolidate crime trends and identify emerging hotspots for human review.

Risk Mapping

Overlay town/ward priorities with environmental and service-delivery risks.

Early Warning

Flag recurring patterns requiring coordinated operational attention.

Partner Coordination

Track actions, owners, deadlines and escalation points across stakeholders.

Performance Dashboard

Monitor outputs, outcomes, community trust and participation.

Smart Reporting

Standardise evidence, minutes, progress reports and lessons learned.

- AI features are proposed as decision-support tools; accountability, verification and statutory responsibilities remain with authorised officials and partners.

Community Services: Practical Delivery Focus



Public Spaces

Safer facilities, parks and community environments



Waste & Cleanliness

Reduce environmental disorder and hazards



Traffic & Roads

Road safety, enforcement and safer corridors



Youth & Community

Youth programmes, participation and prevention



GBV / Victim Support

Referral pathways, awareness and safe spaces



By-Laws & Compliance

Regulation that supports well-managed environments



Emergency Readiness

First-aid responder training and coordinated response



Data & Reporting

Evidence, dashboards, M&E and accountability

261

Priority Actions – Next Implementation Cycle

01

Formalise governance

Confirm CSF structure, sectoral working groups and accountability routes.

02

Refresh safety audit

Validate hotspot data, ward-level risks and current community concerns.

03

Build intervention register

For every project: owner, partner, location, budget, timeline, indicator.

04

Strengthen hotspot response

Coordinate visible policing, situational improvements and social interventions.

05

Expand prevention

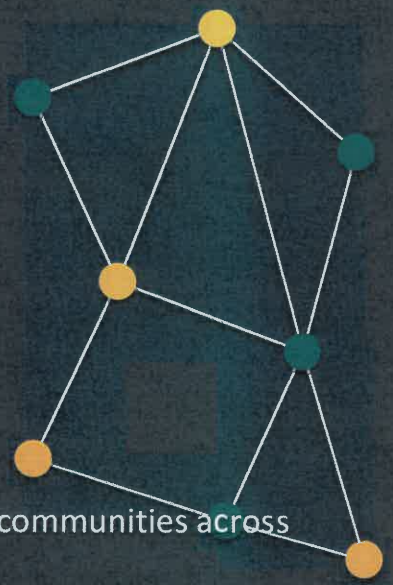
Youth diversion, GBV support, substance-abuse prevention and road safety.

06

Deploy smart M&E

Monthly/quarterly dashboard with evidence, exceptions, lessons and corrective actions.

SAFE PLACES.
SAFE PEOPLE.
SAFE PARTNERSHIPS.



The integrated CSP provides a practical roadmap for safer, healthier and more resilient communities across Theewaterskloof Municipality.

Implementation succeeds through evidence, coordination, resources and continuous monitoring.

Theewaterskloof
Municipality

COMMUNITY SAFETY PLAN
2026/27

Introduction to Theewaterskloof Municipality

Theewaterskloof Municipality (TWK) is the largest local authority in the Overberg District with its population of approximately 139 563 residents, according to Census 2022. It consists out of eight primary towns namely: Grabouw, Botrivier, Caledon/Myddleton, Genadendal, Greyton, Riviersonderend, Tesselaarsdal, and Villiersdorp. TWK plays a central role in ensuring community safety and overall well-being of its residents. With its diverse towns, rural landscapes, and socio-economic challenges, the municipality has developed structured safety plans to guide interventions. These plans emphasize collaboration, law enforcement, social development, and urban design to create safer and more resilient communities as prescribed by the Constitution Chapter 7 152 (a – e): to provide democratic and accountable government for local communities; to ensure the provision of services to communities in a sustainable manner; to promote social and economic development; to promote a safe and healthy environment; and to encourage the involvement of communities and community organizations in the matters of local government..

1. Vision & Mission

Vision: A financially sustainable, well-governed and resilient municipality that delivers basic services effectively, restores public confidence, and enables inclusive development within available resources.

Mission: To stabilize and restore the financial and institutional integrity of Theewaterskloof Municipality through disciplined governance, realistic planning, improved revenue management, cost containment, and the protection of core service delivery.

2. Western Cape Objectives and Deliverables

2.1 Provincial Core Objectives

- Strengthen law enforcement agencies: Community Safety units within the municipality as well as external role players such as the South African Police Service and private security services to respond effectively to crime.
- Foster public trust: Increase visibility of officers, improve accountability mechanisms, and enhance community engagement.
- Reduce violent crimes: Target extortion, murders, rapes, and firearm-related offenses through specialized units and intelligence-led policing.

- Enhance road safety: Implement proactive campaigns, youth-focused initiatives, and collaborative transport safety measures.
- Improve governance and accountability: Oversight by the Department of Police Oversight and Community Safety to ensure effective policing services.

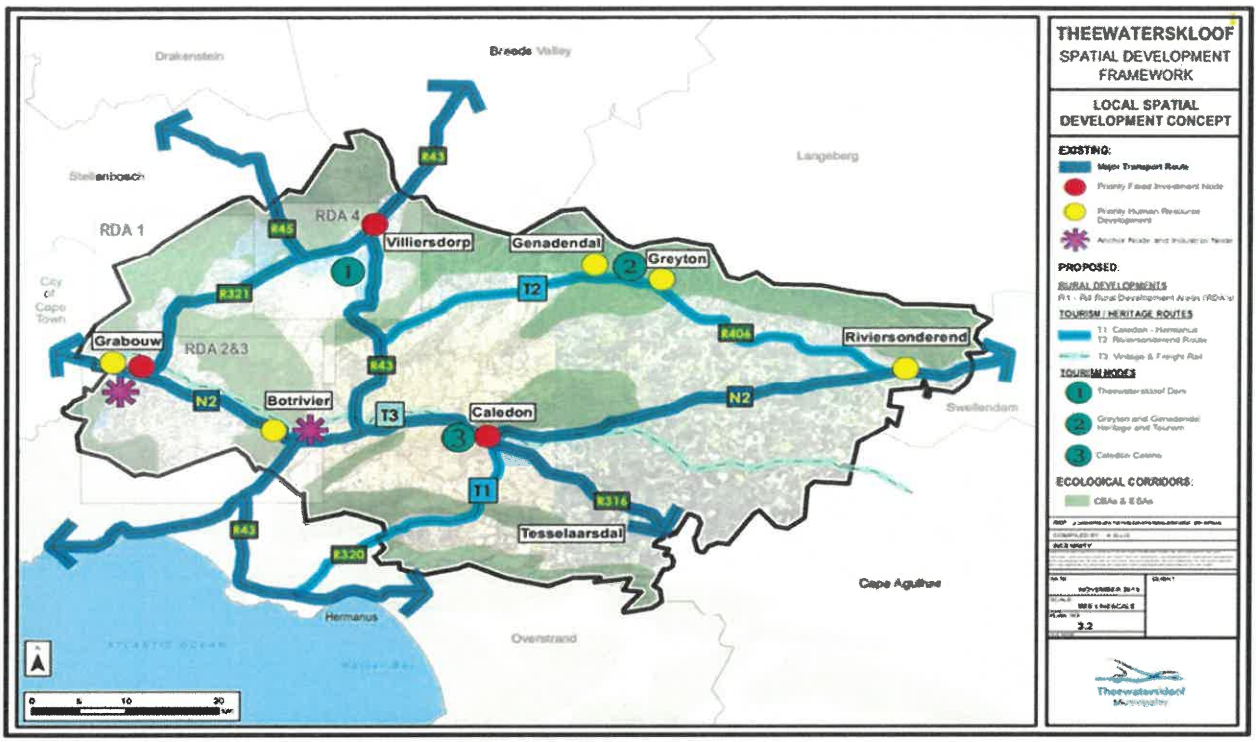
2.2 Provincial Key Deliverables

- **Deployment of law enforcement agencies in priority areas** to reduce murder rates.
- **Integrated operations** between Law Enforcement, Traffic, Prov Traffic SAPS, EMS, private security and other external role players for coordinated crime-fighting.
- **Support for municipal law enforcement** and training of peace officers across municipal jurisdiction of Theewaterskloof.
- **Expansion of hotspot policing** in high-crime areas.
- **Capacity building for SAPS detectives and specialized units** to improve crime-solving rates.
- **Road safety initiatives**: DUI operations, K78 and VCPs, fatigue awareness, tourist safety tips, and youth ambassador programmes.
- **Collaborative approach to transport safety**: Safer corridors, driver education, taxi industry conflict resolution, and professionalization.
- **Firearm Harms Reduction Strategy** and targeted extortion campaigns.
- **Multisectoral task teams** (SAPS, municipal law enforcement, NPA, POCS) to tackle violent crime drivers.
- **Community-level interventions**: Trust-building, youth diversion from gangs, and economic resilience programmes in conjunction with DSD and other partners.

3. TWK Strategic Objectives

1. **Strengthen Law Enforcement Visibility** – Expand SAPS, municipal Law Enforcement, and CPF/NHW patrols.
2. **Promote Social Prevention** – Address root causes of crime through youth programs, GBV support, and substance abuse interventions.
3. **Enhance Situational Prevention** – Improve urban design, lighting, CCTV, and safe public spaces.
4. **Foster Community Partnerships** – Establish CSFs, ward committees, and grassroots engagement platforms, role out of projects such as Learner Law Enforcement, POCS Peace Officers and SAPS' Community in Blue, and various other youth/unemployed targeted projects.
5. **Support Economic Development** – Tackle poverty and inequality as drivers of crime.

4. Municipal profile – Theewaterskloof Local Municipality



5. Population & Context

- TWK remains the largest municipality in the Overberg District, covering 3,258 km² and housing nearly 42% of the district's population.
- The area is predominantly rural, with agriculture, small holdings, and growing urban settlements in Grabouw, Botrivier, Caledon/Myddleton, Greyton, Genadendal, Riviersonderend and Villiersdorp.
- Socio-economic challenges (poverty, unemployment, substance abuse) continue to drive crime trends.

Population and character

- **Share of district population:** 42% of Overberg District
- **Character:** Predominantly rural; economy centered on agriculture, small holdings, and open spaces

Strategic and natural assets

- **Theewaterskloof Dam:** Earth-fill dam on the Riviersonderend River; commissioned 1978; **480 million m³** capacity; major component of the Western Cape Water Supply System

- **Biodiversity and landscape:** Kogelberg Biosphere, mountain ranges, vineyards, grain fields, fruit orchards, diverse fynbos, and the blue crane (municipal emblem)

Service delivery and governance

- **Integrated Development Programme:** Co-created with businesses, communities, and stakeholders to guide development and investment
- **Service Level Agreements:** Implemented across towns to align community expectations with municipal capacity
- **Town Management Model:** Coordinates local government functions to improve service delivery, infrastructure maintenance, and public safety
- **Core services:** Water, electricity and sewerage, housing support, waste removal, road and infrastructure maintenance, traffic and law enforcement

6. The local towns in the Theewaterskloof Municipal area include Town Profiles

Botrivier → Vineyard landscape or aerial town view



- **Caledon/Myddelton** → wind turbines guarding the canola fields



- **Genadendal** → Mission Station to reflect its historic roots.



- **Grabouw/Elgin** → Apple orchards showcasing its agricultural economy.



- **Greyton** → Village Street or mountain backdrop for lifestyle and tourism.



- **Riviersonderend** → Dutch Reformed Church or river view



- **Villiersdorp** → Theewaterskloof Dam as its defining landmark.



- **Tesselaarsdal** → Rural getaway land scape to capture its charm



7. SWOT analysis (edited and tightened)

Strengths

- Largest geographic and population base in the Overberg District.
- Critical regional water asset: Theewaterskloof Dam.
- Rich agricultural and biodiversity resources supporting tourism and farming.
- Institutional tools for local governance and service coordination.

Weaknesses

- Narrow municipal revenue base and limited income generation.
- Pockets of poverty and service backlogs.
- High cost of maintaining infrastructure across a large area.

Opportunities

- Growth in eco-tourism and agri-tourism leveraging biosphere and vineyards.
- Public-private partnerships to expand services and local economic development.
- Conservation programs linked to the dam.

Threats

- Water security risks from climate variability and competing regional demand.
- Economic exposure if agricultural markets or tourism decline.
- Infrastructure strain occurs because of uncontrolled population growth including influx of seasonal workers that do not return and in-migration. This place a huge demand for services, that is greater than revenue and investment.

8. Purpose of the Safety Plans

- Provide a **framework for identifying and mitigating safety risks**.
- Align municipal priorities with **crime prevention, social cohesion, and development goals**.
- Ensure **inclusive participation** of communities, stakeholders, and government.
- Strengthen **law enforcement visibility, situational prevention, and social interventions**.

- Promote **economic and social development** as foundations for safety in conjunction with all partners.

With the help of all partners, SAPS, EMS, Traffic, CPF, etc., the CSP aims to :

•Identify priority crime risk areas and develop local crime prevention partnerships.

•Roll out Emergency First Aid Responder training for partners as well as the broader community.

•Coordinate and manage safety initiatives that aim to reduce crime, violence and public fear.

•Collaborate with key role players with projects such as outdoor gyms that can be utilized for learner fitness for sports and overall health but also to have these gyms accessible for the partners.

9. Aim of the Community Safety Plan

- CSP provides Theewaterskloof Municipality with a guiding framework to:
- Create conditions where residents feel safe from crime, hunger, disease, unemployment, and exploitation.
- Address economic and social drivers of crime and insecurity.
- Strengthening partnerships through Community Safety Forums (CSFs).
- Enforce municipal by-laws to ensure well-managed environments.
- Enhance traffic, disaster, and emergency management systems.
- Implement targeted programs for youth at risk, victims of abuse, and gender-based violence.
- Promote economic development and safe transport systems.
- Support visible policing, and restorative justice interventions.
- Provide health services for prevention and early intervention through our Health and wellness partners.
- Address spatial injustices through inclusive urban planning.

Local government plays a key role in ensuring Safety, Crime and Violence Prevention

SAFE PLACES	SAFE PEOPLE	SAFE PARTNERSHIPS
Services	Youth	SAPS
Housing	Health	CPF
Traffic	GBV	CSF
By-Laws	Drugs	NGOs
Transport	LED	

10. Legislative & Policy Framework

The plans are guided by:

- **Constitution of South Africa (1996)** – mandate for safe, healthy environments.
- **White Paper on Safety and Security (2016)** – participatory safety planning.
- **National Development Plan (2012)** – focus on vulnerable communities.
- **Western Cape Safety Plan & Overberg District Safety Plan** – regional alignment.
- **Municipal By-laws** – local enforcement and regulation.



11. Responsibilities of Local Government

Local government has a constitutional and legislative mandate to promote safe and healthy environments. Its responsibilities include:

- Integrating safety outcomes into IDPs.
- Aligning budgets with safety objectives.
- Conducting safety audits and needs assessments.
- Coordinating safety programs across municipalities.
- Facilitating community participation in safety forums.

Municipalities, as the closest interface between government and citizens, are best positioned to lead inclusive safety planning initiatives.

12. Defining Community Safety

Community safety extends beyond the absence of crime. It refers to an environment where:

- Economic growth can thrive.
- Poverty and social exclusion are reduced.
- Families live free from intimidation, violence, and fear.

While security addresses the immediate protection of property and individuals, safety takes a broader approach that includes social and developmental factors. It emphasizes reducing environmental and social factors that undermine quality of life.

13. Latest Crime Trends (2022/23 – 2025/26)

- Murder: Grabouw remains the hotspot (51 cases in 2022/23), with Villiersdorp also showing increases.
- Sexual Offences: Villiersdorp has seen a 230% increase over 10 years; Caledon and Grabouw also report high numbers.
- Assault (GBH & Common): Rising across all towns, especially Genadendal and Villiersdorp.
- Robberies: Aggravated robberies increasing in Villiersdorp and Grabouw.
- Drug-related Crimes: Sharp rises in Villiersdorp (225 cases) and Caledon (345).
- Driving Under the Influence (DUI): Major increases in Caledon (+147%) and Grabouw.

  Property Damage & Arson: Linked to social unrest, especially in Grabouw and Caledon.

14. Priorities Challengers Per Areas (Ward-Level Focus)

- **Grabouw:** Murders, robberies, extortion and drug trade.
- **Villiersdorp:** Sexual offences, aggravated robberies, drug-related crimes and extortion.
- **Caledon/Myddelton:** GBV, property crimes. And drugs.
- **Genadendal/Greyton:** Sexual offences, domestic violence.
- **Botrivier:** Alcohol-related assaults, settlement safety, extortion and drug trade.
- **Riviersonderend:** Drug-related crimes.
- **Tesselaarsdal:** Isolated burglary and alcohol-related violence.

15. Partnership Principles

1. **Shared Responsibility**: Safety is not only SAPS' mandate; municipalities and communities must co-own it.
2. **Coordination**: Align efforts through a formalized Community Safety Plan.
3. **Evidence-Based Action**: Use data and research to guide interventions.
4. **Resource Pooling**: Each partner contributes skills, funding, or networks.
5. **Inclusivity**: Ensure marginalized voices are represented.

16. Why Partnerships Matter

- **Crime and violence are multi-factorial**: Rooted in social, economic, and environmental conditions.
- **Police are reactive**: SAPS, courts, and correctional services respond after crime occurs.
- **Other stakeholders are proactive**: Municipalities, provincial departments, NGOs, and communities can address root causes.

17. Core Stakeholders

- **Government**: Local municipalities and WCG departments (Health, Social Development, Education, etc.).
- **Law Enforcement**: SAPS, Community Police Forums, Neighbourhood Watches.
- **Civil Society**: NGOs, faith-based organizations, community groups.
- **Private Sector**: Businesses contributing resources, data, and innovation.
- **Community Structures**: Residents, youth groups, and grassroots initiatives.

18. Shifting the Mindset

A persistent barrier is the perception that community safety only falls in the mandate of SAPS. T address this:

- **Reframe safety as development**: Safer communities attract investment, improve education outcomes, and reduce healthcare burdens.
- **Highlight prevention**: Municipal services (lighting, housing, recreation, social programs) directly reduce crime risk.

- **Promote co-ownership**: Community safety is a shared responsibility across all spheres of government and society, not the sole mandate of SAPS.

- **Clarify shared responsibility**: No single institution can deliver safety alone. It requires collaboration between communities, all spheres of government, schools, businesses, faith groups, law enforcement, etc. Each has a distinct but essential role to play.
- **Complexity of communities**: No two communities are alike. Social, cultural, and economic factors all shape how safety challenges emerge and how they must be addressed. Recognizing this complexity means solutions must be adaptive, inclusive, and attentive to local realities.

To build on this, many community safety strategies emphasize:

- **Partnerships and trust** – creating open channels of communication between stakeholders.
- **Prevention and early intervention** – addressing root causes like unemployment, substance abuse, or lack of youth opportunities.
- **Capacity building** – equipping communities with skills and resources to respond to risks.
- **Continuous monitoring** – treating safety as an ongoing process, not a one-off intervention.

19. Community Safety & Crime Prevention Stakeholder Responsibilities

Stakeholder	Key Responsibilities
Department of Correctional Services	Reintegration of ex-offenders; manage parole programs; oversee places of safety; implement social crime prevention.
Department of Home Affairs	Ensure access to services; provide documentation; manage internal migration; address safety in human movement/settlement.
Co-Operative Governance & Traditional Affairs (COGTA)	Establish CSFs; provide technical support; ensure IDPs include safety initiatives; assist municipalities with CPF resourcing.
Department of Social Services	Lead social crime prevention; probation & child justice services; manage places of safety; victim empowerment programmes.
Local Municipality	Provide CSF secretariat services; budget & infrastructure; integrate safety into IDPs; implement safety plans; demarcate CSF boundaries.
Other Social Cluster Departments	Deliver social security, food security, healthcare, housing, education, safer schools, tourism safety.
Provincial Department of Community Safety	Establish intergovernmental forums; set CSF performance indicators; assist municipalities with CSF structuring;

	integrate safety into IDPs; monitor & report CSF performance.
South African Police Services (SAPS)	Maintain community partnerships; support CPF/CSF participation; improve local policing; report to communities; implement rural safety strategies.
Department of Justice & Constitutional Development	Facilitate access to justice; promote constitutional awareness; restorative justice & ADR; victim empowerment; community sessions on bail/sentencing.
Community Police Forum (CPF)	Identify policing priorities; co-own policing programmes; engage in crime combating; ensure police accountability; extended CJS responsibilities.

20. Municipal Interventions (2024–2026)

- Law Enforcement Expansion: Learner Law Enforcement and Chrysalis officers deployed; SAPS visibility increased.
- Municipal Court (Grabouw): Operational since 2024, improving case handling.
- Safe House (Caledon): Reopened in 2025 for GBV survivors.
- Technology: CCTV and floodlights installed in Botrivier, Grabouw, and Villiersdorp; expansion planned along N2.
- Youth Programs: Villiersdorp Youth Café, Grabouw Youth-at-Risk initiatives.
- Liquor Regulation: Joint law enforcement agencies and Liquor Board operations targeting illegal outlets.
- School Safety: WCED, traffic and law enforcement teams working with SAPS on awareness campaigns.

21. Strategic Emphasis as per Western Cape Government

- **Community responsiveness**: Special focus on vulnerable areas, including farming communities.
- **Evidence-based policing**: Data-driven hotspot strategies.
- **Collaboration across sectors**: Government departments, civil society, and communities working together.
- **Youth empowerment**: Road safety ambassadors and diversion programmes to reduce gang involvement.

22. Strategic Focus Going Forward

- Strengthen visible policing and CPF/NHW patrols.
- Expand youth diversion and skills programs to reduce gang recruitment.
- Enhance GBV survivor support and awareness campaigns.
- Integrate technology-driven surveillance (CCTV, drones).
- Ensure community participation through CSFs and ward committees.

In summary: TWK faces escalating violent and drug-related crimes, with Grabouw and Villiersdorp as hotspots. The municipality is countering these trends through law enforcement expansion, GBV safe houses, youth programs, and technology-driven surveillance, but sustained partnerships with SAPS, NGOs, and communities remain critical.

23. Western Cape Existing Programmes and Projects

Integrated Violence Prevention	Safe and Secure Communities and Infrastructure	Effective and responsive Law Enforcement
• Planet Youth • Safer Schools • School Resourcing Officers • Area-Based Teams • Chrysalis Programme • Evidence-based Parenting Programmes	• Municipal Law Enforcement Improvement Support • NHW and Farm-Watch Capacitation • CPF Support	• Learner Law Enforcement and Peace Officer Programmes • Hot Spot Policing Programme • Determining Policing Needs and Priorities and advocacy for implementation • Oversight over Police and Law Enforcement

24. Planned Programmes and Projects

Integrated Violence Prevention	Safe and Secure Communities and Infrastructure	Effective and responsive Law Enforcement
• Road Safety Ambassador Programme • Community Safety Communications programme	• Rural Safety Plan • Localised Community Safety Plans	• Collaboration Agreement • SAPS Station Maturity Improvement Programme • Provincial Safety Coordination Centre

25. Suggested Framework for TWK

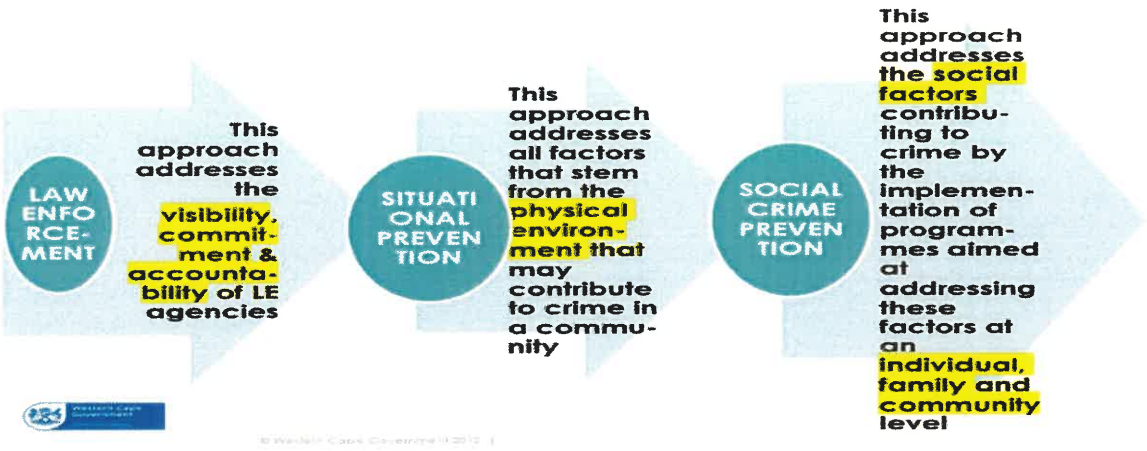
- **Steering Committee**: A multi-stakeholder body to oversee implementation.
- **Sectoral Working Groups**: Focused on youth, substance abuse, domestic violence, etc.
- **Community Engagement Platforms**: Regular forums for feedback and accountability.
- **Monitoring & Evaluation**: Track progress with clear indicators (crime reduction, community trust, participation levels).

Key Features of Community Safety Planning

- **Integration across three levels**:

- *Spatial*: safer urban design, public space upgrades, natural surveillance.
- *Social*: participatory processes, youth programs, victim support.
- *Institutional*: embedding safety priorities into the IDP.

- **Three approaches to crime prevention**:
- Law Enforcement – visibility and accountability.
- Situational Prevention – addressing environmental risk factors.
- Social Prevention – tackling root causes of crime.



From 2022–2027 CSP:

1. **Safety Audit** – community profiling, crime data analysis, risk identification.
2. **Strategy Development** – defining focus areas, partnerships, and interventions.
3. **Implementation Framework** – roles, timelines, budgets, and reporting.
4. **Monitoring & Evaluation** – indicators, progress tracking, lessons learned.

From 2026–2030 Draft:

- **Safety Audit** – hotspot identification, crime trend analysis.
- **Plan Development** – stakeholder roles and responsibilities.
- **Implementation Strategy** – activity plans with resources and timelines.
- **Monitoring & Evaluation** – documentation of lessons learned, continuous improvement.

26. Pillars of Intervention

Both plans emphasize:

- **Effective and responsive Law Enforcement** – stronger presence, coordination, and accountability.
- **Integrated Violence Prevention** – addressing social ills, youth at risk, gender-based violence, and community resilience.

- **Safe and Secure Communities and Infrastructure** – safer public spaces, improved infrastructure, and inclusive planning.
- **Community Partnerships** – CPF's, NGOs, ward committees, and safety forums.
- **Economic Development** – tackling poverty and inequality as drivers of crime.

27. Outcomes & Alignment

- **2022–2027 Plan**: Established foundational frameworks, audits, and partnerships.
- **2026–2030 Draft**: Builds on these foundations with **data-driven analysis**, clearer roles, and stronger monitoring.
- Both plans align with the **Integrated Development Plan (IDP)**, ensuring safety is embedded in municipal development priorities.

28. Conclusion

Theewaterskloof Municipality's safety planning journey reflects a **progressive, inclusive, and structured approach**. The 2022–2027 CSP laid the groundwork for community audits, partnerships, and integrated strategies. The 2026–2030 Draft strengthens this foundation with **data-driven planning, clearer implementation strategies, and enhanced monitoring**. Together, these plans provide a roadmap for safer, healthier, and more resilient communities across the municipality.

ITEM HEADING

C224/2026 DIRECTORATE COMMUNITY SERVICES: THEEWATERSKLOOF MUNICIPALITY: ELECTION POSTER POLICY (FOR LOCAL GOVERNMENT ELECTIONS, BY-ELECTIONS, VOTER REGISTRATION PERIODS AND POLITICAL CAMPAIGN EVENTS) (DRAFT FOR COUNCIL APPROVAL – 2026)

[English version of the report is the original]

FILE NUMBER

1/3/2/2

PURPOSE / AIM OF REPORT

The purpose of this report is to:

a. present the updated Election Poster Policy for the Theewaterskloof Municipality;
b. confirm that all fees, deposits, administrative charges, and cost-recovery provisions in the Policy are aligned with the latest approved Tariff Policy and Tariff List (2025/2026);
c. recommend that the Policy be workshopped by Council;
d. recommend that Council considers and approves the Policy for implementation prior to the 2026 Local Government Elections;
e. ensure uniform, legally compliant regulation of election poster placement across the municipal area.

BACKGROUND

The Municipality is required to regulate election-related advertising in terms of:

- Section 156 of the Constitution
- Municipal Systems Act
- Electoral Act
- Municipal Finance Management Act (MFMA)
- Outdoor Advertising and Signage By-law (2015)

During election periods, municipalities must ensure:

- free and fair elections
- protection of municipal infrastructure
- public safety
- compliance with advertising regulations
- equitable access for political parties and independent candidates

Comparative municipal practices (eThekwini, Cape Town, Knysna, Thabazimbi) demonstrate the need for:

- clear poster limits per ward
- defined placement rules
- removal deadlines
- cost-recovery mechanisms
- Tariff-aligned deposits and fees

Theewaterskloof Municipality's Tariff Policy (2025/2026) requires that:

- all fees, deposits, administrative charges, and cost-recovery actions must be levied strictly in accordance with the approved Tariff List;
- no fee may be charged outside the tariff schedule;
- cost-recovery for municipal services must follow the MFMA and the Tariff Policy.

The Election Poster Policy has therefore been updated to ensure:

- the refundable deposit (R200 per ward) is explicitly tied to the Tariff List;
- all removal costs, administrative fees, and enforcement charges are recoverable only at tariff-approved rates;
- any future tariff amendments automatically apply to the Policy.

Given the upcoming 2026 Local Government Elections, urgent approval is required to ensure operational readiness and legal compliance.

DISCUSSION

The Election Poster Policy includes the following tariff-aligned provisions:

- **Fees and Deposits**
    - All fees payable under the Policy must be charged strictly in accordance with the Municipal Tariff List (2025/2026)
    - The refundable deposit of R200 per ward is confirmed as per the Tariff List
    - Any administrative or enforcement fees (e.g., removal of illegal posters) must be recovered at tariff-approved rates

- **Poster Limits and Placement**
    - maximum 600 posters per ward
    - maximum 2 posters per pole, back-to-back
    - posters may only be placed on municipal streetlamp poles
    - minimum height: 2.5 metres
    - prohibited locations include traffic signs, substations, trees, bridges, municipal buildings, and natural features

- **Display Periods**
    - Local Government Elections: 11 weeks before / removed within 30 days after
    - By-Elections: 14 days before / removed within 7 days after

- IEC Registration Weekends: 4 weeks before / removed within 7 days after

- **COMPLIANCE AND ENFORCEMENT**

  - The Director: Community Services is the Approval Authority
  - Non-compliant posters may be removed by the Municipality
  - All removal costs must be recovered at tariff-approved rates
  - Deposits may be forfeited if costs exceed the deposit amount

- **TARIFF POLICY ALIGNMENT**

  The Policy explicitly states:

  "All fees payable under this policy shall be charged strictly in accordance with the Municipality's approved Tariff List for the 2025/2026 financial year."

  This ensures full compliance with:

  - MFMA
  - Tariff Policy
  - The Tariff List
  - Outdoor Advertising and Signage By-law

- **URGENCY**

  The Policy must be approved and implemented before the 2026 Local Government Elections to:

  - ensure legal compliance;
  - provide clarity to political parties and the IEC;
  - prevent unregulated poster placement;
  - enable cost-recovery for municipal services.

COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER

The comments from the Planning Section should be added regarding outdoor advertisements.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

All fees, deposits, administrative charges and cost-recovery actions must be levied strictly in accordance with the Municipal Tariff Policy and Tariff List (2025/2026).

LEGAL IMPLICATIONS (ITEM AUTHOR)

The Policy aligns with the Constitution, Electoral Act, Municipal Systems Act, MFMA, SALGA guidelines, and the Outdoor Advertising and Signage By-law.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

That Management recommends it to Council:

1. **That the Election Poster Policy, aligned with the Tariff Policy and Tariff List (2025/2026), with Councillors BE WORKSHOPPED.**

2. **That the Election Poster Policy for implementation prior to the 2026 Local Government Elections BE CONSIDERED.**

3. **That the Election Poster Policy for implementation prior to the 2026 Local Government Elections BE APPROVED.**

4. **That the Director: Community Services as the Approval Authority for all election poster applications BE CONFIRMED.**

5. **That all fees payable under the Election Poster Policy in accordance with the Municipal Tariff List (2025/2026) strictly BE LEVIED.**

6. **That the Election Poster Policy upon Council approval BE IMPLEMENTED.**

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 26 AUGUST 2026

Management resolved that the Election Poster Policy be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That the Election Poster Policy for implementation prior to the 2026 Local Government Elections BE CONSIDERED.**

2. **That the Election Poster Policy for implementation prior to the 2026 Local Government Elections BE APPROVED.**

3. **That the Director: Community Services as the Approval Authority for all election poster applications BE CONFIRMED.**

4. **That all fees payable under the Election Poster Policy in accordance with the Municipal Tariff List (2025/2026) strictly BE LEVIED.**

5. **That the Election Poster Policy upon Council approval BE IMPLEMENTED.**

Theewaterskloof
Municipality

THEEWATERSKLOOF MUNICIPALITY

ELECTION POSTER POLICY

(For Local Government Elections, By-Elections, Voter Registration Periods and Political Campaign Events)

Draft for Council Approval – 2026

Draft: Version 0

Approved by Council

vide Item XXXXXXXXXX

Date of Approval: XX.XX.XXXX

AUTHOR	
Name and Surname	Wilfred Schrevian Evan Solomons - Johannes
Designation	Director: Community Services
Date	25 August 2026

AMENDMENTS/REVISIONS

DATE	PAGE	SECTION	COMMENTS/REVISION
25.08.206	All	All	Drafting of TWK Election Poster Policy

Acronyms

AC	Accounting Officer
IEC	Electoral Commission of South Africa
IEC	Electoral Commission of South Africa
MFMA	Local Government: Municipal Finance Management Act, No. 56 of 2003
MM	Municipal Manager
SALGA	South African Local Government Association
SAPS	South African Police Service

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THEEWATERSKLOOF MUNICIPALITY: ELECTION POSTER APPLICATION FORM 13

1. PURPOSE

The purpose of this Election Poster Policy is to regulate the erection, display, management and removal of election-related posters within the jurisdiction of the Theewaterskloof Municipality, in order to:

- promote free and fair elections,
- ensure public safety,
- protect municipal infrastructure,
- maintain aesthetics and environmental integrity, and
- provide clear, uniform rules for political parties, independent candidates and the Electoral Commission of South Africa (IEC)

This policy is enacted in terms of section 156 of the Constitution of the Republic of South Africa Act, No. 108 of 1996; Local Government - Municipal Systems Act, No. 32 of 2000; the Local Government – Municipal Structures Act, No. 117 of 1998; Electoral Act, No. 1 of 2023; the Local Government: Municipal Electoral Act, No. 27 of 2000; and the Theewaterskloof Municipality Outdoor Advertising and Signage By-law.

2. OBJECTIVES

The objectives of this policy are to:

- facilitate democratic participation and voter awareness
- ensure equitable access to public advertising space
- prevent disorderly, unsafe or unlawful poster placement
- provide a transparent approval and compliance framework
- align municipal practice with national norms and comparative municipal standards

3. LEGAL FRAMEWORK

This policy must be read together with:

- Constitution of the Republic of South Africa Act, No. 108 of 1996
- Electoral Act, No. 1 of 2023
- Local Government: Municipal Finance Management Act, No. 56 of 2003
- Local Government: Municipal Electoral Act, No. 27 of 2000
- Local Government: Municipal Structures Act, No. 117 of 1998
- Local Government: Municipal Systems Act, No. 32 of 2000
- SALGA Election Poster Guidelines
- The Municipal Delegations Framework and Delegations Register
- Theewaterskloof Municipality Outdoor Advertising and Signage By-law
- Theewaterskloof Municipality Tariff List (2025/2026)

4. APPROVAL AUTHORITY

4.1. Delegated Powers

The Director: Community Services is hereby designated as the Approval Authority for all election poster applications, waivers, compliance monitoring and enforcement actions.

This delegation is made in terms of the Delegations Framework, the MFMA, the SCM Policy and the Delegations Register, and is exercised on behalf of the Municipal Manager (MM) as the Accounting Officer (AC).

The Director: Community Services is empowered to:

- approve or decline election poster applications
- issue waivers under section 11 of the Outdoor Advertising By-law
- impose conditions, restrictions or compliance directives
- order removal of non-compliant posters
- recover costs from political parties or candidates
- enforce penalties under the By-law
- coordinate with the IEC, SAPS, SALGA and internal departments

5. DEFINITIONS

Key definitions follow the Outdoor Advertising and Signage By-law, including:

- **Poster** – "*any temporary sign that can be attached to an electrical lamppost… to advertise events or campaigns, including elections*" (By-law, s.1).

- **Display** – includes erection, placement, fastening or installation of posters.

- **Municipal streetlamp pole** – any pole owned and maintained by the Municipality for lighting purposes.

6. APPLICATION OF POLICY

This policy applies to:

- National, Provincial and Local Government Elections
- By-Elections
- IEC Voter Registration Weekends
- Political campaign events authorised by the IEC

It does **not** apply to commercial advertising, private events, or non-political posters.

7. APPROVAL REQUIREMENTS

7.1. Application Process

Political parties, independent candidates and the IEC must submit:

- a completed Election Poster Application Form
- ward list and number of posters per ward
- poster design (size, material, content)
- proof of deposit payment
- contact details of responsible persons

7.2. Fees and Deposit

All fees payable under this policy shall be charged strictly in accordance with the Municipality's approved Tariff List for the 2025/2026 financial year.

This includes:

- refundable deposits,
- administrative fees,
- removal fees,
- any other charges arising from enforcement or compliance actions.

The standard refundable deposit for election poster applications is R200 per ward, consistent with comparative municipal practice, unless amended in the annual Tariff List.

If the Tariff List is updated during the election period, the updated tariffs shall apply immediately and automatically

8. POSTER DISPLAY RULES

8.1. Number of Posters

The following limits apply:

- **maximum 600 posters per ward** (midpoint between eThekwini's 800 and Knysna's 200)
- **maximum 2 posters per pole**, back-to-back
- no party may monopolise adjacent poles

8.2. Size and Material

295

- Maximum size: A1 (594mm × 841mm)
- Must be weather-resistant and securely fastened
- No metal fastening materials (City of Cape Town rule)

8.3. Permitted Locations

Posters may only be placed on:

- municipal streetlamp poles
- approved municipal roads and public places

8.4. Prohibited Locations

Posters may **not** be placed on:

- traffic signs, robots, directional signs, warning signs
- electrical boxes, substations, municipal buildings
- trees, walls, fences, bridges
- any natural features
- national roads (N2, N3 equivalent prohibition in eThekwini and Cape Town)

8.5. Height Requirement

- Minimum height: **2.5 metres from ground** (eThekwini standard).

8.6. Content Restrictions

- no commercial content (Cape Town rule)
- party name must appear on poster
- no offensive, discriminatory or unlawful content
- no content that obstructs traffic safety

9. PERIODS FOR DISPLAY

9.1. Voter Registration Weekends

- posters may be erected **4 weeks before** registration.
- must be removed **within 7 days** after registration (City of Cape Town rule)

9.2. Local Government Elections

- posters may be erected **11 weeks before election day** (City of Cape Town rule)
- must be removed **within 30 days after election day** (eThekwini rule)

9.3. By-Elections

- posters may be erected **14 days before** the by-election
- must be removed **within 7 days** after the by-election

10. COMPLIANCE AND ENFORCEMENT

10.1. Monitoring

The Director: Community Services or his/her designated official will:

- conduct inspections
- issue compliance notices
- order removal of illegal posters
- coordinate with relevant departments and external entities

10.2. Removal of Non-Compliant Posters

The Municipality may remove:

- any poster erected in contravention of this policy;
- any poster posing a safety risk;
- any poster not removed within prescribed timeframes.

10.3. Cost Recovery

Costs for removal, reinstatement, storage or disposal of posters shall be recovered at the rates prescribed in the Municipality's Tariff List (2025/2026).

Where the refundable deposit is insufficient, the balance shall be recovered through municipal billing processes.

11. PENALTIES

Penalties for non-compliance shall be applied in accordance with the Tariff List (2025/2026) and the Outdoor Advertising and Signage By-law.

Penalties may include:

- forfeiture of deposit
- administrative fines under the By-law
- recovery of removal costs
- disqualification from future poster approvals

12. ADMINISTRATION OF POLICY

The Director: Community Services is responsible for:

- implementation
- enforcement
- reporting to the Municipal Manager
- maintaining records of approvals and removals
- liaising with IEC, SALGA and political parties.

13. AMENDMENT OF POLICY

Council may amend this policy at any time to:

- improve efficiency
- align with national legislation
- respond to emerging electoral or environmental considerations

14. EFFECTIVE DATE

This policy becomes effective on the date of Council approval.

15. CONCLUSION

This Election Poster Policy provides a clear, enforceable, legally compliant framework for election-related advertising in Theewaterskloof Municipality. It aligns with national best practice, comparative municipal standards, and the Municipality's Outdoor Advertising By-law.

END

THEEWATERSKLOOF MUNICIPALITY: ELECTION POSTER APPLICATION FORM

(For Local Government Elections, By-Elections, Voter Registration Periods and Political Campaign Events)

---

1. DETAILS OF APPLICANT

POLITICAL PARTY / INDEPENDENT CANDIDATE	
IEC REGISTRATION NUMBER (IF APPLICABLE)	
AUTHORISED REPRESENTATIVE	
FULL NAME/S	
SURNAME	
DESIGNATION	
IDENTITY NUMBER	
TELEPHONE	
CELLULAR	
E-MAIL ADDRESS	
POSTAL ADDRESS	
PHYSICAL ADDRESS	

300

2. TYPE OF APPLICATION

Please tick the applicable category:

☐ **Local Government Election Posters**

☐ **By-Election Posters**

☐ **IEC Voter Registration Weekend Posters**

☐ **Political Campaign / Event Posters (IEC-authorised)**

3. POSTER DETAILS

3.1. Number of Posters Requested

Total number of posters to be displayed:	
Number of posters per ward (attach schedule):	

3.2. **Wards in which posters will be displayed** (Attach list if more than five wards)

Ward	
Ward	
Ward	
Ward	
Ward	

3.3. Poster Specifications

Size (maximum A1):	
Material:	
Fastening method (no metal permitted):	
Height from ground (minimum 2.5m)	

3.4. Poster Content Compliance

Confirm the following by ticking the boxes:

☐ Poster contains **no commercial content**

☐ Poster displays the **name of the political party / candidate**

☐ Poster does **not contain offensive or unlawful content**

☐ Poster complies with **traffic safety requirements**

☐ Poster complies with **municipal Outdoor Advertising By-law**

4. DISPLAY PERIOD

Start Date:	
End Date:	

(As per policy:

- LGE posters: 11 weeks before election → removed within 30 days after
- By-Election posters: 14 days before → removed within 7 days after
- Registration posters: 4 weeks before → removed within 7 days after)

5. DEPOSIT PAYMENT

A **refundable deposit of R200 per ward** is payable.

Number of wards applied for: ....

Total deposit payable: ....

Payment Reference: ....

Proof of Payment Attached: ☐ Yes ☐ No

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6. DECLARATION BY APPLICANT

I, the undersigned, hereby declare that:

1. All information provided in this application is true and correct.
2. All posters will be erected in compliance with the **Theewaterskloof Municipality Outdoor Advertising and Signage By-law**, the **Election Poster Policy**, and all applicable legislation.
3. All posters will be removed within the prescribed timeframes.
4. The political party / candidate accepts responsibility for any costs incurred by the Municipality for removal of illegal or non-compliant posters.
5. The political party / candidate indemnifies the Municipality against any claims arising from the erection, display or removal of posters.

Name of Applicant:	
Signature:	
Date:	

7. FOR OFFICIAL USE ONLY

Application Number:	
Date Received:	

Director: Community Services – Assessment

☐ Approved

☐ Approved with Conditions

☐ Declined

Conditions (if applicable):

DIRECTOR: COMMUNITY SERVICES	
Name/(s):	
Surname:	
Signature:	
Date:	

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8. MUNICIPAL NOTES / COMPLIANCE MONITORING

☐ Deposit received

☐ Posters inspected

☐ Removal deadline communicated

☐ Non-compliance notice issued (if applicable)

☐ Costs recovered (if applicable)

ITEM HEADING

C225/2026 DIRECTORATE COMMUNITY SERVICES: ADOPTION OF POLICY FOR THE BURIAL OR CREMATION OF DESTITUTE AND PAUPER PERSONS

[English version of the report is the original]

FILE NUMBER

16/6/4

PURPOSE / AIM OF REPORT

The purpose of this item is to present the Draft Theewaterskloof Municipality Policy for the Burial or Cremation of Destitute and Pauper Persons to Council for to workshop, consider and adopt.

The Policy seeks to establish a consistent, transparent and administratively sound framework for dealing with deceased persons who are destitute, unclaimed or unidentified and in respect of whom the Municipality is required, or otherwise justified, to facilitate a basic and dignified burial or cremation.

BACKGROUND

Cemeteries, crematoria and funeral parlours constitute a local government function in terms of Part B of Schedule 5 of the Constitution of the Republic of South Africa, 1996. The Municipality accordingly has responsibilities relating to the management of cemeteries and the lawful interment of human remains within its area of jurisdiction.

From time to time, the Municipality is approached to assist with the burial of deceased persons where the deceased and/or next of kin have insufficient financial means to provide for a funeral. The Municipality may furthermore be required to facilitate the burial or cremation of unclaimed or unidentified deceased persons following the applicable processes undertaken by Forensic Pathology Services, the South African Police Service and/or the relevant Health Officer.

These cases differ materially from ordinary municipal indigent assistance. They are generally time-sensitive and require consideration of public health, human dignity, forensic requirements, family circumstances and the availability of alternative financial resources.
In the absence of a dedicated municipal policy, there is a risk of inconsistent decision-making, uncertainty regarding qualification criteria and responsibilities, and insufficient controls relating to the authorisation and procurement of burial services.

A review of comparable municipal policies within the Overberg and other municipalities was therefore undertaken and used as the basis for the development of the attached Draft Policy.

DISCUSSION

The proposed Policy formalises the Municipality's approach to destitute and pauper burials and establishes clear parameters for determining when municipal assistance may be provided.

Importantly, the Policy distinguishes between a destitute burial, where the deceased has been claimed but the deceased's estate, funeral benefits and family or household resources are insufficient to fund a basic burial, and a pauper burial, relating principally to an unclaimed or unidentified deceased person where the Municipality bears responsibility in accordance with applicable legislation and processes.

Municipal assistance is intended to operate as a measure of last resort. Before assistance is approved in a claimed destitute case, reasonable steps must therefore be taken to establish whether funeral insurance, burial benefits, estate resources, financially capable next of kin or assistance from another organisation or responsible institution is available.

The Policy further provides that registration as a municipal indigent should not, on its own, determine eligibility. This is considered appropriate given the particular nature and urgency associated with the disposal of human remains.

Where assistance is approved, the Municipality's contribution will be limited to a basic and dignified burial or cremation service. Depending on the circumstances and approved service-provider arrangement, this may include transportation of the deceased, a basic biodegradable coffin or other lawful receptacle, a public grave and the opening and closing of the grave, or cremation where appropriate and available.

Non-essential funeral expenditure, including catering, tents, chairs, flowers, transport of mourners, upgraded coffins, memorial services and tombstones, will not be funded by the Municipality.

For unclaimed or unidentified persons, the Policy provides for coordination with Forensic Pathology Services, SAPS and the relevant health authorities. Where no family or other person has claimed the deceased, the municipal service will ordinarily be restricted to the basic arrangements necessary for the lawful and dignified disposal of the body.

The Policy also introduces appropriate administrative and financial controls. Applications must be assessed and recommended by the designated Community Services official and approved only by an official holding the appropriate delegated authority. Ward Councillors may assist with community verification but may not approve applications or commit municipal expenditure.

The procurement of funeral services must be undertaken in accordance with the Municipality's Supply Chain Management Policy.

No service provider may render a service on the strength of a verbal undertaking or expectation of municipal payment, except where an applicable emergency procurement process has been lawfully authorised.

A prescribed application and assessment form and supporting document checklist have been incorporated into the Policy to provide a consistent administrative process and adequate audit trail.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Implementation of the Policy will have operational financial implications insofar as the Municipality may be required to fund qualifying destitute and pauper burials.

The Policy does not establish a fixed monetary entitlement per burial. The Municipality's maximum liability will instead be limited to the applicable contracted rate or other amount lawfully procured and approved, thereby allowing the service to be managed within the Municipality's available budget and prevailing procurement arrangements.

No cash payments or reimbursements will be made directly to applicants or families.

It is recommended that the responsible Directorate make appropriate annual budget provision based on historical demand and anticipated statutory obligations, and that expenditure be monitored against the approved budget.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The Policy must be implemented within the applicable legislative and regulatory framework, including:

- the Constitution of the Republic of South Africa, 1996, particularly Part B of Schedule 5;
- the Local Government: Municipal Systems Act 32 of 2000;
- the Local Government: Municipal Finance Management Act 56 of 2003;
- the National Health Act 61 of 2003 and applicable regulations relating to the management of human remains and forensic pathology services;
- the Theewaterskloof Municipality Cemeteries and Crematoriums By-law, 2015, as amended;
- the Municipality's Supply Chain Management Policy; and
- Council's approved system of delegations.

The Policy specifically provides that, should any provision conflict with applicable legislation or binding regulations, the relevant legislation or regulation will prevail.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Implementation of the Policy carries financial, governance and operational risks, including unbudgeted expenditure, fraudulent or inconsistent applications, unauthorised commitments, and delays in the burial or cremation process.

Legal and reputational risks may further arise from the incorrect handling of unclaimed or unidentified bodies, inadequate recordkeeping, or non-compliance with applicable health, forensic, procurement and delegation requirements. These risks are mitigated through clear qualification criteria, verification and approval processes, defined institutional responsibilities, procurement controls and the maintenance of an auditable burial register and supporting records.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council, considers and adopts the Theewaterskloof Municipality Policy for the Burial or Cremation of Destitute and Pauper Persons.**

2. **The Directorate: Community Services be designated as the responsible Directorate for implementation of the Policy, with the operational responsibility residing with the municipal Cemeteries function through the Municipality's approved organisational arrangements.**

3. **The Director: Community Services be authorised to develop and/or amend administrative procedures, application forms and internal control measures necessary to give effect to the Policy, provided that such measures remain consistent with the approved Policy, applicable legislation and Council's system of delegations.**

4. **All applications for destitute burial assistance be subjected to the qualification, verification and approval requirements contained in the Policy and that no Councillor, applicant or service provider may commit the Municipality to expenditure outside the approved delegation and procurement processes.**

5. **The procurement and appointment of service providers for qualifying burials or cremations be undertaken in accordance with the Municipality's Supply Chain Management Policy and available budget, and that no unauthorised or retrospective commitment to a service provider will create an obligation on the Municipality to effect payment.**

6. **The Directorate: Community Services, in consultation with the Finance Directorate, make reasonable provision within the annual operational budget for qualifying destitute and pauper burials, taking into account historical expenditure, anticipated demand and the Municipality's prevailing financial position.**

7. **A Destitute and Pauper Burial Register be maintained by the responsible Directorate and that expenditure and implementation of the Policy be monitored to ensure appropriate governance, financial control and an adequate audit trail.**

8. **The Policy be reviewed when required by amendments to legislation, municipal by-laws, Council delegations, procurement arrangements or material operational circumstances.**

DRAFT POLICY

Burial or Cremation of Destitute & Pauper Persons

Theewaterskloof Municipality

Council Workshop presentation : September 2026

Theewaterskloof
Municipality

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Why a dedicated policy is needed

Municipality receives time-sensitive requests where a deceased person cannot otherwise be buried with dignity.

Destitute and pauper cases differ from ordinary indigent relief and require their own qualification and approval framework.

Without a dedicated policy there is risk of inconsistent decisions, unclear responsibilities and weak financial controls.

Formalisation creates a consistent, auditable and dignified municipal response.

Purpose and desired outcomes

Theewaterskloof Municipality

- Provide a basic, dignified and lawful burial or cremation for qualifying deceased persons.
- Establish simple, transparent and consistent criteria for municipal assistance.
- Ensure assistance is a measure of last resort after other available resources have been considered.
- Enable speedy processing while retaining verification, delegated approval and financial control.
- Create a clear audit trail from application through burial/cremation and payment.

Who does the policy cover?

Theewaterskloof Municipality

CLAIMED DESTITUTE

The body is claimed, but the estate, funeral benefits, and family/household resources are insufficient for a basic burial.

PAUPER / UNCLAIMED

Unclaimed or unidentified deceased person where applicable
law and competent authorities place responsibility on the Municipality.

Exceptional statutory or public-health cases may be authorised where immediate action is legally or operationally required.

Qualification: assistance as a last resort

Theewaterskloof Municipality

The deceased ordinarily resided in Theewaterskloof, or the Municipality is otherwise the appropriate authority to act.

No sufficient cash, estate assets or readily available resources for a basic burial.

No funeral policy, life policy, burial society, employer or other death benefit sufficient to meet the basic cost.

No financially able next of kin or person with a legal duty of support can reasonably fund the burial.

No other person, NGO, religious/welfare organisation or state programme has undertaken to meet the cost.

The applicant must make full disclosure and provide reasonable supporting proof.

What the Municipality will provide

Theewaterskloof Municipality

Transport from an authorised mortuary or forensic facility to the cemetery or crematorium.

A basic biodegradable coffin or other lawful basic receptacle.

A public grave, including opening and closing of the grave, or cremation where approved and available.

Necessary burial/cremation administration assigned to the appointed service provider.

For a claimed body, a brief simple observance may be accommodated only where included in the approved municipal package.

For an unclaimed body: direct transport and dignified disposal — no municipal-funded funeral service.

What is specifically excluded

Theewaterskloof Municipality

No cash payment or reimbursement to the applicant or family.

No food, catering, tents, chairs, flowers, clothing or transport of mourners.
•No clergy fees, programmes, memorial services or tombstones at municipal cost.

No upgraded coffin, premium vehicle or elaborate funeral package.

No retrospective or verbal commitment to a service provider outside a lawful emergency process.

Private extras remain the family's responsibility and must be clearly separated from municipal liability.

Application and decision process

Theewaterskloof Municipality

1 APPLICATION

Applicant submits the prescribed form and supporting documents.

2 VERIFICATION

Community Services checks identity, jurisdiction, means, benefits and required statutory documents.

3 ASSESSMENT

Responsible official records findings and recommends approval, refusal or an alternative arrangement.

4 APPROVAL

Delegated official records the decision and reasons. Councillors may verify, but cannot approve.

5 PROCUREMENT

If approved, the appointed provider is allocated and a written instruction / purchase order is issued.

6 BURIAL / CREMATION

Provider performs only the approved basic service; cemetery or cremation details are recorded.

7 CLOSE-OUT

Invoice, proof of service and register are reconciled and the complete case file is closed.

Control principle: no municipal commitment or service-provider instruction before delegated approval, except through a lawful emergency process.

Roles and institutional responsibilities

Theewaterskloof Municipality

Community Services / Cemeteries function: receives, verifies, recommends, coordinates and maintains the register.

Director: Community Services or delegated official: approves/refuses in accordance with Council delegations.

Forensic Pathology / Health authorities / SAPS: statutory custody, identification, tracing and release processes.

SCM and Finance: lawful provider appointment, budget control, purchase orders and payment.

Service provider: performs only the basic service authorised in writing.

Implementation responsibility rests with Community Services and the designated Cemeteries function.

Governance and financial controls

Theewaterskloof Municipality

No fixed rand-value entitlement is created by the policy; municipal liability is limited to the contracted or lawfully approved rate.

Only a delegated official may approve assistance or expenditure.

Only lawfully appointed and compliant funeral undertakers may be used.

Payment requires an approved case, valid purchase order or lawful emergency record, invoice and proof of service.

Each case receives a unique reference and complete supporting file.

A destitute/pauper burial register supports traceability, reconciliation and audit.

Key risks and mitigation

Risk area	Possible exposure	Policy mitigation
Financial	Unbudgeted demand / inappropriate assistance	Basic package, means verification, contracted rates and budget control
Governance	Fraud, inconsistent decisions or unauthorised commitments	Prescribed criteria, affidavits, delegated approval and written instructions
Legal / operational	Delay or incorrect handling of unclaimed bodies	Coordination with Forensic Pathology, SAPS and health authorities
Audit / reputation	Incomplete records or inability to trace expenditure	Case files, burial register and reconciliation

Recommendations to Council

Theewaterskloof Municipality

1. Adopt the Policy for the Burial or Cremation of Destitute and Pauper Persons.
2. Designate the Directorate: Community Services, through the Cemeteries or other Council-designated function, as responsible for implementation.
3. Require all applications to follow the prescribed qualification, verification, delegated approval and procurement processes.
4. Ensure reasonable annual budget provision and procurement arrangements for qualifying cases.
5. Maintain a Destitute and Pauper Burial Register and monitor expenditure, exceptional cases and implementation risks.
6. Review the Policy when legislation, delegations, procurement arrangements or material operational circumstances change.

THEEWATERSKLOOF MUNICIPALITY

POLICY

BURIAL OR CREMATION OF DESTITUTE & PAUPER PERSONS

Policy title	Policy for the Burial or Cremation of Destitute & Pauper Persons
Director responsible	Director: Community Services
Responsible function	Cemeteries / designated Community Services function
Version	1
Status of document	Draft
Effective date	Date of Council approval
Review date	As determined by Council / when legislative or operational changes require

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1. DEFINITIONS

Term	Definition
Applicant	any person, next of kin, authorised representative, welfare organisation or authorised state official who seeks municipal assistance to bury or cremate a deceased person.
Authorised official	an employee assigned or delegated to carry out a duty, exercise a power or make a recommendation in terms of this Policy.
Cemeteries Coordinator	the official responsible for coordinating cemetery matters on behalf of the Municipality.
Council	the Municipal Council of Theewaterskloof Municipality.
Destitute person	a deceased person whose body is claimed, but whose estate, funeral benefits and family or household resources are insufficient to provide a basic burial or cremation and where no other person, NGO, religious or welfare organisation is able to meet the cost.
Funeral benefit	any funeral or life policy, burial society, employer or pension benefit, estate asset or other amount reasonably available to meet funeral costs.
Health Officer	the health officer contemplated in the applicable regulations under the National Health Act, 2003.
Municipality	Theewaterskloof Municipality.
Next of kin	the person or persons recognised in applicable law or regulations as entitled to consent to or claim release of the body.
Pauper	an unclaimed or unidentified deceased person whose body is dealt with through the competent forensic or health authority and for whom the Municipality bears responsibility for burial or cremation under applicable law.
Public grave	a grave allocated by the Municipality for a qualifying burial in accordance with the municipal cemetery by-law.
Service provider	a funeral undertaker or supplier lawfully appointed by the Municipality in accordance with applicable procurement requirements.

2. PROBLEM STATEMENT

2.1 Local government has a constitutional and statutory responsibility in relation to cemeteries, crematoria and funeral parlours and must facilitate the lawful and dignified interment of human remains where the Municipality is the appropriate authority.

2.2 The Municipality may receive requests relating both to claimed deceased persons who died in destitute circumstances and to unclaimed or unidentified deceased persons. A clear policy is required to ensure consistent, speedy and financially responsible decision-making.

2.3 The criteria applicable to destitute burials necessarily differ from ordinary indigent relief because a deceased body must be dealt with within reasonable timeframes and subject to health and forensic requirements.

2.4 Effective implementation requires cooperation between the Municipality, Western Cape Forensic Pathology Service, SAPS, the relevant District Municipal Health Service, Home Affairs and appointed funeral undertakers.

3. DESIRED OUTCOMES

- Provide a basic, dignified and lawful burial or cremation for qualifying deceased persons.
- Apply simple, transparent and consistent qualification criteria.

- Distinguish between claimed destitute cases and unclaimed or unidentified pauper cases.
- Ensure municipal assistance remains a measure of last resort.
- Provide an auditable process for approval, procurement, burial/cremation, payment and recordkeeping.

4. POLICY PARAMETERS

4.1 This Policy applies within the geographical jurisdiction of Theewaterskloof Municipality and to cemeteries under its control.

4.2 It applies to destitute deceased persons whose bodies are claimed and to pauper/unclaimed or unidentified bodies where the Municipality is required or authorised to act.

4.3 This policy applies to all destitute or pauper persons who meet the criteria set out in this policy, irrespective of whether the body of the deceased person is claimed or not by the deceased's next of kin or relative, any other person, NGO, religious or welfare organisation.

4.4 Assistance under this Policy is not an automatic entitlement and is subject to assessment, delegated approval, available budget and applicable law.

5. ROLE PLAYERS AND STAKEHOLDERS

Role player	Responsibility
Cemeteries Coordinator / designated Community Services official	Receives and investigates applications, verifies supporting information, makes a recommendation, coordinates approved burials and maintains records.
Director: Community Services or delegated official	Considers and approves or refuses applications in accordance with Council delegations and ensures implementation of the Policy.
Forensic Pathology Service	Performs statutory functions relating to custody, identification and lawful release of bodies.
District Municipal Health Service / Health Officer	Performs applicable municipal health functions and statutory functions concerning human remains.
SAPS	Performs relevant investigation, identification and tracing of next of kin and supplies supporting documentation where required.
Supply Chain Management / Finance	Ensures lawful procurement, budget control, purchase orders and payment of authorised expenditure.
Ward Councillor	May assist with community verification but may not approve an application or commit municipal funds.
Service provider	Provides only the basic services authorised in writing by the Municipality.

6. REGULATORY CONTEXT

- Constitution of the Republic of South Africa, 1996 – Part B of Schedule 5;
- Local Government: Municipal Systems Act 32 of 2000;
- Local Government: Municipal Finance Management Act 56 of 2003;
- National Health Act 61 of 2003;
- Regulations relating to the Management of Human Remains, 2013, as amended or replaced;
- Regulations regarding the Rendering of Forensic Pathology Service, 2007, as amended or replaced;
- Regulations concerning the general control of human bodies, tissue, blood, blood products and gametes, as applicable;
- Theewaterskloof Municipality Cemeteries and Crematoriums By-law, 2015, as amended or replaced;
- Theewaterskloof Municipality Supply Chain Management Policy and Council's system of delegations.

Where this Policy conflicts with legislation or binding regulations, the legislation or regulation prevails.

7. POLICY DIRECTIVE AND QUALIFICATION CRITERIA

7.1 A qualifying deceased person may be buried or cremated at a cemetery or crematorium determined by the Municipality.

7.2 A claimed deceased person may qualify as destitute where, after reasonable verification:

- the deceased was ordinarily resident within Theewaterskloof Municipality, or the Municipality is otherwise the appropriate authority to act;
- the deceased did not leave sufficient cash, estate assets or other readily available resources to fund a basic burial;
- no funeral policy, life policy, burial society, employer or other death benefit is reasonably available to meet the basic cost;
- no next of kin or person with a legal duty of support and sufficient means can reasonably meet the cost; and
- no other person, religious organisation, NGO, welfare organisation or state programme has undertaken to meet the basic cost.

7.3 The applicant bears the responsibility to make full disclosure and provide reasonable proof of destitution. The prevailing State old-age/disability grant level, municipal indigent status or another Council-approved means indicator may be used as a practical screening tool, but must be considered with the total circumstances.

7.4 A person may not be refused solely because the deceased was not registered as an indigent consumer.

7.5 In an unclaimed or unidentified pauper case, the required documentation from Forensic Pathology, SAPS and/or the Health Officer substitutes for an ordinary household means assessment where such assessment is impossible or irrelevant.

7.6 Where an emergency, public-health risk or statutory obligation requires immediate action, the delegated authority may authorise departure from ordinary documentary requirements to the minimum extent necessary, provided reasons are recorded and the file is completed as soon as practicable.

8. MUNICIPAL AND FORENSIC SERVICES OBLIGATIONS

The Municipality's obligation is limited to a basic and dignified service, subject to the approved procurement arrangement and budget. It may include:

- Transport to and from the appointed service provider's mortuary to the cemetery or crematorium.
- Transport to and from the forensic services mortuary to the cemetery or crematorium & no funeral service will be offered.
- In the circumstances where no relative of the deceased or other person or entity has claimed the deceased's body, no service will be provided, and transport will be limited to a trip from the mortuary to the cemetery or the crematorium.
- Provision of a biodegradable non-emission type coffin.
- Provision of a public grave; or cremation & the Municipality's workers will be responsible for the digging and filling of graves.

9. CONDITIONS OF BURIAL OR CREMATION

- At least two working days' notice after approval should ordinarily be allowed where practicable.
- Burials or cremations will ordinarily take place on weekdays during approved operating hours, excluding public holidays.
- No memorial work or tombstone will be provided at municipal cost.
- Qualifying burials may be accommodated in any appropriate section of a municipal cemetery and at a cemetery determined by the authorised official.
- The Municipality determines the grave allocation, date and time, subject to reasonable lawful religious or cultural accommodation that does not create additional municipal cost.

10. APPLICATION PROCEDURE AND ASSESSMENT

10.1 An application must be submitted to the Municipality on the prescribed form.

10.2 The applicant must, where applicable and reasonably available, provide:

a) ID Document of the diseased & applicant. In cases of Foreign Nationals, a copy of a valid Passport or valid relevant documents (Validity stamp/ VISA) of the deceased must be provided by the applicant.
b) Death Certificate BR5.
c) Letter from Local Councillor.
d) Proof of residence of the deceased
e) Letter from the Department of Social Services, confirming the socio-economic status of the family will be verified by the social worker/social auxiliary worker and a report will be submitted for approval.
f) Affidavit from next of kin/family, neighbour or friend, which must indicate the following: The relationship of person giving the affidavit, indicating his/her ID number and place of residence & the permission to surrender the body to the local authority to deal with it in a way as guided by this policy and its by-laws.
g) Affidavit from the applicant/s declaring socio-economic status
h) Affidavit declaring identity of the deceased if he/she did not have an identity
i) Copy of latest pay slip recent 3 months bank statement of the applicant. (An affidavit by applicant if no bank account.)

10.3 Residents who passed away outside the boundaries of the Municipality will be assisted with destitute burial provided that the family bears the transport costs from the place of death.

10.4 The applicant must complete and sign the application form, and confirm the information supplied therein by means of an affidavit and is required to depose to the affidavit by way of an oath or affirmation in the presence of a Commissioner of Oaths.

10.5 The authorised official within Community Service Directorate of the municipality, will provide a recommendation for either the granting or refusal of the application for a destitute burial or cremation.

10.6 Authorised official within Community Services Directorate of the Municipality in question has discretion to provide an alternative recommendation of either a burial or cremation, where the application for either a burial or cremation cannot be granted but where the alternative option is available instead.

10.7 Where an application is refused or where an alternative recommendation is made, reasons must be provided to the applicant.

10.8 The applicant has a right of appeal and may appeal against that decision in terms of section 62 of the Local Government: Municipal Systems Act (Act No. 32 of 2000).

10.9 Authorised official within the Municipality under Community Services, may on reasonable grounds interview or call for a statement under oath, or relevant documentation, from the next of kin, relative, other person, NGO or welfare organisation.

11. APPROVAL AND APPEALS

11.1 Only an official with the necessary delegated authority may approve municipal assistance or expenditure under this Policy.

11.2 A Ward Councillor may support or verify an application but may not approve a destitute or pauper burial on behalf of the Municipality.

11.3 Where an application is refused or an alternative recommendation is made, the applicant must be informed of the material reasons.

11.4 An affected person may exercise any applicable right of appeal in terms of section 62 of the Municipal Systems Act, subject to the Municipality's current delegations and administrative processes.

12. SERVICE PROVIDER AND PROCUREMENT

12.1 Only a funeral undertaker lawfully appointed in accordance with the Municipality's SCM Policy and holding the certificates required by applicable health legislation may provide services.

12.2 The appointed service provider may be required to:

- Register the death with Home Affairs Department to obtain death certificate.
- Book the burial or cremation at the relevant cemetery or crematorium.
- Collect the body from the relevant mortuary.
- Provide a biodegradable non-emission type coffin.
- Where a service is required, transport the deceased to a church or other place of worship or to a house for a simple, dignified service and then to the cemetery or crematorium.

12.3 A cemetery official must record the grave number and application number in a destitute burial register together with any personal information provided regarding the deceased.

12.4 The premise from which the undertaker operates is zoned in accordance with planning for such a business.

12.5 Funeral Undertaker in possession of a valid Certificate of Compliance service providers from a panel list of the municipality on rotational basis will be sourced to provide a burial service.

12.6 No service rendered without prior municipal approval and a valid written instruction/purchase order will be paid, except where a lawful emergency procurement process applies.

13. COST AND FINANCIAL CONTROLS

13.1 The maximum municipal liability per case will be the applicable contracted rate or other amount lawfully approved through the Municipality's procurement and budgeting processes. This Policy does not create a fixed rand-value entitlement.

13.2 No cash contribution or reimbursement will be made to an applicant or family.

13.3 Payment may only be processed against an approved case, valid purchase order or lawful emergency procurement record, invoice and proof of service.

13.4 Community Services and Finance must maintain sufficient records to reconcile approved cases, purchase orders, invoices and burial/cremation records.

14. RULES AND EXCLUSIONS

- No municipal funding will be provided for food, catering, tents, chairs, flowers, clothing, transport of mourners, clergy fees, programmes, memorial services or tombstones.
- No upgraded coffin, premium vehicle or additional funeral package will be provided at municipal cost.
- Municipal assistance will not ordinarily be granted where sufficient funeral insurance, estate resources or another responsible funding source exists.
- No applicant, Councillor or service provider may commit the Municipality to expenditure without delegated approval.
- Any privately requested additional service must be separately contracted and paid for by the family and must be clearly separated from the Municipality's liability.
- False information, concealment of a funeral benefit or material misrepresentation may result in refusal, recovery of municipal expenditure and/or referral for investigation.

15. IMPLEMENTATION

15.1 The Community Services Directorate is responsible for implementation of this Policy through the function designated by Council and the Municipality's approved organisational arrangements.

15.2 This Policy takes effect on the date of Council approval.

16. MONITORING, EVALUATION AND REVIEW

- A unique application/case number must be allocated to each request.
- The details of every approved burial or cremation must be recorded in a destitute/pauper burial register, including available identifying information, date, cemetery and grave or cremation reference.
- A case file must be maintained containing the application, supporting documents, assessment, decision, procurement records, invoice and proof of burial/cremation.
- Community Services must monitor applications, expenditure, exceptional cases and incomplete files and report material trends or risks to the Director.
- The Policy must be reviewed when legislative, delegation, procurement or material operational changes require, or in accordance with the Council-approved review cycle.

ANNEXURE A: APPLICATION AND ASSESSMENT FORM

Application / Case No.: _____ Date received: _____

A. Applicant details

Full name and surname	
ID / Passport number	
Relationship to deceased	
Residential address	
Contact number	

B. Deceased details

Full name and surname (if known)	
ID / Passport number (if known)	
Date of death	
Place of death	
Last residential address	
Current mortuary / forensic facility	

C. Financial declaration

Funeral / life policy or burial benefit available? YES / NO

Estate funds or assets sufficient for basic burial? YES / NO

Financially able next of kin / responsible person? YES / NO

Other organisation/person able to pay? YES / NO

SASSA grant / municipal indigent status? YES / NO / UNKNOWN

I declare that the information supplied is true and complete and consent to reasonable verification by the Municipality.
Applicant signature: _____ Date: _____

D. Official assessment

Classification: ☐ Claimed destitute ☐ Unclaimed pauper ☐ Unidentified ☐ Exceptional

Findings / verification:

_____

_____

Recommendation: ☐ Approve ☐ Refuse ☐ Alternative arrangement
Reasons: _____

Assessing official: _____ Signature: _____ Date: _____

E. Decision

Decision: ☐ Approved ☐ Refused ☐ Approved as exception
Approved service: _____

Delegated official: _____ Signature: _____ Date: _____

ANNEXURE B: DOCUMENT CHECKLIST

Document / control	Received	N/A	Notes
Applicant identification			
Deceased identification / unknown reference			
Death certificate / burial order / notice			
Proof of residence / jurisdiction			
Income / SASSA / indigent evidence			
Funeral benefit / estate declaration			
Applicant affidavit			
Community / social verification if required			
Forensic Pathology documentation if applicable			
SAPS / Health Officer documentation if applicable			
Official assessment and recommendation			
Delegated approval/refusal			
SCM allocation / purchase order			
Invoice and proof of service			
Cemetery / grave / cremation reference			

File checked by: _____ Signature: _____ Date: _____

ITEM TITLE

C226/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LOCAL ECONOMIC DEVELOPMENT: REVISION OF THE TOURISM STRATEGY FOR THEEWATERSKLOOF MUNICIPALITY

[English version of the report is the original]

FILE NUMBER

17/16/1/3

PURPOSE OF REPORT

The aim of this item is for council to provide comments and input on the preliminary analysis of the tourism strategy and the tourism framework at Theewaterskloof Municipality.

BACKGROUND

Theewaterskloof Municipality recognizes tourism as a key factor in promoting economic development. The industry has the ability to generate much needed job opportunities for residents and various primary stakeholders active in tourism such as in accommodation, food & beverage services, tour guiding and artisanal crafts. Urban -Econ Development Economists (Pty) Ltd was appointed through the supply chain management process as the service provider responsible for reviewing the tourism strategy for Theewaterskloof Municipality.

DISCUSSION

The Municipality has realised that tourism has potential and is a vital factor for economic development. This is detailed tourism strategy whose aim is to outline initiatives to educate and empower local communities, encouraging their active involvement in the tourism industry. Furthermore, the strategy offers a framework for infrastructure projects intended to enhance overall experience for visitors. These projects might involve improvements of transportation systems, upgrades to public spaces, and the conservation of cultural and natural heritage sites. Such investments would not only address tourist needs but also improve the quality of life for residents.

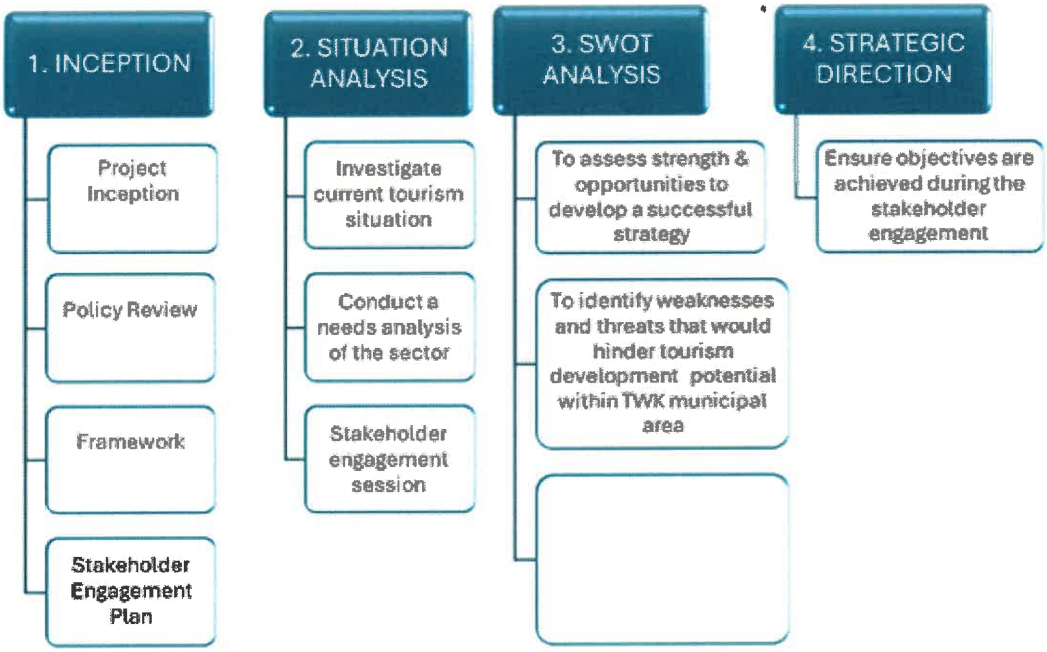
The working group discussion with Senior Management within the municipality about the tourism strategy focused on several key initiatives to rejuvenate and stimulate the local tourism sector. Management suggested a diverse approach that includes boosting tourism representation and marketing initiatives, alongside providing municipal assistance to the tourism industry. This support is crucial for overcoming various challenges encountered by the tourism sector, challenges such as the requirement for enhanced tourism signage and the rise of new tourism markets, such as conferences, weddings and adventure tourism.

A major concern raised during the discussion was how town planning challenges impact investments in tourism. Moreover, the general maintenance of towns and the safety of these areas, which are currently experiencing deterioration, as some of the factors that influence the areas appeal to prospective tourists. Therefore, the strategy encourages cooperation among internal municipal departments to effectively tackle the issues as a collective.

The conversation also highlighted the need to preserve natural resources such as Caledon wildflower garden. The flower garden has the potential to attract visitors, and to ensure the safety of tourists during outdoor activities such as mountain biking and hiking, both of which are essential for long-term tourism sustainability. A suggestion for a comprehensive tourism audit was made to assess the existing tourism infrastructure. Additionally, engaging in cultural leaders and promoting heritage tourism and local events were considered vital for enriching the tourist experience and involving the community. To cultivate a successful tourism sector requires initiatives that aimed at developing the local economy, enhancing skills development, and forming partnerships with tourism organisations such as FEDHASA (Federated Hospitality Association of Southern Africa) and CATHSETA (Culture, Arts, Tourism, Hospitality, and Sport Education Training Authority) would also be explored. These alliances could promote resource sharing and lend support to local businesses operating in tourism.

In summary, the proposal from management illustrates a strategic vision aimed not to just at enhancing tourism but also at fostering a sustainable economic environment that benefits both visitors and residents alike.

The tourism strategy is following the below methodology:



As part of the consultation process with all the primary stakeholders we aim to get more insight and solicit input in the development of the tourism strategy. Doing presentations to council is to get support and be guided in alignment of the tourism activities and projects towards the municipal strategic objectives and goals reflected in the municipal IDP document.

The expected outcomes from the presentation that:

- Council to take note of the tourism situation analysis in Theewaterskloof area.
- Input is solicited from Council on the findings as per situation analysis that would assist in improving and developing tourism in Theewaterskloof municipal Area.
- Understand the importance of private -public partnership in tourism development.

Implementation priorities to be considered to address tourism challenges as per draft strategy.

- Establish a tourism working committee
- Develop a comprehensive tourism database
- Tourism Audit
- Enhance tourism signage
- Enhance community-based tourism
- Leverage Agri - tourism opportunities
- Establish a strong tourism brand for Theewaterskloof
- Promote cultural & heritage tourism

Attached hereto Annexure 1: Draft Tourism Strategy for discussion with council to obtain input to the finalisation of the revision of the tourism strategy aligned to Councils Strategic Objectives.

COMMENTS: OFFICE OF THE MUNICIPAL MANAGER

The recommendations are supported.

COMMENTS FROM THE DIRECTORATE FINANCE

The strategy will assist the municipality in their Revenue enhancement strategy, however key action plans that are achievable need to be developed with set timeliness.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Report supported.

COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES

Content of the report is noted.

COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES

Noted the content of the item.

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

The Tourism Strategy will provide a diverse approach to boost tourism in the Municipality and is supported for submission.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

The Tourism Strategy will provide a diversified approach towards boosting tourism in the Municipality. It is supported for submission to Council.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)

Content of the report is noted.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (PUBLIC SAFETY)

Content of the report is noted.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None, as the process is a continuation of the appointment which was done in line with the supply chain management process.

LEGAL IMPLICATIONS (ITEM AUTHOR)

As per legal framework guiding tourism in South Africa, i.e. Constitution of South Africa, Section 152 and 153, The National Tourism Act (2014), the National Tourism Implementation Plan, The Western Cape Tourism Act.

COMMENTS FROM INTERNAL AUDIT

No comments.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

In absence of a revised tourism plan addressing the current situation may lead to the municipality and external stakeholders not capitalising on the benefits of tourism. Furthermore, the lack of an updated "roadmap" for tourism leads to tourism development and promotion being addressed in an ad-hoc manner which is not beneficial to the local area.

COMMENTS FROM LEGAL SERVICES

The item is supported.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council provides comments and reviews of the development of the tourism strategy situation analysis and framework for Theewaterskloof Municipal area to ensure alignment to the municipal strategic objectives and goals reflected in the municipal IDP document.

RECOMMENDATION BY MANAGEMENT TO COUNCIL WORKSHOP: 6 MARCH 2025

It is recommended that Council provides comments and reviews of the development of the tourism strategy situation analysis and framework for Theewaterskloof Municipal area to ensure alignment to the municipal strategic objectives and goals reflected in the municipal IDP document.

DISCUSSION DURING THE MEETING:

Councillor CA Benjamin

- In terms of the profiling, need to relook at Tesselaarsdal to ensure that we can have a clear/true reflection of the area.

Alderman MR Nongxaza

- Funding for tourism must be included in the Budget Funding Plan.

Alderman BB Mkhwibiso

- Need to find out by each town what is their need.
- All our local people must perform their talent.

RECOMMENDATION BY WORKSHOP TO COUNCIL: 10 APRIL 2025

It is recommended that Council review the development of the tourism strategy situation analysis and framework for Theewaterskloof Municipal area to ensure alignment to the municipal strategic objectives and goals reflected in the municipal IDP document.

RESOLVED BY COUNCIL: 30 APRIL 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 Alderman MR Nongxaza, it was resolved as follows:

That the agenda-item be referred back and that the restoration of the local tourism offices be included in the strategy as well as the funding thereof in the budget.

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

Comments from Directorate - August 2026

Council's resolution dated 30 April 2025 recognised the important role that local tourism offices have historically played in destination marketing and visitor servicing. Administration fully acknowledges the value of tourism information centres in supporting visitors, local tourism enterprises and destination management.

Subsequent to Council's resolution, the Tourism Section engaged with the Budget and Treasury Office during the preparation of both the 2025/2026 Adjustment Budget and the 2026/2027 Medium-Term Revenue and Expenditure Framework (MTREF) to determine the financial feasibility of restoring local tourism offices.

Despite formal budget submissions and motivations, no funding was approved due to the Municipality's ongoing financial constraints and the prioritisation of essential municipal services. The Municipality continues to operate under severe financial pressure, requiring available resources to be directed towards statutory obligations, infrastructure maintenance, basic service delivery, employee-related costs and the implementation of the Financial Recovery Plan.

The establishment and operation of local tourism offices would require significant recurring operational expenditure, including but not limited to:

- Rental or municipal facilities;
- Office equipment and furniture;
- Information technology infrastructure;
- Staffing and operational personnel;

- Marketing material and visitor information resources;
- Utilities, maintenance and security;
- Ongoing operational and administrative costs.

In the absence of an approved operational budget, the restoration of tourism offices is therefore not financially viable at this stage. Establishing offices without sustainable operational funding would expose the Municipality to unfunded expenditure and create service delivery expectations that cannot be maintained over the medium to long term.

When Council's financial position improves, the strategy will be amended to incorporate the restoration of local tourism offices as part of a phased implementation plan, subject to affordability, sustainability and Council approval.

When Council's financial position improves, the tourism strategy would be amended to incorporate the funding of LTO's.

In absence of an approved tourism strategy and funding, the department has implemented several components aligned to the Tourism Strategy through innovative, cost-effective and partnership-based approaches that require minimal financial resources.

These initiatives include:

- Maintaining and updating the municipal tourism website as a destination marketing platform;
- Coordinating and publishing monthly tourism and events calendars;
- Marketing local events through municipal social media platforms;
- Developing destination marketing content through digital campaigns and promotional videos (vlogs);
- Participating in regional tourism forums and destination marketing initiatives coordinated by District, Provincial and National tourism partners;
- Supporting tourism stakeholders through stakeholder engagement sessions and tourism working groups;
- Promoting local events, agri-tourism, heritage tourism and community tourism opportunities through collaborative marketing;
- Facilitating partnerships with tourism organisations, local businesses and tourism associations;
- Assisting tourism operators through networking, information sharing and investment facilitation;

- Pursuing external grant funding and partnership opportunities to finance future tourism development projects and destination marketing initiatives.

These measures have enabled the Municipality to continue promoting Theewaterskloof as a tourism destination despite the absence of dedicated operational funding for local tourism offices.

Administration remains committed to implementing the Tourism Strategy incrementally, subject to available financial resources and external funding opportunities. The Strategy therefore places greater emphasis on partnership-driven destination management, digital marketing, stakeholder collaboration and external resource mobilisation rather than establishing permanent municipal tourism offices at this time.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council:

1. **Notes the Council Resolution of 30 April 2025 whereby the Draft Tourism Strategy was referred back for the inclusion of local tourism offices and the funding thereof within the municipal budget.**

2. **Notes that, despite formal budget submissions during the 2025/2026 Adjustment Budget and the 2026/2027 MTREF budget processes, no funding could be allocated due to the Municipality's current financial constraints and competing statutory service delivery priorities.**

3. **Acknowledges that the restoration and operation of municipal tourism offices is presently not financially viable in the absence of sustainable operational funding.**

4. **Notes the alternative tourism promotion and destination marketing initiatives undertaken by the Municipality through digital marketing, stakeholder partnerships, regional collaboration and external funding applications to ensure continued tourism promotion within existing resource limitations.**

5. **Approves the revised Tourism Strategy and its phased implementation approach, which aligns tourism development initiatives with available municipal resources and future external funding opportunities.**

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 26 AUGUST 2026

Management resolved that the Draft Tourism Strategy be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council:

1. **Notes the Council Resolution of 30 April 2025 whereby the Draft Tourism Strategy was referred back for the inclusion of local tourism offices and the funding thereof within the municipal budget.**

2. **Notes that, despite formal budget submissions during the 2025/2026 Adjustment Budget and the 2026/2027 MTREF budget processes, no funding could be allocated due to the Municipality's current financial constraints and competing statutory service delivery priorities.**

3. **Acknowledges that the restoration and operation of municipal tourism offices is presently not financially viable in the absence of sustainable operational funding.**

4. **Notes the alternative tourism promotion and destination marketing initiatives undertaken by the Municipality through digital marketing, stakeholder partnerships, regional collaboration and external funding applications to ensure continued tourism promotion within existing resource limitations.**

5. **Approves the revised Tourism Strategy and its phased implementation approach, which aligns tourism development initiatives with available municipal resources and future external funding opportunities.**

ITEM TITLE

C227/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LOCAL ECONOMIC DEVELOPMENT: DRAFT THEEWATERSKLOOF MUNICIPAL EXPANDED WORKS POLICY FOR 2026 - 2031

[English version of the report is the original]

FILE NUMBER

16/12/B

PURPOSE OF REPORT

The purpose of this report is to submit the draft Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy (2026/27–2030/31) to the Management Committee for consideration and approval in principle prior to submission to the Executive Management Team, the relevant Council Committees and ultimately Council for adoption.

The report further seeks Management's endorsement of the institutionalisation of the Expanded Public Works Programme (EPWP) across all municipal directorates to strengthen governance, improve compliance with the national EPWP framework, maximise employment creation opportunities and enhance the Municipality's ability to access and retain EPWP Incentive Grant funding.

BACKGROUND

The Expanded Public Works Programme (EPWP) is one of the Government of South Africa's flagship public employment programmes aimed at reducing unemployment, alleviating poverty, developing skills and improving service delivery through labour-intensive methods.

The Department of Public Works and Infrastructure (DPWI) requires municipalities to institutionalise EPWP within their organisational structures and planning processes to ensure that employment creation is integrated into municipal service delivery programmes.

Theewaterskloof Municipality currently implements various EPWP projects across several directorates. While these initiatives contribute significantly towards temporary employment creation and community development, the Municipality does not currently have a comprehensive Council-approved EPWP Implementation Policy that provides a standardised governance framework for planning, recruitment, implementation, monitoring, reporting and compliance.

The absence of a formal policy presents challenges in ensuring consistency across directorates, institutional accountability, standardised recruitment practices, compliance with legislative requirements and effective utilisation of EPWP Incentive Grant funding.

To address these gaps, a comprehensive EPWP Implementation Policy has been developed to provide a single governance framework aligned with:

- National EPWP Phase 5 Framework;
- EPWP Ministerial Determination;
- Department of Public Works and Infrastructure Guidelines;
- Municipal strategic objectives;
- Theewaterskloof Municipality's Integrated Development Plan (IDP);
- Service Delivery and Budget Implementation Plan (SDBIP);
- Municipal Performance Management System; and
- Long-Term Financial Plan.

The draft policy has also been designed to strengthen governance and internal controls by introducing standard operating procedures, recruitment methodologies, monitoring tools, reporting templates, risk management measures and audit compliance mechanisms.

DISCUSSION

The proposed EPWP Implementation Policy seeks to institutionalise EPWP as a cross-cutting municipal programme rather than limiting responsibility to a single directorate.

The policy clearly defines the governance structures, institutional responsibilities and accountability mechanisms required to ensure effective programme implementation.

Key provisions contained within the policy include:

Governance

The establishment of an EPWP Steering Committee chaired by the Municipal Manager to oversee strategic implementation, monitor performance and facilitate interdepartmental coordination.

Roles and Responsibilities

Clear roles are assigned to:

1. Council;
2. Executive Mayor (Political Champion);
3. Municipal Manager (Administrative Champion);
4. Directors;
5. Manager: Economic Development, Tourism and EPWP (Administrative Oversight and Coordination);
6. EPWP Coordinator;

7. Human Resources;
8. Supply Chain Management;
9. Finance; and
10. Implementing Departments.

Recruitment

The policy introduces a transparent recruitment methodology based on the Municipal Unemployment Database to promote fairness, equity and accountability while ensuring compliance with demographic targets prescribed by the EPWP framework.

Planning

The policy requires all directorates to identify labour-intensive projects during the annual planning and budgeting cycle and integrate EPWP targets into Directorate Business Plans, the SDBIP and performance agreements.

Monitoring and Reporting

The policy establishes uniform monthly, quarterly and annual reporting requirements, standard reporting templates and compliance monitoring mechanisms to improve the quality and reliability of EPWP performance information.

Risk Management

A comprehensive risk management framework has been incorporated to identify, assess and mitigate strategic and operational risks associated with EPWP implementation, including risks related to recruitment, grant compliance, reporting and audit findings.

Financial Management

The policy introduces measures to strengthen financial governance by providing clear procedures for budgeting, grant administration, expenditure monitoring, financial reporting and document retention.

Training and Capacity Building

Provision has been made for structured induction, technical training, life-skills development and accredited training opportunities to improve participant employability and support sustainable livelihoods.

Standard Operating Procedures

The policy includes detailed annexures containing operational templates, including:

- Recruitment Standard Operating Procedure;
- Selection Committee Terms of Reference;
- Steering Committee Terms of Reference;
- Unemployment Database Registration Form;
- Monthly and Quarterly Reporting Templates;

- Risk Register;
- Attendance Registers;
- Project Proposal Templates;
- Induction Checklist;
- Site Inspection Checklist;
- Project Close-Out Report;
- Monitoring and Evaluation Checklist;
- EPWP Phase 5 Compliance Checklist; and
- Council Resolution Template.

These annexures will promote consistency in implementation across all municipal directorates and improve audit readiness.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The implementation of the policy will be undertaken within approved budget allocations and available EPWP Incentive Grant funding.

No additional immediate financial implications arise from the adoption of the policy. Future EPWP projects and associated budget requirements will continue to be considered through the Municipality's normal budgeting, IDP and MTREF processes.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The draft policy has been developed in accordance with the following legislative and regulatory framework:

- Constitution of the Republic of South Africa, 1996;
- Municipal Systems Act, 2000 (Act 32 of 2000);
- Municipal Finance Management Act, 2003 (Act 56 of 2003);
- Division of Revenue Act (as amended annually);
- Expanded Public Works Programme Ministerial Determination;
- Basic Conditions of Employment Act, 1997;
- Labour Relations Act, 1995;
- National Minimum Wage Act, 2018;
- Occupational Health and Safety Act, 1993;
- Compensation for Occupational Injuries and Diseases Act, 1993;
- Skills Development Act, 1998;

- Protection of Personal Information Act, 2013 (with respect to the Unemployment Database);
- National Development Plan 2030;
- National EPWP Phase 5 Framework;
- Integrated Development Plan of Theewaterskloof Municipality;
- Service Delivery and Budget Implementation Plan (SDBIP);
- Municipal Performance Management Framework; and
- Applicable Council-approved policies.

Implementation of the policy will further assist the Municipality in complying with Department of Public Works and Infrastructure reporting requirements and the conditions attached to EPWP Incentive Grant funding.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Failure to adopt and implement the EPWP Implementation Policy may result in:

- Inconsistent implementation of EPWP across municipal directorates;
- Weak governance and accountability;
- Increased risk of non-compliance with EPWP legislative and grant requirements;
- Loss or reduction of EPWP Incentive Grant funding;
- Adverse audit findings due to inadequate documentation and reporting;
- Inequitable recruitment practices and reputational risk;
- Missed employment creation opportunities;
- Poor coordination between directorates;
- Reduced institutional capacity to monitor programme performance; and
- Failure to achieve municipal employment creation targets.

Implementation of the policy will mitigate these risks by establishing clear governance arrangements, standard operating procedures, defined responsibilities and strengthened monitoring and reporting mechanisms.

RECOMMNDATION BY ITEM AUTHOR:

It is recommended that Management:

1. **Consider the draft Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy (2026/27–2030/31) attached as Annexure A.**
2. **Recommend that the draft policy be circulated to all Directorates for final internal consultation and comment.**

3. **Recommend that the draft policy be submitted to the relevant Portfolio Committee and thereafter to Council for consideration and adoption.**
4. **Support the institutionalisation of the Expanded Public Works Programme across all municipal directorates through the governance structures and implementation mechanisms contained in the policy.**
5. **Recommend that, upon Council approval, the Municipal Manager be authorised to implement the policy and issue any necessary Standard Operating Procedures and administrative directives to facilitate its effective implementation.**

RECOMMENDATION BY MANAGEMENT TO THE ECONOMIC DEVELOPMENT COMMITTEE: 16 JULY 2026

1. **Management noted the draft Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy (2026/27–2030/31) attached as Annexure A.**

It is recommended:

2. **That the draft policy be circulated to all Directorates for final internal consultation and comment.**
3. **That the draft policy be submitted to the relevant Portfolio Committee and thereafter to Council for consideration and adoption.**
4. **Support the institutionalisation of the Expanded Public Works Programme across all municipal directorates through the governance structures and implementation mechanisms contained in the policy.**
5. **That upon Council approval, the Municipal Manager be authorised to implement the policy and issue any necessary Standard Operating Procedures and administrative directives to facilitate its effective implementation.**

RECOMMENDATION BY THE ECONOMIC DEVELOPMENT COMMITTEE TO A COUNCIL POLICY WORKSHOP: 06 AUGUST 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor TP Lemina and seconded by Councillor CA Benjamin, it was recommended as follows:

1. **The Economic Development Portfolio Committee notes the draft Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy (2026/27–2030/31) attached as Annexure A.**

It is recommended:

2. **That the draft policy be circulated to all Directorates for final internal consultation and comment.**

3. **That the draft policy be submitted to a Council Policy Workshop and thereafter to Council for consideration and adoption.**
4. **That Council supports the institutionalisation of the Expanded Public Works Programme across all municipal directorates through the governance structures and implementation mechanisms contained in the policy.**
5. **That upon Council approval, the Municipal Manager be authorised to implement the policy and issue any necessary Standard Operating Procedures and administrative directives to facilitate its effective implementation.**
6. **That all Directorates incorporate EPWP targets into their annual Business Plans and SDBIP's.**

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That Council notes the draft Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy (2026/27–2030/31) attached as Annexure A.**
2. **That the draft policy be circulated to all Directorates for final internal consultation and comment.**
3. **That the draft policy be submitted to Council for consideration and adoption.**
4. **That Council supports the institutionalisation of the Expanded Public Works Programme across all municipal directorates through the governance structures and implementation mechanisms contained in the policy.**
5. **That upon Council approval, the Municipal Manager be authorised to implement the policy and issue any necessary Standard Operating Procedures and administrative directives to facilitate its effective implementation.**
6. **That all Directorates incorporate EPWP targets into their annual Business Plans and SDBIP's.**

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

2021/22 Presentation → 2026 Draft Implementation Policy

A simple comparison of what stayed the same, what changed, and what the new policy means for Theewaterskloof Municipality

2026/27 – 2030/31 | Council / Management briefing | Focus: implementation

Prepared from the supplied 2021/22 EPWP presentation and 2026 draft policy

EXPANDED PUBLIC WORKS PROGRAMME

Presentation roadmap

The presentation keeps the earlier presentation structure, but updates the content to explain the 2026 draft simply.

01

Where we started

02

What remains the same

03

What has changed

04

What the 2026 policy does

05

Objectives & implementation

> **Core message**
>
> The 2026 draft does not replace the purpose of EPWP; it strengthens the systems, accountability, recruitment controls, planning and reporting needed to deliver it consistently.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

2021/22 presentation: the starting point

The earlier presentation was already focused on governance, job creation, skills, service delivery and fair beneficiary selection.

Purpose

Framework for efficient and effective EPWP implementation, with good governance, accurate/timely reporting, job creation, skills development, service delivery, supervision and fair/transparent beneficiary selection.

Problems identified

Project selection; delays in appointments; workers appointed for more than three years; appointments without contracts; late attendance registers; weak Steering Committee functioning; outdated job-seeker database.

Proposed response

SOPs, standard forms, database improvements, electronic system, recruitment drives, clearer delegations, payment controls and implementation/administration procedures.

Implementation emphasis

Link EPWP projects to the IDP and Budget process; use national targets; train participants; monitor performance; report; review and endorse the policy.

Important historical point

The 2013 Council resolution already envisaged EPWP as an employment pathway, an organisational performance indicator and a programme requiring stronger financial controls.

Source: Earlier EPWP presentation: Purpose, 2013 Council Resolution, July 2021 briefing, obstacles/amendments and implementation plan.

Similarities: the core EPWP purpose remains

The 2026 draft carries forward most of the fundamental themes identified in the earlier presentation.

Job creation	Focus on creating work opportunities for unemployed residents	2021/22 → 2026
Skills development	Training and workplace experience remain central	2021/22 → 2026
Fair selection	Transparent, fair and equitable recruitment	2021/22 → 2026
Good governance	Clear structures, accountability and oversight	2021/22 → 2026
Reporting	Accurate, timely performance and financial reporting	2021/22 → 2026
IDP & Budget link	EPWP remains part of municipal planning and budgeting	2021/22 → 2026
Labour-intensive delivery	Use labour-intensive methods where feasible	2021/22 → 2026

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Differences: from a process-focused policy to an implementation framework

The biggest change is the level of institutionalisation and control in the 2026 draft.

Earlier presentation / policy approach

- Focused strongly on fixing operational weaknesses identified in implementation.
- Proposed SOPs and standard forms for appointments, payments and administration.
- Job-seeker database was a key operational concern.
- Steering Committee needed clearer mandate and functioning.
- Reporting and contract administration were major pain points.
- Implementation plan was linked to IDP, budget and national targets.

2026 draft policy approach

- EPWP is explicitly institutionalised across all municipal directorates.
- Clear governance chain: Council → Executive Mayor → MM → Directors → EPWP management/coordinator.
- Central unemployment database with POPIA requirements and quarterly audits.
- Formal target groups: women 55%, youth 40%, persons with disabilities 2%, plus veterans and indigent households.
- Stronger financial, SCM, risk, audit and compliance provisions.
- Extensive annexures turn policy into practical tools.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

What the 2026 draft policy is trying to achieve

In simple terms: make EPWP a normal part of how the Municipality plans, budgets, recruits, implements and reports.

PLAN

Identify labour-intensive opportunities during annual planning & budgeting.

→

APPROVE

Ensure project, funding, targets and responsibilities are clear.

→

RECRUIT

Use a transparent process and central unemployment database.

→

IMPLEMENT

Employ participants safely, pay correctly and provide training.

→

MONITOR

Track work opportunities, FTEs, demographics, training and spend.

→

REPORT

Submit evidence-based monthly/quarterly reports and correct gaps.

Outcome

More consistent work opportunities, stronger compliance, better evidence, improved grant performance and clearer accountability.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

2026 policy objectives

The draft lists ten objectives. They can be understood as four practical outcomes.

1. Institutionalise EPWP

EPWP becomes a shared responsibility across all directorates.

2. Create more work

Increase work opportunities and FTEs annually; use labour-intensive methods.

3. Build people

Transfer skills, improve employability and create pathways to employment/entrepreneurship.

4. Strengthen performance

Improve compliance, grant performance, governance, accountability and equitable participation.

The ten objectives specifically include: institutionalisation • work opportunities/FTEs • compliance • labour intensity • LED • skills • grant performance • governance • designated groups • employment/entrepreneurship pathways

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Governance: clearer accountability at every level

The 2026 draft makes responsibility more explicit than the earlier presentation.

MUNICIPAL COUNCIL

Approve policy and budget; exercise oversight; monitor reports; ensure strategic alignment.

EXECUTIVE MAYOR

Political leadership and champion; promote employment creation; monitor strategic objectives.

MUNICIPAL MANAGER

Administrative leadership; implement policy; allocate resources; approve implementation plans; ensure grant compliance.

DIRECTORS

Identify EPWP opportunities; include targets in business plans; achieve targets; submit reports.

MANAGER + COORDINATOR

Coordinate programme; administer grant; verify data; coordinate recruitment; monitor compliance; support audits and reporting.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Recruitment and the unemployment database

A major operational concern identified in the earlier presentation becomes a formal control system in the 2026 draft.

Earlier concern

- Database not regularly updated.
- Registration form too general.
- Decentralised administration at town offices.
- Delays caused by incorrect details and no standard process.
- Need for an electronic system and recruitment drives.

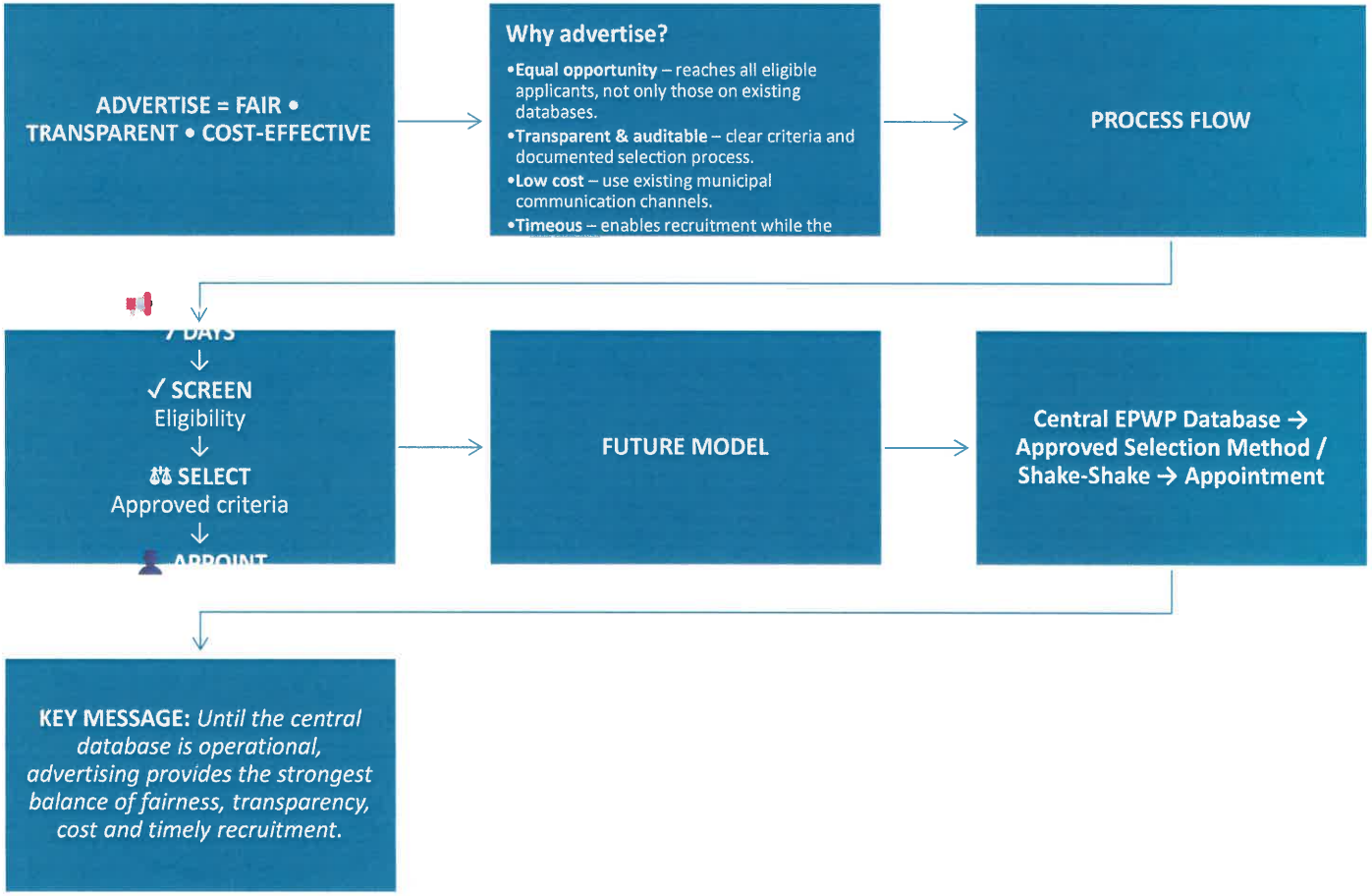
2026 approach

- Central unemployment database.
- ID, proof of residence, contact details, qualifications and experience captured.
- Disability confirmation where applicable.
- POPIA compliance.
- Quarterly database audits.
- Recruitment SOP: request → database extraction → verification → selection → approval → contract → induction → deployment.

Target groups **Women 55% | Youth 40% | Persons with Disabilities 2% | Military Veterans | Indigent Households**

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Interim Recruitment Process



Employment conditions and skills development

The 2026 draft moves beyond recruitment to protect participants and make the work experience more useful.

Participant protection

Written contracts • prescribed wages • safe working conditions • PPE • leave administration • attendance management • grievance and disciplinary procedures.

Participation does not create an expectation of permanent employment.

Skills pathway

Induction: municipal rules, safety and EPWP principles.

Life skills: financial literacy, communication, work readiness and personal development.

Technical skills: infrastructure, tourism, environment and administration.

Accredited training where funding permits, through SETAs, TVET colleges, universities and accredited providers.

Why this matters

The policy links temporary employment to skills, experience and improved future employability.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Financial management, SCM, monitoring and audit

The 2026 draft strengthens the evidence trail around EPWP money and performance.

FINANCE

EPWP projects form part of annual budgets; grant conditions must be met; monthly/quarterly expenditure reporting; prevent grant forfeiture.

SCM

Where appropriate, tender documents should include labour-intensive provisions, reporting requirements, demographic targets and employment reporting.

MONITORING

Track work opportunities, FTEs, women, youth, PWDs, training days, budget spend, variance and corrective actions.

AUDIT

Keep accurate records for at least five years; records available for Internal Audit, Auditor-General, DPWI verification and grant audits.

Key shift

Performance is not only the number of people employed — it is employment + FTEs + demographic outcomes + training + expenditure + evidence + compliance.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

Risk management and compliance

The draft explicitly identifies the risks that can undermine EPWP performance.

Failure to achieve targets

Monthly monitoring

Grant forfeiture

Compliance reviews

Fraudulent recruitment

Database controls

Poor reporting

Coordinator oversight

Budget constraints

Financial planning

Audit findings

Internal audits

Community unrest

Compliance principle

The policy expects the Municipality to maintain complete and accurate records and to be audit-ready throughout the project cycle — not only at year-end.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

New practical tools in the 2026 draft

The policy is supported by a much more complete set of standardised implementation documents.

Recruitment SOP	Selection Committee TOR	Unemployment Database Form
Monthly & Quarterly Reports	Risk Register	Attendance Register
Project Proposal	Induction Checklist	Exit Questionnaire
Council Resolution	Steering Committee TOR	Code of Conduct
PPE Register	Training Register	Site Inspection Checklist
Project Close-out Report	Annual Implementation Plan	M&E Site Checklist
Phase 5 Compliance Checklist		

Practical effect

These tools reduce inconsistency, improve accountability and make evidence easier to verify.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

What the 2026 policy means for each directorate

EPWP is no longer only an EPWP Office responsibility — every implementing directorate has a role.

BEFORE THE PROJECT	Identify suitable labour-intensive work; align to IDP/SDBIP/budget; define outputs, budget, WO/FTE and demographic targets.
WHEN RECRUITING	Submit request; use database; verify applicants; convene selection committee; approve; contract; induct.
DURING IMPLEMENTATION	Manage attendance, PPE, safety, supervision, training, payments, outputs and supporting evidence.
EVERY MONTH / QUARTER	Report actuals, variances, expenditure, training and challenges; implement corrective actions.
AT CLOSE-OUT	Confirm outcomes, FTEs, demographics, training, expenditure, lessons learned and recommendations.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

2021 → 2026: the overall change

The policy direction is broadly consistent, but the 2026 draft is more structured, measurable and control-oriented.

2021/22

Identify problems
↓
Develop SOPs
↓
Standardise forms
↓
Improve database
↓
Strengthen reporting
↓
Clarify roles

→

2026 draft

Institutionalise EPWP
↓
Plan & budget across directorates
↓
Controlled recruitment
↓
Train & protect participants
↓
Monitor & report
↓
Audit, manage risk & improve

=

Intended result

A more consistent EPWP system that:

- creates work
- develops people
- supports service delivery
- protects public funds
- improves compliance
- strengthens accountability

Bottom line

The 2026 draft is best understood as a strengthening and institutionalisation of the earlier EPWP approach — not a change to EPWP's fundamental purpose.

Source: TWK Draft EPWP Implementation Policy 2026/27–2030/31; earlier EPWP policy presentation (Council Workshop, 16 May 2022).

CONCLUSION & WAY FORWARD

A practical policy for a more accountable EPWP

- Keep the core purpose: work opportunities, poverty reduction, skills and service delivery.
- Move from fragmented implementation to shared institutional ownership.
- Use standard recruitment, database, reporting, monitoring and audit tools.
- Make every directorate accountable for identifying and delivering suitable EPWP opportunities.
- Use evidence and performance information to improve grant utilisation and outcomes.
- Implement the policy through clear SOPs, annual implementation plans and ongoing monitoring.

KEY MESSAGE **2026 gives TWK a clearer rulebook for turning EPWP from a programme that is implemented into a programme that is institutionally managed.**

Thank you

Theewaterskloof
Municipality

EXPANDED PUBLIC WORKS PROGRAMME (EPWP) IMPLEMENTATION POLICY 2026/27 – 2030/31

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1. DEFINITIONS AND ACRONYMS

1.1. Definitions

Administrative Champion means the Municipal Manager responsible for administrative oversight of EPWP implementation.

Council means the Municipal Council of Theewaterskloof Municipality.

EPWP means the Expanded Public Works Programme established by the Government of South Africa.

EPWP Coordinator means the official designated to coordinate, monitor and report on EPWP implementation within the Municipality.

Full-Time Equivalent (**FTE**) means one person-year of employment calculated according to the EPWP reporting framework.

Implementing Department means any municipal directorate or department implementing an EPWP project.

Participant means a person employed under an EPWP project.

Political Champion means the Executive Mayor responsible for political oversight of EPWP.

Work Opportunity means paid work created for an individual under an EPWP project.

1.2. Acronyms

Acronym	Meaning
BCEA	Basic Conditions of Employment Act
COIDA	Compensation for Occupational Injuries and Diseases Act
DORA	Division of Revenue Act
DPWI	Department of Public Works and Infrastructure
EPWP	Expanded Public Works Programme
FTE	Full-Time Equivalent
HR	Human Resources
IDP	Integrated Development Plan
LED	Local Economic Development
MFMA	Municipal Finance Management Act
OHSA	Occupational Health and Safety Act
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
TWK	Theewaterskloof Municipality

2. PURPOSE OF THE POLICY

The purpose of this Policy is to establish a comprehensive framework for the effective planning, coordination, implementation, monitoring, evaluation and reporting of the Expanded Public Works Programme within Theewaterskloof Municipality.

The Policy seeks to institutionalise EPWP across all municipal directorates and ensure that employment creation, poverty alleviation, skills development and service delivery objectives are integrated into the Municipality's strategic planning, budgeting and operational processes.

The Policy further aims to:

a) Promote labour-intensive methods of service delivery and infrastructure development where feasible and cost-effective.
b) Provide a transparent, fair and equitable framework for recruitment and selection.
c) Ensure compliance with applicable legislation and EPWP requirements.
d) Maximise the creation of work opportunities and Full-Time Equivalents (FTEs).
e) Facilitate skills development and capacity building.
f) Strengthen accountability, governance and oversight mechanisms.
g) Ensure effective utilisation and management of EPWP grant funding.
h) Support the Municipality's IDP, SDBIP, Long-Term Financial Plan and Local Economic Development Strategy.

3. SCOPE OF APPLICATION

This Policy applies to:

a) All directorates, departments and business units of Theewaterskloof Municipality.
b) All municipal officials involved in EPWP planning, implementation and reporting.
c) Councillors exercising oversight responsibilities.
d) Contractors, consultants and implementing agents involved in EPWP projects.
e) Temporary workers and EPWP participants.
f) Municipal programmes funded through municipal budgets, EPWP grants, provincial grants, national grants and donor funding.

The Policy applies across all EPWP sectors:

- Infrastructure Sector
- Environment and Culture Sector
- Community and Social Sector

- Non-State Sector initiatives implemented by the Municipality. 369

4. POLICY STATEMENT

Theewaterskloof Municipality recognises EPWP as a strategic intervention to address unemployment, poverty and inequality while simultaneously enhancing service delivery and community development.

The Municipality commits itself to:

a) Integrating EPWP principles into all appropriate municipal programmes and projects.
b) Maximising labour-intensive methods wherever practical and economically viable.
c) Creating meaningful work opportunities for unemployed residents.
d) Promoting equitable access to opportunities.
e) Ensuring fair, transparent and accountable recruitment processes.
f) Providing participants with opportunities for skills development.
g) Maintaining sound governance, financial management and reporting practices.
h) Supporting economic inclusion and sustainable livelihoods.

EPWP implementation shall be regarded as a shared responsibility across all municipal directorates.

5. STRATEGIC INTENT

The strategic intent of this Policy is to position EPWP as a key municipal development and socio-economic intervention contributing to:

5.1. Economic Growth

Stimulating local economies through income generation and local spending.

5.2. Poverty Reduction

Providing temporary income support to unemployed households.

5.3. Skills Development

Improving employability through training and workplace experience.

5.4. Service Delivery Improvement

Enhancing service delivery through labour-intensive approaches.

5.5. Social Cohesion

Promoting social inclusion and community participation.

5.6. Institutional Sustainability

Embedding EPWP into municipal planning, budgeting, and performance systems.

6. LEGISLATIVE AND REGULATORY FRAMEWORK

This Policy derives authority from:

- Constitution of the Republic of South Africa, 1996
- Municipal Systems Act, 2000
- Municipal Finance Management Act, 2003
- Division of Revenue Act
- EPWP Ministerial Determination
- Basic Conditions of Employment Act,
- Labour Relations Act,
- National Minimum Wage Act
- Skills Development Act
- Occupational Health and Safety Act
- COIDA
- National Development Plan
- Provincial Growth and Development Strategy
- Theewaterskloof Municipality's Integrated Development Plan

7. POLICY OBJECTIVES

The objectives of this Policy are to:

a) Institutionalise EPWP within all municipal directorates.
b) Increase work opportunities and FTEs annually.
c) Improve compliance with national EPWP requirements.
d) Facilitate labour-intensive project implementation.
e) Promote local economic development.
f) Enhance skills transfer and human capital development.
g) Improve grant performance and maximise incentive funding.
h) Strengthen governance and accountability.
i) Ensure equitable participation by designated groups.
j) Facilitate pathways to employment and entrepreneurship.

8. GUIDING PRINCIPLES

8.1. Transparency

All recruitment and implementation processes shall be open and transparent.

8.2. Fairness

All applicants shall be treated fairly and without discrimination.

8.3. Equity

Priority shall be given to designated target groups.

8.4. Accountability

Officials shall be accountable for EPWP performance.

8.5. Community Participation

Communities shall be informed and consulted.

8.6. Labour Intensity

Labour-intensive methods shall be prioritised.

8.7. Value for Money

Resources shall be utilised efficiently and effectively.

8.8. Good Governance

Implementation shall comply with ethical governance principles.

8.9. Compliance

All activities shall comply with legislation.

8.10. Sustainability

Projects should contribute to long-term socio-economic benefits.

9. GOVERNANCE STRUCTURE



10. INSTITUTIONAL ROLES AND RESPONSIBILITIES

10.1. Municipal Council

The Municipal Council shall:

- Approve the EPWP Policy.
- Approve budget allocations.
- Exercise oversight.
- Monitor performance through reports.
- Ensure strategic alignment.

10.2. Executive Mayor

The Executive Mayor shall:

- Provide political leadership.
- Champion EPWP implementation.
- Promote employment creation initiatives.
- Monitor achievement of strategic objectives.

10.3. Municipal Manager

The Municipal Manager shall:

- Provide strategic leadership.
- Ensure implementation of the Policy.
- Allocate institutional resources.
- Approve annual implementation plans.
- Ensure compliance with grant conditions.

10.4. Directors

Directors shall:

- Identify EPWP opportunities.
- Incorporate targets into business plans.
- Ensure achievement of targets.
- Submit required reports.

10.5. Manager: Economic Development, Tourism and EPWP

Responsible for:

- Programme coordination.
- Grant administration.

- Strategic support.
- Reporting oversight.

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10.6. EPWP Coordinator

Responsible for:

- Reporting.
- Data verification.
- Recruitment coordination.
- Compliance monitoring.
- Audit support.

11. EPWP PLANNING FRAMEWORK

All Directorates shall identify labour-intensive projects during annual planning and budgeting processes.

Projects must:

- Support IDP priorities.
- Create employment opportunities.
- Be labour-intensive where feasible.
- Comply with EPWP criteria.
- Deliver measurable outputs.

12. RECRUITMENT AND SELECTION METHODOLOGY

12.1. Recruitment Principles

- Transparency
- Fairness
- Equity
- Accountability
- Auditability

12.2. Target Groups

- Women (minimum 55%)
- Youth (minimum 40%)
- Persons with Disabilities (minimum 2%)
- Military Veterans
- Indigent Households

12.3. Recruitment SOP

1. Project approved.
2. Request submitted.
3. Database extraction.
4. Shortlisting.
5. Verification.
6. Selection panel.
7. Approval.
8. Appointment.
9. Induction.
10. Deployment.

13. UNEMPLOYMENT DATABASE MANAGEMENT

The Municipality shall maintain a central unemployment database.

Applicants shall provide:

- South African ID
- Proof of residence
- Contact details
- Qualifications
- Work experience
- Disability confirmation (where applicable)

The database shall comply with POPIA requirements.

Quarterly audits shall be undertaken.

14. EMPLOYMENT CONDITIONS

14.1. EPWP participants shall be employed in accordance with:

- EPWP Ministerial Determination
- BCEA
- Labour Relations Act
- OHSA

14.2. The Municipality shall ensure:

- Written employment contracts
- Payment of prescribed wages
- Safe working conditions
- Provision of PPE
- Leave administration

- Attendance management
- Grievance procedures
- Disciplinary procedures

Participation shall not create any expectation of permanent employment.

15. TRAINING AND SKILLS DEVELOPMENT

The Municipality recognises training as a critical component of EPWP.

Training shall include:

15.1. Induction Training

- Municipal policies
- Workplace rules
- Health and Safety
- EPWP principles

15.2. Life Skills Training

- Financial literacy
- Communication skills
- Work readiness
- Personal development

15.3. Technical Training

- Infrastructure maintenance
- Tourism services
- Environmental management
- Administrative support

15.4. Accredited Training

Where funding permits, accredited training shall be provided through partnerships with:

- SETAs
- TVET Colleges
- Universities
- Accredited Providers

16. FINANCIAL MANAGEMENT

The Municipality shall ensure sound financial management of all EPWP funding.

16.1. Budgeting

EPWP projects shall form part of annual budget processes.

16.2. Grant Management

The Municipality shall:

- Comply with grant conditions.
- Submit reports timeously.
- Maintain supporting documentation.
- Prevent grant forfeiture.

16.2. Financial Reporting

Monthly and quarterly expenditure reports shall be submitted.

16.3. Audit Compliance

Supporting records shall include:

- Payroll records
- Contracts
- Attendance registers
- Procurement records
- Training records

17. SUPPLY CHAIN MANAGEMENT REQUIREMENTS

Where appropriate, tender documents shall include:

- Labour-intensive provisions
- EPWP reporting requirements
- Demographic targets
- Employment reporting obligations

18. MONITORING, EVALUATION AND REPORTING

Monthly Reporting Template

Indicator	Target	Actual	Variance
Work Opportunities			
FTEs			
Women			
Youth			
Persons with Disabilities			
Training Days			

19. RISK MANAGEMENT

Risk	Impact	Likelihood	Score	Mitigation
Failure to achieve targets	High	High	16	Monthly monitoring
Grant forfeiture	High	Medium	12	Compliance reviews
Fraudulent recruitment	High	Medium	12	Database controls
Audit findings	High	Medium	12	Internal audits
Budget constraints	High	Medium	12	Financial planning
Poor reporting	High	Medium	12	Coordinator oversight
Community unrest	High	Medium	12	Transparent recruitment

Risk Matrix

Impact/Likelihood	1	2	3	4	5
5	**5**	**10**	**15**	**20**	**25**
4	**4**	**8**	**12**	**16**	**20**
3	**3**	**6**	**9**	**12**	**15**
2	**2**	**4**	**6**	**8**	**10**
1	**1**	**2**	**3**	**4**	**5**

20. AUDIT AND COMPLIANCE

The Municipality shall maintain complete and accurate records.

Records shall be retained for a minimum period of five years and be available for:

- Internal Audit
- Auditor-General
- DPWI Verification
- Grant Audits

21. DELEGATIONS

Function	Delegated Authority
Policy Approval	**Council**
Strategic Oversight	**Executive Mayor**
Administrative Oversight	**Municipal Manager**
EPWP Plan Approval	**Municipal Manager**
Project Approval	**Directors**
Recruitment Approval	**Director/MM**
Database Management	**EPWP Coordinator**
Compliance Monitoring	**EPWP Coordinator**
Grant Administration	**Manager: Economic Development, Tourism & EPWP**

The Municipal Manager may issue Standard Operating Procedures and implementation guidelines to support this, Policy.

22. POLICY REVIEW

This Policy shall be reviewed every five (5) years or earlier where legislative amendments, operational requirements or policy changes necessitate such review.

23. ANNEXURES

- Annexure A – Recruitment SOP
- Annexure B – Selection Committee Terms of Reference
- Annexure C – Unemployment Database Registration Form
- Annexure D – Monthly Reporting Template
- Annexure E – Quarterly Reporting Template
- Annexure F – Risk Register
- Annexure G – Attendance Register

- Annexure H – Project Proposal Template
- Annexure I – Induction Checklist
- Annexure J – Exit Questionnaire
- Annexure K – Council Resolution
- Annexure L – TOR EPWP Steering Committee
- Annexure M – Code of Conduct for EPWP Participants
- Annexure N – Personal Protective Equipment Register
- Annexure O – Training Attendance Register
- Annexure P – EPWP Site Inspection Checklist
- Annexure Q – Project Close-out Report
- Annexure R – EPWP Annual Implementation Plan
- Annexure S – Monitoring and Evaluation Site Checklist
- Annexure T – EPWP Phase 5 Compliance Checklist

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24. COUNCIL RESOLUTION

RESOLVED THAT:

1. The Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy be approved.
2. The Municipal Manager be authorised to implement the Policy.
3. All Directorates incorporate EPWP targets into their annual Business Plans and SDBIPs.
4. Quarterly reports be submitted to Council.
5. The Policy shall be reviewed every five years or as required by legislative amendments.

Council Resolution No: _____

Date of Approval: _____

ANNEXURE A

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STANDARD OPERATING PROCEDURE (SOP)
Recruitment and Selection of EPWP Participants

1. Purpose

To establish a fair, transparent, equitable and auditable process for recruiting EPWP participants in accordance with the EPWP Ministerial Determination, applicable legislation and the Municipality's recruitment principles.

2. Scope

This SOP applies to all directorates implementing EPWP projects.

3. Recruitment Process

Step	Activity	Responsible Official	Timeframe
1	Directorate identifies EPWP opportunity	Director	As required
2	Recruitment request submitted	Line Manager	2 days
3	Verify project approval and funding	EPWP Coordinator	2 days
4	Extract eligible applicants from unemployment database	EPWP Coordinator	2 days
5	Verify applicant information	HR / EPWP	2 days
6	Convene Selection Committee	Director	5 days
7	Selection and recommendation	Committee	Same day
8	Approval of appointments	Director/MM	3 days
9	Employment contracts issued	HR	2 days
10	Induction and deployment	EPWP Coordinator	Before commencement

4. Recruitment Principles

- Fairness
- Transparency
- Equity
- Accountability
- Auditability
- No political interference

- No favouritism
- Compliance with demographic targets

ANNEXURE B

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Selection Committee Terms of Reference

Purpose

To ensure that all recruitment is conducted fairly, consistently and transparently.

Composition

Chairperson:

- Relevant Director or Delegate

Members:

- Manager/Supervisor
- EPWP Coordinator
- Human Resources Representative
- Observer (where applicable)

Responsibilities

The Committee shall:

- Verify vacancies
- Verify shortlist
- Conduct assessment
- Apply selection criteria
- Record reasons for appointments
- Recommend successful candidates

Quorum

Minimum three members.

Decision Making

Consensus where possible.

Majority vote if required.

Conflict of interest declarations shall be signed before commencement.

Unemployment Database Registration Form

PERSONAL INFORMATION

Surname:

First Names:

ID Number:

Gender:

Date of Birth:

Age:

Residential Address:

Ward Number:

Contact Number:

Email:

EMPLOYMENT STATUS

Currently unemployed?

☐ Yes

☐ No

Previous EPWP Participation

☐ Yes

☐ No

If yes:

Project:

Dates:

DEMOGRAPHICS

☐ Youth

☐ Woman

☐ Person with Disability

☐ Military Veteran

☐ Indigent Household

EDUCATION

Highest Qualification

Skills

Trade Certificates 384

Driver's Licence

Other Experience

Applicant Declaration

Signature

Date

ANNEXURE D

Monthly EPWP Performance Report

Indicator	Monthly Target	Actual	Variance	Comments
Work Opportunities				
FTEs				
Women				
Youth				
Persons with Disabilities				
Budget Spent				
Training Days				

Prepared by:

Reviewed by:

Date:

ANNEXURE E

Quarterly EPWP Performance Report

Section A

Quarter:

Directorate:

Reporting Officer:

Section B

Project Summary

Project	Budget	WO	FTE	Status

Section C

Achievements

Section D

Challenges

Section E

Corrective Actions

Section F

Financial Performance

Section G

Recommendations

ANNEXURE F

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EPWP Strategic Risk Register

Risk	Causes	Consequences	Existing Controls	Likelihood	Impact	Score	Mitigation	Responsible Official
Failure to achieve targets								
Grant forfeiture								
Fraudulent recruitment								
Poor reporting								
Budget shortfalls								
Audit findings								

Risk Rating Matrix

Low

Medium

High

Critical

ANNEXURE G

Daily Attendance Register

Project Name:

Project Number:

Supervisor:

Month:

Date	Employee Name	ID Number	Time In	Time Out	Signature	Supervisor Initial

Supervisor Declaration

Coordinator Verification

ANNEXURE H

EPWP Project Proposal Template

Project Information	
Project Name	
Directorate	
Responsible Manager	
Budget	
Funding Source	
Duration	
Ward	
Location	
Project Description	
Objectives	
Outputs	
Expected Outcomes	
Employment Creation	
Work Opportunities	
FTEs	
Women %	
Youth %	
PWD %	
Training	
Training Planned	
Skills Transfer	
Budget Breakdown	
Labour	
Materials	
Equipment	
Training	
Administration	
Approval	
Director	
Municipal Manager	

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ANNEXURE I

EPWP Participant Induction Checklist

Item	Completed
Employment Contract Explained	□
Conditions of Employment	□
Wage Rate Explained	□
Attendance Requirements	□
PPE Issued	□
Health and Safety Induction	□
Emergency Procedures	□
Supervisor Introduced	□
Code of Conduct	□
Grievance Procedure	□
POPIA Awareness	□
Training Schedule Explained	□

Employee Signature

Supervisor Signature

Coordinator Signature

ANNEXURE J

	EPWP Exit Questionnaire	
1.	**Participant Name**	
	Project	
	Duration	
2.	**Did you gain useful work experience?**	
	☐ **Yes**	
	☐ **No**	
3.	**Did you receive adequate training?**	
	☐ **Yes**	
	☐ **No**	
4.	**Have your employment prospects improved?**	
	☐ **Yes**	
	☐ **No**	
5.	**Would you recommend the programme?**	
	☐ **Yes**	
	☐ **No**	
6.	**Overall satisfaction**	
	☐ **Excellent**	
	☐ **Good**	
	☐ **Fair**	
	☐ **Poor**	
7.		

	Suggestions for improvement	
	Coordinator Comments	

ANNEXURE K

Council Resolution

THEEWATERSKLOOF MUNICIPALITY

COUNCIL RESOLUTION

Resolution Number:

Council Meeting Date:

Council Item Number:

RESOLVED THAT:

1. The Theewaterskloof Municipality Expanded Public Works Programme (EPWP) Implementation Policy be approved.
2. The Municipal Manager be authorised to implement the Policy.
3. All Directorates shall incorporate EPWP targets into their annual Business Plans and SDBIPs.
4. Quarterly performance reports shall be submitted to the Municipal Council.
5. The Policy shall be reviewed every five (5) years or earlier if legislative amendments require.

CERTIFICATION

Position	Name	Signature	Date
Speaker of Council			
Executive Mayor			
Municipal Manager			

ANNEXURE L
TERMS OF REFERENCE
EPWP STEERING COMMITTEE

1. Purpose

The purpose of the EPWP Steering Committee is to provide strategic direction, oversight, coordination, monitoring and governance of the Expanded Public Works Programme (EPWP) within Theewaterskloof Municipality. The Committee shall ensure that EPWP is institutionalised across all municipal directorates, aligns with the Municipality's strategic objectives and complies with the requirements of the Department of Public Works and Infrastructure (DPWI).

2. Objectives

The Committee shall:

- Promote institutional ownership of EPWP across all directorates.
- Monitor implementation against approved targets.
- Ensure compliance with EPWP Phase 5 requirements.
- Resolve implementation challenges.
- Facilitate interdepartmental coordination.
- Review financial and performance reports.
- Monitor grant utilisation.
- Promote labour-intensive service delivery.
- Ensure audit readiness and compliance.

3. Composition

Chairperson

Municipal Manager (Administrative Champion)

Deputy Chairperson

Relevant Director delegated by the Municipal Manager

Members

- Director: Corporate Services
- Director: Community Services
- Director: Infrastructure Services
- Director: Development and Planning
- Director: Financial Services
- Manager: Economic Development, Tourism and EPWP

- EPWP Coordinator
- Human Resources Representative
- Finance Representative
- Supply Chain Management Representative
- Internal Audit Representative (Observer)
- Risk Management Representative (Observer)

4. Roles and Responsibilities

The Committee shall:

- Approve the annual EPWP Implementation Plan.
- Review monthly and quarterly performance.
- Monitor grant expenditure.
- Monitor compliance with recruitment procedures.
- Review demographic targets.
- Ensure corrective actions are implemented.
- Recommend policy amendments.
- Report to the Municipal Manager and Council.

5. Meetings

- Ordinary meetings shall be held quarterly.
- Special meetings may be convened as required.
- A quorum shall consist of 50% plus one member.
- Minutes shall be recorded and approved.

6. Reporting

The Committee shall submit:

- Quarterly performance reports
- Annual implementation report
- Risk reports
- Audit action plans

ANNEXURE M

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CODE OF CONDUCT FOR EPWP PARTICIPANTS

Purpose

To establish acceptable standards of behaviour and conduct for all EPWP participants.

Participants shall:

- Report for duty on time.
- Perform duties diligently.
- Follow lawful instructions.
- Wear issued PPE.
- Respect supervisors and colleagues.
- Protect municipal property.
- Maintain confidentiality where required.
- Observe occupational health and safety requirements.
- Refrain from alcohol and drug use while on duty.
- Comply with all municipal policies.

Participants shall not:

- Be absent without permission.
- Commit fraud or theft.
- Damage municipal property.
- Engage in discrimination or harassment.
- Accept gifts or bribes.
- Use municipal resources for private purposes.
- Participate in political campaigning during working hours.
- Disrupt municipal operations.

Breaches

Misconduct may result in:

- Verbal warning
- Written warning
- Final written warning

- Termination of participation
- Criminal proceedings where applicable

Participant Declaration

I acknowledge that I have read and understood this Code of Conduct.

Name:

Signature:

Date:

Witness:

ANNEXURE **N**

PERSONAL PROTECTIVE EQUIPMENT (PPE) REGISTER

Project:

Directorate:

Supervisor:

Employee Name	ID Number	PPE Issued	Quantity	Date Issued	Employee Signature	Supervisor Signature	Replacement Date
		Safety Boots					
		Reflective Vest					
		Gloves					
		Helmet					
		Goggles					
		Ear Protection					
		Rain Suit					

Supervisor Declaration

I certify that all PPE has been issued and explained.

Supervisor Signature:

Date:

ANNEXURE O

TRAINING ATTENDANCE REGISTER

Training Programme:

Training Provider:

Venue:

Date:

Facilitator:

No	Participant	ID Number	Directorate	Signature	Remarks
1					
2					
3					
4					

Training Evaluation

Training Objectives Achieved?

☐ **Yes**

☐ **No**

Recommendations

Facilitator Signature

Date

ANNEXURE P

EPWP SITE INSPECTION CHECKLIST

Project:

Ward:

Date:

Inspector:

Project Information

☐ **Project Signage Displayed**

☐ **Project Register Available**

☐ **Attendance Register Updated**

☐ **Contracts Available**

☐ **PPE Issued**

☐ **First Aid Kit Available**

☐ **Health & Safety File Available**

☐ **Toolbox Talks Conducted**

☐ **Work Progress Satisfactory**

☐ **Community Complaints**

☐ **Environmental Compliance**

☐ **Quality of Work**

Findings

Corrective Actions

Finding	Action Required	Responsible Official	Due Date

Inspector Signature

Supervisor Signature

ANNEXURE Q

PROJECT CLOSE-OUT REPORT

Project Name	
Directorate	
Project Number	
Duration	
Budget	
Funding Source	
Employment Outcomes	
Work Opportunities Created	
FTEs Achieved	
Women	
Youth	
PWD	
Training Provided	
Type of Training	
Number Trained	
Accredited	
Non-accredited	
Financial Performance	
Approved Budget	
Actual Expenditure	
Variance	
Reasons for Variance	
Project Outcomes	
Objectives Achieved	
Lessons Learned	
Challenges	
Recommendations	

Prepared By

Approved By

Date

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ANNEXURE R

ANNUAL EPWP IMPLEMENTATION PLAN

Financial Year:

Directorate:

Responsible Official:

Planned Projects

Project	Budget	Work Opportunities	FTEs	Start Date	End Date	Funding Source

Directorate Targets

Women %

Youth %

PWD %

Training Days

Budget Utilisation

Reporting Compliance

Monthly Milestones

Month	Key Deliverables
July	
August	
September	
October	
November	
December	
January	
February	
March	
April	
May	
June	

Approved By Director

Municipal Manager

ANNEXURE S

MONITORING AND EVALUATION SITE VISIT CHECKLIST

Project

Date

Inspector

Compliance Checklist

Requirement	Yes	No	Comments
Approved Project	☐	☐	
Funding Available	☐	☐	
Recruitment Records	☐	☐	
Employment Contracts	☐	☐	
Attendance Registers	☐	☐	
Payroll Records	☐	☐	
PPE Issued	☐	☐	
Health & Safety	☐	☐	
Training Conducted	☐	☐	
Reporting Submitted	☐	☐	
Demographic Targets Met	☐	☐	
Supporting Documents Available	☐	☐	

Overall Assessment

☐ **Fully Compliant**

☐ **Partially Compliant**

☐ **Non-Compliant**

Recommendations

Inspector Signature

EPWP PHASE 5 COMPLIANCE CHECKLIST

Project Name:

Project Number:

Reporting Period:

Compliance Requirement	Compliant	Non-Compliant	Evidence
Approved EPWP Project	☐	☐	
Included in IDP	☐	☐	
Included in SDBIP	☐	☐	
Budget Approved	☐	☐	
Labour-intensive Method Used	☐	☐	
Recruitment from Database	☐	☐	
Recruitment Records Available	☐	☐	
Employment Contracts Signed	☐	☐	
Wages Paid Correctly	☐	☐	
Attendance Registers Complete	☐	☐	
Monthly Reports Submitted	☐	☐	
Quarterly Reports Submitted	☐	☐	
FTE Calculation Verified	☐	☐	
Demographic Targets Achieved	☐	☐	
PPE Issued	☐	☐	
Health & Safety Compliance	☐	☐	
Training Conducted	☐	☐	
Supporting Documents Filed	☐	☐	
Internal Audit Conducted	☐	☐	
Grant Conditions Met	☐	☐	

Compliance Summary

Overall Compliance Rating

☐ **Fully Compliant (90–100%)**

☐ **Substantially Compliant (75–89%)**

☐ **Partially Compliant (50–74%)**

☐ **Non-Compliant (Below 50%)**

Corrective Actions Required

Finding	Corrective Action	Responsible Official	Due Date	Status

Verification

Prepared by: _____

Verified by (EPWP Coordinator): _____

Reviewed by (Manager: Economic Development, Tourism and EPWP):

_____

Approved by (Municipal Manager): _____

Date: _____

ITEM TITLE

C228/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT PROPERTY MANAGEMENT: CONSIDERATION AND ADOPTION OF THE THEEWATERSKLOOF MUNICIPALITY ADMINISTRATION OF IMMOVABLE PROPERTY POLICY AND THE THEEWATERSKLOOF MUNICIPALITY IMMOVABLE PROPERTY MANAGEMENT GOVERNANCE STRATEGY

[English version of the report is the original]

FILE NUMBER

7/1/B;7/2/B

PURPOSE OF REPORT

The purpose of this report is to submit to Council, for consideration and adoption, the proposed Theewaterskloof Municipality Administration of Immovable Property Policy together with the proposed Theewaterskloof Municipality Immovable Property Management Governance Strategy, as the formal governance framework of the Municipality for the administration, management, regulation and strategic oversight of municipal immovable property and related land governance matters.

BACKGROUND

Theewaterskloof Municipality holds and administers a substantial immovable property portfolio consisting of municipal land, buildings, public facilities, open spaces, servitudes, infrastructure-related properties and associated immovable property rights. These assets form a core part of the public resource base of the Municipality and are directly linked to the Municipality's ability to fulfil its constitutional and statutory obligations in relation to service delivery, infrastructure development, environmental management, community support and local economic development.

It is a matter of institutional necessity that such immovable property not be governed through ad hoc or fragmented administrative practice, but rather through a coherent municipal framework that regulates both the strategic and operational dimensions of immovable property administration. The management of municipal immovable property now requires a structured governance system which extends beyond isolated transactional activities and addresses the broader municipal property lifecycle, including classification, planning, allocation, utilisation, internal governance, monitoring, optimisation, acquisition, granting of rights and disposal where appropriate.

The proposed Immovable Property Management Governance Strategy has accordingly been developed as the overarching governance instrument intended to guide the Municipality in the strategic administration and management of immovable property.

The proposed Administration of Immovable Property Policy has been developed as the operative policy instrument intended to regulate the practical administration and decision-making pathways applicable to municipal immovable property matters.

The two documents are complementary in nature and are intended to function together as a consolidated governance framework for municipal immovable property within Theewaterskloof Municipality.

DISCUSSION

The proposed adoption of the aforesaid documents is considered necessary in order to place the Municipality in possession of a formal, integrated and legally aligned immovable property governance framework.

Municipal immovable property administration engages a range of institutional functions and legal considerations. These include governance accountability, financial stewardship, statutory compliance, planning alignment, interdepartmental coordination, public participation, internal control, contract administration, risk management and strategic land use decision-making. In the absence of an adopted municipal framework that brings these functions together in a coherent manner, the Municipality remains exposed to uncertainty in process, inconsistency in practice, weakened accountability and an avoidable risk of governance failure in relation to property matters.

The proposed documents seek to address this institutional requirement in a structured manner. The Strategy provides the overarching governance foundation and places municipal immovable property within the broader context of municipal planning, service delivery, development, risk management and oversight. The Policy provides the practical governance pathway through which immovable property matters are to be processed, assessed and regulated within the administration. Together, they establish a municipal framework that is capable of guiding both strategic decision-making and day-to-day immovable property administration.

The value of the proposed framework lies not only in the regulation of acquisition, disposal and granting of rights, but also in the fact that it establishes a clearer basis for institutional accountability. It supports a more formal relationship between Council, the Accounting Officer, the Property Management Unit and relevant internal departments, and it strengthens the basis upon which immovable property matters are to be recorded, evaluated, monitored and, where necessary, escalated. In so doing, the proposed framework advances better governance, improved administrative discipline and a stronger institutional basis for immovable property management within the Municipality.

The adoption of the proposed documents is accordingly not merely desirable, but necessary in order to ensure that the Municipality's immovable property portfolio is governed within a formally approved framework that reflects sound municipal governance practice and supports lawful, consistent and strategic administration.

FINANSIËLE IMPLIKASIES (ITEM OUTEUR)/FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The adoption of the proposed documents does not in itself impose a direct capital expenditure obligation or immediate financial commitment upon the Municipality.

The primary financial implication is positive in nature. The proposed framework is intended to strengthen municipal control over immovable property administration, improve governance over property-related decisions, support more disciplined internal processes, and contribute to the protection and proper management of municipal asset value over time. It will further support more structured oversight in relation to revenue-generating property, property-related obligations, and the broader financial stewardship of the municipal immovable property portfolio.

Any internal implementation measures required following adoption must be accommodated within normal administrative and operational processes, subject to prioritisation and available resources.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The proposed adoption falls within the lawful authority of Council and is aligned to the constitutional and statutory framework governing municipal administration and municipal immovable property management.

The administration of municipal immovable property must take place within a framework of legality, accountability and procedural order. The adoption of the proposed Strategy and Policy will strengthen the Municipality's legal and governance environment by formalising the framework within which immovable property decisions are to be taken and implemented. This includes strengthening the Municipality's internal governance position in relation to planning, regulation, administration, control and oversight of municipal immovable property matters.

The legal implication of the proposed adoption is therefore favourable. It will improve legal certainty, promote consistency in municipal decision-making, support administrative defensibility, and strengthen the governance framework within which municipal powers relating to immovable property are exercised.

1. Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
2. Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) ("MFMA")
3. Municipal Asset Transfer Regulations, 2008
4. Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
5. Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
6. Spatial Planning and Land Use Management Act,
7. National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)
8. Deeds Registries Act, 1937 (Act 47 of 1937)
9. Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) ("PAJA")
10. Housing Act, 1997 (Act 107 of 1997)
11. Property Valuers Profession Act, 2000 (Act 47 of 2000)

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

The failure to adopt an integrated immovable property governance framework presents material institutional risk to the Municipality.

Municipal immovable property is inherently vulnerable to a range of governance, legal, operational and financial risks. These include, amongst others, inconsistent administration, unlawful occupation, under-utilisation, irregular internal arrangements, inadequate monitoring, lease non-compliance, encroachments, weak record keeping, deterioration of property assets, and property-related disputes or challenges. Such risks are exacerbated where there is no single approved framework regulating the governance of municipal immovable property across the institution.

The adoption of the proposed documents will materially reduce these risks by introducing a more formal system of governance accountability, by supporting administrative consistency, by strengthening the basis for internal control and monitoring, and by improving the Municipality's overall governance posture in respect of immovable property matters.

It must, however, be noted that the effectiveness of the proposed framework will depend on proper institutional implementation. The principal risk after adoption is therefore not the framework itself, but the risk of incomplete internal implementation. This can be mitigated through administrative rollout, process alignment, interdepartmental communication and continued oversight by the Accounting Officer and relevant governance structures.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council:

1. **Approves and adopts the Theewaterskloof Municipality Immovable Property Management Governance Strategy as the Municipality's overarching strategic governance framework for the administration, management, regulation and oversight of municipal immovable property;**

2. **Approves and adopts the Theewaterskloof Municipality Administration of Immovable Property Policy as the Municipality's operative policy framework for immovable property administration and related land governance matters;**

3. **Approves that the aforesaid Strategy and Policy shall serve as complementary governance instruments regulating the strategic and operational administration of municipal immovable property within Theewaterskloof Municipality; and**

4. **Mandates the Municipal Manager, in his capacity as Accounting Officer, to take all necessary administrative steps to give effect to the implementation of the adopted documents within the municipal administration and to align internal processes and governance arrangements accordingly.**

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 07 MAY 2026

It is recommended:

1. **That the Theewaterskloof Municipality Immovable Property Management Governance Strategy as well as the Theewaterskloof Municipality Administration of Immovable Property Policy be referred to a Council Workshop for discussion.**

2. **That the Property Management Department must look at the composition of the Steering Committee as the Directorate Community Services was not included in the composition.**

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council:

1. **Approves and adopts the Theewaterskloof Municipality Immovable Property Management Governance Strategy as the Municipality's overarching strategic governance framework for the administration, management, regulation and oversight of municipal immovable property;**

2. **Approves and adopts the Theewaterskloof Municipality Administration of Immovable Property Policy as the Municipality's operative policy framework for immovable property administration and related land governance matters;**

3. **Approves that the aforesaid Strategy and Policy shall serve as complementary governance instruments regulating the strategic and operational administration of municipal immovable property within Theewaterskloof Municipality; and**

4. **Mandates the Municipal Manager, in his capacity as Accounting Officer, to take all necessary administrative steps to give effect to the implementation of the adopted documents within the municipal administration and to align internal processes and governance arrangements accordingly.**

ITEM TITLE

C229/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: DRAFT BACKYARDER/SECONDARY DWELLING POLICY

[English version of the report is the original]

FILE NUMBER

17/7/B

PURPOSE OF REPORT

To present to Council the draft Informal Draft Backyarders/Secondary Dwelling Policy for Theewaterskloof Municipality.

BACKGROUND

The Human Settlements Department amended the Backyaders Policy to set out clear guidelines on how we the Department will manage Backyarders.

The housing crisis which we face today therefore has its roots in two key circumstances. The first relates to inherited historical housing backlogs. Despite initial gains made in mediating the insecurity of tenure faced by the majority of the population at the end of apartheid, housing legislation and programming has not kept pace with the housing need in practice, thus compounding backlogs (DHS 2015). The second relates to new and evolving challenges. In recent years, and more particularly since 2019, there have been many intervening 'major' events such as the Covid-19 pandemic and the increasing economic insecurity occasioned by lockdowns intended to mitigate the spread of the disease. Increasing incidents of natural disasters, such as drought and floods, and continued risk of fires in informal settlements remain a significant risk to tenuous housing security. The cumulative result is that housing insecurity has increased, exacerbating the mismatch between housing programming and housing realities. It needs to be mentioned that the municipality has initiated a number of housing projects, and this will lead to a reduction in the current number of informal structures. There are however various challenges that remain. These relates to insecure tenure, lack of basic services, renting and selling of structures, lack of social and economic amenities as well as illegal activities within the various informal settlements.

DISCUSSION

With Council adopting a new approach to revenue enhancement it is important to align this policy to strategy. Formalisation of backyarders can reap major income benefits for the municipality that will be link to secondary individual water, electricity, and sewer connections that the secondary dwelling be billed for.

It is important to note that in the formalization of backyarder dwelling we must allow the inhabitants of the primary dwelling to maintain their indigent subsidy status and any rental income from the secondary dwelling should not be considered or should be capped to a rand value for qualification if the owner of the primary dwelling qualifies for indigent subsidy. Formalization of backyard dwellings into secondary dwellings will also allow the families where an estate is registered with the condition of living rights of family members to explore the use of vruchtgebruik (usufruct).

COMMENTS: OFFICE OF THE MUNICIPAL MANAGER

Supported.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Supported.

COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES

Technical services do note the content and the recommendation of the report. However, it is the duty of this Directorate to effect long term planning and upgrading of infrastructure under strain or collapsing state. How the calculation in terms of future demands is made is the potential growth per capita of a town with the prospects of new erven that can be created. If "backyarders" are accommodated, strict record keeping should be maintained by the Human settlement department in order to enable Technical Services to predict the demands and to assure that the current infrastructure does meet the demand or need upgrading.

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

Item supported to serve at management committee.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

Comments captured on the policy, on suggested amendments and returned via email to Mr Shuma for incorporation.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)

Take note of the report and the amendments of the draft policy for backyarders. As there will be cross-cutting roles and responsibilities between the different departments and directorates, the roles and responsibilities need to be clearly defined. After approval of the Policy, a Standard Operational Procedure (SOP) needs to be drafted, workshopped with every department to clearly understand each Directorate roles and responsibilities.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (PUBLIC SAFETY)

Take note of the report. The roles and responsibilities need to be clearly defined. After approval of the Policy, a Standard Operational Procedure (SOP) needs to be drafted, workshopped with every department to clearly understand each Directorate roles and responsibilities.

COMMENTS FROM THE TOWN MANAGER: CALEDON/TESSELAARSDAL

Take note of the report and the proposed policy.

COMMENTS FROM TOWN MANAGER: BOTRIVER

Council's recent shift toward a revenue enhancement strategy presents an opportune moment to address the formalisation of backyard dwellings in a structured and equitable manner. The potential for significant municipal income through secondary billing for water, electricity, and sewer services must be acknowledged as a key benefit of this approach.

1. **Alignment to Revenue Strategy:**

   The formalisation of backyard dwellings must be explicitly incorporated into the broader municipal revenue enhancement policy. By bringing these dwellings into a formal system, we can enhance our billing base while simultaneously improving service delivery accountability.

2. **Protection of Indigent Households:**

   It is essential that the formalisation process does not disqualify indigent households from their subsidy benefits. Therefore, policy mechanisms must ensure:

   a. The rental income generated from secondary dwellings is either **excluded** from means testing, or;
   b. A **capped income threshold** is introduced for subsidy qualification, to ensure fairness without penalising low-income homeowners attempting to improve their livelihoods.

3. **Encouraging Legal Clarity Through Usufruct (Vruggebruik):**

   In cases where properties form part of a deceased estate with family members enjoying living rights, the municipality should promote the legal use of *vruggebruik (usufruct)*. This provides a practical solution that allows family members to formalise their living arrangements without compromising ownership clarity, potentially easing future land use disputes and estate complications.

4. Service Infrastructure and Compliance:

The implementation of individual service connections for backyard dwellings will require compliance with municipal by-laws, building regulations, and health standards. A phased or incentivised approach to upgrades and formal connections should be considered to ensure broad-based participation and minimal resistance.

5. Community Engagement and Support:

The success of this initiative will rest heavily on community buy-in. It is recommended that a focused communication and education campaign accompany the roll-out, informing residents of the benefits, responsibilities, and protections involved in formalisation.

Conclusion:

The formalisation of backyard dwellings presents a clear win-win scenario: enhanced municipal revenue and service control, while offering residents greater security and access to services. However, this must be balanced with sensitivity to existing socio-economic realities, especially the protection of indigent households.
I recommend that this proposal be further developed into an implementation plan, including a legal review, infrastructural readiness assessment, and stakeholder consultation process.

Also take into consideration when considering providing services for backyard dwellers there will have to be additional assistance within the Building Department (Informal Settlements) that deals with these matters whereby it requires system checks.

COMMENTS FROM THE TOWN MANAGER: GRABOUW

Not supporting the item. This item needs more research i don't understand why the back yarders are separated from other beneficiaries, and I don't know how the municipality will be allowed to put extra equipment or meters in someone else property. The municipality can still bill for the services used in that property every month. There's no additional revenue that the municipality will generate. We can't have back yard dwellers as a different category.

COMMENTS FROM THE TOWN MANAGER: VILLIERSDORP

Draft policy is supported.

COMMENTS FROM THE TOWN MANAGER: RIVIERSONDEREND

Support recommendation.

FINANSIËLE IMPLIKASIES (ITEM OUTEUR)/FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

LEGAL IMPLICATIONS (ITEM AUTHOR)

As per the MFMA.

COMMENTS FROM INTERNAL AUDIT

The policy is supported if consideration is given whether the additional load on electricity and water will not disadvantage the particular residential customers.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

COMMENTS FROM LEGAL SERVICES

Proper consultation with other departments and portfolio councillors serving in Human Settlement Portfolio must be conducted.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council takes cognizance of the amendments on the Backyarders Policy.

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 09 APRIL 2024

It is resolved:

1. **That the amended Backyarders Policy be referred to a Council Workshop for discussion.**

2. **That the Department Human- and Informal Settlements ensure that provision is made for wheelie bins when grant funding applications are submitted. This must also be included in the policy.**

3. **That provision be made in the tariff book (water and electricity) for the payment of service charges when infrastructure services have been provided for the secondary dwelling. This must also be included in the policy.**

COMMENTS BY ITEM AUTHOR:

The Wheelie Bins are not for the policy of backyard dwellers, but the department will submit for any project a portion to include wheelie bins. Also, even with a second dwelling one must apply.

The recommendations made by management are not applicable to this policy. Backyarders must apply for a wheelie bin as per the norm for any other new residential unit or serviced erven occupant. The department is aware of the cross functionality raised by Community Services and take cognizance.

RESOLVED BY THE WORKSHOP: 11 JUNE 2024

Backyarders' Policy can be withdrawn and not discussed during the Workshop.

1. *Agenda-item referred back.*
2. *For finalization by the Deputy Director: Human- and Informal Settlements, Mr S Tebele.*

RESOLVED BY THE WORKSHOP: 22 JANUARY 2025

Backyarder/Secondary Dwelling Policy be withdrawn and not discussed during the Workshop.

1. *Agenda-item referred back.*
2. *For finalization by the Deputy Director: Human- and Informal Settlements, Mr S Tebele.*

ADDITIONAL COMMENTS BY HEAD INFORMAL SETTLEMENTS (MR JP SHUMA):

The department reworked the policy and amended the policy as per recommendations. The policy name was amended to look at a broader spectrum of small-scale rental accommodation and "dump" the term backyarder due to its negative connotations. The policy was internally workshopped and discussed with the relevant departments.

Departments were requested to submit these comments for council to consider but no comments were received in writing. The following concerns were raised and noted.

1. That a secondary municipal connection will have tariff implications and the electrical department advises that the status quo of installing private meters remain.
2. That the Town Planning Department review the zoning schemes and planning by-law and this policy will trigger a review or amendments.
3. Those applications be subjected to capacity availability on municipal networks

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council approves the amendments to the Backyarder/Secondary Dwelling Policy.

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 26 AUGUST 2026

Management resolved that the Draft Backyarder/Secondary Dwelling Policy be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council approves the amendments to the Backyarder/Secondary Dwelling Policy.

THEEWATERSKLOOF SMALL-SCALE RENTAL HOUSING AND BACKYARD ACCOMMODATION POLICY

Consolidated Draft Policy for Council Consideration & Approval Workshops

Compiled by: JP Shuma – Economic Development and Planning Services

Consulted Functions: Town Planning, Building Control, Engineering, Finance, Property Management

Draft Date: July 2025 | Target Review: June 2026 | Revision 1 Status

Theewaterskloof Municipality

Policy Intent Establishes a Facilitative and Legally Compliant Framework

VISION STATEMENT

To promote safe, lawful, affordable, and sustainable backyard accommodation and small-scale rental housing opportunities that contribute to inclusive human settlements, improved living conditions, and incremental residential densification.

THE PRIMARY MANDATE

To facilitate, regulate, enable, and progressively improve small-scale rental housing and backyard accommodation while strictly protecting health, safety, dignity, tenure security, and municipal infrastructure sustainability.

CORE FOCUS AREAS

- **Promote Legality & Safety:** Ensure all structures comply with zoning, building, and fire regulations.
- **Incremental Formalization:** Transition informal and unapproved backyard structures into regulated, safe dwellings.
- **Infrastructure Protection:** Assess and manage engineering services (water, sewer, grid) to prevent overloading.
- **Financial Viability:** Protect municipal revenue through formal tariffs, indigent compliance, and separate meters.

Theewaterskloof Municipality

Rapid Growth in Towns Like Grabouw Drives the Urgent Need to Manage Infrastructure Risks

KEY DEMAND DRIVERS & BENEFITS

✓ **High Population Growth:** Rapid urbanization in Grabouw, Caledon, and Villiersdorp creates massive demand for housing.

✓ **Affordable Rental Choice:** Offers immediate, low-cost rental alternatives close to employment opportunities and transport.

✓ **Household Income Support:** Generates vital rental income for property owners to support their own livelihoods.

✓ **Organic Densification:** Supports compact urban development and efficient, intensive land use within existing boundaries.

CRITICAL RISKS OF UNMANAGED SECTOR

⚠ **Infrastructure Overloading:** Overloaded water, sewer, and electrical networks leading to frequent failures and service blockages.

⚠ **Unsafe Electrical Connections:** High risk of fire, electrocution, and grid instability from illegal/unapproved wiring.

⚠ **Sanitation & Health Hazards:** Inadequate ablution facilities and poor greywater management impacting dignity and health.

⚠ **Disaster Vulnerability:** High-density structures blocking emergency access routes, compounding fire and flooding hazards.

Policy Outlines 11 Core Objectives to Move from Punitive Enforcement to Proactive Enablement

PROACTIVE

11 Core

Objectives established to guide interdepartmental actions

PEOPLE-CENTRIC

100%

Focus on human dignity, health, safety, and basic service access

BALANCED

Dual

Approach of facilitative support and risk-based enforcement

GUIDING PRINCIPLES OF THE POLICY

- **Legality and Administrative Fairness:** All decisions, approvals, and enforcement must comply with provincial/national laws and municipal land use by-laws.
- **Progressive Realisation:** Services and infrastructure improvements will be progressively realized within available municipal resources.
- **Infrastructure-Led Densification:** Densification must align with engineering master plans, with capacity assessments performed first.
- **Owner Consent & Property Rights:** Strict respect for private property rights. The policy does not create automatic tenancy or intervention rights on private land.
- **Financial Sustainability:** Long-term infrastructure preservation and protection of municipal revenue systems from unauthorized connections.

Theewaterskloof Municipality

Policy Positions Backyard Housing Within a Comprehensive 13-Stage Housing Continuum

RECOGNIZING THE INTEGRATED HUMAN SETTLEMENT SPECTRUM

This policy rejects a one-dimensional approach to housing delivery. Instead, it places small-scale rental and backyard units at the center of the local housing continuum, allowing households to transition dynamically as economic circumstances change.



STRATEGIC IMPLICATIONS FOR COUNCIL

- **Progressive Formalisation Pathway:** Backyard accommodation acts as a critical intermediary step between informal settlements and formal homeownership.
- **Supportive Infrastructure Planning:** Infrastructure investments must be targeted where backyard density is highest, ensuring safe services (sanitation, water, grid).
- **Linkages to Social Housing & Restructuring Zones:** Enables the alignment of backyard facilitation with future social housing and municipal spatial development frameworks.

Theewaterskloof Municipality

Municipality Identifies 9 Core Categories to Regulate Various Small-Scale Rentals

Category & Structure	Policy Description & Key Characteristics	Policy Position / Approval Rule
Category A: Formal Second Dwelling	Permanent brick-and-mortar structure with approved land use and building plans.	Permissible with full compliance
Category B: Approved Lightweight	Approved modular/timber-frame (Nutec, wendy) meeting fire & building specs.	Permissible on approval
Category C: Temporary/Transitional	Temporary structure intended for transitional/informal shelter.	Considered only under risk-managed process
Category D: High-Risk Structure	Unapproved, built over servitudes, flood-prone, or fire-risk areas.	Subject to regularisation or strict removal
Category E: Affordable Rental Flat	Self-contained rental units built for low-to-moderate income households.	Supported subject to zoning & capacity
Category F: Small-Scale Dev.	Multiple rental units on single erf, below conventional apartment scale.	Permissible subject to technical approvals
Category G: Communal Rental	Separate rooms rented out with shared kitchen/ablution/communal spaces.	Subject to strict environmental health specs
Category H: Incremental Rental	Structures developed progressively through additions and upgrades over time.	Encouraged as a pathway to formalisation
Category I: Employee/Farm Work	Accommodation for employees or agricultural workers on farms/sites.	Subject to agricultural zoning and conditions

Theewaterskloof Municipality

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Council Mandates a Clear Minimum Service Package to Ensure Health and Infrastructure Sustainability

MINIMUM SERVICE PACKAGE

✓ **Safe Water Supply:** Access to a safe, reliable water supply in accordance with municipal service standards and net capacity.

✓ **Dignified Sanitation:** Connection to a safe toilet and sanitation facility complying with public health codes.

✓ **Safe Electricity Supply:** Connection to safe electricity (where grid supplied), free of dangerous, illegal connections.

✓ **Regular Refuse Removal:** Structured municipal refuse collection and designated storage areas to prevent illegal dumping.

✓ **Stormwater & Safety Access:** Adequate stormwater measures to prevent erosion/flooding, plus safe pedestrian access routes.

INFRASTRUCTURE SAFEGUARDS

ℹ **No Automatic Entitlement:** The policy explicitly creates no automatic right to service connections, infrastructure upgrades, or subsidies.

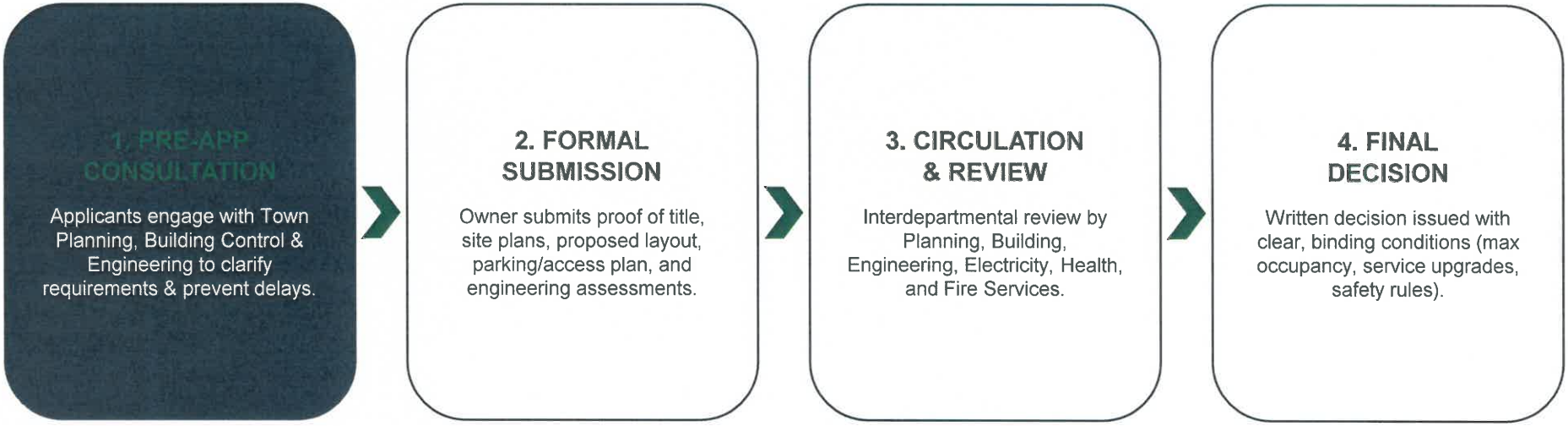
ℹ **Engineering Capacity Checks:** Prior engineering assessment is mandatory for water, sewer, stormwater, roads, and electricity networks.

ℹ **Service Contributions:** Development charges or service contributions may be imposed where upgrades are necessitated by density.

ℹ **Separate Metering Rules:** Separate metering may be investigated/supported where technically and financially viable, at Council's discretion.

Theewaterskloof Municipality

Standardized Checklists and Procedures Streamline Land Use and Building Applications



CRITICAL PROCEDURAL SAFEGUARDS FOR COUNCIL CONSIDERATION

- **Who May Apply:** Applications must be submitted by the registered property owner or a legally authorized representative. Tenant-led applications require owner consent.
- **Development Support Tools:** The policy empowers the Municipality to develop standard plan typologies, checklists, and application guides to assist owners.
- **No Automatic Rights:** Explicitly states that submission or standard plan utilization creates NO automatic development, zoning, or connection rights.

Theewaterskloof Municipality

Financial Framework Protects Revenue Sustainability and Limits Indigent Support to Council Policies

INDIGENT SUPPORT AND SUBSIDIES

✓ **No Automatic Entitlement:** The policy creates no automatic entitlement to free services, rebates, or subsidies for backyard residents.

✓ **Strict Policy Alignment:** Support is strictly subject to the Council's approved Indigent Policy, Tariffs, and service levels.

✓ **Administrative Viability:** Rebates can only be granted where administrative systems are technically capable of identifying and billing beneficiaries.

✓ **Owner-Tenant Billing:** Where separate metering is unavailable, billing remains a private arrangement. The Municipality will not mediate private service bills.

TARIFFS, METERING AND BILLING

ℹ **Revenue Protection:** All services provided to backyard and supplementary units are subject to approved municipal tariffs and service charges.

ℹ **Unfunded Mandates Blocked:** The policy explicitly forbids agreements that create unfunded mandates, unauthorized expenditure, or compromise grid stability.

ℹ **Separate Metering Control:** Separate water and electricity meters are subject to technical feasibility and Finance department approval.

ℹ **Finance Department Veto:** Finance Services must be formally consulted on any subsidy, rebate, or tariff adjustments to prevent revenue leaks.

Theewaterskloof Municipality

Risk-Based Enforcement Prioritizes Immediate Hazards While Encouraging Incremental Regularization

IMMEDIATE ENFORCEMENT ON HIGH-RISK VIOLATIONS (ZERO TOLERANCE)

The Municipality will execute immediate, strict enforcement against high-risk situations, including:

- **Severe Fire Hazards**
- **Unsafe Electricity Connections**
- **Structures Built Over Municipal Water/Sewer Mains**
- **Severe Structural Instability**
- **Environmental Health Risks**
- **Obstruction of Emergency Access and Stormwater Routes**

DEVELOPMENTAL ENFORCEMENT & COMPLIANCE PATHWAY

For minor or non-life-threatening building code or zoning departures, the Municipality adopts a facilitative approach:

✓ Priority on regularisation, planning education, and landlord guidance over immediate punitive measures.
✓ Issuance of compliance notices with reasonable timelines to allow landlords to bring structures up to code.
✓ Use of enforcement measures (compliance directives, fines, legal proceedings) only where landlords refuse to cooperate.

Theewaterskloof Municipality

Institutional Structure Separates Strategic Policy Custody from Departmental Implementation

HUMAN SETTLEMENTS ROLE (CUSTODIAN)

✓ **Strategic Policy Custodian:** Maintains strategic oversight, coordinates policy reviews, and leads interdepartmental coordination.

✓ **Database Management:** Registers, updates, and manages the Backyard Accommodation Register to inform human settlement planning.

✓ **Strategic Alignment:** Aligns policy with municipal Spatial Development Framework (SDF), housing database, and restructuring zones.

✓ **NO Statutory Approvals:** The policy explicitly states that Human Settlements is NOT responsible for processing or approval of planning, building, or engineering applications.

OPERATIONAL LINE DEPARTMENTS

ℹ **Town Planning:** Solely responsible for zoning compliance, land use departures, consent uses, and development approvals.

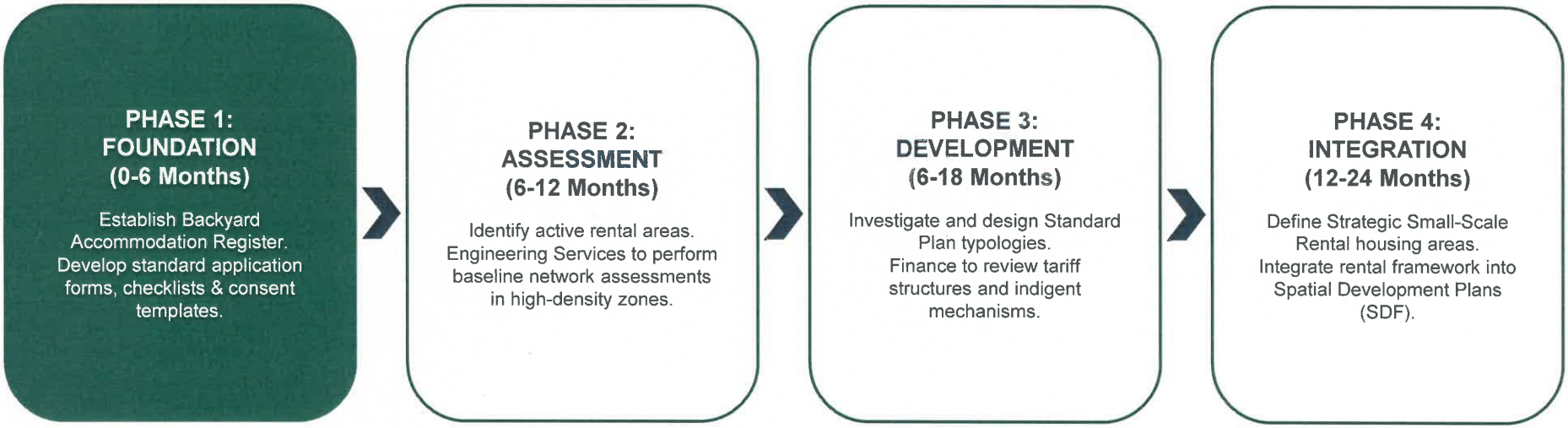
ℹ **Building Control:** Solely responsible for assessing building plans, conducting structural inspections, and issuing occupancy certificates.

ℹ **Engineering & Electricity:** Solely responsible for assessing network capacity, service connections, and engineering standard checks.

ℹ **Finance Department:** Solely responsible for administering tariffs, municipal billing system, separate metering approval, and indigent registers.

Theewaterskloof Municipality

Phased Implementation Plan Sets a Clear 24-Month Roadmap for Interdepartmental Actions



POLICY REVIEW AND MONITORING SAFEGUARDS

- **Interdepartmental Working Group:** The Municipal Manager may establish coordinating forums, technical review groups, and joint inspections.
- **Policy Review Cycle:** The policy will be formally reviewed at least once every five years or earlier in response to legislative amendments or infrastructure constraints.
- **Core Indicators:** Success will be monitored by tracking application and approval volumes, regularisation rates, and service network impact.

Theewaterskloof Municipality

Thank you

Questions and comments

Theewaterskloof
Municipality

Theewaterskloof Municipality

THEEWATERSKLOOF MUNICIPALITY SMALL-SCALE RENTAL HOUSING FACILITATION POLICY

Draft compiled by	JP Shuma
Date	July 2025
Date of approval	
Date of review	June 2026
Revision	1

Document control

Item	Description
Policy owner	Human Settlements / Development Services, in consultation with Town Planning, Building Control, Engineering Services, Finance, Community Services, Fire Services and Legal Services.
Policy status	Consolidated approval-ready draft for departmental, legal, Management Team, MayCo and Council consideration.
Primary purpose	To facilitate, regulate, enable and progressively improve small-scale rental housing and backyard accommodation in Theewaterskloof Municipality while protecting health, safety, dignity, tenure security, municipal infrastructure sustainability and lawful land use management.
Key amendments made	Terminology updated; legal framework strengthened; roles clarified; implementation procedures refined; private property limitations clarified; small-scale rental housing categories expanded; housing continuum and strategic rental housing areas added; planning, approval and facilitation mechanisms strengthened; indigent and service access provisions made subject to Council-approved policies, tariffs, infrastructure capacity and lawful consent; monitoring and enforcement strengthened.

Review note on main amendments

Area reviewed	Amendment made
Terminology	Replaced inconsistent references to "settlements" and "illegal backyarders" with "backyard accommodation", "backyard residents", "second dwelling", "supplementary dwelling" and "small-scale rental accommodation", where appropriate.
Rights-based approach	Strengthened the policy around dignity, safety, access to basic services, meaningful engagement and progressive realisation within available resources.
Planning alignment	Aligned the draft with SPLUMA, the Theewaterskloof Municipal Land Use Planning By-law and the Zoning Scheme By-law. Land use approval, building plan approval and engineering capacity assessment are treated as linked but separate processes.
Private property limits	Clarified that the Municipality may facilitate, regulate, approve, monitor and provide services where lawful, but may not simply enter private property, install services, enforce private contracts or create tenancy rights without proper legal authority and/or owner consent.

Rental disputes	Amended the earlier wording that the Municipality must establish a Rental Tribunal. The Municipality should facilitate referral, information and mediation support, while formal tribunal functions remain subject to the applicable Rental Housing legislative framework.
Infrastructure	Added infrastructure capacity checks, development charges/contributions where applicable, separate metering where feasible, fire safety, refuse, stormwater, sanitation and electricity requirements.
Implementation	Added an institutional workflow, application requirements, minimum standards, monitoring, enforcement, data management, reporting and review mechanisms.
Small-scale rental housing facilitation	The policy has been repositioned from a narrow backyard accommodation response to a broader small-scale rental housing facilitation instrument, while still retaining the provisions required to manage backyard accommodation.
Expanded housing categories	Additional categories have been included for affordable rental flats, small-scale rental developments, communal rental accommodation and incremental rental housing.
Planning and approval framework	Planning, building control, engineering, fire safety and service-clearance processes have been strengthened to support lawful and practical facilitation of qualifying small-scale rental housing.
Strategic rental housing areas	The policy now allows the Municipality to identify priority areas where infrastructure planning, small-scale rental facilitation, affordable rental initiatives, social housing and future restructuring zone work can be aligned.

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1. Executive summary

Theewaterskloof Municipality recognises that backyard accommodation and other forms of small-scale rental housing have become an important component of the local housing market and human settlements system. These forms of accommodation provide affordable housing opportunities, support household income generation, contribute to local economic activity and assist in addressing the growing demand for rental accommodation within existing urban areas.

The Municipality further recognises that backyard accommodation and small-scale rental housing have become increasingly important in responding to housing demand, population growth, migration, affordability constraints and changing household structures. While these forms of accommodation provide significant social and economic benefits, unmanaged development may place pressure on municipal infrastructure, create health and safety risks and result in unlawful development practices.

This policy establishes a framework for the facilitation, regulation, support and management of backyard accommodation and small-scale rental housing within the municipal area. The policy seeks to balance the need for affordable rental accommodation with the Municipality's responsibilities relating to land use management, infrastructure planning, financial sustainability, public health, public safety and environmental management.

The policy promotes lawful and incremental densification, supports improved living conditions, provides guidance on planning and approval processes, and creates a framework for interdepartmental coordination. The policy further recognises the role of backyard accommodation and small-scale rental housing within the broader housing continuum and supports alignment with future affordable rental housing programmes, social housing initiatives and restructuring zone opportunities.

2. Vision, purpose and scope

2.1 Vision

The vision of this policy is to promote safe, lawful, affordable and sustainable backyard accommodation and small-scale rental housing opportunities that contribute to inclusive human settlements, improved living conditions, incremental residential densification and sustainable municipal development within Theewaterskloof Municipality.

2.2 Purpose

The purpose of this policy is to establish a municipal framework that facilitates, regulates, supports and monitors backyard accommodation and small-scale rental housing within the municipal area.

The policy seeks to:

Improve housing opportunities for residents.

Promote compliance with applicable legislation and municipal by-laws.

Support infrastructure-led development and densification.

Improve living conditions and access to basic services.

Strengthen planning and development management.

Promote investment in lawful rental accommodation.

Support long-term human settlements planning.

Protect municipal infrastructure and financial sustainability.

2.3 Scope

This policy applies to backyard accommodation, supplementary dwellings, second dwellings, communal rental accommodation, affordable rental flats, small-scale rental developments, incremental rental housing and other forms of small-scale residential rental accommodation located within the jurisdiction of Theewaterskloof Municipality.

The policy applies to municipal departments, property owners, landlords, tenants, developers, applicants, community structures and other stakeholders involved in the planning, development, occupation, management or regulation of small-scale rental housing and backyard accommodation.

Nothing in this policy exempts any person from complying with applicable legislation, municipal by-laws, land use rights, building control requirements, engineering standards, fire safety requirements, environmental health requirements or other statutory obligations.

3. Definitions

For the purposes of this policy, unless the context indicates otherwise:

3.1 Backyard accommodation

Means residential accommodation located on the same erf as a primary dwelling, whether in the form of a second dwelling, room, flatlet, converted outbuilding, informal structure or other rental or living unit, subject to applicable planning, building, fire, health, safety and service requirements.

3.2 Backyard resident

Means a household or person residing in backyard accommodation, whether renting the structure, renting space to place a structure, living with family members, or occupying under another lawful arrangement.

3.3 Backyard landlord

Means the owner, lawful occupier or person in charge of an erf who permits or makes available a room, structure or portion of land for backyard accommodation, whether for rental, family accommodation or another lawful arrangement.

3.4 Second dwelling

Means a self-contained additional dwelling unit on an erf, as recognised or permitted under the applicable zoning scheme and land use approval process.

3.5 Supplementary dwelling or small-scale rental unit

Means an additional residential unit, room or accommodation facility created to provide rental accommodation, subject to the applicable zoning scheme, building control requirements and Council-approved procedures.

3.6 Approved backyard unit

Means a backyard unit that has obtained the required land use approval, building plan approval, engineering services clearance and any other approval required by law.

3.7 Unapproved backyard unit

Means a backyard unit or structure that has been erected or occupied without the approvals required by law or in contravention of a condition of approval.

3.8 Small-scale rental housing

Means residential accommodation provided for rental purposes at a scale smaller than conventional apartment developments and may include backyard accommodation, second dwellings, supplementary dwellings, communal accommodation, affordable rental flats, incremental rental housing and other similar rental accommodation forms.

3.9 Affordable rental housing

Means rental accommodation intended to provide affordable housing opportunities to low- and moderate-income households in accordance with applicable housing policies and programmes.

3.10 Communal rental accommodation

Means accommodation where individual rooms are rented separately and occupants share ablution, cooking, laundry or other communal facilities.

3.11 Incremental rental housing

Means rental accommodation developed in phases through additions, improvements or replacement of temporary structures with more permanent accommodation over time.

3.12 Basic municipal services

Means water, sanitation, electricity where supplied by the Municipality, refuse removal, stormwater and related municipal services provided within Council-approved service standards, tariffs, infrastructure capacity and legal mandates.

3.13 Owner consent

Means written consent by the registered owner or legally authorised person in charge of the property for an application, inspection, installation or service-related intervention on private land.

3.14 Meaningful engagement

Means a fair process of communication and participation between the Municipality, owners, backyard residents and affected stakeholders before major decisions are taken that may affect access to services, occupation, safety or compliance.

3.15 Vulnerable household

Means a household that may require prioritised administrative support due to age, disability, child-headed household status, disaster exposure, income insecurity, health risks or other recognised vulnerability.

3.16 Strategic small-scale rental housing area

Means an area identified by the Municipality through its planning, human settlements or infrastructure planning processes for the targeted facilitation, management and support of small-scale rental housing and backyard accommodation.

4. Problem statement

Backyard accommodation and other forms of small-scale rental housing have become a significant component of the local human settlements system within Theewaterskloof Municipality. These forms of accommodation respond to housing backlogs, affordability constraints, household formation, migration, proximity to employment opportunities and the increasing demand for affordable rental accommodation. They also provide income-generating opportunities for property owners and contribute to local economic activity and incremental residential densification.

The Municipality has experienced increasing demand for affordable accommodation in urban areas such as Grabouw, Caledon, Villiersdorp, Botrivier, Riviersonderend and Greyton/Genadendal. This demand has contributed to the growth of backyard accommodation and other forms of small-scale rental housing within established residential neighbourhoods.

While these forms of accommodation provide important housing opportunities, unmanaged development may result in:

- Overloading of municipal infrastructure;
- Unsafe electricity connections;
- Fire and health risks;
- Environmental impacts;
- Stormwater and sanitation challenges;
- Traffic and parking pressures;
- Unlawful land use activities;
- Building control non-compliance;
- Increased vulnerability to disasters and emergencies.

Historically, municipal responses to backyard accommodation have often focused primarily on enforcement and compliance. While regulatory compliance remains important, there is growing recognition that backyard accommodation and small-scale rental housing form part of the broader housing market and require a balanced approach that combines regulation, facilitation, support and monitoring.

The Municipality therefore recognises backyard accommodation as an existing and growing housing response, but seeks to move it from an unmanaged and reactive environment into a regulated, incremental and enabling municipal system. The Municipality must balance household dignity and access to basic services with lawful land use management, building safety, infrastructure capacity, financial sustainability and the rights of property owners.

5. Policy intent, objectives and principles

5.1 Policy intent

The intent of this policy is to establish a lawful, practical and developmental framework for the facilitation, regulation, management, support and monitoring of backyard accommodation and small-scale rental housing within Theewaterskloof Municipality.

The policy seeks to promote safe and sustainable living environments while supporting affordable rental accommodation, incremental densification, infrastructure sustainability and compliance with applicable legislation and municipal by-laws.

5.2 Objectives

The objectives of this policy are:

- To recognise backyard residents as members of the municipal community whose living conditions, access to services and safety require policy attention.
- To regulate and manage second dwellings, supplementary dwellings and backyard rental units through lawful planning, building control and engineering processes.
- To enable incremental improvement of backyard accommodation without undermining the National Building Regulations, fire safety requirements, environmental health requirements or municipal infrastructure capacity.
- To improve municipal data relating to backyard accommodation and small-scale rental housing for planning, budgeting, service delivery and housing demand management purposes.
- To promote fair administrative processes between the Municipality, property owners, backyard residents and affected communities.
- To support future housing projects, serviced sites and township developments to anticipate densification and rental accommodation opportunities from the outset.
- To promote access to affordable rental accommodation opportunities within existing residential neighbourhoods and appropriate development areas.
- To support incremental residential densification in suitable locations while protecting infrastructure capacity, public safety, neighbourhood amenity and municipal financial sustainability.
- To encourage household, community and private sector participation in the provision of affordable rental accommodation.
- To provide a municipal facilitation framework for standard plans, approved typologies, application guidance and interdepartmental service-clearance processes where feasible.
- To align small-scale rental housing with the Municipal Spatial Development Framework, Human Settlements Strategy, Integrated Development Plan, future social housing opportunities and restructuring zone initiatives.

5.3 Guiding principles

The implementation of this policy shall be guided by the following principles:

5.3.1 Legality and administrative fairness

All decisions, approvals, enforcement actions and administrative processes undertaken in terms of this policy must comply with applicable legislation, municipal by-laws, delegated authority and the principles of lawful, reasonable and procedurally fair administrative action.

5.3.2 Progressive realisation within available resources

The Municipality recognises the need to progressively improve living conditions and access to basic services for backyard residents and occupants of small-scale rental housing, subject to available resources, infrastructure capacity, financial sustainability and statutory obligations.

5.3.3 Infrastructure-led densification

Residential densification should occur in a manner that is aligned with infrastructure capacity, service availability, environmental constraints and municipal planning objectives.

5.3.4 Health, safety and dignity

The Municipality shall promote living environments that support human dignity, public health, structural safety, fire safety and environmental sustainability.

5.3.5 Owner consent and property rights

The rights of property owners must be respected and no provision of this policy may be interpreted as creating unlawful occupation rights, municipal ownership obligations or automatic rights to municipal intervention on private property without lawful authority.

5.3.6 Meaningful engagement

The Municipality should promote meaningful engagement with affected property owners, backyard residents, tenants, community structures and other stakeholders where decisions may materially affect living conditions, service provision or compliance requirements.

5.3.7 Financial sustainability

The implementation of this policy must support the long-term financial sustainability of municipal infrastructure, service delivery and revenue management systems.

5.3.8 Differentiated responses

Different settlements, neighbourhoods and development contexts may require different interventions, implementation approaches and support mechanisms.

5.3.9 Incremental upgrading and support

The Municipality should prioritise education, support, guidance and incremental regularisation where appropriate before pursuing punitive enforcement measures, except where immediate risks to life, health, safety, infrastructure or the environment exist.

5.3.10 Spatial integration and compact development

Small-scale rental housing should support spatial integration, efficient land use, compact urban development and improved access to economic opportunities and services.

5.3.11 Housing affordability and inclusion

The Municipality recognises the importance of affordable rental accommodation in addressing housing demand and promoting social and economic inclusion.

5.3.12 Recognition of small-scale rental housing

Backyard accommodation and small-scale rental housing are recognised as legitimate components of the local housing market and human settlements system.

5.3.13 Incremental formalisation

The Municipality supports the progressive formalisation of backyard accommodation and small-scale rental housing through planning, building control, engineering and service-delivery mechanisms where appropriate.

5.3.14 Integrated planning

Human settlements planning, land use management, infrastructure investment, local economic development and service delivery should be coordinated to support sustainable development outcomes.

5.4 Operational implementation principle

This policy provides a strategic and regulatory framework for the facilitation and management of small-scale rental housing and backyard accommodation within the municipal area.

Operational implementation of land use management, development applications, building control, engineering assessments, service connections, inspections, compliance monitoring and enforcement shall remain the responsibility of the relevant municipal departments in accordance with applicable legislation, municipal by-laws, delegations and approved organisational structures.

Nothing in this policy shall be interpreted as transferring statutory or delegated responsibilities from Town Planning, Building Control, Engineering Services, Fire Services, Environmental Health, Finance, Legal Services or any other authorised municipal department to Human Settlements.

6. Legislative and policy framework

This policy must be interpreted and implemented with due regard to the following legislation, policies and municipal instruments:

6.1 Constitutional and legislative framework

- Constitution of the Republic of South Africa, 1996.
- Housing Act, 1997 (Act 107 of 1997).
- Rental Housing Act, 1999 (Act 50 of 1999), as amended.
- National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977).
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).
- Western Cape Land Use Planning Act, 2014 (Act 3 of 2014).
- Disaster Management Act, 2002 (Act 57 of 2002).
- National Environmental Management Act, 1998 (Act 107 of 1998), where applicable.
- Protection of Personal Information Act, 2013 (Act 4 of 2013), where applicable.

6.2 Municipal legislative framework

- Theewaterskloof Municipality By-law on Municipal Land Use Planning, 2020.
- Theewaterskloof Municipality Zoning Scheme By-law, 2020.
- Applicable municipal service by-laws.
- Applicable municipal fire safety requirements.
- Applicable municipal environmental health requirements.
- Applicable municipal credit control and debt collection by-laws.

6.3 Municipal planning and policy framework

This policy shall be read together with:

- Theewaterskloof Integrated Development Plan (IDP).
- Municipal Spatial Development Framework (MSDF).
- Human Settlements Strategy.
- Council-approved Tariff Policy.
- Council-approved Indigent Policy.
- Credit Control and Debt Collection Policy.
- Infrastructure Master Plans.
- Disaster Risk Management Plans.
- Local Spatial Development Frameworks.
- Precinct Plans and Overlay Zones where applicable.

6.4 National and provincial policy alignment

This policy supports the objectives of:

- National Development Plan 2030.
- National Housing Code.
- Integrated Urban Development Framework.
- Relevant provincial human settlements policies and programmes.
- Social Housing Programme.
- Affordable Rental Housing Programmes.
- Future restructuring zone initiatives where applicable.

6.5 Benchmarking and good practice

The Municipality may consider planning reforms, policy instruments and implementation approaches developed by other municipalities as comparative guidance where appropriate.

Such references shall not create rights or obligations unless specifically adopted by Theewaterskloof Municipality through approved municipal processes.

7. Housing continuum and categories of small-scale rental housing

7.1 Housing continuum

The Municipality recognises that small-scale rental housing forms part of a broader housing continuum and contributes to the provision of affordable accommodation opportunities within existing urban areas.

The housing continuum may include:

1. Emergency accommodation.
2. Informal settlements.
3. Informal settlement upgrading programmes.
4. Serviced sites.
5. Backyard accommodation.
6. Supplementary dwelling units.
7. Second dwellings.
8. Affordable rental flats.

9. Small-scale rental developments.
10. Communal rental accommodation.
11. Social housing.
12. Affordable housing developments.
13. Home ownership opportunities.

The purpose of recognising this continuum is to acknowledge that households may move between different forms of accommodation over time as circumstances change and housing opportunities improve.

This policy therefore supports incremental improvement, progressive formalisation and diversified housing opportunities rather than a one-dimensional approach to housing delivery.

7.2 Categories of small-scale rental housing

The Municipality recognises the following categories of small-scale rental housing for planning, administration, monitoring and implementation purposes:

Category A: Formal second dwelling

A brick-and-mortar or equivalent permanent structure developed as a lawful second dwelling on an erf with the required planning approvals, building plan approvals and service connections.

Policy position: Permissible where compliant with zoning, building control, engineering services and applicable municipal requirements.

Category B: Approved lightweight structure

An approved Nutec, modular, timber-frame or similar lightweight structure that complies with applicable planning, building, fire safety and service requirements. May be permitted where all applicable municipal requirements are satisfied.

Category C: Temporary or transitional structure

A temporary structure, wendy house or similar accommodation structure intended for transitional occupation. May only be considered through an approved and risk-managed process where permitted by law and where minimum safety and service standards can be achieved.

Category D: Unapproved or high-risk structure

Any structure erected without approval, located within prohibited areas, over municipal services, within flood-prone areas, fire-risk areas or other locations that create unacceptable risks. Subject to compliance action, regularisation where possible, or lawful removal where compliance cannot be achieved.

Category E: Affordable rental flat

Self-contained rental accommodation developed to provide affordable long-term rental opportunities. May be supported where permitted by applicable zoning, infrastructure capacity, planning approvals and building control requirements.

Category F: Small-scale rental development

A development comprising multiple rental units on a single property that exceeds traditional backyard accommodation but remains below the scale of a conventional apartment development. May be considered subject to planning approval, infrastructure capacity, fire safety, access, parking and service requirements.

Category G: Communal rental accommodation

Accommodation where individual rooms are rented separately and occupants share communal facilities. May be considered subject to planning, environmental health, fire safety, occupancy and management requirements.

Category H: Incremental rental housing

Rental accommodation developed progressively through approved additions, upgrades or replacement of temporary structures. Encouraged as a pathway towards formalisation and improved living conditions.

8. Access to basic services and infrastructure

8.1 General approach

Access to basic municipal services for backyard accommodation and small-scale rental housing must be approached as a human settlements, infrastructure planning, public health and service delivery matter.

The Municipality recognises that increased residential density may create additional demand for municipal infrastructure and services. The provision of services to backyard accommodation and small-scale rental housing must therefore be managed in a manner that promotes public health, public safety, infrastructure sustainability and financial viability.

The Municipality may facilitate improved access to municipal services where such provision is lawful, technically feasible, financially sustainable and consistent with applicable legislation, municipal by-laws, Council-approved policies and available infrastructure capacity.

Nothing in this policy creates an automatic entitlement to municipal services, infrastructure upgrades, separate service connections, subsidies or free basic services.

8.2 Service principles

The provision and management of municipal services under this policy shall be guided by the following principles:

8.2.1 Safety

All service connections and installations must comply with applicable safety standards and statutory requirements.

Unsafe electricity connections, illegal service connections and unlawful alterations to municipal infrastructure shall not be permitted.

8.2.2 Infrastructure sustainability

Municipal infrastructure must be protected from overloading, abuse and unauthorised connections.

The Municipality may impose conditions, require upgrades or refuse applications where infrastructure capacity is insufficient to accommodate additional demand.

8.2.3 Financial sustainability

Service provision must support the Municipality's financial sustainability objectives and comply with approved tariff structures, revenue management systems and applicable financial legislation.

8.2.4 Equity and fairness

The Municipality should seek to ensure that residents receive equitable access to municipal services while recognising infrastructure constraints, legal requirements and available resources.

8.2.5 Compliance

Service provision must remain subject to applicable planning approvals, building control requirements, engineering standards and municipal by-laws.

8.3 Minimum service package for approved backyard and small-scale rental accommodation

Where backyard accommodation or small-scale rental housing has obtained the necessary approvals and complies with applicable requirements, the Municipality may facilitate access to the following minimum services:

Water supply

Access to safe and reliable water supply in accordance with municipal service standards and infrastructure capacity.

Sanitation

Access to safe sanitation facilities that comply with public health requirements and municipal standards.

Electricity

Access to safe electricity supply where electricity is available and where installations comply with applicable regulations and municipal requirements.

Refuse removal

Access to refuse storage and collection arrangements in accordance with municipal waste management requirements.

Stormwater management

Appropriate stormwater management measures to prevent flooding, erosion, infrastructure damage and public health risks.

Emergency access 452

Safe pedestrian and emergency access to structures and properties where required.

8.4 Infrastructure capacity assessments

The Municipality may require engineering assessments to determine whether existing infrastructure can accommodate increased demand resulting from backyard accommodation or small-scale rental housing.

Infrastructure assessments may include:

- Water supply capacity.
- Sewer network capacity.
- Stormwater capacity.
- Road access.
- Traffic impacts.
- Electrical network capacity.
- Refuse collection requirements.
- Emergency service access.

Where infrastructure upgrades are required, the Municipality may impose conditions, phased implementation requirements, service contributions or development charges where permitted by law.

8.5 Separate metering and service connections

The Municipality may investigate and support separate metering arrangements where:

- Such arrangements are technically feasible;
- Infrastructure capacity is available;
- Municipal systems can accommodate the arrangement;
- Costs can be recovered sustainably; and
- The arrangement complies with applicable legislation and Council-approved policies.

Approval of separate metering shall remain subject to the requirements of the relevant municipal departments.

8.6 Strategic small-scale rental housing areas

The Municipality may identify strategic small-scale rental housing areas through the Municipal Spatial Development Framework, Local Spatial Development Frameworks, precinct plans, human settlements planning processes or other Council-approved planning instruments.

The purpose of identifying strategic areas is to:

- Align infrastructure planning and investment.
- Support affordable rental accommodation opportunities.
- Promote appropriate densification.
- Support small-scale landlords and property owners.
- Facilitate future housing programmes.
- Support integrated human settlements development.

Strategic areas may include:

- Grabouw;
- Caledon;
- Villiersdorp;
- Botrivier;
- Riviersonderend;
- Greyton and Genadendal; and
- Any other area identified through future planning processes.

Identification as a strategic area does not create automatic development rights, planning approvals, service connections or subsidy entitlements.

8.7 Linkages to social housing and restructuring zones

Where appropriate, the Municipality may align the implementation of this policy with:

- Social Housing Programmes;
- Restructuring Zone initiatives;
- Affordable Rental Housing Programmes;
- Serviced site developments;
- Incremental housing programmes;
- Public-private partnership opportunities; and
- Other human settlements initiatives.

Such alignment must be undertaken in accordance with applicable legislation, funding frameworks, Council-approved strategies and municipal planning instruments.

9. Backyard and small-scale rental housing administration and data management

9.1 Purpose

The Municipality shall maintain administrative systems and information management processes to support the implementation, monitoring and review of this policy.

Reliable information is necessary to support planning, budgeting, service delivery, infrastructure management, housing demand analysis and policy development.

9.2 Backyard accommodation register

The Municipality may establish and maintain a Backyard Accommodation Register or other approved information management system.

The register shall be used for planning and administrative purposes and shall not:

- Constitute proof of ownership;
- Constitute proof of tenure rights;
- Create an entitlement to municipal services;
- Create an entitlement to housing allocation;
- Constitute approval of a structure; or
- Replace any statutory approval process.

9.3 Information to be recorded

Where information is available and lawfully obtained, the register may include:

- Property description and erf number.
- Town and ward.
- Geographic location.
- Owner details.
- Owner consent status.
- Number and type of structures.
- Number of households.
- Estimated number of occupants.
- Land use approval status.
- Building plan approval status.
- Service access information.
- Infrastructure risk information.
- Housing Demand Database registration status.
- Vulnerability indicators.
- Inspection records.
- Photographic records.
- Compliance and enforcement history.

9.4 Data protection and confidentiality

All information collected and maintained under this policy shall be managed in accordance with:

- Protection of Personal Information Act, 2013;
- Municipal information management policies;
- Records management requirements; and
- Applicable legislation governing access to information.

Personal information shall only be used for legitimate municipal purposes and shall be protected against unauthorised access or disclosure.

9.5 Monitoring and reporting

The Municipality shall utilise available information to support:

- Human settlements planning;
- Infrastructure planning;
- Budget preparation;
- Service delivery planning;
- Housing demand management;
- Risk management;
- Disaster preparedness; and
- Policy review processes.

The Municipality may prepare periodic reports on backyard accommodation and small-scale rental housing trends for management, Council and other authorised structures.

9.6 Interdepartmental information sharing

Relevant municipal departments may share information for purposes related to:

- Planning and development management;
- Infrastructure planning;
- Service delivery;
- Revenue management;
- Public safety;
- Disaster risk management;
- Compliance monitoring; and
- Human settlements planning.

Information sharing shall be undertaken in accordance with applicable legislation and municipal information governance requirements.

10. Planning, building control and application procedure

10.1 General principle

The Municipality recognises that lawful small-scale rental housing and backyard accommodation require an integrated approach involving land use management, building control, engineering services, fire safety, environmental health and municipal service provision.

All development, occupation and use of land for backyard accommodation and small-scale rental housing shall remain subject to applicable legislation, municipal by-laws, development parameters, infrastructure capacity and delegated decision-making processes.

Nothing in this policy exempts any person from obtaining approvals required by law

10.2Who may apply

Applications for approvals contemplated in this policy shall be submitted by:

- The registered owner of the property;
- An authorised representative acting on behalf of the owner;
- A person holding lawful authority to act on behalf of the owner; or
- Any other person authorised by law to submit such an application.

Where backyard residents are not the owners of the property, they may participate in the process, but applications requiring planning approval, building plan approval or service-related approvals must be supported by owner consent where required by law.

10.3 Pre-application consultation

Property owners and applicants are encouraged to engage with the Municipality prior to submitting formal applications.

Pre-application consultations may involve:

- Town Planning;
- Building Control;

- Engineering Services;
- Electricity Services;
- Fire Services;
- Environmental Health Practitioners;
- Human Settlements; and
- Other relevant municipal departments.

The purpose of pre-application consultation is to:

- Clarify applicable requirements;
- Identify potential constraints;
- Confirm approval processes;
- Improve application quality; and
- Reduce avoidable delays.

10.4 Application requirements

Applications may be required to include:

Ownership information

- Proof of ownership;
- Title deed information;
- Owner consent where applicable; and
- Authority to act on behalf of the owner where relevant.

Property information

- Erf number and address;
- Site plan;
- Existing development information;
- Existing services information; and
- Photographs where required.

Development information

- Proposed number of units;
- Proposed occupancy levels;
- Proposed building plans where required;
- Floor areas;
- Parking arrangements;
- Access arrangements;
- Stormwater management proposals; and
- Refuse storage arrangements.

Technical information

- Engineering assessments where required;
- Fire safety information where required;
- Environmental health information where required; and
- Any additional information reasonably required by the Municipality.

10.5 Departmental circulation

Applications may be circulated to the following departments where relevant:

- Town Planning;
- Building Control;
- Engineering Services;
- Electricity Services;
- Human Settlements;
- Finance;
- Community Services;
- Fire Services;
- Legal Services; and
- Other relevant departments or organs of state.

Each department shall assess the application in terms of its legislative mandate, delegated authority and technical requirements.

10.6 Decision-making

Applications shall be considered and decided in accordance with:

- Applicable legislation;
- Municipal by-laws;
- Delegations;
- Technical standards;
- Infrastructure capacity;
- Public safety requirements; and
- Municipal planning objectives.

Approvals may be granted subject to conditions.

Conditions may include:

- Maximum occupancy levels;
- Infrastructure upgrades;
- Service contributions;
- Parking requirements;
- Fire safety requirements;
- Building compliance requirements;
- Timeframes for implementation;
- Maintenance requirements; and
- Any other lawful condition considered necessary.

10.7 Refusal of applications

The Municipality may refuse an application where:

- The proposal is inconsistent with applicable legislation;
- Infrastructure capacity is inadequate;
- Public safety would be compromised;
- Environmental health risks cannot be mitigated;

- Fire safety requirements cannot be met;
- The proposal would create unacceptable impacts on surrounding properties; or
- Required information has not been provided.

10.8 Development approval facilitation

The Municipality may develop:

- Standard application forms;
- Owner consent forms;
- Application checklists;
- Service clearance templates;
- Guidance documents;
- Standard plans;
- Approved typologies; and
- Other administrative support tools.

The purpose of these tools is to improve compliance, consistency and administrative efficiency.

These tools shall not replace statutory approval processes.

11. Planning and development facilitation framework

11.1 Facilitative planning approach

The Municipality adopts a facilitative approach to small-scale rental housing and backyard accommodation.

This means that the Municipality shall seek to:

- Provide clear guidance to applicants;
- Support lawful development;
- Promote compliance through education and assistance;
- Encourage incremental formalisation;
- Improve coordination between departments; and
- Reduce unnecessary administrative barriers.

The facilitative approach does not remove compliance obligations or statutory requirements.

11.2 Zoning and land use management

All backyard accommodation and small-scale rental housing shall remain subject to:

- Applicable zoning rights;
- Development parameters;
- Overlay zones;
- Consent use requirements;
- Departure requirements;
- Rezoning requirements;
- Conditions of approval; and

- Other applicable planning controls.

The applicable land use approval process shall be determined by the zoning and development characteristics of the property concerned.

11.3 Standard plans and approved typologies

The Municipality may investigate, develop or adopt standard plans and approved typologies for qualifying forms of small-scale rental housing.

These may include:

- Second dwellings;
- Supplementary dwellings;
- Affordable rental flats;
- Incremental rental housing;
- Lightweight structures;
- Communal accommodation; and
- Other approved rental housing typologies.

The purpose of standard plans and typologies is to:

- Improve compliance;
- Reduce uncertainty;
- Improve quality;
- Support affordability; and
- Facilitate efficient approvals.

The use of a standard plan does not constitute automatic approval.

11.4 Development thresholds and infrastructure capacity

The Municipality may differentiate between categories of development based on:

- Number of units;
- Number of occupants;
- Floor area;
- Site size;
- Infrastructure demand;
- Service impacts; and
- Risk profile.

Higher-intensity developments may require additional assessments and approvals.

Infrastructure capacity shall remain a key consideration in all development decisions.

11.5 Parking, access, building lines and neighbourhood amenity

Development proposals shall be assessed with regard to:

- Safe access;
- Emergency vehicle access;

- Pedestrian movement;
- Parking demand;
- Building lines;
- Privacy considerations;
- Ventilation;
- Fire separation;
- Stormwater management; and
- Neighbourhood amenity.

The Municipality may apply context-sensitive requirements where justified by planning considerations and local conditions.

11.6 Application facilitation and interdepartmental coordination

The Municipality may establish an internal small-scale rental housing facilitation process to improve coordination between departments.

The facilitation process may assist applicants to:

- Understand approval requirements;
- Identify applicable processes;
- Resolve technical issues;
- Improve application quality; and
- Navigate municipal approval systems.

The facilitation process shall not replace statutory decision-making processes.

11.7 No automatic rights created

Nothing contained in this policy shall be interpreted as creating:

- Automatic development rights;
- Automatic approval rights;
- Automatic service connection rights;
- Automatic subsidy rights;
- Automatic densification rights; or
- Automatic land use rights.

All applications remain subject to:

- Applicable legislation;
- Municipal by-laws;
- Council-approved policies;
- Infrastructure capacity;
- Technical assessments;
- Delegated authority; and
- Conditions of approval.

12. Minimum requirements for approval

The following minimum requirements shall apply to applications considered under this policy.

Requirement	Policy Standard
Land Use Compliance	The proposed use must be permitted as a primary right, additional use right, consent use, approved departure or other lawful planning approval.
Building Control	Structures requiring approval must comply with the National Building Regulations and approved building plans.
Health and Safety	Development must comply with applicable health, fire, structural and safety requirements.
Access to Services	Lawful and safe access to water, sanitation, electricity and refuse services must be demonstrated where applicable.
Infrastructure Capacity	The Municipality must be satisfied that infrastructure can safely accommodate the proposed development.
Stormwater Management	Development must not create flooding, erosion or stormwater-related risks.
Access and Circulation	Adequate access for occupants, municipal services and emergency services must be provided.
Location on Erf	Structures may not unlawfully obstruct servitudes, access routes, municipal infrastructure or required building setbacks.
Occupancy Levels	Occupancy may be limited based on safety, infrastructure capacity and applicable planning requirements.
Environmental Health	Development must not create unacceptable environmental health risks.
Compliance with Conditions	Applicants must comply with all conditions imposed by the Municipality.
Regularisation	Existing unlawful structures may be considered for regularisation where compliance can reasonably be achieved.

Existing unlawful structures that present significant risks to life, safety, infrastructure or the environment may be subject to enforcement action where compliance cannot be achieved.

13. Indigent support, tariffs and billing

13.1 General principle

The Municipality recognises that backyard accommodation and small-scale rental housing accommodate a significant number of low-income and vulnerable households. The implementation of this policy must therefore be aligned with the Municipality's approved indigent support, tariff and revenue management frameworks.

Nothing in this policy creates an automatic entitlement to free basic services, municipal subsidies, rebates, tariff reductions or financial assistance.

All support measures shall be administered in accordance with approved Council policies, applicable legislation and available resources.

13.2 Indigent support

Qualifying backyard residents and occupants of small-scale rental housing may be considered for indigent support only where such support is permitted by:

- The Municipality's approved Indigent Policy;
- Council-approved tariffs;
- Applicable legislation; and
- Administrative systems capable of identifying qualifying beneficiaries.

The Municipality may investigate mechanisms to improve access to indigent support for qualifying backyard households where such arrangements are lawful, practical and financially sustainable.

13.3 Tariffs and service charges

All municipal services provided to properties containing backyard accommodation or small-scale rental housing shall remain subject to approved tariffs and service charges.

The Municipality may review tariff structures from time to time to ensure that:

- Infrastructure costs are appropriately recovered;
- Revenue sustainability is maintained;
- Service delivery remains financially viable; and
- Billing arrangements remain fair and transparent.

13.4 Separate metering

Where technically feasible and approved by the Municipality, separate metering arrangements may be considered.

Separate metering arrangements shall be subject to:

- Infrastructure capacity;
- Technical feasibility;
- Approved municipal standards;
- Cost recovery considerations;
- Approved tariffs; and
- Any conditions imposed by the Municipality.

Approval of separate metering shall remain at the discretion of the relevant municipal departments and shall not constitute an automatic right.

13.5 Billing arrangements

Where separate metering is approved, billing shall be administered through the municipal financial management system in accordance with approved tariffs and procedures.

Where separate metering is not available, billing arrangements between owners and occupants shall remain private arrangements subject to applicable law.

The Municipality shall not become a party to private service-sharing arrangements unless otherwise authorised by law.

13.6 Financial sustainability

The Municipality shall avoid arrangements that:

- Create unfunded mandates;
- Result in unauthorised expenditure;
- Undermine revenue collection;
- Create inequitable subsidies; or
- Compromise long-term infrastructure sustainability.

Finance Services shall be consulted regarding any proposed subsidy, rebate, tariff amendment or financial support mechanism arising from the implementation of this policy.

14. Landlord and tenant relations

14.1 General principle

The Municipality is not a party to private rental agreements between landlords and tenants unless the Municipality is the owner of the property or has entered into a lawful agreement in its own capacity.

However, the Municipality recognises that stable landlord-tenant relationships contribute to improved living conditions, public health, community stability and sustainable housing outcomes.

14.2 Information and awareness

The Municipality may support informed landlord-tenant relationships through:

- Public information programmes;
- Guidance material;
- Referral information;

- Awareness campaigns;
- Standard lease templates; and
- Educational initiatives.

The provision of information shall not constitute legal advice.

14.3 Standard lease templates

The Municipality may develop or make available standard lease templates for voluntary use by landlords and tenants.

Such templates may address:

- Rental payments;
- Utility charges;
- Maintenance responsibilities;
- House rules;
- Notice periods;
- Occupancy arrangements;
- Dispute resolution mechanisms; and
- Other matters commonly addressed in residential lease agreements.

14.4 Dispute resolution

The Municipality may provide information regarding available dispute resolution mechanisms but shall not assume the functions of a Rental Housing Tribunal or court.

Landlords and tenants shall be encouraged to utilise:

- The Rental Housing Tribunal;
- Mediation services;
- Legal processes;
- Community-based dispute resolution mechanisms; or
- Other lawful dispute resolution processes.

14.5 Evictions and unlawful occupation

Nothing in this policy authorises unlawful eviction, demolition or removal of occupants.

All evictions and removals must comply with:

- Applicable legislation;
- Court processes where required;
- Constitutional requirements; and
- Principles of procedural fairness.

Where the Municipality becomes aware that an eviction may result in homelessness or create a humanitarian concern, the matter may be referred to Human Settlements and relevant municipal departments for assessment within available resources and applicable policy frameworks.

15. Enforcement, monitoring and compliance

15.1 General principle

Enforcement under this policy shall be lawful, fair, consistent and proportionate.

The Municipality shall seek to balance compliance requirements with the need to support incremental improvement, regularisation and sustainable development outcomes.

15.2 Risk-based enforcement

Priority shall be given to matters involving:

- Fire hazards;
- Unsafe electricity connections;
- Structural instability;
- Flood risk;
- Environmental health risks;
- Blocked municipal services;
- Obstruction of emergency access;
- Illegal connections;
- High-risk occupations; and
- Other matters posing immediate risks to life, safety or municipal infrastructure.

15.3 Compliance and regularisation

Where reasonably possible, the Municipality should seek to facilitate compliance and regularisation before pursuing punitive enforcement measures.

Regularisation may be considered where:

- Compliance can reasonably be achieved;
- Risks can be mitigated;
- Infrastructure impacts can be managed; and
- Applicable legislation permits regularisation.

15.4 Enforcement measures

Where necessary, the Municipality may utilise enforcement mechanisms available under applicable legislation and municipal by-laws, including:

- Compliance notices;
- Directives;
- Administrative actions;
- Refusal of approvals;
- Withdrawal of approvals;
- Legal proceedings;
- Prosecution; and
- Other lawful enforcement measures.

15.5 Monitoring

The Municipality shall monitor:

- Development trends;
- Approval trends;
- Service demand;
- Infrastructure impacts;
- Compliance levels;
- Risk indicators; and
- Policy implementation outcomes.

Monitoring information may be used to support planning, budgeting and future policy review.

15.6 Record keeping

All inspections, notices, decisions, approvals, compliance actions and related correspondence should be recorded within the Municipality's approved information management systems.

16. Institutional roles and responsibilities

16.1 General principle

The successful implementation of this policy requires coordination between multiple municipal departments and stakeholders.

Each department shall remain responsible for the functions assigned to it through legislation, municipal by-laws, delegations and approved organisational structures.

16.2 Municipal Council

Council shall:

- Approve the policy and future amendments;
- Approve relevant tariffs and policies;
- Consider implementation reports where required; and
- Provide strategic policy direction.

16.3 Municipal Manager

The Municipal Manager shall:

- Ensure implementation of the policy;
- Promote interdepartmental coordination;
- Ensure appropriate administrative arrangements;
- Monitor implementation performance; and
- Exercise delegated responsibilities where applicable.

16.4 Human Settlements

Human Settlements shall:

- Act as custodian of the Small-Scale Rental Housing and Backyard Accommodation Policy;
- Coordinate policy reviews, amendments and updates;
- Ensure alignment with the Human Settlements Strategy, Integrated Development Plan and Housing Demand Database;

- Monitor trends relating to backyard accommodation and small-scale rental housing;
- Provide strategic housing-related input and advice;
- Facilitate integration with affordable rental housing initiatives, social housing opportunities and restructuring zone planning;
- Maintain strategic oversight of the backyard accommodation register and related information systems; and
- Report on policy implementation outcomes and strategic housing implications where required.

Human Settlements shall not be responsible for the processing or approval of land use applications, building plans, engineering assessments, service connection approvals or enforcement functions assigned to other municipal departments.

16.5 Town Planning

Town Planning shall:

- Assess land use applications;
- Confirm zoning compliance;
- Process consent uses, departures and rezonings where applicable;
- Provide planning guidance;
- Support development facilitation initiatives; and
- Ensure compliance with planning legislation and by-laws.

16.6 Building Control

Building Control shall:

- Assess building plans;
- Conduct inspections;
- Monitor compliance with building regulations; and
- Exercise functions assigned under the National Building Regulations and Building Standards Act.

16.7 Engineering Services

Engineering Services shall:

- Assess infrastructure capacity;
- Evaluate service impacts;
- Determine infrastructure requirements;
- Provide technical input on applications; and
- Support infrastructure planning and implementation.

16.8 Electricity Services

Electricity Services shall:

- Assess electrical capacity;
- Approve electrical connections where applicable;
- Monitor compliance with electrical safety requirements; and
- Provide technical advice regarding metering and electricity supply.

16.9 Finance

Finance shall:

- Administer tariffs and billing systems;
- Assess financial implications;
- Provide revenue management guidance;
- Evaluate subsidy and rebate proposals; and
- Support financial sustainability objectives.

16.10 Community Services and Environmental Health

Community Services and Environmental Health shall:

- Assess environmental health implications;
- Support waste management requirements;
- Provide public health input; and
- Assist with compliance monitoring where applicable.

16.11 Fire Services

Fire Services shall:

- Assess fire safety risks;
- Provide fire safety guidance;
- Participate in application reviews where required; and
- Support risk reduction initiatives.

16.12 Legal Services

Legal Services shall:

- Provide legal advice;
- Support policy implementation;
- Assist with enforcement processes;
- Advise on legal risk; and
- Review legal documentation where required.

16.13 Operational implementation responsibilities

Function	Responsible Department
Land use applications	Town Planning
Consent use applications	Town Planning
Departures and rezonings	Town Planning
Development applications	Town Planning
Zoning compliance	Town Planning
Building plan approval	Building Control
Building inspections	Building Control
Occupancy approvals	Building Control
Infrastructure capacity assessments	Engineering Services
Water and sanitation assessments	Engineering Services
Stormwater assessments	Engineering Services
Electrical assessments and connections	Electricity Services
Fire safety assessments	Fire Services
Refuse and environmental health assessments	Community Services / Environmental Health
Tariffs and billing	Finance
Legal compliance and enforcement support	Legal Services
Policy oversight and strategic housing alignment	Human Settlements

17. Financial and legal implications

17.1 Financial implications

The implementation of this policy shall be subject to Council-approved budgets, tariffs, service standards, infrastructure investment programmes and the Municipality's financial sustainability requirements.

The policy provides a framework for the facilitation, regulation and management of backyard accommodation and small-scale rental housing. It does not create an automatic entitlement to municipal expenditure, infrastructure upgrades, subsidies, separate service connections, separate metering, development incentives or free basic services.

Where additional development creates increased demand on municipal infrastructure, the Municipality may require:

- Engineering assessments;
- Infrastructure upgrades;
- Development contributions;
- Service contributions;
- Phased implementation arrangements;
- Cost recovery mechanisms; and
- Other financial measures permitted by law.

Any financial incentive, rebate, subsidy, tariff adjustment or support mechanism arising from this policy shall be considered through the Municipality's approved budgetary, tariff and policy review processes.

The Municipality shall seek to balance the need for affordable accommodation with:

- Financial sustainability;
- Revenue protection;
- Infrastructure maintenance requirements;
- Service delivery obligations; and
- Long-term capital investment needs.

17.2 Legal implications

This policy provides a municipal framework for facilitation, regulation, support and monitoring. It does not replace or supersede statutory approval processes, legislative requirements or municipal by-laws.

The policy shall be implemented in a manner that is consistent with:

- The Constitution of the Republic of South Africa, 1996;
- Applicable national and provincial legislation;
- Municipal by-laws;
- Council-approved policies;
- Delegated authority;
- Principles of administrative justice; and
- The rights and obligations of property owners and occupants.

Nothing contained in this policy authorises:

- Unlawful entry onto private property;
- Unlawful installation of municipal services;
- Unlawful occupation of land;
- Unlawful eviction;
- Demolition without lawful authority;
- The creation of private tenancy rights by the Municipality; or
- Any action contrary to applicable legislation.

The Municipality shall exercise all powers and functions under this policy in accordance with the principles of legality, procedural fairness, reasonableness and accountability. Where conflict exists between this policy and applicable legislation, the applicable legislation shall prevail.

18. Implementation plan

18.1 Purpose

The purpose of the implementation plan is to guide the phased implementation of this policy and to promote coordinated action between municipal departments.

Implementation shall be undertaken within available resources and subject to approved budgets, staffing capacity and institutional arrangements.

18.2 Key implementation actions

Action	Description	Responsible Department(s)	Timeframe
Policy adoption and communication	Communicate the approved policy to relevant departments and stakeholders.	Human Settlements / Municipal Manager	Upon adoption
Database development	Establish or refine the Backyard Accommodation Register and associated information systems.	Human Settlements / Information Technology	0–6 months
Application support tools	Develop application forms, owner consent forms, checklists, guidance notes and related administrative tools.	Town Planning / Building Control / Legal Services	0–6 months
Baseline assessment	Identify and assess areas experiencing significant backyard accommodation and small-scale rental housing activity.	Human Settlements / Town Planning	6–12 months
Infrastructure assessment	Assess infrastructure implications and identify priority intervention areas.	Engineering Services	6–12 months
Standard plans and typologies	Investigate and develop standard plans and approved typologies for qualifying developments.	Building Control / Town Planning / Human Settlements	6–18 months
Tariff and indigent review	Assess implications for tariffs, billing and indigent support systems where necessary.	Finance / Human Settlements	6–18 months
Strategic rental housing framework	Identify strategic small-scale rental housing areas and integrate them into municipal planning instruments.	Human Settlements / Town Planning / Strategic Planning	12–24 months
Public awareness programme	Provide information to owners, tenants, landlords and communities regarding lawful development and municipal requirements.	Human Settlements / Communications	Ongoing
Monitoring and reporting	Prepare implementation and monitoring reports.	Human Settlements / Relevant Departments	Annually

18.3 Interdepartmental coordination

The Municipal Manager may establish administrative mechanisms to support coordination between departments involved in the implementation of this policy.

Such mechanisms may include:

- Interdepartmental working groups;
- Technical review forums;
- Information-sharing arrangements;
- Joint inspections where required; and

- Coordinated implementation programmes.

18.4 Monitoring indicators

The Municipality may monitor:

- Number of applications received;
- Number of approvals granted;
- Number of applications refused;
- Number of regularised structures;
- Infrastructure constraints identified;
- Service delivery impacts;
- Compliance actions undertaken;
- Number of households recorded on the register;
- Strategic rental housing initiatives implemented; and
- Other indicators considered relevant by the Municipality.

19. Review of the policy

19.1 Policy review

This policy shall be reviewed at least once every five years or earlier where circumstances require.

A review may be initiated due to:

- Legislative amendments;
- Amendments to municipal by-laws;
- Changes in municipal policy;
- Infrastructure capacity constraints;
- Significant growth in backyard accommodation or small-scale rental housing;
- Changes in human settlements priorities; or
- Council directives.

19.2 Responsibility for review

Human Settlements shall act as the policy custodian and coordinate the review process.

The review process shall include consultation with relevant municipal departments and stakeholders where appropriate.

19.3 Amendments

Any amendment to this policy shall be processed in accordance with the Municipality's approved policy development and adoption procedures.

20. References

The following documents informed the development of this policy:

- Constitution of the Republic of South Africa, 1996.
- Housing Act, 1997 (Act 107 of 1997).
- Rental Housing Act, 1999 (Act 50 of 1999), as amended.

- National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977).
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).
- Western Cape Land Use Planning Act, 2014 (Act 3 of 2014).
- National Housing Code.
- National Development Plan 2030.
- Integrated Urban Development Framework.
- Theewaterskloof Municipality Integrated Development Plan.
- Theewaterskloof Municipality Spatial Development Framework.
- Theewaterskloof Municipality Human Settlements Strategy.
- Theewaterskloof Municipality By-law on Municipal Land Use Planning, 2020.
- Theewaterskloof Municipality Zoning Scheme By-law, 2020.
- SALGA. 2014. *Local Government Position on Municipal Responses to Backyarders and Backyard Dwellings*.
- Isandla Institute and Backyard Matters. *Backyard Housing: An Essential Part of South Africa's Housing Response*.
- Relevant City of Cape Town small-scale rental housing and affordable rental housing policy frameworks used for comparative and benchmarking purposes.

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4 / 4

Theewaterkloof Municipality (TWK) MEETING
Date: 08 September 2026:
Time: 11:30 am

Attendees:

Name	Organisation	Attendance
Cobus Beukes (CB)	YuLife	Attended
Aubern Meyer (AM)	YuLife	Attended
Xolisa Ndukwana	YuLife	Attended
Joseph Amansure (JA)	TWK	Attended
Elsie Peka-Arendse (EP)	TWK	Attended
Charles Fischer (CF)	TWK	Attended
Petula Fortuin (PF)	TWK	Attended
Robyn-Ann Shortles {RB)	TWK	Attended
Mtimande Kunene (MK)	**KMRS**	Attended
Innocent Molokomme (IM)	**KMRS**	Attended
Tebogo Mogototoane (TM)	KMRS	Attended

- JA opened the meeting and welcomed all attendees
- Introductions: Attendees introduced themselves and their responsibilities
- JA shared gave a brief overview about the structure and funding of TWK
- Main contacts in terms of the day-to-day operation:
    - TWK: Joseph Amansure (claims and day to day) and Petula Fortuin, Robyn-Ann Shortles (premium reconciliation and payment)
    - YuLife: Xoliswa Ndukwana (dedicated insurance specialist)

- Start date confirmed for 1 September 2026.

- TWK confirmed that no claims have been received from the 1st of September to date.
- TWK (JA) to share signed Qoute acceptance, signed application and member schedule as of 1 September 2026.
- TWKs current practice of monthly premium reconciliation to be discussed with Xoli - YuLife.
- KMRS (IM) to facilitate meeting Petula and Xolisa regarding premium reconciliation and payments. Secured data sharing site to be shared.
- Capital Disability is to be paid over 60 months and YuLife informed the meeting that they are contracted with Fairheads.
- TWK (JA) to share the draft SLA to KMRS/Yulife. Turnaround times of claims submitted to be included in the SLA.
- YuLife (CB) mentioned that funeral claims are paid within 48hours (TWK does not cover funeral). Disability claims are assessed by the underwriter. Total permanent disability claims are approved 72 hours, monthly disability are paid around 25th of every month.
- KMRS with the assistance of TWK to plan a Member Awareness/Education campaign on site. For beneficiaries' nomination forms and benefits education.
- KMRS to ensure quarterly meeting with all parties.
- YuLife to share timelines, however if all documents are shared the scheme can incept same day.
- TWK (JA) previous insurer has been notified of end of contract.
- No current pensioners existing within the scheme.

Meeting was adjourned at 12:30.

Yours In Insurance

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KUNENE MAKOPO RISK SOLUTIONS
Our Comprehensive Insurance Service to you

ITEM TITLE

C230/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: SOCIAL HOUSING FACILITATION AND RECONSTRUCTION ZONE POLICY

[English version of the report is the original]

FILE NUMBER

17/7/B

PURPOSE OF REPORT

To seek approval of the Social Housing Facilitation and Reconstruction Zone Policy for Theewaterskloof Municipality.

BACKGROUND

The department was requested to investigate how the municipality can benefit from other forms of housing provision. After numerous discussions, the draft policy for the Social Housing Facilitation and Reconstruction Zone was developed after council approved the identification of reconstruction zones in the municipality.

DISCUSSION

There are currently 37 informal settlements in the municipality with an estimated 22 000 informal structures with an estimated population of 83 600. A need for affordable rental accommodation was identified in the municipality, and the social housing programme seeks to address these challenges.

The municipality will be required to form a public-private partnership with an accredited social housing institute (SHI) that will act as the developer and source funding from the Social Housing Regulatory Authority (SHRA).

To address housing backlogs and the need for affordable rental housing, the municipality must have a policy to benefit from programmes such as social housing.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

To be considered at relevant platforms for discussion.

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

Supported.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

Supported.

COMMENTS FROM THE TOWN MANAGER: GRABOUW

Content of the item noted.

COMMENTS FROM THE TOWN MANAGER: VILLIERSDORP

The Town Office supports the recommendations made.

COMMENTS FROM THE TOWN MANAGER: RIVIERSONDEREND

Support recommendation.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

LEGAL IMPLICATIONS (ITEM AUTHOR)

As per the MFMA.

COMMENTS FROM INTERNAL AUDIT

Internal Audit supports the item. However, given the Municipality's financial constraints, Internal Audit recommends that the policy prohibits the creation of any direct or indirect municipal financial, infrastructure, land or operational commitments without a separate affordability assessment, MFMA compliance review and specific Council approval.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

As per Containment Plan.

COMMENTS FROM LEGAL SERVICES

The recommendation is supported.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That Management supports the Social Housing Facilitation and Reconstruction Zone Policy to ensure that the social housing programme is explored to address the housing backlog and the need for affordable housing.**

2. **That EMC supports the Social Housing Facilitation and Reconstruction Zone Policy to ensure that the additional programme is explored to address the housing backlog and need for affordable rental housing.**

3. **That Council approves the Social Housing Facilitation and Reconstruction Zone Policy to ensure that the additional programme is explored to address the housing backlog and need for affordable rental housing.**

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 26 AUGUST 2026

Management resolved that the Social Housing Facilitation and Reconstruction Zone Policy be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council approves the Social Housing Facilitation and Reconstruction Zone Policy to ensure that the additional programme is explored to address the housing backlog and need for affordable rental housing.

THEEWATERSKLOOF MUNICIPALITY

SOCIAL HOUSING FACILITATION &

RESTRUCTURING ZONE POLICY

Official Presentation of Draft 1 to Council

Compiled by Jean-Pierre Shuma | Date: 05 December 2025

First Review Cycle: 2026 | Policy Custodian: Municipal Council

Access to adequate housing is a constitutional right driving spatial integration

- **Constitutional Right:** Access to adequate housing is recognized as a fundamental constitutional right for all citizens of South Africa.
- **Affordable Rentals:** Medium and affordable rental accommodation forms an important and critical component of human settlements.
- **Mitigate Pressures:** Directly aims to reduce severe housing pressures associated with growing informal settlements, overcrowding, and lack of options.
- **Consistent Framework:** Establishes a structured framework to facilitate and promote social housing investment within our local jurisdiction.

- **Spatial Restructuring:** Reconstructs and integrates historical spatial layouts through targeted affordable density housing.
- **Economic Inclusion:** Leverages social housing to promote economic inclusion, densification, and shared social cohesion.
- **Optimal Location:** Ensures housing opportunities are close to employment, public transport, clinics, and school facilities.
- **MSDF Alignment:** Strongly supports and aligns with the Municipal Spatial Development Framework to promote compact urban development.

Theewaterskloof Municipality

A clear policy framework is established to expand affordable rental opportunities

- **Enabling Environment:** Create an enabling, highly transparent environment for social housing investment.
- **Zone Declaration:** Facilitate the identification and formal declaration of Restructuring Zones.
- **SDF Support:** Directly support the implementation of the Municipal Spatial Development Framework (MSDF).

- **Affordable Rentals:** Promote affordable rental opportunities for low- and medium-income households.
- **Better Proximity:** Improve access to job centers, public transport systems, and social infrastructure.
- **Economic Growth:** Support compact urban development and localized, sustainable economic and social growth.

- **Reduce Backlogs:** Mitigate severe housing pressures in overcrowded urban and peripheral settlements.
- **Manage Backyarding:** Address rapid informal backyard rental trends by providing stable, dignified alternatives.
- **Social Inclusion:** Leverage strategic partnerships to build integrated and inclusive communities.

Theewaterskloof Municipality

The Municipality acts as facilitator while accredited SHIs develop and manage projects

- **Facilitator and Enabler:** The Municipality's role is primarily to enable, unblock, and facilitate the environment rather than directly develop (Section 7.3).
- **Zone Declarations:** Leads identification and formal provincial application for declaration of local Restructuring Zones.
- **Supportive Actions:** Provides planning support, shares spatial data, coordinates bulk infrastructure, and aids stakeholder engagement.
- **No Financial Obligation:** Crucially, the policy does NOT obligate the Municipality to finance, build, own, or manage social housing (Section 7.5).

- **Accredited Partners:** Social housing must be delivered by independent, accredited Social Housing Institutions (SHIs) and Delivery Agents (Section 1.3).
- **Project Owners:** Responsible for planning, detailed feasibility assessments, site selection, and direct project implementation.
- **Capital Funding:** Tasked with securing capital development finance, private funding, and provincial/national housing grants.
- **Operations & Management:** Handles long-term property maintenance, rental administration, community relations, and tenant management.

Theewaterskloof Municipality

Three strategic investment nodes-Grabouw, Caledon, and Villiersdorp-are prioritized

PRIMARY NODE

- **Primary Node:** Officially recognized as the primary social housing investment node in the municipal area (Section 8.3).
- **Highest Demand:** Area characterized by the highest concentration of affordable housing and rental demand.
- **Strategic Integration:** Prioritized for immediate densification, spatial transformation, and infrastructure alignment.

SECONDARY NODE

- **Secondary Node:** Designated as the secondary social housing investment node within the municipality (Section 8.4).
- **Administrative Hub:** Supports commercial integration and administrative core housing options for low-medium earners.
- **Infrastructural Readiness:** Target of medium-term master planning and spatial restructuring efforts.

EMERGING NODE

- **Emerging Node:** Officially designated as the emerging social housing investment node (Section 8.5).
- **Agricultural Growth:** Addresses rapid population growth, agricultural migration, and backyarding pressures.
- **Future Focus:** Positioned for active marketing to SHIs to establish sustainable, long-term development nodes.

Theewaterskloof Municipality

Annexure A defines a multi-stage procedural pathway to secure zone approval

STAGE 1

- **Identification:** Human Settlements Directorate identifies potential zones based on housing and rental demand (Section A2).
- **Technical Review:** Conducts critical preliminary housing, rental, spatial, infrastructure, and socio-economic assessments (Section A3).

STAGE 2

- **Department Sync:** Directorate consults internally with Planning, Engineering, Property Management, Legal, and Finance (Section A4).
- **Compile Package:** Prepares comprehensive application package, including GIS maps, SDF extracts, and RZ Motivation (Section A5).

STAGE 3

- **Council Submission:** Directorate submits the completed Application Package to the Municipal Council (Section A6).
- **Council Resolution:** Council must formally approve the proposed Restructuring Zone prior to any provincial submissions.

STAGE 4

- **Formal Submission:** The Municipal Manager submits the Council-approved package to the Western Cape Human Settlements Department (Section A7).
- **Gazetting:** Following provincial/national review, the approved Restructuring Zone is formally gazetted (Section A9).

Theewaterskloof Municipality

Annexure C structures smart partnerships to balance public-private roles and risks

- **Information Sharing:** Provides available spatial planning data, housing demand databases, and GIS information.
- **Internal Alignment:** Facilitates active engagement with relevant municipal service departments (Engineering, Planning, Property).
- **Coordination Support:** Supports general project coordination and helps streamline statutory town planning approval cycles.
- **Engagement Lead:** Supports and facilitates local stakeholder and community engagement where reasonably required.

- **Feasibility & Design:** Responsible for detailed project identification, technical design, and feasibility modeling.
- **Project Finance:** Secures all development capital, private investment, and provincial/national subsidies (SHRA/Province).
- **Development Execution:** Manages direct land purchase negotiations, town planning submissions, and actual construction.
- **Property Management:** Handles tenant intake, rent collection, long-term building maintenance, and SHRA compliance.

Partnership Framework & Conflict Resolution Mechanisms

All formal partnerships must be structured via legally recognized agreements, such as Memoranda of Understanding (MOUs), Smart Partnership Agreements, or Land Availability Agreements (Section C6). Any dispute must first be managed amicably through mutual consultation, and where unresolved, referred to formal mediation or standard dispute resolution pathways (Section C7).

47 C7

A 10-year strategic roadmap establishes oversight and annual reporting to Council

- **Council as Custodian:** The Municipal Council is the ultimate custodian of this policy; any amendment, repeal, or replacement requires Council approval (Section 14).
- **Accounting Officer:** The Municipal Manager is the official responsible for ensuring active implementation of this policy (Section 15.1).
- **Lead Directorate:** The Director responsible for Human Settlements is the lead official tasked with administration, coordination, and monitoring (Section 15.2).
- **Review Frequency:** The policy must be formally reviewed at least once every five years to ensure alignment with national policy (Section 19.1).

- **10-Year Roadmap:** Guided by the Theewaterskloof Social Housing Strategy (2026–2036) to drive focused growth in approved nodes (Section 17.1).
- **Active Marketing:** The Municipality will actively market approved Restructuring Zones to accredited SHIs and private investors (Section 17.2).
- **IDP & SDF Integration:** Coordinates housing opportunities with the Integrated Development Plan (IDP) and Local Economic Development (Section 17.3).
- **Annual Council Report:** Requires a mandatory annual report to Council detailing applications, investments, and challenges (Section 16.2).

Theewaterskloof Municipality

Thank you

Questions and comments

Theewaterskloof
Municipality

Theewaterskloof
Municipality

THEEWATERSKLOOF MUNICIPALITY

SOCIAL HOUSING FACILITATION AND RESTRUCTURING ZONE POLICY

COMPILED BY	Jean-Pierre Shuma
DATE	05 December 2025
DRAFT	1
REVIEW	2026
ACCEPTED BY COUNCIL	

1. PREAMBLE

1.1 Theewaterskloof Municipality recognises that access to adequate housing is a constitutional right and that affordable rental accommodation forms an important component of sustainable human settlement development.

1.2 The Municipality further recognises the role of social housing in promoting spatial transformation, economic inclusion, urban restructuring, densification and improved access to social and economic opportunities.

1.3 The Municipality acknowledges that social housing is delivered by accredited Social Housing Institutions and Other Delivery Agents in terms of the Social Housing Act, 2008 (Act 16 of 2008), and that municipalities play an enabling role through the identification and declaration of Restructuring Zones, planning support, stakeholder coordination and investment facilitation.

1.4 This Policy establishes a framework through which the Municipality may facilitate, support and promote social housing investment and restructuring zone designation within its area of jurisdiction.

2. PURPOSE

2.1 The purpose of this Policy is to establish a clear and consistent framework for the identification, application, administration and review of Restructuring Zones within Theewaterskloof Municipality.

2.2 This Policy further seeks to promote affordable rental housing opportunities, support spatial integration, facilitate investment by accredited Social Housing Institutions and Other Delivery Agents, and contribute towards the development of sustainable and inclusive human settlements.

3. OBJECTIVES

3.1 The objectives of this Policy are to:

3.1.1 create an enabling environment for social housing investment;

3.1.2 facilitate the identification and declaration of Restructuring Zones;

3.1.3 promote affordable rental accommodation opportunities for qualifying households;

3.1.4 improve access to employment opportunities, public transport and social amenities;

3.1.5 support compact urban development and densification;

3.1.6 support the implementation of the Municipal Spatial Development Framework;

3.1.7 reduce housing pressures associated with informal settlements, overcrowding and inadequate rental accommodation; and

3.1.8 promote sustainable economic and social development throughout the municipal area.

4. LEGISLATIVE FRAMEWORK

4.1 This Policy must be read together with:

4.1.1 The Constitution of the Republic of South Africa, 1996;

4.1.2 The Housing Act, 1997 (Act 107 of 1997);

4.1.3 The Social Housing Act, 2008 (Act 16 of 2008);

4.1.4 The Social Housing Regulations;

4.1.5 The National Housing Code;

4.1.6 The Municipal Systems Act, 2000 (Act 32 of 2000);

4.1.7 The Municipal Finance Management Act, 2003 (Act 56 of 2003);

4.1.8 The Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013);

4.1.9 The Western Cape Provincial Spatial Development Framework;

4.1.10 The Theewaterskloof Integrated Development Plan;

4.1.11 The Theewaterskloof Spatial Development Framework; and

4.1.12 Any applicable national or provincial policy relating to social housing and affordable rental housing.

5. DEFINITIONS

5.1 For purposes of this Policy:

5.1.1 "Affordable Rental Housing" means rental accommodation that is affordable to households within income categories determined from time to time by national housing policy.

5.1.2 "Council" means the Municipal Council of Theewaterskloof Municipality.

5.1.3 "Municipality" means Theewaterskloof Municipality.

5.1.4 "Other Delivery Agent" means a delivery institution recognised in terms of the Social Housing Programme.

5.1.5 "Restructuring Zone" means a geographic area approved in terms of the Social Housing Act for social housing investment.

5.1.6 "SHI" means an accredited Social Housing Institution recognised by the Social Housing Regulatory Authority.

5.1.7 "SHRA" means the Social Housing Regulatory Authority.

5.1.8 "Social Housing" means a rental housing option for low- and medium-income households that is provided by accredited institutions and supported through public investment.

6. POLICY PRINCIPLES

6.1 Social housing initiatives supported by the Municipality shall promote spatial transformation and integration.

6.2 Social housing opportunities should be located in areas that provide reasonable access to employment opportunities, public transport, educational facilities, healthcare services and social amenities.

6.3 The Municipality shall promote sustainable urban densification within identified growth nodes and strategic development areas.

6.4 The Municipality shall encourage partnerships that contribute towards long-term housing sustainability, economic development and social inclusion.

6.5 Municipal support shall be guided by principles of transparency, accountability, fairness and good governance.

7. MUNICIPAL POLICY POSITION ON SOCIAL HOUSING

7.1 The Municipality supports social housing as a strategic intervention to address affordable rental housing needs within the municipal area.

7.2 The Municipality acknowledges that accredited Social Housing Institutions and Other Delivery Agents are responsible for the development, financing, ownership, operation and management of social housing projects.

7.3 The Municipality's role shall primarily be that of facilitator and enabler.

7.4 The Municipality may support social housing initiatives through the identification of restructuring zones, planning support, stakeholder engagement, investment promotion, infrastructure coordination and partnership development.

7.5 Nothing contained in this Policy shall be interpreted as creating an obligation on the Municipality to finance, construct, own or manage social housing developments.

8. IDENTIFICATION OF RESTRUCTURING ZONES

8.1 The Municipality may identify areas suitable for restructuring zone designation.

8.2 In assessing potential restructuring zones, the Municipality shall consider housing demand, rental demand, employment opportunities, public transport accessibility, access to social amenities, infrastructure capacity, spatial integration opportunities and alignment with municipal planning instruments.

8.3 The Municipality recognises Grabouw as the primary social housing investment node within the municipal area.

8.4 The Municipality recognises Caledon as the secondary social housing investment node.

8.5 The Municipality recognises Villiersdorp as an emerging social housing investment node.

9. APPLICATION FOR RESTRUCTURING ZONES

9.1 Applications for restructuring zone designation shall be submitted to the Provincial Department responsible for Human Settlements in accordance with applicable legislation and procedures.

9.2 Applications shall be supported by appropriate technical, spatial and policy information, including Council resolutions, motivation reports, GIS mapping, housing demand information and any additional information required by the Province or SHRA.

10. MUNICIPAL LAND AND PROPERTY CONSIDERATIONS

10.1 Municipal land located within approved or proposed restructuring zones may be considered for social housing purposes.

10.2 Any allocation, disposal, lease or use of municipal land shall comply with applicable legislation, municipal policies and approved delegations.

10.3 The availability of municipal land shall not create an obligation on the Municipality to make such land available for social housing purposes.

11. PARTNERSHIP AND FACILITATION ARRANGEMENTS

11.1 The Municipality may enter into partnership arrangements with accredited Social Housing Institutions and other stakeholders for purposes of facilitating social housing investment.

11.2 Such arrangements may address planning support, infrastructure coordination, land availability, stakeholder engagement and project facilitation.

12. PLANNING AND INFRASTRUCTURE SUPPORT

12.1 The Municipality may provide planning and technical information to accredited Social Housing Institutions to support investment decisions.

12.2 The Municipality may support social housing initiatives through alignment with municipal infrastructure planning and development processes.

13. FUNDING AND INVESTMENT PRINCIPLES

13.1 The Municipality acknowledges that the primary responsibility for financing social housing developments rests with accredited delivery institutions and funding agencies.

13.2 Municipal support involving financial commitments, land contributions or infrastructure investment shall be subject to budget availability, legislative compliance and Council approval where required.

14. GOVERNANCE AND OVERSIGHT

14.1 Council shall be the custodian of this Policy.

14.2 Council shall exercise oversight over the implementation of this Policy through the consideration of reports submitted in terms of this Policy.

14.3 Any amendment, repeal or replacement of this Policy shall require Council approval.

15. ADMINISTRATION AND IMPLEMENTATION

15.1 The Municipal Manager shall be the Accounting Officer responsible for ensuring the implementation of this Policy.

15.2 The Director responsible for Human Settlements shall be the lead official responsible for the administration, coordination and monitoring of this Policy.

15.3 The Human Settlements Directorate shall serve as the primary point of contact for social housing and restructuring zone matters within the Municipality.

16. MONITORING, EVALUATION AND REPORTING

16.1 The Director responsible for Human Settlements shall monitor the implementation of this Policy.

16.2 An annual report shall be submitted to Council regarding restructuring zone applications, approved restructuring zones, social housing investment activities, implementation challenges and future opportunities.

17. THEEWATERSKLOOF SOCIAL HOUSING STRATEGY 2026–2036

17.1 The Municipality shall promote social housing investment within strategic growth nodes that support economic development, spatial integration and sustainable settlement patterns.

17.2 The Municipality shall actively market approved restructuring zones to accredited Social Housing Institutions and potential investors.

17.3 The Municipality shall seek to align social housing opportunities with the Integrated Development Plan, Spatial Development Framework, Human Settlements Strategy and Local Economic Development objectives.

18. TRANSITIONAL ARRANGEMENTS

18.1 Existing restructuring zone initiatives and social housing facilitation activities shall continue to apply following the adoption of this Policy.

18.2 The Municipality may develop Standard Operating Procedures, guidelines and administrative processes to support the implementation of this Policy.

19. POLICY REVIEW

19.1 This Policy shall be reviewed at least once every five years.

19.2 Council may review this Policy at any time should legislative, policy or strategic considerations require such review.

20. SHORT TITLE AND COMMENCEMENT

20.1 This Policy shall be known as the Theewaterskloof Municipality Social Housing Facilitation and Restructuring Zone Policy.

20.2 This Policy shall come into operation on the date of adoption by Council.

ANNEXURE A - 496

RESTRUCTURING ZONE APPLICATION PROCEDURE

A1. Purpose

A1.1 The purpose of this Annexure is to establish a standardised procedure for the identification, assessment, application and review of Restructuring Zones within Theewaterskloof Municipality.

A2. Identification of Potential Restructuring Zones

A2.1 The Human Settlements Directorate shall identify potential restructuring zones based on:

A2.1.1 housing demand;

A2.1.2 rental housing demand;

A2.1.3 access to employment opportunities;

A2.1.4 access to public transport;

A2.1.5 access to social amenities;

A2.1.6 infrastructure availability and capacity;

A2.1.7 opportunities for spatial integration; and

A2.1.8 alignment with the Spatial Development Framework and Integrated Development Plan.

A3. Preliminary Assessment

A3.1 Upon identification of a potential restructuring zone, the Human Settlements Directorate shall undertake a preliminary assessment to determine suitability.

A3.2 The preliminary assessment shall include:

A3.2.1 a housing demand assessment;

A3.2.2 a rental market assessment;

A3.2.3 a spatial planning assessment;

A3.2.4 an infrastructure assessment; and

A3.2.5 an assessment of economic and social opportunities.

A4. Internal Municipal Consultation

A4.1 The Human Settlements Directorate shall consult with:

A4.1.1 Development Planning;

A4.1.2 Engineering Services;

A4.1.3 Property Management;

A4.1.4 Legal Services;

A4.1.5 Finance; and

A4.1.6 any other relevant municipal department.

A5. Preparation of Application

A5.1 The Municipality shall prepare a Restructuring Zone Application Package consisting of:

A5.1 a Council Report;

A5.1.2 a Council Resolution;

A5.1.3 a Restructuring Zone Motivation Report;

A5.1.4 GIS maps and spatial information;

A5.1.5 housing demand information;

A5.1.6 infrastructure information;

A5.1.7 relevant extracts from the Integrated Development Plan;

A5.1.8 relevant extracts from the Spatial Development Framework; and

A5.1.9 any additional information required by the Province or SHRA.

A6. Council Approval

A6.1 The proposed Restructuring Zone shall be submitted to Council for approval prior to submission to the Province.

A7. Provincial Submission

A7.1 Following Council approval, the Municipal Manager shall submit the application to the Provincial Department responsible for Human Settlements.

A8. Provincial Assessment

A8.1 The Province shall assess the application through the relevant Provincial Social Housing structures.

A8.2 The Municipality shall provide any additional information requested during the assessment process.

A9. Approval and Gazetting

A9.1 Upon approval by the relevant authorities, the Restructuring Zone shall be gazetted in accordance with applicable legislation.

A10. Review of Restructuring Zones

A10.1 Approved Restructuring Zones may be reviewed from time to time to ensure continued alignment with municipal development objectives and national policy.

ANNEXURE C

SMART PARTNERSHIP FRAMEWORK

C1. Purpose

C1.1 The purpose of this Annexure is to establish a framework for cooperation between Theewaterskloof Municipality and accredited Social Housing Institutions.

C2. Guiding Principles

C2.1 All partnerships shall be guided by:

C2.1.1 transparency;

C2.1.2 accountability;

C2.1.3 mutual benefit;

C2.1.4 legislative compliance;

C2.1.5 sustainable development; and

C2.1.6 good governance.

C3. Areas of Cooperation

C3.1 The Municipality may cooperate with accredited Social Housing Institutions in relation to:

C3.1.1 restructuring zone applications;

C3.1.2 land availability investigations;

C3.1.3 planning approvals;

C3.1.4 infrastructure coordination;

C3.1.5 community engagement;

C3.1.6 project facilitation; and

C3.1.7 investment promotion.

C4. Roles of the Municipality

C4.1 The Municipality shall:

C4.1.1 provide available planning and spatial information;

C4.1.2 facilitate engagement with relevant municipal departments;

C4.1.3 provide information relating to approved restructuring zones;

C4.1.4 facilitate stakeholder engagement where appropriate; and

C4.1.5 support project coordination where reasonably required.

C5. Roles of Accredited Social Housing Institutions

C5.1 Accredited Social Housing Institutions shall be responsible for:

C5.1.1 project identification;

C5.1.2 project feasibility assessments;

C5.1.3 financing arrangements;

C5.1.4 land acquisition negotiations;

C5.1.5 project implementation;

C5.1.6 project management;

C5.1.7 tenant management; and

C5.1.8 compliance with SHRA requirements.

C6. Partnership Agreements

C6.1 Formal partnerships shall be governed through Memoranda of Understanding, Smart Partnership Agreements, Land Availability Agreements or other legally recognised agreements.

C7. Dispute Resolution

C7.1 Parties shall endeavour to resolve disputes amicably through consultation.

C7.2 Where disputes cannot be resolved through consultation, the parties may utilise mediation or any other lawful dispute resolution mechanism.

ANNEXURE F

RESTRUCTURING ZONE MOTIVATION REPORT TEMPLATE

F1. Purpose

F1.1 This template shall be used when preparing applications for the declaration or amendment of Restructuring Zones.

F2. Executive Summary

F2.1 Overview of the proposed restructuring zone.

F2.2 Summary of key motivations.

F2.3 Recommendation.

F3. Municipal Context

F3.1 Population profile.

F3.2 Economic profile.

F3.3 Settlement profile.

F3.4 Housing profile.

F4. Housing Demand Analysis

F4.1 Housing demand database statistics.

F4.2 Rental housing demand.

F4.3 Informal settlement pressures.

F4.4 Backyard accommodation trends.

F4.5 Affordable rental housing demand.

F5. Spatial Motivation

F5.1 Description of the proposed restructuring zone.

F5.2 Spatial Development Framework alignment.

F5.3 Settlement hierarchy alignment.

F5.4 Spatial integration opportunities.

F5.5 Densification opportunities.

F6. Economic Opportunities Assessment

F6.1 Employment opportunities.

F6.2 Commercial activity.

F6.3 Industrial activity.

F6.4 Government and institutional facilities.

F7. Social Amenities Assessment

F7.1 Educational facilities.

F7.2 Healthcare facilities.

F7.3 Community facilities.

F7.4 Public amenities.

F8. Public Transport Assessment

F8.1 Public transport routes.

F8.2 Transport accessibility.

F8.3 Mobility opportunities.

F9. Infrastructure Assessment

F9.1 Water services.

F9.2 Sanitation services.

F9.3 Electricity services.

F9.4 Roads and stormwater infrastructure.

F9.5 Planned infrastructure upgrades.

F10. GIS Information

F10.1 Proposed restructuring zone map.

F10.2 Property information.

F10.3 Zoning information.

F10.4 Land ownership information.

F11. Legislative and Policy Alignment

F11.1 Integrated Development Plan alignment.

F11.2 Spatial Development Framework alignment. 503

F11.3 Provincial policy alignment.

F11.4 National policy alignment.

F12. Conclusion and Recommendation

F12.1 Summary of findings.

F12.2 Recommendation regarding restructuring zone approval.

F13. Supporting Annexures

F13.1 Council Resolution.

F13.2 GIS Maps.

F13.3 Infrastructure Information.

F13.4 Statistical Information.

F13.5 Supporting Technical Reports.

ITEM TITLE

C231/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: PROPOSAL FOR COLLABORATION AND RECRUITMENT DRIVE ON DRONE PILOT TRAINING PROGRAMME FOR UNEMPLOYED YOUTH IN THEEWATERSKLOOF MUNICIPAL AREA

[English version of the report is the original]

FILE NUMBER

4/4/R

PURPOSE OF REPORT

To seek approval to support the drone pilot training proposal to the Department of Land Reform and Rural Development through the Department's National Rural Youth Service Corps.

BACKGROUND

Theewaterskloof Municipality has previously engaged with DLRRD and NARYSEC on youth development and skills training initiatives. These engagements have highlighted the value of structured training programmes that combine theoretical learning with practical, work-based experience, as demonstrated in similar municipal initiatives.

Building on this foundation, the municipality has conducted an internal assessment of skills gaps across its departments and held consultations with key external stakeholders, including agricultural producers and private-sector entities. These engagements have consistently identified a growing demand for skills in drone technology operations.

Internally, municipal departments such as Informal Settlements, Town Planning & GIS, and Public Safety require drone piloting for:

- Land use monitoring and spatial planning
- Informal settlement mapping and upgrading support
- Disaster risk management and rapid response
- Law enforcement and surveillance operations
- Infrastructure inspection and environmental monitoring

By aligning with existing DLRRD and NARYSEC programmes, the municipality seeks to bridge this skills gap in a cost-effective and sustainable manner, while ensuring that training interventions are directly linked to real economic opportunities.

DISCUSSION

The Department previously presented to Council the work of its Spatial Planning and Land Use Management division has done within the Municipality. It is against this background, our challenges with enumeration, scouting and patrolling in informal settlements, that we want to capitalise on this opportunity.

The Municipality will be one of the first Municipalities to have the opportunity to train unemployed youth as drone pilots, and this is a great opportunity to invest in our youth and ensure they have the skills to compete in the job market.

We are requesting that Council support the proposal to create exit opportunities for students after graduation through an EPWP project, deploying them in different units that use drones for various statistical and crime-prevention efforts, and providing assistance to the learners through consultation with the agri and security sectors as an exit point after training.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

LEGAL IMPLICATIONS (ITEM AUTHOR)

As per MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That Council approves the request for drone pilot training.**

2. **That Council approves the creation of exit opportunities for graduates in the form of EPWP specialised skills opportunities.**

RECOMMENDATION BY THE EMC TO COUNCIL: 17 SEPTEMBER 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 recommended as follows:

1. **That Council approves the request for drone pilot training.**

2. **That Council approves the creation of exit opportunities for graduates in the form of EPWP specialised skills opportunities.**

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That Council approves the request for drone pilot training.**

2. **That Council approves the creation of exit opportunities for graduates in the form of EPWP specialised skills opportunities.**

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507

Reference Number: TWK/EDP/DRDLR-NARYSEC/2026
Enquiries: jean-pierresh@twk.gov.za/ 028 214 3300

26 March 2026

NARYSEC
Ms. Odwa Zinto
14 Long Street
Cape Town
8000

To:

National Rural Youth Service Corps (NARYSEC)
Department of Rural Development and Land Reform (DRDLR)

Dear Ms. Zinto,

RE: PROPOSAL FOR COLLABORATION AND RECRUITMENT DRIVE ON DRONE PILOT TRAINING PROGRAMME FOR THEEWATERSKLOOF MUNICIPALITY

1. Introduction

Theewaterskloof Municipality is a predominantly rural municipality in the Western Cape, comprising several towns, farming communities, and dispersed rural settlements. The area is widely recognised as a key agricultural region, with strong production and export activity in deciduous fruit, viticulture, and related agro-processing industries. While this economic base presents meaningful opportunities for employment and growth, access to these opportunities remains uneven—particularly for youth in rural and marginalised communities.

The municipality continues to face significant socio-economic challenges, including high levels of youth unemployment, limited access to specialised and accredited skills development opportunities, and barriers to entry into formal economic sectors. Furthermore, many young people lack exposure to emerging technologies and innovation-driven industries, which further entrenches inequality and limits long-term employability.

Theewaterskloof Municipality is also currently experiencing financial constraints that restrict its ability to independently initiate and fund comprehensive training programmes. These fiscal pressures necessitate a collaborative, resource-leveraging approach to development interventions.

It is within this context that the municipality seeks to partner with the Department of Land Reform and Rural Development (DLRRD) and the National Rural Youth Service Corps (NARYSEC) to implement a targeted, high-impact Drone Pilot Training Programme. This initiative aligns with national priorities related to rural development, youth empowerment, and skills transformation, while responding directly to local economic and service delivery needs.

2. Background and Rationale

Theewaterskloof Municipality has previously engaged with DLRRD and NARYSEC on youth development and skills training initiatives. These engagements have highlighted the value of structured training programmes that combine theoretical learning with practical, work-based experience, as demonstrated in similar municipal initiatives.

Building on this foundation, the municipality has conducted an internal assessment of skills gaps across its departments, as well as consultations with key external stakeholders, including agricultural producers and private sector entities. These engagements have consistently identified a growing demand for skills in drone technology operations.

Internally, municipal departments such as Informal Settlements, Town Planning & GIS, and Public Safety require drone piloting for:

- Land use monitoring and spatial planning
- Informal settlement mapping and upgrading support
- Disaster risk management and rapid response
- Law enforcement and surveillance operations
- Infrastructure inspection and environmental monitoring

Externally, the agricultural sector increasingly relies on drone technology for precision farming applications, including crop health analysis, irrigation management, pest control, and yield optimisation. Similarly, the private security industry utilises drones for surveillance, perimeter monitoring, and incident response.

Despite this demand, there is currently a limited pool of locally trained and certified drone operators within the Theewaterskloof area. This results in missed employment opportunities for local youth and increased reliance on external service providers.

By aligning with existing DLRRD and NARYSEC programmes, the municipality seeks to bridge this skills gap in a cost-effective and sustainable manner, while ensuring that training interventions are directly linked to real economic opportunities.

3. Proposed Training Programme

Theewaterskloof Municipality proposes the implementation of a structured Drone Pilot Training Programme as a pilot initiative within the region. The programme will target an intake of approximately 15–20 unemployed youth, prioritising individuals from rural communities, previously disadvantaged backgrounds, and those with an interest in technology and innovation. The proposed programme will include the following components:

- **Accredited Training:**
  Participants will undergo formal, accredited drone pilot training that meets national aviation and regulatory standards, ensuring that graduates are fully certified and industry-ready.
- **Technical and Theoretical Learning:**
  Training will cover key areas such as drone operation, safety protocols, aviation regulations, data collection, mapping technologies, and basic maintenance.
- **Practical Application and Experiential Learning:**
  Participants will be placed within municipal departments and identified private sector partners to gain hands-on experience. This will ensure that training is directly linked to real-world applications.
- **Sector-Specific Exposure:**
  Trainees will be exposed to different use cases of drone technology, including agriculture, urban planning, environmental monitoring, and security operations.
- **Entrepreneurship and Employability Support:**
  The programme will incorporate elements of business development and job readiness, enabling participants to either secure employment or explore self-employment opportunities within the drone services industry.

This pilot programme is intended to serve as a model that can be expanded to other regions, subject to its success and impact.

4. Benefits of the Programme

Community:

The programme will provide unemployed youth with access to specialised, future-focused skills that are increasingly in demand across multiple sectors. This will enhance their employability, create pathways to sustainable livelihoods, and contribute to reducing poverty and inequality within the municipality. Furthermore, the introduction of technological skills into rural communities will help bridge the digital divide and promote inclusive economic participation.

Theewaterskloof Municipality:

The municipality will benefit from improved internal capacity to deliver services more efficiently and effectively. The use of drone technology will enhance planning, monitoring, and response capabilities,

particularly in areas such as informal settlements, infrastructure management, and public safety. Over time, this will lead to cost savings and improved service delivery outcomes.

DLRRD & NARYSEC:

The programme will strengthen the relevance and impact of existing training initiatives by aligning them with emerging technologies and labour market demands. It will demonstrate innovation within rural development programmes and provide measurable outcomes in terms of employment and skills development. Additionally, it will showcase the effectiveness of intergovernmental collaboration in addressing complex socio-economic challenges.

5. Areas of Implementation

The recruitment and implementation of the programme will take place across the Theewaterskloof municipal area, ensuring broad geographic representation and inclusion of youth from both urban and rural communities. Particular emphasis will be placed on reaching disadvantaged areas where unemployment levels are highest.

The municipality will work closely with ward councillors, community structures, and local stakeholders to identify suitable candidates and ensure transparency in the selection process. This approach will promote community ownership and support for the programme.

6. Commitment from the Municipality

Theewaterskloof Municipality is committed to supporting the successful implementation of this programme through the following measures:

- Facilitating the identification and recruitment of eligible youth participants
- Providing access to municipal facilities and departments for experiential learning
- Coordinating with local agricultural producers and private security companies to secure workplace exposure and potential employment opportunities
- Assigning dedicated officials to support programme coordination, monitoring, and evaluation
- Promoting the programme within the municipality to ensure visibility and stakeholder engagement

The municipality further commits to maintaining ongoing communication with DLRRD and NARYSEC to ensure alignment, accountability, and continuous improvement of the programme.

7. Future training opportunities

The Municipality identified that enforcement of policy is lacking in the in the informal settlement unit and would like to capacitate the unit with the following skills:

- Peace officer training
- Enumeration techniques and data collection
- AI Technology (data analysis, database development)

8. Conclusion

The proposed Drone Pilot Training Programme represents a strategic and forward-looking intervention that addresses both immediate and long-term development needs within Theewaterskloof Municipality. By equipping young people with relevant, in-demand skills, the programme will unlock new economic opportunities, strengthen service delivery, and contribute to the broader goals of rural development and transformation.

Given the municipality's current financial limitations, this initiative underscores the importance of multilateral cooperation between local government, national departments, and development programmes such as NARYSEC. Through such collaboration, it is possible to maximise resources, enhance programme impact, and deliver meaningful outcomes for communities.

Theewaterskloof Municipality is confident that this partnership will yield significant benefits for all stakeholders and, most importantly, for the youth of the region. We therefore respectfully request your support and collaboration in the implementation of this initiative.

Yours faithfully,

_____

Mr W Hendricks
Municipal Manager
Theewaterskloof Municipality

ITEM TITLE

C232/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT TOWN PLANNING AND BUILDING CONTROL: ESTABLISHMENT OF AN AESTHETICS COMMITTEE

[English version of the report is the original]

FILE NUMBER

15/5/B

PURPOSE OF REPORT

The purpose of the item is to seek Council approval for the establishment of Aesthetics Committees in each town within the municipal area.

BACKGROUND

The municipality has identified the need for localized oversight on aesthetic considerations in development applications. Town-specific committees will ensure that planning decisions reflect the distinct cultural, historical, and architectural character of each town, while remaining consistent with municipal planning objectives.

Currently, aesthetic decisions are made on a case-by-case basis without a dedicated advisory body. Establishing an Aesthetics Committee will provide structured guidance, encourage community input, and promote cohesive design standards.

DISCUSSION

The municipality has identified the need for localized oversight on aesthetic considerations in development applications. These committees will provide comments and oversight on urban design, architectural quality, and the visual character of developments, ensuring that each town's unique identity and heritage are preserved.

The responsibilities of the committee are limited to the following:

- Provide comments on Land Use Application and Building Plans in terms of urban design and architectural quality of the proposal

It is proposed that the Director of Planning and Development, Deputy Director of Planning and Development, Manager Town Planning and Building and Building Control Officer be nominated as the official responsible for appointing members to each town's Aesthetics Committee.

In terms of the process, each ward committee must submit its request through the Speaker's Office to the Director of Planning and Development for the establishment of an Aesthetics Committee.

Subsequently, an advert will be placed in the media calling for applicants to submit their applications to the municipality.

Following the recruitment process, a recommendation will then be made to Council by the panel to appoint the members.

A term of reference will be drafted which outlines the purposes, role and responsibilities, composition and membership, authority, meeting procedures, conflict of interest and review of terms of reference. This will ensure that appointments are made in line with municipal governance structures.

It is recommended that the following form part of the minimum requirements for persons to adhere to:

- Candidates must have a qualification in architecture, urban design, landscape architecture, heritage conservation, or town planning.
- Candidates must have a minimum of five years of relevant professional experience in design, planning, or development.
- Candidates must demonstrate understanding of local heritage, cultural values, and community priorities specific to the town.
- Candidates must be a resident or homeowner of a particular town.

Each town's Aesthetics Committee will consist of:

- Chairperson and Deputy Chairperson
- 3–5 members including the Chairperson and Deputy Chairperson
- Administrative support staff as required

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

No members will receive remuneration. The only expense involved will be the advertising cost.

LEGAL IMPLICATIONS (ITEM AUTHOR)

No legal implications.

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 that Council approves the establishment of an Aesthetics Committee as outlined above, and direct staff to initiate the appointment process for committee members.

RESOLVED BY MANAGEMENT: 20 MAY 2026

Management resolved that the agenda-item be referred back, that the legal implications with specific reference to the part of the by-law be included; that the Terms of Reference be compiled and also be included; that the agenda-item be sent to directors for comments.

1. *Agenda-item referred back.*
2. *For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

COMMENTS BY ITEM AUTHOR:

The Terms of Reference are attached.

RECOMMENDATION BY MANAGEMENT TO A COUNCIL WORKSHOP: 26 AUGUST 2026

Management resolved that the Terms of Reference for Aesthetics Committees be referred to a Council Policy Workshop scheduled for the 3rd of September 2026, for discussion.

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended that Council approves the establishment of an Aesthetics Committee as outlined above, and direct staff to initiate the appointment process for committee members.

Theewaterskloof
Municipality

DIRECTORATE
ECONOMIC DEVELOPMENT
AND PLANNING:

ESTABLISHMENT OF AN AESTHETICS COMMITTEE

PURPOSE AND BACKGROUND

- Seek Council approval to establish Aesthetics Committees in each town in terms of Section 79 of the Municipal Systems Act, 2000 (Act 32 of 2000)

- Provide structured guidance on aesthetic considerations in development applications.

- Promote consistent design standards while respecting local character and heritage.

WHY ESTABLISH THE COMMITTEES?

- Local oversight of urban design and architectural quality.
- Preservation of cultural, historical and architectural identity.
- Enhanced community input in planning processes.
- Consistent and transparent recommendations.

- Provide recommendations on land use applications and building plans with regard to urban design and architectural quality.

APPOINTMENT PROCESS & IMPLICATIONS

- Ward Committee request via Speaker's Office
- Directorate initiates establishment process
- Public advertisement for applications
- Panel recommendation to Council
- Council appoints members
- No remuneration; only advertising costs apply

COMPOSITION & MINIMUM REQUIREMENTS

- Chairperson and Deputy Chairperson
- 3 to 5 members
- Architecture, urban design, landscape architecture, heritage conservation, or town planning qualification
- Minimum 5 years relevant experience
- Resident or homeowner in the particular town

RECOMMENDATION

- Council approves the establishment of Aesthetics Committees and directs staff to initiate the appointment process for committee members.
- Council nominates the Director of Planning and Development, the Deputy Director of Planning and Development, the Manager: Town Planning and Building Control, and the Building Control Officer to be responsible for the appointment of members to each town's Aesthetics Committee.

Theewaterskloof
Municipality

TERMS OF REFERENCE

AESTHETICS COMMITTEE

1. Purpose

1.1. The Aesthetics Committee is established to promote, protect, and enhance the visual quality, character, and attractiveness of the built and natural environment within the jurisdiction of the municipality/organization. The Committee shall provide advice and recommendations on Land Use Application and Building Plans in terms of urban design and architectural quality of the proposal.

2. Objectives

2.1 The Committee shall:

a) Review proposals affecting the visual appearance of public and private developments.

b) Promote high standards of aesthetic design and environmental quality.

c) Ensure developments are compatible with the character and identity of the area.

d) Encourage attractive, functional, and sustainable urban environments.

3. Functions and Responsibilities

3.1 The Committee shall:

a) Advisory Role

I. Review development applications referred by the relevant authority.

II. Provide recommendations on Land Use Application and Building Plans in terms of urban design and architectural quality of the proposal.

b) Evaluation Role

I. Assess proposals against adopted Municipal design guidelines and planning policies.

II. Consider visual impact, design quality, environmental integration, and community character.

III. Recommend modifications where aesthetic improvements are warranted.

4. Scope of Authority

4.1 The Committee shall serve in an advisory capacity and shall not exercise statutory decision-making powers unless specifically delegated by the Council or relevant authority.

4.2 Recommendations of the Committee shall be submitted to the appropriate decision-making authority for consideration.

5. Membership

5.1 Each town's Aesthetics Committee will consist of:

a) Chairperson and Deputy Chairperson

b) 3–5 members including the Chairperson and Deputy Chairperson

c) Administrative support staff as required

5.2 The Committee shall consist of representatives with expertise and interest in the aesthetic development of the area, including:

a) architecture, urban design, landscape architecture, heritage conservation, town planning, or other relevant built environment disciplines; and knowledge of local history and heritage.

b) Candidates must have a minimum of five years of relevant professional experience in design, planning, or development.

c) Candidates must demonstrated understanding of local heritage, cultural values, and community priorities specific to the town.

d) Candidates must be a resident or homeowner of the particular town or otherwise have a demonstrable and substantive connection to the particular town.

6. Chairperson

6.1 The Chairperson shall:

a) Preside over meetings.

b) Facilitate discussions and decision-making.

c) Approve meeting agendas.

d) Ensure effective functioning of the Committee.

e) Present recommendations to the relevant authority where required.

f) In the absence of the Chairperson, the Deputy Chairperson shall automatically assume the duties and responsibilities of the Chairperson.

7. Meetings

7.1 Meetings shall be held at least once a week.
7.2 Special meetings may be convened by the Chairperson.
7.3 Members shall receive notice of meetings and agenda documents at least two (2) days prior to meetings.
7.4 Minutes shall be recorded and circulated to the Manager: Town Planning and Building Control within two days of each meeting.

8. Quorum

8.1 A quorum shall consist of at least fifty percent (50%) plus one of the appointed members.
8.2 If a quorum is not present, the meeting may proceed for discussion purposes only, with recommendations ratified at a subsequent quorate meeting.

9. Decision-Making

9.1 Decisions and recommendations shall preferably be reached by consensus.
9.2 Where consensus cannot be achieved, matters shall be determined by a majority vote of members present.
9.3 The Chairperson shall have a casting vote in the event of a tie.

10. Confidentiality and Personal Information

10.1 Members shall keep confidential information confidential where required by law or where the information is lawfully designated as confidential.
10.2 Personal information shall be handled only for authorised municipal purposes and in accordance with applicable privacy legislation and municipal information-management procedures.
10.3 Members shall declare any actual or perceived conflict of interest relating to matters under consideration.
10.4 A member with a declared conflict may be required to recuse themselves from discussions and decisions on the affected matter.
10.5 Confidentiality shall not be used to conceal an unlawful decision, conflict of interest, improper influence or other matter that must lawfully be disclosed or reported.

11. Fees and Applicant Costs

11.1 The Committee shall not impose, collect or negotiate any fee or charge with an applicant.
11.2 Any municipal fee associated with a land-use or building-plan application must be authorised by the applicable tariff.

11.3 The Committee shall not require an applicant to appoint a particular consultant, professional or contractor unless such requirement is imposed by applicable law or a lawful municipal decision.

12. **Liability and Professional Responsibility**

12.1 The Committee provides advisory input only and does not assume the statutory or professional responsibilities of the applicant, architect, designer, engineer, surveyor, town planner, heritage practitioner, building-control official or other competent person.

12.2 Committee members shall not certify technical compliance unless they are separately authorised and professionally competent to do so and are acting within that professional capacity.

12.3 The Committee shall not certify structural stability, fire safety, health requirements, engineering services, accessibility compliance, building-regulation compliance or other technical matters falling outside its mandate.

11. Reporting

11.1 The Committee shall report its recommendations to the Town Planning and Building Control Department for consideration and action.

11.2 An annual report summarising should demonstrate what the Committee did during the year, what it considered, the recommendations it made, whether those recommendations were implemented, and whether the Committee contributed to improving the quality and character of the built environment.

12. Administrative Support

12.1 Administrative support shall be provided by the committee and shall include:

I. Arrangement of meetings.

II. Preparation and distribution of agendas.

III. Recording and circulation of minutes.

IV. Maintenance of records and correspondence.

13. Review of Terms of Reference

13.1 These Terms of Reference shall be reviewed every three (3) years and / or as required to ensure continued relevance and effectiveness.

14. Effective Date

14.1 These Terms of Reference shall take effect upon approval by the relevant authority and shall remain in force until amended or replaced.

Approved by: _____

Date: _____

Chairperson: _____

ITEM TITLE

C233/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT TOWN PLANNING AND BUILDING CONTROL: ADOPTION OF THE LIQUOR TRADING DAYS AND HOURS BY-LAW

[English version of the report is the original]

FILE NUMBER

14/1/4/B

PURPOSE OF REPORT

The purpose of this report is to present the proposed amended By-law on Liquor Trading Days and Hours (Annexure 1) to Council for consideration and approval.

BACKGROUND

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996 ("the Constitution"), the Theewaterskloof Municipality Liquor Trading Days and Hours By-Law was adopted by Council on 25 September 2022. The By-Law has therefore been in operation for nearly four years, warranting review at this stage.

DISCUSSION

The first proposed amendment pertains to the application for the extension of liquor trading hours. As part of the processing of the application, the property owner's municipal account must not be in arrears. If the account is in arrears the application cannot be considered by the municipality. The proposed amendment allows for a payment arrangement be entered into between the owner/applicant and the municipality prior to the finalisation of the application. The proposal is to promote economic growth without compromising the financial sustainability of the municipality.

The second proposed amendment is to the Liquor Trading Days and Hours By-Law is to permit the sale of liquor for off-site consumption on Sundays. During the drafting process, several other municipal by-laws were examined for comparative purposes. It was observed that many municipalities, including neighbouring municipalities, currently allow off-sales throughout the entire week, whereas the existing Theewaterskloof By-Law prohibits normal off-sales on Sundays. The proposed amended by-law, which has been advertised for public comment, therefore introduces provision for Sunday off-sales in alignment with prevailing municipal practices.

The proposed by-law was advertised for public comment from 29 January 2026 to 2 March 2026. The objections that were received are attached as Annexure 2, to this item. The objections can however be summarised as follows:

1. Object to liquor sale on Sundays. Selling of liquor on Sundays may have a negative impact on workers the following Monday and put them in danger at the work place.
2. Proposed extension of trading hours will encourage alcohol misuse under minors, preventing them from going to school on Monday.
3. Proposed extension of trading hours will contribute towards violence against woman and children.
4. Proposed extension of trading hours will contribute to unemployment as a result of people losing their jobs for being drunk at work on Mondays.
5. Proposed extension of trading hours will have a negative impact on families where alcohol is misused, leading to the negligence and abuse of children.
6. Proposed extension of trading hours will contribute towards alcohol misuse, in turn increasing cases of family violence and teen pregnancies.
7. Alcohol misuse has a negative impact on the appearance of towns with increased littering and people urinating in public.
8. Increased access to alcohol can place a strain under already strained services such as SAPS, ambulances, clinics, hospitals, etc.
9. Drunk driving and accidents (e.g., on the N2 through Riviersonderend) will increase.
10. The proposal will increase public disorder and noise levels.
11. The review period did not follow the standard 30-day timeline.
12. The Western Cape High Court has recently ruled on liquor trading hour extensions, declaring extended liquor trading hours unconstitutionalin a case involving another Municipal By-Law (Kannaland). The court held that a By-Law extending trading hours failed in its constitutional duty to protect public health and safety and was therefore invalid. This decision serves as a legal precedent establishing that Municipalities have a constitutional obligation to ensure that by-laws regulating liquor sales do not compromise community wellbeing.

It is clear from the above summary that the objections primarily concern the potential social challenges that may arise from introducing an additional trading day.

Although this may, or may not have an impact on the social welfare of the community of Theewaterskloof. It can also be argued that by adopting the proposed extended trading day, the sale of alcohol can be more readily policed, effectively deterring community members from purchasing alcohol from illegal points of sale.

The comment regarding the legality of the proposed extended day differs from the Kannaland Municipality matter. In Kannaland, the Liquor By-Law already permitted Sunday trading, and the municipality sought to add further hours on top of those already approved. By contrast, our proposal is limited to introducing an additional trading day, consistent with practices in many neighboring municipalities previously mentioned. The merits of the two cases are therefore not the same.

Lastly, the municipality has a responsibility to create an enabling environment for economic growth. By permitting an additional trading day, the proposed amendment is expected to support local economic development and expand business opportunities within the community.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The only financial responsibility identified at this point in time relates to the costs involved in publishing the amended bylaw in the Provincial Gazette, for which provision has been made.

LEGAL IMPLICATIONS (ITEM AUTHOR)

In terms of Section 152 of the Constitution, the municipality is required to create a conducive environment for local economic development.

In terms of Section 156 of the Constitution, the municipality must develop and adopt by-laws for the effective administration of the matters which it has the right to administer.

In terms of Section 16 of the Municipal Systems Act, 2000, the municipality is required to create a culture of community participation in all matters related to municipal functions.

In terms of Section 59 of the Western Cape Liquor Act, 2008, the municipality may by by-law determine different trading days and hours for licensed businesses selling liquor for consumption on the licensed premises and for those selling liquor for consumption off the licensed premises

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

The proposed amendments to the by-law focus on extending trading hours and permitting off-sales on Sundays. The impact of these changes on the social welfare of the Theewaterskloof community remains uncertain.

On one hand, it can be argued that greater access to alcohol may contribute to various social challenges. On the other hand, adopting extended trading hours could enhance regulatory oversight, allowing sales to be more effectively monitored and reducing reliance on illegal points of sale within the community.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That Council repeal the Theewaterskloof Municipality Liquor Trading Days and Hours (2022);**
2. **That Council approves the proposed Theewaterskloof Municipality Liquor Trading Days and Hours By-law (2026), and that the approved by-law be published in the Provincial Gazette for adoption and implementation; or**

3. **That Council refuse the proposed amendments and continue with the current Theewaterskloof Municipality Liquor Trading Days and Hours (2022).**

RECOMMENDATION BY MANAGEMENT TO THE HUMAN SETTLEMENTS AND PLANNING COMMITTEE: 16 JULY 2026

It is recommended:

1. **That Council repeal the Theewaterskloof Municipality Liquor Trading Days and Hours (2022);**
2. **That Council approves the proposed Theewaterskloof Municipality Liquor Trading Days and Hours By-law (2026), and that the approved by-law be published in the Provincial Gazette for adoption and implementation; or**
3. **That Council refuse the proposed amendments and continue with the current Theewaterskloof Municipality Liquor Trading Days and Hours (2022).**

RECOMMENDATION BY THE HUMAN SETTLEMENTS AND PLANNING COMMITTEE TO A COUNCIL POLICY WORKSHOP: 06 AUGUST 2026

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

1. **That Council repeal the Theewaterskloof Municipality Liquor Trading Days and Hours (2022);**
2. **That Council approves the proposed Theewaterskloof Municipality Liquor Trading Days and Hours By-law (2026), and that the approved by-law be published in the Provincial Gazette for adoption and implementation; or**
3. **That Council refuse the proposed amendments and continue with the current Theewaterskloof Municipality Liquor Trading Days and Hours (2022).**
4. **That the Theewaterskloof Municipality Liquor Trading Days and Hours By-law be referred to a Policy Workshop of Council.**

***NOTE**: The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That Council repeal the Theewaterskloof Municipality Liquor Trading Days and Hours (2022);**
2. **That Council approves the proposed Theewaterskloof Municipality Liquor Trading Days and Hours By-law (2026), and that the approved by-law be published in the Provincial Gazette for adoption and implementation; or**

3. **That Council refuse the proposed amendments and continue with the current Theewaterskloof Municipality Liquor Trading Days and Hours (2022).**

Theewaterskloof
Municipality

DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING:
LIQUOR TRADING AND AND HOURS BY-LAW

PURPOSE AND BACKGROUND

- Seek Council consideration and approval for amended Liquor Trading Days and Hours By-law
- Replace current 2022 By-law if adopted
- Current By-law adopted on 25 Sept 2022
- By-law has been operational for nearly four years
- Review undertaken in terms of municipal legislative powers

KEY AMENDMENT 1

- Applications for extended trading hours may proceed where a payment arrangement exists
- Municipal accounts no longer need to be fully up to date before consideration

KEY AMENDMENT 2

- Allow off-site liquor sales on Sundays

PUBLIC PARTICIPATION & OBJECTIONS

- Public comment period: 29 Jan to 2 Mar 2026
- 8 Objections were received
- Concerns: alcohol abuse, crime, family impacts and public disorder
- Concerns about pressure on SAPS, health and emergency services
- Legal concerns raised regarding Kannaland court matter

RECOMMENDATIONS

- Repeal Liquor Trading Days and Hours By-law (2022)
- Approve and publish the 2026 By-law in Provincial Gazette
- Alternatively refuse the proposed amendments and retain the 2022 By-law

ANNEXURE 1

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Theewaterskloof
Municipality

THEEWATERSKLOOF MUNICIPALITY
LIQUOR TRADING DAYS AND HOURS BY-LAW

MAY 2022

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996 the Municipal Council of the Theewaterskloof Municipality, hereby enacts as follows:

PREAMBLE

WHEREAS section 156 of the Constitution of the Republic of South Africa, 1996 authorize a municipality, to make and administer by-laws for the effective administration of the matters which a municipality has the right to administer;

AND WHEREAS it is the intention of the Theewaterskloof Municipality to determine trading days and hours for all licensed premises or undertakings, situated within the area of jurisdiction of the Theewaterskloof Municipality, that sells liquor to the public.

The objective of this by-law is –

(i) to provide for the control of undertakings selling liquor to the public, in order to ensure a safe and healthy environment in the area of jurisdiction of the Theewaterskloof Municipality;
(ii) to provide for pre-determined days and hours for trade in liquor, by licensed undertakings that sell liquor to the public; and
(iii) to provide for matters related to the determination of days and hours for the sale of liquor to the public.

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CHAPTER 1
INTERPRETATION AND APPLICATION

1. INTERPRETATION

In this by-law, the English text prevail in the event of any conflict with the Afrikaans text, and unless the context indicates otherwise–

"Authorized official", – means an employee of the Theewaterskloof Municipality who has been authorized by the Theewaterskloof Municipality to enforce the Liquor Trading Days and Hours By-Law of the Theewaterskloof Municipality, a designated liquor officer of the South African Police Service or an inspector who is appointed in terms of subsection 73(4) of the Western Cape Liquor Act, 2008 (Act No 4 of 2008), as amended;

"Business premises ", means a property from which business is conducted and may include a restaurant, inn, bar or tavern or other building for similar uses, but excludes a place of entertainment, guest accommodation establishment, hotel, sports and community club;

"Casino", means a purposely built and developed tourism facility, which is a licensed gambling facility, and may include hotels, restaurants, bars, conference facilities, entertainment facilities and other associated and / or subsidiary facilities for tourists;

"Guest accommodation establishment", means premises used as temporary residential accommodation, and includes the provision of lodging, meals and other guest services, properly licensed to prepare and sell food, to transient guests for compensation, and includes a backpacker's lodge, a bed- and- breakfast establishment, guest house or guest farm or guest lodge, as well as facilities for business meetings, conferences, events or training sessions of transient guests, but excludes a hotel;

"Hotel", means a purposely built and developed premises, used as a temporary residential accommodation for transient guests, where lodging, meals and other guest services are provided for compensation, and include:

(a) a restaurant or restaurants properly licensed to prepare and sell food, forming part of the hotel;
(b) conference and entertainment facilities that is subservient and ancillary to the dominant use of the premises as a hotel; and
(c) premises which are licensed to sell alcoholic beverages for consumption on the property, but **excludes** an off-site consumption facility, liquor outlet, guest accommodation establishment, dwelling house or dwelling unit;

"Licensed premises", means the premises upon which liquor may be micro-manufactured, sold, consumed or stored, as contemplated in terms of the Western Cape Liquor Act, 2008 (Act No. 4 of 2008), as amended;

"Licensee", means any person or business enterprise or institution, to whom a liquor license has been issued and who is licensed to sell liquor in terms of the Western Cape Liquor Act, 2008 (Act No. 4 of 2008), as amended, and includes any licensed premises, business, liquor outlet or land use activity from which liquor may be sold, a person or an agent for or on behalf of the license holder or manager of the licence holder as contemplated in subsection 52(1) of the Western Cape Liquor Act, 2008 (Act No 4 of 2008), as amended, or any person employed in the service of such license holder or agent or manager;

"Liquor", means any liquid or substance**,** as defined in section 1 of the Western Cape Liquor Act, 2008 (Act No 4 of 2008), as amended;

"Liquor authority", means the Western Cape Liquor Authority established in terms of subsection 2(1) of the Western Cape Liquor Act, 2008 (Act No 4 of 2008). as amended;

"Liquor license", means a license to sell liquor as defined in section 33 of the Western Cape Liquor Act, 2008 (Act No 4 of 2008), as amended;

"Municipality", means the Theewaterskloof Municipality, and includes reference to any duly delegated and / or appointed officials and / or service providers in terms of service level agreements of the Theewaterskloof Municipality;

"Premises", means any portion of land situated within the area of jurisdiction of the Theewaterskloof Municipality, of which the outer boundaries are demarcated on a general plan or diagram or sectional title plan, registered in accordance with applicable legislation, and includes a building or structure build or erected on such land;

"Restaurant", means a properly licensed establishment, which prepares and serves food, and beverages to customers, which are generally prepared, served and consumed on the premises, but may also include take-out food and food delivery services;

"Room service", means the provision of beverages and food in the rooms of transient guests, at facilities where temporary residential accommodation are provided;

"Tourism facility", meas amenities for tourists such as lecturer rooms, restaurants properly licensed to prepare and sell food, shops for the sale of local liquor products and produce, gift shops and rest rooms, but does not include overnight accommodation;

"The Act", means the Western Cape Liquor Act, 2008 (Act No 4 of 2008), as amended, and the regulations promulgated in terms thereof;

"Winery, includes premises or facilities which are used in the production of wine or any other alcoholic beverage from fruit or other agricultural produce, and such

premises or facilities may include facilities for crushing grapes or similar agricultural product, fermentation and aging of wine or similar produce, tasting rooms, barrel and storage rooms, bottling rooms, tank rooms, laboratories or offices and other accessory or ancillary facilities incidental to the production of wine or alcoholic beverages, which may include –

a) restaurants and other food services properly licensed to prepare and sell food;
b) entertainment and conference facilities;
c) wedding venues;
d) outlets selling the products of the estate; or
e) subsidiary retail facilities to tours or visitors.

"Zoning scheme", means the zoning scheme applicable to and in force for a specific area within the area of jurisdiction of the Theewaterskloof Municipality.

2. APPLICATION

This by-law is applicable to persons and premises that sell liquor to the public, within the area of jurisdiction of the Municipality.

3. GENERAL PROHIBITION

A licensee may not sell liquor for consumption on or off a licensed premises–

(a) in any other way, than in accordance with this by-law;

(b) outside the days and hours that have been determined by the Municipality; or

(c) without a valid liquor licence that has been issued as contemplated in the Act.

CHAPTER 2 STANDARD TRADING HOURS

4. TRADING DAYS AND HOURS FOR THE SALE AND CONSUMPTION OF LIQUOR ON LICENSED PREMISES

(1) A licensee of premises upon which liquor may be sold for consumption on the licensed premises may sell liquor between 10:00 on any day and 02:00 on the following day.

(2) Notwithstanding the provisions of subsection 4(1) of this by-law, a hotel or guest accommodation establishment licensed to sell liquor, may offer a room service facility at any time of the day.

(3) The trading days and hours for the sale and consumption of liquor at any special events or temporary licensed premises, shall be in accordance with the hours as determined by the temporary liquor license.

(4) A licensed casino may sell liquor for 24 hours a day and 7 days a week.

(5) A licensee who sells liquor for consumption on the licensed premises–

(a) may not allow any consumption of liquor on the licensed premises, at any time when the sale of liquor is not permitted on the premises; and

(b) may not allow that any liquor is taken off the licensed premises.

(6) A licensee in respect of a hotel or guest accommodation establishment:–

(a) may provide access to a pre-stocked bar facility inside a private suite or room, for use by a guest occupying such private suite or room; and
(b) may not restock such bar facility, during the hours the licensee is not allowed to sell liquor.

(7) A licensee in respect of a hotel or guest accommodation establishment, may not provide liquor to guests or visitors outside of the standard trading hours for such a type of licensed premises, unless such liquor is provided in accordance with the stipulations of subsection 4(2) and subsection 4(3) of this by-law.

(8) A licensee may submit an application to the Municipality for permanent extended trading hours to sell liquor for consumption on a licensed premises, as long as the license holder has a valid liquor licence for the premises concerned.

5. TRADING DAYS AND HOURS FOR THE SALE OF LIQUOR FOR USE OFF LICENSED PREMISES

(1) A licensee of premises upon which liquor may be sold for consumption on and off the licensed premises may sell liquor: -

(a) for consumption on the licensed premises between 10:00 on any day and 02:00 on the following day; and
(b) for consumption off the licensed premises on any day between 08:00 and 18:00.

~~(1) A licensee for consumption of liquor off a licensed premises, may sell liquor on any day of the week, except that no liquor may be sold on a Sunday.~~

~~(2) A licensee operating a tourist facility may, despite the stipulations of subsection 5(1) of this bylaw, sell liquor for consumption off the licensed premises, on any day of the week from 09:00 to 18:00.~~

~~(3) A licensee may sell liquor for consumption off the licensed premises on the following days and hours –~~

~~a. Monday to Saturday 09:00 until 18:00; and~~

~~b. No trading is allowed on Sundays and Christmas Day, provided that this restriction shall not apply to a winery and a tourism facility, which may trade on such days, from 09:00 to 18:00.~~

~~(4)~~(2) A licensee may submit an application to the Municipality for permanent extended trading hours to sell liquor from a licensed premises until 20:00, as long as the license holder has a valid liquor license for the premises concerned.

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CHAPTER 3
EXTENDED TRADING HOURS

6. APPLICATION FOR EXTENDED TRADING HOURS

(1) A licensee may, submit a written application to the Municipality to extend the trading hours, for a specific type of licence, subject to the following conditions–

(a) extended trading hours may on application be granted to an applicant–

(i) as permanent consent, as long as the license holder has a valid liquor license for the premises concerned;
(ii) for a period of one (1) calendar year;
(iii) for any period shorter than one (1) calendar month; and
(iv) for a special event.

(2) The Municipality may approve or in part approve or refuse an application for an extension of trading hours, and any applicant shall have the right of appeal in terms of the provisions of section 8 of this by-law.

(3) No rights shall accrue for an applicant for extended trading hours, until the written approval has been received from the Municipality.

(4) The Municipality may, by written notice to an applicant, impose conditions for trading during extended hours, on condition that such conditions imposed shall be consistent, equitable and fair for all applications, and that no precedents shall be created.

(5) Before the Municipality considers an application for the extension of trading hours, an applicant has to submit the following information and supporting documentation to the Municipality–

(a) the outcome of consultations with owners and occupants of premises adjacent to the licensed premises, who shall be affected by the application;

(b) the potential impact on the surrounding environment;

(c) the proximity of the licensed premises, with regard to surrounding residential areas, and cultural, religious and educational facilities;

(d) the particular period for which the application is submitted, or whether the application is for the permanent extended trading hours;

(e) previous licence suspensions, licence amendments or revocations of applications for extended trading hours, for the same licensed premises;

(f) the reasons why it is in the public's interest to approve and / or grant an extension of trading hours;

(g) motivations dealing with–

(i) the impact of the risks to and nuisances for the surrounding land owners, residents and occupants of premises; and
(ii) mitigation measures to assist with the control and prevention of risks and / or nuisances;

(h) the municipal zoning requirements and conditions of the licensed premises;

(i) the proof of the validity of the current liquor licence, and that the municipal account for the premises concerned is paid-up or proof of payment agreement;

(j) the comments and recommendations on the application, of the Western Cape Liquor Authority, the Liquor Officer of the South African Police Services and the Law Enforcement Department of the Municipality; and

(k) where applicable, the validity of any other business licence.

(6) The municipality may withdraw any approval of the extension of liquor trading hours, when a licensee does not abide to the conditions of the extension or whenever proof are provided to the Municipality that the extended trading hours are no longer appropriate.

CHAPTER 4
GENERAL PROVISIONS

8. APPEALS

(1) A person whose rights are affected by a decision of the Municipality in terms of any delegated powers, may appeal against such a decision in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), as amended, by giving written notice of the appeal against the decision and the reasons for the appeal to the Municipal Manager, within twenty-one (21) days of the date of the notification of the decision.

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9. SUSPENSION, AMENDMENT AND REVOCATION OF EXTENDED LIQUOR TRADING HOURS

(1) An authorized official may, upon delivery of a written notice to the licensee or person in charge of a licensed premises, immediately suspend the extended trading hours of a license holder for non-compliance to the stipulations of the Act, or the stipulations of this by-law, or any condition of the liquor license or the extended trading hour's approval not complied with.

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(2) The written notice as contemplated in subsection 9(1) of this by-law, shall specify the reasons for the suspension and the timeframes in terms of which such suspension of extended trading hours shall be applicable.

(3) The written notice as contemplated in subsection 9(1) of this by-law, shall instruct the licensee to supply written reasons, within seventy-two (72) hours to the Municipality, on why the extended trading hours should not be revoked in total.

(4) The authorized official shall, in writing, report any suspension of extended liquor trading hours to the delegating authority or authorities.

(5) The Municipality shall, upon consideration of the suspension report of the authorized official, and the representations made by the licensee–

(a) reconfirm, amend or revoke the trading hours in respect of the involved business premises, as applicable, and may impose such additional conditions as the Municipality may deem fit; and

(b) report any decision to confirm, amend or revoke the extended hours of trading to the Western Cape Liquor Authority.

(6) No licensee shall continue selling liquor to the public during such period in which the extended hours of trading in liquor has been suspended.

(7) The Municipality may not be held liable for any loss of income suffered by a licensee, during any period of suspension of trading hours.

10. OFFENCES AND PENALTIES

(1) Any person who contravenes or fails to comply with the provisions of this by- law, or fails to comply with a notice served in terms of this by-law, or fails to comply to an instruction of an authorized official or posted on a notice board, is guilty of an offence and is liable on conviction, for–

(a) a fine or imprisonment, or to such imprisonment without the option of a fine, or to both such fine and such imprisonment;

(b) in the case of a successive or continuing offence, to an additional fine or additional period of imprisonment, or such additional imprisonment without the option of a fine, or to both such additional fine and such additional imprisonment, for every day such offence continues; and

(c) any further amount as an order of court for costs, equal to any costs and expenses, deemed by the Court, to have been incurred by the Municipality as a result of such contraventions.

11. SERVING OF NOTICES AND OTHER DOCUMENTS

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(1) A notice, instruction, letter of demand, or other document issued by the Municipality in terms of this by- law, is deemed to be duly issued when a duly delegated official of the Municipality has signed it.

(2) Any notice, instruction, letter of demand, or other document that is served on a person in terms of this by-law, is regarded as having been duly and effectively served–

(a) when it has been delivered to that person personally;

(b) when it has been left at that person's place of residence or business in the Republic of South Africa, with a person apparently older than sixteen years;

(c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic of South Africa, and proof of the posting thereof is provided;

(d) if that person's address in the Republic of South Africa is unknown, when it has been served on that person's agent or representative in the Republic of South Africa, in a manner as provided in subsections 11(2)(a), 11(2)(b) or 11(2)(c) of this by-law;

(e) if that person's address and agent or representative in the Republic of South Africa is unknown, when it has been posted in a conspicuous place on the property or premises to which it relates; or

(f) in the event of a body corporate, when it has been delivered at the registered office or the business premises of the body corporate.

(3) When any notice, instruction, letter of demand, or other document is served on a person in terms of this by-law, it is sufficient for purposes of the serving of the notice, instruction, letter of demand, or other document, to describe the person in the notice, instruction, letter of demand or other document, as the owner, occupier, or holder of the property or rights in question, and it is not a requirement to name that person.

(4) A notice, instruction, letter of demand, or other document shall for purpose of authentication, be properly signed by the Municipality.

12. CONFLICT BETWEEN LEGISLATION

When any stipulation of this by-law, is in conflict with national and provincial Legislation or regulations, the national and provincial legislation, or regulations shall prevail.

13. REPEAL OF BY-LAWS

(1) The provisions of any by-laws previously promulgated by the Municipality or by any of the disestablished municipalities now incorporated in the municipality, are hereby repealed as far as they relate to matters provided for in this by-law.

(2) The following by-law of the Theewaterskloof Municipality is hereby specifically repealed–

Name of by-law	Date published	As a whole or partially
Theewaterskloof Municipality Liquor Trading Days and Hours Bylaw	~~14 May 2015~~ 9 December 2022	As a whole

14. SHORT TITLE

This by-law is called the Liquor Trading ~~Days and Hours~~ By-law of the Theewaterskloof Municipality.

15. OPERATIVE DATE

This by-law shall take effect on the date of publication in the Provincial Gazette.

ANNEXURE 2

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Enrico Shortles

From: marthiens stuart <marthiensstuart@gmail.com>
Sent: Thursday, 05 February 2026 08:32
To: Enrico Shortles
Subject: Fwd: Caledon Interchurch Leaders Forum: Submission on Reasons Why the Selling of Alcohol on Sundays , Should not be Conceded to and Allowed:

You don't often get email from marthiensstuart@gmail.com. Learn why this is important

---------- Forwarded message ---------
From: **Neil Hart** <hartneil366@gmail.com>
Date: Thu, 05 Feb 2026, 07:38
Subject: Fwd: Caledon Interchurch Leaders Forum: Submission on Reasons Why the Selling of Alcohol on Sundays , Should not be Conceded to and Allowed:
To: Marthiens Stuart <marthiensstuart@gmail.com>, Jaques Brinkhuys <apostelajbrinkhuys.enosh@gmail.com>, George Rhode <georgerhode@gmail.com>

---------- Forwarded message ---------
From: **Neil Hart** <hartneil366@gmail.com>
Date: Mon, 27 Feb 2023, 20:29
Subject: Fwd: Caledon Interchurch Leaders Forum: Submission on Reasons Why the Selling of Alcohol on Sundays , Should not be Conceded to and Allowed:
To: Marthiens Stuart <marthiensstuart@gmail.com>

---------- Forwarded message ---------
From: Neil Hart <hartneil366@gmail.com>
Date: Sat, 19 Feb 2022, 06:18
Subject: Caledon Interchurch Leaders Forum: Submission on Reasons Why the Selling of Alcohol on Sundays , Should not be Conceded to and Allowed:
To: Marthiens Stuart <marthiensstuart@gmail.com>, <georgerhoda@gmail.com>, Hennie Mare <hennie@vekcaledon.co.za>, Gert Visser <gertvisser@encaledon.org>, Tornado Gamadala <tgamadala@gmail.com>

Goodmorning Leaders of the Caledon Interchurch Leaders Forum , Herewith Attached Above Reasons Submitted

1. Considering the Crime Statistics in Particular Domestic violence and Assault Common and Assault With the Intent to To Cause Grevious Bodily Harm,& even Murder Where the Perpertrators of these Violent Crimes was Under the Influence of Alcohol.

2. If the Statistics with people having Access to Alcohol 6 days a week , , how much more will a added 7th day , to witt Sundays, Add and not decrease the Alcohol- Related Crime Statistics and Damnable Escalating Consequences on our Communities .
3. Women & Children are usually the Victims of these Violent Crimes where alcohol was a Contributing Factor and Families are Destroyed in the Process.
4. Do we really want to be known as a Community, a Local Government , Community leaders & State Organs Alike , and Branded as the Engineers & Orchestrators to Worsen and Escalate the Violent, Alcohol Related, Crime Tendencies & Statistics .
5. The Reasons of Boosting the Economy of our TWK Towns that are Submitted, is not enough Reason to Justify the Sales of Alcohol on Sundays in Addition to 6 days of people's Access to Alcohol,Considering that there are Many other Innovative Interventions whereby Boosting the Economy of our TWK Towns Could be Achieved, should these Alternatives be Explored.
6. The Sales of Alcohol on Sundays, will not Improve the Quality of People's lives , on the Contrary, it will Worsen and Add to the Violent Crime Statistics, where Alcohol is the Main Trigger or Antecedent of Alcohol Related Offenses .
7. Historically, Sundays is the Day that Families Attends Church Services to Pay Homage and Worship The Creator God- King , the Lord Most High . The Responsibility of Spiritual Community Leaders that Represents a Large Percentage of Families & Households in our Communities in our TWK Towns and it Remains our God- Ordained Duty to Serve, Protect & Observe this Healthy Religious Institution and it is Incumbent on Parents, Educators and Specifically on our City Fathers & Community Spiritual Leaders to Uphold this Way of Life , a Constitutional Right that is Embodied in Chapter One of the Supreme Law & Constitution of our Country , Act 108 of 1996 .
8. It is Generally known that the excessive abuse of Alcohol is the Chief Cause of Violent Behavior in our Communities. It is an indisputable fact that when we consider the moral decay of specifically households & especially the youth in our Communities, it is exactly the consequences of the aforementioned reasons
9.The Community already have access to the purchasing of Alcohol 6 days a week and Subsequently warrants the Necessity that this order of affairs should be created& upheld and also primarily be protected as Protectors and builders of communities in our Religious beliefs and Values that has been existing for centuries ,so we as a Interchurch Leaders Forum will not concede & give way to the Selling of Alcohol on Sundays and Uphold & Maintain the Status quo of 6 days a week with the Exception of not Including Sundays, in our Capacity as a Legal Recognised Stakeholder of the TWK Municipality & Local Government.

Please peruse and communicate your feedback on the Above and should you be in favour of the aforementioned reasons & find it to be in order, or make amendments, and then let our secretary, pastor Martiens Stuart , Submit our Reasons to The Executive Mayor as per his request.
Kingdom Salutations & Regards
Neil Hart.
.

Ek hou nie van die gera
wat hulle op Vrydag tot
~~Sondag~~ Saterdag Speel
hulle ook harde musiek tyden
die week. Party keer is die
geraas so erg dat ons nie
kan slaap nie.

Ons het 2 jarige kind by di
huis. Hulle spin die karre
en dit maak groot raas deur
die week.

en Sondae ook tot 12 uur
Hulle speel die musiek
tot 12 ure en die nag

Kerk straat 17.

Enrico Shortles 552

From: george@deodunamis.com
Sent: Monday, 02 March 2026 09:00
To: Enrico Shortles
Subject: Objection to the Proposes Scarapping of the Days and Hours clause in the Liquer Trading Law in TWK

You don't often get email from george@deodunamis.com. Learn why this is important

Besware teen Verlening van ure. In nuwe verandering van die wet rakende die ganse TWK area en vorige goedkeuring van 'n kroeg in RSE en die resultaat gaan oral in TWK dieselfde wees.

1) Die Provinsie het 'n beleid dat drankmisbruik en drankverslawing teengewerk moet word.
2) Om te beweer dat mans en vroue wat hardwerk en ook dat die jongmense 'n plek nodig het om te ontspan is uiterse snert as jy kyk na die resultate van die gebruik van alkohol vir "ontspanning.
3) Die hele versoek gaan om winsbejag ten koste van jongmense se toekoms, huweliks geluk en vroue en kinders se mishandeling en armoede.
4) Daar is vroue wat kla dat die lawaai wat nooit oor naweke ophou by die kroeë tot gevolg het dat hulle die volgende dag so uitgeput is dat hulle nie kan gaan werk nie.
5) Sulke laatnag gedrinkery bevorder net drank verslawing onder die "ontspannende" kuiergaste by die plekke en lei na erge stress by vroue en kinders wat op elke moontlike manier daardeur benadeel word – Fisiesies, Geestelik, Emosioneel, Intelektueel en Finansieël.
6) Enige persoon wat stem vir hierdie aansoek om verlengde ure behoort na my mening in geen leiers posisie in enige gemeenskap te dien nie omdat hulle duidelik nie die belange van die gemeenskap op die hart dra nie.
7) Mens kry die indruk dat diegene wat hierdie wetgewing wil verander moontlik self alkohol verwante afhanklikheid ervaar of dat hulle wesenlike finansieële belange het in langer ure en meer dae.
8) Ons wil graag weet wie die voorstel by TWK ingedien het en wie daarvoor gestem het en of daar enige teenstemme was.
9) Ons versoek dat daar openbaar genmaak of enige van die voorstellers en ondersteuners enige persoonlike finansieêle belang of voordeel put uit die skraping van die beperkings van die drank wet.
10) Die Redenasie dat die kroeg en drinkplek eiendom geleë te Erf 415 Riviersonderend wat geleë is in 'n Woongebied Zone oorkant 'n Industrieële area dra geen gewig in die aansoek om verlengde ure nie. Die kroeg bly steeds geleë in 'n woongebied en is ook nie 'n Industrie nie maar 'n privaat besigheid.
11) Vanuit die Zone waar dit geleë is is dit duidelik dat dit in die eersteplek nooit goedgekeur moes wees nie.
12) Die inwoners van die area kla reeds dat die geraas uit die kroeg hulle en hulle kinders se rus tot laat nag steur.
13) Verder is daar na bewering gevegte in die straat voor die kroeg. Wat gepaard gaan met 'n geskreeu en gevloek.
14) Inwoners kla ook oor die dronkbestuurders wat laatnag daar ry.
15) Daar is geen wyse dat Vaders en Mans wat dronk by die huis aankom in die midel van die nag en vroë oggendure enigsins tot voordeel van die gesins lewe en huweliks geluk van die gesinne bydra nie maar waarskynlik, kinders traumatiseer en moontlik geweld teen die vroue en kinders bevorder.
16)

.....
George van der Riet

19. 2. 26.

553

Mev. D. C. M. Pienaar
De Rock Str. 22
Riversdale

Munisipale bestuurder
Riversdale

Hiermee wil ek as inwoner en belasting betaling van hierdie gemeenskap my onvrede uitspreek aangaande die misbruik van alkohol in ons dorp.

My voorstel is dus dat alle onwettige drankplekke toegemaak sal word waar drank verkoop word. Dat wettige kroeë net tot saans 9 uur van Maandae tot Donderdae oopgemaak word Vrydae aande tot 1 uur saans en Saterdae tot 12 uur saans.

Dit sal maatskaplike gevalle verminder, ook ongelukke in huishoudinge en ongelukke.

Ons gee vir die persone wat elke volgende dag moet gaan werk. Op Sondag moet elkeen sy liggaam en gees kan ons soos God dit aan ons gegee het.

Die plekke waar drank bedien word se potsierde musiek wat 'n groot steurnis is se desibels moet gemeet word. Ons elkeen moet tog ons medemens in ag neem. Ek dank u.

Mev. D C M Pienaar

⊘ Objection

Proposed adoption of BY-LAW change for Theewaterskloof Municipality — New liquor trading days and hours. Alcohol for sale 24/7.

- **Scope of proposal:** Is this change only for Theewaterskloof Municipality (TWK), or does it applies to the entire Overberg District?
- **Proposer:** Who is proposing this amendment, and what are their reasons? What personal or business interest do they have in alcohol sales?
- **Community impact:** There is no benefit for communities, only for bar and shebeen owners who may see increased sales. The social impact will be dramatic.
    - Theewaterskloof is a very poor community that already cannot pay for water, sewage, electricity, etc. The communities owe TWK more than R450 million in arrears for water and other services. What thinking and motivation is behind making it easier for this poor community to waste even more money on alcohol?
- **Lack of justification:** No reasons have been provided for such a drastic change. Normally, proposals with major consequences (like 24/7 alcohol sales) must be accompanied by strong justification, especially given the catastrophic effects on alcohol abuse and households.

📊 Context

- According to TWK's annual report, the municipality already faces serious problems with substance abuse (alcohol, drugs, etc.), with plans in place to address this.
- The Western Cape government spends more than R100 million on substance abuse interventions, which may increase substantially if alcohol sales are extended.
- Opening alcohol sales 24/7 will burden poor communities and encourage further abuse.

📂 Procedural Concerns

- The document received on **17 February 2026** states TWK intends to adopt the new liquor trading by-laws. The wording suggests the decision is already made unless objections are lodged.
- **Objection period:** Deadline of **2 March 2026** allows only 12 days for objections, instead of the standard 30 days.
- In Riviersonderend, notice was only given to Ward Committee 1 via WhatsApp. Most households (over 80% of the 34,000 in TWK) are unaware of the proposal.
- The Speaker should test this by asking councilors how they ensured the document reached all communities.
- The municipality's argument that the notice was "on the website" is unacceptable and impractical. Most residents do not check the site regularly, and even when checked, the notice was not visible.

⚖️ Social Concerns

- Alcohol misuse is already a serious social problem in TWK.
- Evidence shows alcohol contributes to **gender-based violence (GBV)**, broken households, poverty, lack of discipline, and neglect.
- Drunk driving and accidents (e.g., on the N2 through Riviersonderend) will increase.
- Longer trading hours will encourage binge drinking, not responsible social drinking.
- The argument that longer hours will shift drinkers from shebeens to bars is false — research shows different user profiles.
- Any financial gain for liquor sellers is not worth the social cost of increased alcoholism.

🏴‍☠️ Appeal

The objection calls on TWK's executive council and management to act with social conscience and not proceed with the proposal.

- Anyone drinking in pubs after 11 p.m. on weekdays already faces family or drinking problems.
- Staying until 2 a.m. or later will harm work performance and lead to alcoholism.
- Social drinking may be acceptable, but 24/7 sales will lead to binge drinking with devastating effects on households and communities.

📌 Closing

Objection submitted by: Gerrit Le Roux 23 De La Vigne Street, Riviersonderend 082 459 1289 GDLR@ICON.CO.ZA

556

Enrico Shortles

From: jacvisser <jacvisser@mweb.co.za>
Sent: Saturday, 28 February 2026 18:32
To: Enrico Shortles
Subject: Objection to Changes to Liquor Trading Days and Hours By Law

You don't often get email from jacvisser@mweb.co.za. Learn why this is important

Dear Mr Shortles,

I wish to lodge my objection to the proposed changes to the above by law in the strongest possible terms, for the following reasons;

1) Social Problems. Theewaterskloof, as with the entire Western Cape, has a serious problem of alcohol abuse. This always peaks on weekends, especially long weekends and around social grant paydays. Spousal abuse and child abuse are a result, as well as careless expenditure of the household income. My concern is that without parents having an alcohol-free Sunday, children will be extremely ill-prepared to attend school on Monday mornings.

2) Employment Problems. I run a small business and experience regular alcohol related employee absenteeism on days following weekends, long weekends and social grant paydays. This is considered a threat to the success of the business.

3) Noise. Residents of Riviersonderend are already greatly disturbed by the proximity of taverns within the residential area.

4) Law Enforcement. The current By Laws are not being sufficiently enforced. We have reported issues to the Western Cape Liquor Authority on several occasions. They informed that it is the responsibility of Municipal Law Enforcement and SAPS to enforce the By Laws. Most of the infringements occur after hours when Municipal Law Enforcement are not working.

In conclusion, the proposed extension of the liquor trading days and hours will simply exacerbate all of the problems listed above. There is simply no net benefit to the community.

Your sincerely
Jacqui Visser
Business Owner & Resident

20 Main Road, and
16 de la Vigne Street
Riviersonderend

557

Enrico Shortles

From: belastingbetalers Vereniging <rsebbv@gmail.com>
Sent: Monday, 02 March 2026 11:49
To: Enrico Shortles
Subject: RSE bbv: Objection to Proposed Amendments to Liquor Trading By-Law

You don't often get email from rsebbv@gmail.com. Learn why this is important

Please confirm receipt of this letter.

Good day,

Re: Proposed Amendments to the Current Liquor Trading By-Law

The RSE Ratepayers Association hereby formally records its objection to the proposed amendments to the current liquor trading by-law.

In the current social and economic situation facing our communities, it is deeply concerning that such amendments are being considered. One must ask whether the limited additional revenue that license holders may generate is truly more important than the potential social disruption and harm these changes may cause.

While public condemnations (twk) often take place in response to gender-based violence and related social issues, it is difficult to reconcile those positions with decisions that may increase the risk of alcohol-related violence and public disorder. Expanding liquor trading opportunities inevitably increases exposure to alcohol misuse, which is closely linked to domestic violence, assault, and other forms of anti-social behaviour.

Sundays have traditionally been regarded as days of rest for families and communities. Allowing broader liquor availability on Sundays increases the likelihood of public drunkenness, disturbances, and noise complaints. Furthermore, increased Sunday consumption may have a knock-on effect on "Monday mornings", potentially contributing to absenteeism, reduced productivity, and even job losses in an already strained economy.

We therefore urge the Municipality to reconsider these proposed amendments and to prioritise the long-term wellbeing, safety, and stability of residents over short-term commercial gains.

Yours faithfully,

Francois Roux 0769732143
On behalf of the RSE Ratepayers Association

Subject: Formal Objection to Proposed Amendment of Draft Liquor Trading By-Law

Sunday & Public Holiday Trading:

- **On consumption sold between 10h00 – 02h00 the following day**
- **Off consumption sold between 08h00 – 18h00**

To: The Municipal Manager : Mr. W. Hendricks

Date: 24 February 2026

Dear Sir,

We, as the Villiersdorp Chambers of Commerce and Ratepayers Association, hereby submit our formal objection, in personal capacity, as residents and not only property owner's but as the broader community , and as representatives of above-mentioned organisation, to the proposed amendment of the Municipal Liquor By-law that seeks to allow the sale of liquor for both on-site (consumption on the premises) and off-site (takeaway) on Sundays and Public Holidays within the jurisdiction of Villiersdorp.

As residents of Villiersdorp and a stakeholder in the wellbeing of our community, we strongly oppose this by-law amendment for the following substantive legal, social, and public safety reasons:

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1. Current Legal Framework Supports Restrictions on Sunday and Public Holiday Sales

Under existing Western Cape liquor regulation frameworks and Municipal By-Laws throughout the province, trading days and hours for licensed liquor sales – especially for off-site consumption – are limited, and often prohibit on a Sunday and Public Holiday Trading unless extended through a lawful and transparent process.

In many Municipal Liquor By-Laws, licensed retailers (such as bottle stores) may not sell alcohol on Sunday's or on designated Public Holidays (Christmas, Good Friday, Easter Monday); doing so without the appropriate approved extensions is an offence.

These restrictions are grounded in the national Liquor Act, 2003, which requires municipalities to regulate liquor trading hours in ways that balance commercial interest with public health and safety, with uniform norms and standards suggesting more limited hours on Sundays and public holidays.

This existing legal context demonstrates that the default position in provincial and municipal regulation is not to allow unrestricted Sunday or public holiday sales.

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2. There is Legal Precedent Reinforcing Protection of Public Interests

The Western Cape High Court has recently ruled on liquor trading hour extensions, declaring extended liquor trading hours unconstitutionalin a case involving another Municipal By-Law (Kannaland). The court held that a By-Law extending trading hours failed in its constitutional duty to protect public health and safety and was therefore invalid.

This decision serves as a legal precedent establishing that Municipalities have a constitutional obligation to ensure that by-laws regulating liquor sales do not compromise community wellbeing.

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3. Risk of Alcohol-Related Harm and Public Safety Impact

Extending liquor trading to Sundays and Public Holidays is likely to increase alcohol-related harm, including higher rates of:

- Drunk-driving incidents
- Public disorder
- Domestic abuse
- Violence and criminal behaviour

Research and Public Health advocacy evidence, such as that referred to in court challenges, supports the link between longer liquor trading hours and increased violent crime and health risks.

Given these risks, permitting expanded Sunday and Public Holiday trading could undermine community safety and wellbeing – contrary to the public interest.

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4. Municipal By-laws Must Promote Public Health and Safety (Local Government Obligations)

Municipal By-Laws are enacted under powers granted by the Constitution and relevant Provincial statutes to promote Public order, Safety, and Health. **Section 156(1)** of the Constitution allows municipalities to make and administer By-Laws for effective local governance. This specifically includes regulating liquor sales to ensure an environment that is safe and healthy for residents. Municipalities must exercise this power in a way that prioritizes community needs over commercial interests.

In other Western Cape municipalities, liquor bylaws often include requirements for community consultation and consideration of public interest before extending trading hours.

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5. Respecting Religious and Cultural Norms

Sundays and many Public Holidays have cultural, religious, and familial significance. Permitting liquor trading on these days may contradict the social norms and community character valued by many residents in Villiersdorp.

Municipal By-Laws are not just regulatory tools but also mechanisms for reinforcing local cultural values — something that must be considered when altering trading norms that affect the entire community.

Conclusion and Request

For the reasons outlined above, including relevant Legal and Policy context from Provincial norms and Judicial precedent, we formally and respectfully request that **Theewaterskloof Municipality** withdraw the proposed amendment to extend liquor trading hours to include Sundays and public holidays. If the proposal is approved by the majority, this organisation would like to request a meeting with all the relevant roleplayers who submitted formal objections, before a final decision is taken.

Protecting the safety, health, and social wellbeing of Villiersdorp residents must take precedence over simply expanding commercial trading hours.

Yours faithfully,

Mr. S. Stone

Vice-chairperson

(Member of Ward Committee Ward 5 - TWK)

Villiersdorp Chambers of Commerce and Ratepayers Association

ITEM TITLE

C234/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT TOWN PLANNING AND BUILDING CONTROL: APPROVAL AND ADOPTION OF THE STANDARD OPERATING PROCEDURE FOR MANAGEMENT OF UNAUTHORISED AND ILLEGAL BUILDING STRUCTURES

[English version o f the report is the original]

FILE NUMBER

13/4/2/13

PURPOSE OF REPORT

The purpose of the item is to request Council to consider and adopt the Standard Operating Procedure for the Management of Unauthorized and Illegal Building Structures for implementation within the Theewaterskloof Municipal area.

Therefore, the SOP seeks to provide a clear, uniform and legally compliant framework to manage illegal building works and regulate the submission of unauthorized building work "as-built plans" within the municipal jurisdiction area.

BACKGROUND

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, and the National Building Regulations and Building Standards Act, (Act 103 of 1977), Theewaterskloof Municipality is mandated to regulate all building activities within its area of jurisdiction.

Section 4(1) of Act 103 of 1977 clearly states that no person may erect buildings without prior written approval from the local authority. Despite this legislative requirement, the Municipality continues to experience cases where structures are erected without approved building plans.

The absence of a formally adopted internal policy has resulted in inconsistent handling of illegal structures and as-built submissions, creating uncertainty for officials, property owners, and developers alike.

Furthermore, compliance with the Spatial Planning and Land Use Management Act (SPLUMA) and the Local Government: Municipal Systems Act requires municipalities to ensure lawful, procedurally fair, and consistent administrative decision-making.

The proposed SOP therefore provides clarity on enforcement procedures, penalties, discretionary powers relating to as-built plans, roles and responsibilities of all parties involved.

DISCUSSION

The SOP on the Management of Unauthorized Building Works and Illegal Building Structures establishes:

- A clear legal foundation aligned with national legislation;
- A firm position that illegal structures do not acquire legality through completion or occupation;
- A structured enforcement workflow, including detection, notice of contravention, technical assessment, decision-making, and enforcement action;
- A deterrent penalty system (double submission fee) for illegal building works;
- Clear roles and responsibilities for Building Control Officers and property owners;
- Administrative justice safeguards in accordance with PAJA principles.

Importantly, the SOP confirms that the submission of as-built plans is discretionary and not an automatic right. Approval may only be considered where zoning compliance, structural safety (SANS 10400), and regulatory requirements are satisfied, and where penalties are settled.

The adoption of the SOP will:

- Strengthen governance and regulatory oversight;
- Improve consistency and fairness in enforcement;
- Enhance public safety and structural compliance;
- Reduce unlawful construction practices;
- Provide legal certainty to officials and the public.

Council is therefore requested to consider and approve the adoption of the SOP for immediate implementation by the Directorate: Economic Development and Planning, particularly Building Control section.

COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER

The recommendations are supported.

COMMENTS FROM THE DIRECTORATE FINANCE

The item recommendations are supported.

COMMENTS FROM THE DIRECTORATE CORPORATE SERVICES

Supported.

COMMENTS FROM THE DEPARTMENT ELECTRICAL SERVICES

Noted.

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

Supported.

COMMENTS FROM THE TOWN MANAGER: GRABOUW

Supported.

COMMENTS FROM THE TOWN MANAGER: VILLIERSDORP

The Town office supports the recommendations made.

COMMENTS FROM THE TOWN MANAGER: RIVIERSONDEREND

Support recommendation.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

COMMENTS FROM INTERNAL AUDIT

The SOP is supported.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council:

1. **Approves and adopts the SOP on the Management of Illegal and As-Built Structures for implementation within the Theewaterskloof Municipality area;**

2. **Mandates the Directorate: Economic Development and Planning, Building Control section to implement and enforce the SOP with immediate effect upon adoption;**

3. **Authorises the Municipal Manager to issue necessary administrative directives to give effect to the SOP; and**

4. **Notes that the SOP be reviewed periodically to ensure alignment with applicable legislation.**

RECOMMENDATION BY MANAGEMENT TO THE HUMAN SETTLEMENTS AND PLANNING COMMITTEE: 16 JULY 2026

It is recommended:

1. **That the Communications Department, in collaboration with the relevant officials, prepare and publish a general public notice in the municipality's three official languages informing residents that any unlawful encroachment on or damage to municipal services and infrastructure is prohibited.**

2. **The notice should request members of the public to refrain from such illegal activities and be displayed at municipal offices, libraries, and other public facilities, as well as through the municipality's communication platforms, to ensure that the public has been adequately informed.**

3. **That Councial approves and adopts the SOP on the Management of Illegal and As-Built Structures for implementation within the Theewaterskloof Municipality area;**

4. **That Council mandates the Directorate: Economic Development and Planning, Building Control section to implement and enforce the SOP with immediate effect upon adoption;**

5. **That Council authorises the Municipal Manager to issue necessary administrative directives to give effect to the SOP; and**

6. **That Council notes that the SOP be reviewed periodically to ensure alignment with applicable legislation.**

RECOMMENDATION BY THE HUMAN SETTLEMENTS AND PLANNING COMMITTEE TO THE EMC: 06 AUGUST 2026

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

1. **That the Communications Department, in collaboration with the relevant officials, prepare and publish a general public notice in the municipality's three official languages informing residents that any unlawful encroachment on or damage to municipal services and infrastructure is prohibited.**

2. **The notice should request members of the public to refrain from such illegal activities and be displayed at municipal offices, libraries, and other public facilities, as well as through the municipality's communication platforms, to ensure that the public has been adequately informed.**

3. **That Councial approves and adopts the SOP on the Management of Illegal and As-Built Structures for implementation within the Theewaterskloof Municipality area;**

4. **That Council mandates the Directorate: Economic Development and Planning, Building Control section to implement and enforce the SOP with immediate effect upon adoption;**

5. **That Council authorises the Municipal Manager to issue necessary administrative directives to give effect to the SOP; and**

6. **That Council notes that the SOP be reviewed periodically to ensure alignment with applicable legislation.**

RECOMMENDATION BY THE EMC TO A COUNCIL WORKSHOP: 18 AUGUST 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:

1. **That the Communications Department, in collaboration with the relevant officials, prepare and publish a general public notice in the municipality's three official languages informing residents that any unlawful encroachment on or damage to municipal services and infrastructure is prohibited.**

2. **The notice should request members of the public to refrain from such illegal activities and be displayed at municipal offices, libraries, and other public facilities, as well as through the municipality's communication platforms, to ensure that the public has been adequately informed.**

3. **That Councial approves and adopts the SOP on the Management of Illegal and As-Built Structures for implementation within the Theewaterskloof Municipality area;**

4. **That Council mandates the Directorate: Economic Development and Planning, Building Control section to implement and enforce the SOP with immediate effect upon adoption;**

5. **That Council authorises the Municipal Manager to issue necessary administrative directives to give effect to the SOP; and**

6. **That Council notes that the SOP be reviewed periodically to ensure alignment with applicable legislation.**

NOTE: *The Council Policy Workshop which was scheduled for the 3rd of September 2026 did not take place as no quorum was present.*

RECOMMENDATION TO COUNCIL:

It is recommended:

1. **That the Communications Department, in collaboration with the relevant officials, prepare and publish a general public notice in the municipality's three official languages informing residents that any unlawful encroachment on or damage to municipal services and infrastructure is prohibited.**

2. **The notice should request members of the public to refrain from such illegal activities and be displayed at municipal offices, libraries, and other public facilities, as well as through the municipality's communication platforms, to ensure that the public has been adequately informed.**

3. **That Councial approves and adopts the SOP on the Management of Illegal and As-Built Structures for implementation within the Theewaterskloof Municipality area;**

4. **That Council mandates the Directorate: Economic Development and Planning, Building Control section to implement and enforce the SOP with immediate effect upon adoption;**

5. **That Council authorises the Municipal Manager to issue necessary administrative directives to give effect to the SOP; and**

6. **That Council notes that the SOP be reviewed periodically to ensure alignment with applicable legislation.**

MANAGEMENT OF UNAUTHORISED BUILDING WORK

Standard Operating Procedure (SOP)

Dumisani Metuse
Building Control Officer
Theewaterskloof Municipality

Issued: 06 July 2026

1. Authority, Purpose & Objectives

Based on Section 156 of the Constitution and the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977).

Also guided by SPLUMA and the Municipal Systems Act.

Provides a clear and uniform process for managing unauthorised building work and retrospective applications.

Promotes compliance, public safety, orderly development and consistent enforcement.

Clarifies the status of as-built plans and provides certainty regarding penalties and consequences.

2. Core Principles

Legality – building work requiring plans must receive prior written municipal approval.

Public Safety – structures must not compromise health, safety or structural integrity.

No Automatic Regularisation – completion, occupation, sale or transfer does not legalise unauthorised work.

Administrative Justice – decisions must be lawful, reasonable and procedurally fair in accordance with PAJA.

Deterrence – penalties are intended to discourage non-compliance.

3. Legislative Framework & As-Built Plans

Section 4(1) of Act 103 of 1977 requires prior written approval before applicable building work is erected.

SPLUMA requires compliance with zoning, land-use rights and development parameters.

An as-built plan is a retrospective building plan application submitted after construction has commenced or been completed without prior approval.

Retrospective submission is a discretionary process – not an automatic right.

Acceptance for assessment does not mean approval.

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4. Conditions for Retrospective Assessment

Retrospective applications may be considered where sufficient documentation allows the Municipality to assess compliance.

Structure must comply with zoning and applicable land-use rights.

Compliance with SANS 10400 must be demonstrated.

No unacceptable safety risk may exist.

Applicable penalties must be paid.

Where compliance cannot be achieved, the Municipality may refuse the retrospective submission.

5. Penalties & Enforcement Workflow

Penalty: double the normal building-plan submission fee, or another amount prescribed by the applicable Council-approved tariff schedule.

Payment of a penalty does not guarantee approval.

Detection → Notice of Contravention → Technical Assessment → Decision → Enforcement.

Notice may instruct the immediate cessation of construction and submission of building plans.

Where compliance is not possible, legal action may follow, including demolition proceedings under Section 21 of Act 103 of 1977.

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6. Roles, Responsibilities & Review

Building Control Officer: enforce the Act, conduct inspections and make recommendations on compliance.

Property Owner: obtain approval before construction, appoint competent professionals where required, and bear applicable costs and penalties.

Affected persons may submit representations or appeals through applicable municipal processes and PAJA.

The SOP is implemented upon Council adoption and must be reviewed periodically for legislative alignment.

ANY QUESTIONS?

Thank You

Dumisani Metuse | Building Control Officer | Theewaterskloof Municipality

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06/07/2026

THEEWATERSKLOOF MUNICIPALITY

Standard Operating Procedure (SOP): Management of Unauthorised Building Work and Retrospective Building Plan Applications

Title: Management of Unauthorised Building Work and Retrospective Building Plan Applications

Designation: Building Control Officer

Directorate: Planning & Development / Building Control

Municipality: Theewaterskloof Municipality

1. AUTHORITY AND LEGAL STATUS

This SOP is adopted by Theewaterskloof Municipality in terms of:

- Section 156 of the **Constitution of the Republic of South Africa, 1996**;
- The **National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)**;
- The **Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013 – SPLUMA)**;
- The **Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)**.

The SOP provides internal administrative procedures for officials of Theewaterskloof Municipality when administering the National Building Regulations and Building Standards Act, of 1977. Property owners and other persons remain subject to applicable legislation, Council-approved policies, By-laws and council approved tariffs.

2. PURPOSE OF THE SOP

The purpose of the SOP is to:

- Provide clear and uniform guidance on the management of illegal building works and retrospective building plans applications;
- Ensure consistent enforcement of the National Building Regulations;
- Protect public health, safety, and welfare;
- Promote orderly and sustainable development;
- Reduce unlawful construction and retrospective regularisation practices.

3. OBJECTIVES

The objectives are to:

1. Reduce unlawful building activities while ensuring that retrospective applications are dealt with consistently and lawfully.;
2. Clarify the legal status of as-built plans;
3. Guide officials in applying enforcement measures lawfully and fairly;
4. Ensure compliance with all applicable planning and building legislation;
5. Provide certainty to the public regarding penalties and consequences.

4. SOP PRINCIPLES

The SOP is founded on the following principles:

4.1 Legality

All building works must comply with applicable legislation. No structure may be erected without prior written approval from the Municipality.

4.2 Public Safety

The Municipality shall not approve any structure that compromises health, safety, or structural integrity.

4.3 No Automatic Regularisation

The completion, occupation, sale or transfer of a property does not legalise building work undertaken without prior approval.

4.4 Administrative Justice

All decisions shall be lawful, reasonable, and procedurally fair in accordance with PAJA.

4.5 Deterrence

Penalties imposed for illegal building works are intended to deter non-compliance and discourage deliberate contraventions.

5. DEFINITIONS

Retrospective Building Plan Application (commonly referred to as an "as-built plan") means building plans submitted after construction has commenced or has been completed without prior approval.

Illegal Structure: Any building or structure erected in contravention of Section 4 of Act 103 of 1977.

Building Control Officer (BCO): An official appointed in terms of Section 5 of Act 103 of 1977.

6. LEGISLATIVE FRAMEWORK

6.1 National Building Regulations and Building Standards Act, 1977

Section 4(1) of Act 103 of 1977 states that:

"No person shall without the prior approval in writing by the local authority in question, erect any building in respect of which plans and specifications are to be drawn and submitted in terms of this Act."

Any building erected in contravention of this provision is unlawful.

- Promotion of Administrative Justice Act, 2000 (PAJA)
- Applicable Theewaterskloof Municipal By-law (if one exists)
- Approved Tariff Policy

6.2 SPLUMA

All buildings must comply with applicable zoning, land use rights, and development parameters.

7. SOP POSITION ON AS-BUILT PLANS

7.1 The submission of as-built plans is not a right but a discretionary process.

7.2 Retrospective applications may be accepted for assessment where sufficient documentation has been submitted to enable the Municipality to determine compliance.

- The structure complies with zoning and land use rights;
- Compliance with SANS 10400 can be demonstrated;
- No unacceptable safety risk exists;
- All applicable penalties are paid.

7.3 The Municipality reserves the right to refuse retrospective building plan submissions where compliance cannot be achieved.

7.4 The Municipality may consider retrospective building plan applications on their individual merits. Acceptance of an application for assessment does not imply approval.

8. PENALTIES AND TARIFFS

8.1 In terms of the approved tariff schedule:

- Structures erected without approved building plans are deemed illegal;
- A penalty equivalent to double the normal building plan submission fee shall be imposed or such other amount as determined by the Council-approved Tariff Schedule applicable during the relevant financial year.

8.2 Payment of penalties does not guarantee approval.

9. ENFORCEMENT WORKFLOW

Step 1: Detection

Illegal building work identified through inspections, complaints, or monitoring or the submission of building plans for regularization.

Step 2: Notice of Contravention

Written notice issued instructing immediate cessation of construction and instruction to submit building plans for approval.

Step 3: Technical Assessment

Assessment of zoning compliance, structural safety, and regulatory compliance.

Step 4: Decision

- Allow submission of retrospective building plan applications (conditional), or
- Initiate enforcement action.

Step 5: Enforcement

Where compliance is not possible, the Municipality may institute legal action, including demolition proceedings in terms of Section 21 of Act 103 of 1977.

10. ROLES AND RESPONSIBILITIES

Building Control Officer

- Enforce the Act;
- Conduct inspections;
- Make recommendations on compliance.

Property Owner

- Obtain approval prior to construction;
- Appoint competent professionals;
- Bear all costs and penalties.

11. APPEALS AND REPRESENTATIONS

Affected persons may submit representations or appeals in accordance with applicable municipal processes and PAJA.

12. IMPLEMENTATION AND REVIEW

The SOP shall be implemented upon adoption by Council and reviewed periodically to ensure legislative alignment.

Adopted by Council: .....

Date: .....

Issued by Theewaterskloof Municipality – Building Control Section

ITEM TITLE

C235/2026 DIRECTORATE FINANCE: DIRECTORATE SUPPLY CHAIN MANAGEMENT: DEVIATION REPORT FOR AUGUST 2026

[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 August 2026.

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

(vi) strip and quote

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: 17 SEPTEMBER 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: 17 SEPTEMBER 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 TO COUNCIL:

It is recommended that Council takes cognisance of the report.

DEVIATION REPORT

REPORT ON PURCHASE DEVIATIONS APPROVED BY THE MUNICIPAL MANAGER IN TERMS OF SECTION 36 OF THE SUPPLY CHAIN MANAGEMENT POLICY/REGULATIONS /
For period from 01 August 2026 to 31 August 2026

No.	Reg. 45 Declaration	Related parties (if any)	Requested by	Recommended by Manager	Recommended by Dir. or Dep. Dir.	Motivation of Directorate	Approved by	Approval date	Order Date	Supplier	Details of goods or services supplied	Amount (R)	Town	Directorate	Reason for deviation	Complies with	Task ID
Deviations approved between R100 000.01 – R200 000.00																	
Law Enforcement																	
7820107	Not Applicable	Not Applicable	ENRICO THEUNISSEN	JAN BARNARD	WILFRED SOLOMONS	At 14:49 on 26.08.2026 Annette Swart (Ext. 3363) called Janine Joorst (Ext. 3342) advising that the MM Walter Hendricks given instructions that the services of hiring 2 X sewer suction tankor must be immediately procured through deviation for 14 days (8 hours) and to appoint Genadendal Jackies Bazaar for Ward 2 only.	WALTER HENDRICKS	2026-08-28	2026-08-28	GENADENDAL JACKIES BAZAAR CC	Hiring of suction tankers	180 320,00	CALEDON 1	Community Services Cont	5. Any other exceptional case where it is impractical or impossible to follow the official procureme	The Municipality currently has only one (1) operational suction tanker, significantly limiting its ability to respond effectively to sanitation and septic tank-related service requests across the municipal area. The shortage of operational suction tankers has resulted in an increasing backlog of service requests and complaints, particularly relating to Blackbock septic tanks, with additional complaints being received on a daily basis. The continued unavailability of sufficient suction tanker capacity is placing considerable pressure on the Municipality's ability to provide an effective and timeous sanitation service. The urgent need for additional capacity is therefore essential to address the existing backlog, respond to new complaints and maintain an acceptable level of basic service delivery. The Municipality has a constitutional mandate to prioritise the basic needs of communities, ensure sustainable and effective service delivery, and promote a healthy environment. In view of the urgent service delivery requirements, the existing backlog of complaints and the operational limitations caused by the shortage of suction tankers, following the normal procurement process would result in further delays and negatively impact the Municipality's ability to provide this essential service. It is therefore considered necessary to procure the required capacity on an urgent basis. Accordingly, approval is requested in terms of Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations to deviate from the normal SCM process and appoint Genadendal Jackies Bazaar CC for the provision of two (2) suction tankers, in order to urgently address the current service delivery requirements and reduce the sanitation-related backlog	5995556
SUB TOTAL	**180 320,00**																
Deviations approved between 80,01 – R30 000.00																	
Law Enforcement																	
Manual	Not Applicable	Not Applicable	Adneshel Voss	Nathan Afrendse	Nathan Arendse		WALTER HENDRICKS	2026/08/21		Adahen (Pty) Ltd T/A Kelkiewyn	Tempory Relocation to a safe Enviroment	18300,00	Caledon	Public Safety	Emergency: Possibility of human injury or death	Temporary Relocation to a Safe Environment Due to credible security threats against a Councillor (Speaker), a prelimary risk assessment has been done as per the standard practice of residing at their primary residence has been temporarily suspended. To ensure the councillor's safety, they have been relocated to a secure, undisclosed location until the identified risks are mitigated. The relocation is necessary to protect the councillor from potential harm while allowing them to continue performing official duties. This deviation minimizes the immediate security risk and aligns with the municipality's duty of care. Case number registered at Villiersdorp Station (SAPS) under Case number CAS 5/8/2026 (Intimation/extortion). Control Measures:•Councillor accommodated in a secure, approved safe environment. Temporary Relocation to a Safe Environment Due to credible security threats against a Councillor (Speaker), a prelimary risk assessment has been done as per the standard practice of residing at their primary residence has been temporarily suspended. To ensure the councillor's safety, they have been relocated to a secure, undisclosed location until the identified risks are mitigated. The relocation is necessary to protect the councillor from potential harm while allowing them to continue performing official duties. This deviation minimizes the immediate security risk and aligns with the municipality's duty of care. Case number registered at Villiersdorp Station (SAPS) under Case number CAS 5/8/2026 (Intimation/extortion). Control Measures:•Councillor accommodated in a secure, approved safe environment. •Access to the location restricted to authorized individuals only. Effective from: 03 – 09 July 2026 Until the threat assessment indicates it is safe for the councillor (Speaker) to return to his normal residence, the Municipal Manager will first be informed of the outcome of the risk assessment. It is therefore recommended to deviate from the normal SCM procedures to appoint Kelkiewyn Guesthouse Caledon, in terms of the reasons stated above, for the amount of R18 300.00.The total amount of R18,300 is calculated based on the accommodation and meal expenses incurred by the speaker and three accompanying family members (4 people in total). The cost breakdown is as follows: Accommodation •4 people (03 – 09 August 2026) (2 adults; 2 children) •Daily accommodation rate: R850 per night •Total accommodation cost: RS 100.00 Meals •Breakfast for 4 people: R150 x 24 = R3600 •Lunch for 4 people: R150 x 24 = R3600 •Dinner for 4 people: R250 x 24 R6000 Total Claim: R18,300	
Manual	Not Applicable	Not Applicable	Adneshel Voss	Nathan Afrendse	Nathan Arendse		WALTER HENDRICKS	2026/08/21		De Caledon Huis	Tempory Relocation to a safe Enviroment	1500,00	Caledon	Public Safety	Emergency: Possibility of human injury or death	Temporary Relocation to a Safe Environment Due to credible security threats against a Councillor (Speaker), a prelimary risk assessment has been done as per the standard practice of residing at their primary residence has been temporarily suspended. To ensure the councillor's safety, they have been relocated to a secure, undisclosed location until the identified risks are mitigated. The relocation is necessary to protect the councillor from potential harm while allowing them to continue performing official duties. This deviation minimizes the immediate security risk and aligns with the municipality's duty of care. Case number registered at Villiersdorp Station (SAPS) under Case number CAS 5/8/2026 (Intimation/extortion). Control Measures:•Councillor accommodated in a secure, approved safe environment. Temporary Relocation to a Safe Environment Due to credible security threats against a Councillor (Speaker), a prelimary risk assessment has been done as per the standard practice of residing at their primary residence has been temporarily suspended. To ensure the councillor's safety, they have been relocated to a secure, undisclosed location until the identified risks are mitigated. The relocation is necessary to protect the councillor from potential harm while allowing them to continue performing official duties. This deviation minimizes the immediate security risk and aligns with the municipality's duty of care. Case number registered at Villiersdorp Station (SAPS) under Case number CAS 5/8/2026 (Intimation/extortion). Control Measures:•Councillor accommodated in a secure, approved safe environment. Access to the location restricted to authorized individuals only. Effective 02 July 2026. until the threat assessment indicates it is safe for the councillor (speaker) to return to normal residence the Municipal Manager will first be informed of the outcome of the risk assessment. It is therefore recommended to deviate form the normal SCM procedures to appoint DeCaledonhuis. The total amount of R 1500,00 has been calculated base solely on the cost of a one night stay for speaker andthree accompanying family members , making a total of four (4) guests. The accommodation cost for this one night stay amounts to R 1500,00	
SUB TOTAL		**19 800.00**															
GRAND TOTAL	200 120,00																

SUMMARY	
R100,000.01 – R200,000.00	180 320,00
R 0,01 - R 30 000,00	19 800,00
GRAND TOTAL	200 120,00

ITEM TITLE

C236/2026 DIRECTORATE FINANCE: STATUS REPORT ON OVERDRAFT FACILITY

[English version of the report is the original]

FILE NUMBER

5/15/2

PURPOSE OF REPORT

To report to Council on the status of the Overdraft Facility of R20 million from 12 August 2026 till 11 September 2026.

BACKGROUND

Council approved an item (C151/2026) on 25 June 2026 for an overdraft facility of R20m for the period 01 July 2026 – 30 June 2027.

DISCUSSION

The overdraft facility of R20m has been loaded on the municipality's bank account on 01 July 2026.

The overdraft has not been utilized for the indicated period (12 August – 11 September 2026) The full facility of twenty million rand is available to be utilized should the need arises.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Unused facility fee – August – R21 402.74
Actual interest rate – 11.5% - 11 September 2026

LEGAL IMPLICATIONS (ITEM AUTHOR)

- Chapter 6 section 45 (Short term Debt) of the Municipal Finance Management Act No 56 of 2003
- Division of Revenue Act – (2026/2027)

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Will be addressed in risk register.

RECOMMENDATION BY ITEM AUTHOR:

Report to Council for cognizance of the current status of the overdraft facility of R20m for the period from 12 August 2026 till 11 September 2026.

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 SEPTEMBER 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 cognizance of the current status of the overdraft facility of R20m for the period from 12 August 2026 till 11 September 2026.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 SEPTEMBER 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 cognizance of the current status of the overdraft facility of R20m for the period from 12 August 2026 till 11 September 2026.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes cognizance of the current status of the overdraft facility of R20m for the period from 12 August 2026 till 11 September 2026.

ITEM TITLE

C237/2026 DIRECTORATE FINANCE: PROGRESS REPORT ON AUDIT ACTION PLAN FOR 2024-2025

[English version of the report is the original]

FILE NUMBER

5/14/1/1/1

PURPOSE OF REPORT

To inform Council of the progress made on the Audit Action Plan for the 2024-2025 financial year.

BACKGROUND

An Audit Action Plan was compiled to address the audit findings in the Auditor General's final Management Report for the 2024-2025 financial year. The aim is to strengthen the internal control environment and prevent recurring audit findings.

DISCUSSION

The updated 2024-2025 Audit Action Plan is attached. The updates on the Audit Action Plan were confirmed by Internal Audit in August 2026.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 131(1) of the MFMA states: A municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection."

Section 165 and 166 of the MFMA as per the assurance function

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council takes cognizance of the Progress of the 2024-2025 Audit Action Plan.

ITEM TITLE

C238/2026 DIRECTORATE FINANCE: PROVINCIAL TREASURY CIRCULAR MUN NO. 4/2026 – CONSISTENT ENFORCEMENT OF DEBT COLLECTION AND CREDIT CONTROL MEASURES FOR COUNCILLORS AND EMPLOYEES

[English version of the report is the original]

FILE NUMBER

5/11/1

PURPOSE OF REPORT

To table Provincial Treasury Circular Mun No. 4/2026: Consistent Enforcement of Debt Collection and Credit Control Measures for Councillors and Employees, dated 31 August 2026, before Council as an official agenda item as required by paragraph 4.2.1.1 of the circular, and to obtain a Council resolution confirming the Municipality's compliance with the credit control and debt collection obligations set out therein, for submission to the Provincial Treasury.

BACKGROUND

Treasury Circular Mun No. 4/2026 (reference RCS/C.5) was issued by the Deputy Director-General: Fiscal and Economic Services, Western Cape Provincial Treasury, and addressed to the Mayors, Municipal Managers and Chief Financial Officers of all municipalities in the Western Cape, including Theewaterskloof Municipality.

The circular reminds municipalities of their statutory obligations to ensure strict compliance with the Code of Conduct for Councillors (Schedule 7 of the Municipal Structures Act), the Code of Conduct for Councillors Regulations (GN 3538, GG 48786, published on 14 June 2023), and all other applicable legislation regulating the financial obligations of municipal councillors and employees.

The circular further seeks to strengthen the implementation and enforcement of municipal credit control and debt collection measures in respect of serving councillors, outgoing councillors, incoming councillors and municipal employees, and reinforces the responsibility of all councillors and employees to maintain their municipal accounts in good standing and to settle all municipal charges when due.

The circular also serves as a reminder of PT Circular 12 of 2025, which underscores the necessity of consistently applying credit control and debt collection measures throughout the year, including during the festive season. Consistent enforcement safeguards municipal revenue, prevents selective enforcement, ensures the sustainable delivery of public services, and complies with the constitutional principle of equality before the law.

In terms of paragraph 4.2 of the circular, municipalities are required to table the circular as an official agenda item at the next available council meeting and to submit a copy of the formal council agenda item and the relevant council resolution to the Provincial Treasury as proof of compliance. This item is submitted in compliance with that requirement.

DISCUSSION

The circular is attached hereto as an annexure. The salient requirements are summarised below.

Key financial and governance risks identified by the Provincial Treasury:

(a) Financial instability – failing to recover debt owed by public officials results in immediate revenue losses, cash flow constraints and an increase in irrecoverable debt, which directly threatens the financial sustainability of the Municipality and service delivery.

(b) Regulatory non-compliance – inconsistent application of credit control policies represents a breach of statutory duties, resulting in adverse municipal audit findings, weak internal governance controls and heightened regulatory scrutiny.

(c) Erosion of public confidence – applying the rules to ordinary citizens while exempting public officials undermines public confidence, weakens the broader payment culture and exposes the Municipality to significant reputational and legal risks.

Required administrative and credit control actions:

TARGET GROUP	CREDIT CONTROL ACTION TO BE IMPLEMENTED	APPLICABLE LEGISLATIVE AUTHORITY
Outgoing Councillors	Immediately implement measures to recover all outstanding debt prior to the expiration of their term. Outstanding balances must be deducted from final remuneration, allowances, gratuities or other monies due to them, in accordance with local policies and applicable legislation.	Schedule 7 (Item 14) of the Municipal Structures Act
Incoming/Newly Elected Councillors	Any incoming councillor whose municipal account is in arrears must enter into a formal, binding repayment agreement immediately upon taking office, which must include provisions for automatic salary and allowance deductions to bring the account up to date.	Schedule 7 (Item 14) of the Municipal Structures Act
Municipal Employees in Arrears	Actively enforce debt recovery processes against staff members whose accounts are in arrears for more than three (3) months. Implement direct salary deductions to recover outstanding	Schedule 2 (Section 10) of the MSA

	amounts in accordance with the credit control policy, collective agreements and applicable legislation.	
Newly Appointed Employees	Newly appointed employees with outstanding municipal debt must enter into formal, binding repayment agreements upon appointment, incorporating automatic salary deduction clauses to clear the outstanding balances.	Municipal Credit Control and Debt Collection Policy

Implementation at Theewaterskloof Municipality: the actions required by the circular are already provided for in the Municipality's approved Credit Control and Debt Collection Policy and the related by-law. Enforcement will therefore be given effect within existing policy, delegations and operational credit control processes, and will be applied uniformly to councillors, employees and all other debtors. The Revenue Section will identify councillor and employee accounts in arrears from the financial system on a monthly basis and process these in terms of the prescribed steps, and the Chief Financial Officer will report on the status of councillor and employee arrears to Council on a quarterly basis.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The tabling of the circular holds no direct financial implication, and no additional budget provision is required, as enforcement is undertaken within the existing credit control function. Consistent enforcement of credit control measures against councillors and employees will have a positive effect on collection levels, cash flow and the reduction of irrecoverable debt.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) [MSA]: Section 96 obligates a municipality to collect all money due and payable to it. Section 98 requires the Municipality to adopt, maintain and implement a credit control and debt collection policy consistent with its rates and tariff policies, which must be given legal effect through municipal by-laws.

Code of Conduct for Councillors (Schedule 7, Municipal Structures Act): Item 14 explicitly prohibits a councillor from being in arrears to the Municipality for rates and service charges for a period longer than three (3) months. Failure to comply constitutes a breach of the Code of Conduct.

Code of Conduct for Councillors Regulations, 2023 (GN 3538): the Municipal Manager must notify a councillor in writing when their account is in arrears for more than two (2) months and request settlement. If the arrears exceed three (3) months, the Municipal Manager must immediately refer the matter to the Speaker, who is legally required to ensure that the outstanding debt is recovered. This procedure applies uniformly, including to newly elected councillors.

Staff arrears (Schedule 2, Section 10 of the MSA): municipal staff members are prohibited from being in arrears on their municipal accounts for more than three (3) months, and the Municipality is empowered to automatically deduct any outstanding amounts from the staff member's salary after this period.

Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) [MFMA]: compels the implementation of effective revenue management systems, requiring the Municipal Manager and delegated officials to actively implement credit control procedures to recover arrear amounts from both staff and councillors.

Section 173(5)(a) of the MFMA: any councillor or municipal official who interferes with the implementation of a municipality's approved credit control policy commits an offence and, upon conviction, is liable to a fine or imprisonment for a period of up to five (5) years.

Section 171 of the MFMA: the failure by an official to properly implement the approved credit control policy constitutes financial misconduct. The Municipality is legally obligated to investigate such failures and, where necessary, to institute formal disciplinary proceedings.

Theewaterskloof Municipality's approved Credit Control and Debt Collection Policy and Credit Control and Debt Collection By-law.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Failure to table the circular and to enforce credit control measures consistently exposes the Municipality to the risks identified in paragraph 3 of the circular, namely financial instability, regulatory non-compliance (including adverse audit findings and heightened regulatory scrutiny) and the erosion of public confidence. Non-compliance with the tabling and reporting requirements of paragraph 4.2 of the circular constitutes non-compliance with a Provincial Treasury instruction and may attract an audit finding. In addition, non-enforcement carries personal consequences for councillors (breach of the Code of Conduct) and for officials (financial misconduct in terms of section 171 of the MFMA).

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. **That Council notes the contents of Provincial Treasury Circular Mun No. 4/2026: Consistent Enforcement of Debt Collection and Credit Control Measures for Councillors and Employees, dated 31 August 2026, as attached.**
2. **That Council notes that the circular is hereby tabled as an official agenda item in compliance with paragraph 4.2.1.1 of the circular, and that all councillors and executive officials are accordingly apprised of their personal and statutory financial obligations.**

3. That Council resolves that the Municipality's Credit Control and Debt Collection Policy and By-law be enforced consistently, uniformly and without exception in respect of serving councillors, outgoing councillors, incoming councillors and municipal employees, throughout the financial year.
4. That the Municipal Manager ensures that a councillor whose municipal account is in arrears for more than two (2) months is notified in writing and requested to settle the account, and that arrears exceeding three (3) months are immediately referred to the Speaker for recovery, in terms of the Code of Conduct for Councillors Regulations, 2023.
5. That debt recovery process, including direct salary deductions, be enforced against staff members whose accounts are in arrears for more than three (3) months, in terms of Schedule 2 (Section 10) of the Municipal Systems Act, the Credit Control and Debt Collection Policy and applicable collective agreements.
6. That all outstanding amounts owed by outgoing councillors be recovered prior to the expiration of their term, including by deduction from final remuneration, allowances, gratuities or other monies due to them.
7. That incoming councillors and newly appointed employees with outstanding municipal debt be required to enter into formal, binding repayment agreements upon taking office or upon appointment, incorporating automatic salary and allowance deduction clauses.
8. That the Chief Financial Officer reports quarterly to Council on the status of councillor and employee arrears and on the credit control measures applied.
9. That a copy of this council agenda item and the council resolution taken hereon be submitted to the Provincial Treasury at mfma.mfma@westerncape.gov.za immediately after the meeting, as proof of compliance in terms of paragraph 4.2.1.2 of the circular.

Western Cape Government

Provincial Treasury
Victor Senna
Fiscal and Economic Services
Victor.Senna@westerncape.gov.za | Tel: 021 483 2666

Reference number: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN NO. 4/2026

THE MAYOR, CITY OF CAPE TOWN
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY
THE MAYOR, MATZIKAMA MUNICIPALITY
THE MAYOR, CEDERBERG MUNICIPALITY
THE MAYOR, BERGRIVIER MUNICIPALITY
THE MAYOR, SALDANHA BAY MUNICIPALITY
THE MAYOR, SWARTLAND MUNICIPALITY
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY
THE MAYOR, WITZENBERG MUNICIPALITY
THE MAYOR, DRAKENSTEIN MUNICIPALITY
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THE MAYOR, BREEDE VALLEY MUNICIPALITY
THE MAYOR, LANGEBERG MUNICIPALITY
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY
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THE MAYOR, CAPE AGULHAS MUNICIPALITY
THE MAYOR, SWELLENDAM MUNICIPALITY
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THE MAYOR, HESSEQUA MUNICIPALITY
THE MAYOR, MOSSEL BAY MUNICIPALITY
THE MAYOR, GEORGE MUNICIPALITY
THE MAYOR, OUDTSHOORN MUNICIPALITY
THE MAYOR, BITOU MUNICIPALITY
THE MAYOR, KNYSNA MUNICIPALITY
THE MAYOR, CENTRAL KAROO DISTRICT
THE MAYOR, LAINGSBURG MUNICIPALITY
THE MAYOR, PRINCE ALBERT MUNICIPALITY
THE MAYOR, BEAUFORT WEST MUNICIPALITY

For information

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR L PHILLIPS
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
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THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
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THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR D O'NEILL (ACTING)
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THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: ADV. T GILIOMEE
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR G ESAU (ACTING)

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THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
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THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR B METEMBO
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR B JACOBS

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MS J GANTANA)
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR V SENNA)
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR I SMITH)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR O WILLCOX)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
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THE HEAD OF MINISTRY (MS C VARNEY)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MS T BOSSER) (ACTING)
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THE DIRECTOR: FISCAL POLICY (MS C HORTON) (ACTING)
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THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (DR M BOOYSEN)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS K NEETHLING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS S ROY)
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS T MFAMANA)
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MR P PRINSLOO) (ACTING)
THE DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MR S ARNOLD) (ACTING)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L CUPIDO) (ACTING)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR B GORDON)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: INTEGRATED SERVICE DELVIERY – DEPARTMENT OF LOCAL GOVERNMENT

THE CHIEF DIRECTOR: MUNICIPAL PERFORMANCE MONITORING AND SUPPORT– DEPARTMENT OF LOCAL GOVERNMENT

THE CHIEF DIRECTOR: DISASTER MANAGEMENT AND FIRE BRIGADE SERVICES – DEPARTMENT OF LOCAL GOVERNMENT

RE: CONSISTENT ENFORCEMENT OF DEBT COLLECTION AND CREDIT CONTROL MEASURES FOR COUNCILLORS AND EMPLOYEES

1. PURPOSE

1.1 The purpose of this circular is to remind municipalities of their statutory obligations to ensure strict compliance with the Code of Conduct for Councillors (Schedule 7 of the Municipal Structures Act), the Code of Conduct for Councillors Regulations (GN 3538, GG 48786, published on 14 June 2023), and all other applicable legislation regulating the financial obligations of municipal councillors and employees.

1.2 This circular further seeks to strengthen the implementation and enforcement of municipal credit control and debt collection measures in respect of serving councillors, outgoing councillors, and municipal employees. It serves to reinforce the responsibility of all councillors and employees to maintain their municipal accounts in good standing and to settle all municipal charges when due.

1.3 Additionally, this circular serves as a critical reminder of PT Circular 12 of 2025, which underscores the necessity of consistently applying credit control and debt collection measures throughout the year, including during the festive season. Consistently enforcing credit control protections safeguards municipal revenue, prevents selective enforcement, ensures the sustainable delivery of public services, and complies with the constitutional principle of equality before the law.

2. LEGAL CONTEXT AND STATUTORY FRAMEWORK

2.1 The duty of municipalities to collect revenues for services rendered is firmly established in municipal legislation. The relevant statutory provisions governing this mandate include:

2.1.1 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) [MSA]: Section 96 obligates a municipality to collect all money due and payable to it. To give effect to this duty, Section 98 requires the Municipality to adopt, maintain, and implement a credit control and debt collection policy consistent with its rates and tariff policies, which must be given legal effect through municipal by-laws.

2.1.2 Code of Conduct for Councillors (Schedule 7, Municipal Structures Act): Item 14 explicitly prohibits a councillor from being in arrears to the Municipality for rates and service charges for a period longer than three (3) months. Failure to comply constitutes a breach of the Code of Conduct.

2.1.3 Code of Conduct for Councillors Regulations, 2023 (GN 3538): These regulations provide procedural steps for managing councillor arrears. The Municipal Manager must notify a councillor in writing when their account is in arrears for more than two (2) months and request settlement. If arrears exceed three (3) months, the Municipal Manager must immediately refer the matter to the Speaker, who is legally required to ensure the outstanding debt is recovered. This procedure applies uniformly, including to newly elected councillors.

2.1.4 Staff Arrears (Schedule 2, Section 10 of the MSA): Municipal staff members are prohibited from being in arrears on their municipal accounts for more than three (3) months. The Municipality is empowered to automatically deduct any outstanding amounts from the staff member's salary after this period.

2.1.5 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) [MFMA]: Compels the implementation of effective revenue management systems. This duty requires the Municipal Manager and delegated officials to actively implement credit control procedures to recover arrear amounts from both staff and councillors.

2.1.6 Policy Interference: In terms of Section 173(5)(a) of the MFMA, any councillor or municipal official who interferes with the implementation of a municipality's approved credit control policy commits an offence. Upon conviction, such interference carries a statutory penalty of a fine or imprisonment for up to five (5) years.

2.1.7 Financial Misconduct: In terms of Section 171 of the MFMA, the failure by an official to properly implement the approved credit control policy constitutes financial misconduct. The Municipality is legally obligated to investigate such failures and, where necessary, institute formal disciplinary proceedings.

3. KEY FINANCIAL AND GOVERNANCE RISKS

3.1 Failing to enforce credit control measures against councillors and employees creates severe operational and governance risks. Municipalities must actively mitigate the following vulnerabilities:

3.1.1. Financial Instability: Failing to recover debt owed by public officials results in immediate revenue losses, cash flow constraints, and an increase in irrecoverable debt, which directly threatens the financial sustainability of the Municipality and service delivery.

3.1.2. Regulatory Non-Compliance: Inconsistent application of credit control policies represents a breach of statutory duties, resulting in adverse municipal audit findings, weak internal governance controls, and heightened regulatory scrutiny.

3.1.3. Erosion of Public Confidence: Applying rules to ordinary citizens while exempting public officials undermines public confidence, weakens the broader societal payment culture, and exposes the Municipality to significant reputational and legal risks.

4. REQUIRED ADMINISTRATIVE AND CREDIT CONTROL ACTIONS

4.1. To ensure compliance with the legislative framework, municipal administrations are requested to assist in implementing the following credit control and administrative actions:

TARGET GROUP	CREDIT CONTROL ACTION TO BE IMPLEMENTED	APPLICABLE LEGISLATIVE AUTHORITY
Outgoing Councillors	Immediately implement measures to recover all outstanding debt prior to the expiration of their term. Municipalities must deduct any outstanding balances from final remuneration, allowances, gratuities, or other monies due to them, in accordance with local policies and in compliance with applicable legislation.	*Schedule 7 (Item 14) of Municipal Structures Act.*
Incoming/Newly Elected Councillors	Ensure that any incoming councillor whose municipal accounts are in arrears enters into a formal, binding repayment agreement immediately upon taking office, which must include provisions for automatic salary and allowance deductions to bring their accounts up to date.	*Schedule 7 (Item 14) of Municipal Structures Act.*

TARGET GROUP	CREDIT CONTROL ACTION TO BE IMPLEMENTED	APPLICABLE LEGISLATIVE AUTHORITY
Municipal Employees in Arrears	Actively enforce debt recovery processes against staff members whose accounts are in arrears for more than three (3) months. Implement direct salary deductions to recover outstanding amounts in accordance with the credit control policy and collective agreements and in compliance with applicable legislation.	*Schedule 2 (Section 10) of MSA.*
Newly Appointed Employees	Ensure that newly appointed employees with outstanding municipal debt enter into formal, binding repayment agreements upon appointment, incorporating automatic salary deduction clauses to clear the outstanding balances.	*Municipal Credit Control Policy.*

4.2. **COUNCIL TABLING AND SUBMISSION REQUEST**

4.2.1. To ensure high-level awareness and formal compliance, municipalities are requested to do the following:

4.2.1.1. **Council Tabling:** This circular must be tabled as an official agenda item at the next available council meeting. This is to ensure that all serving councillors, as well as executive officials, are fully apprised of their personal and statutory financial obligations.

4.2.1.2. **Submission of Proof:** Once tabled, municipalities must immediately submit a copy of the formal council agenda item and the relevant council resolution demonstrating compliance to the Provincial Treasury via email at: **mfma.mfma@westerncape.gov.za**

5. Municipalities are reminded that revenue collection is the lifeblood of municipal survival. Failing to enforce our credit control policies uniformly not only violates our statutory obligations under the Municipal Systems Act, but it also compromises the constitutional principle of equality before the law.

Victor Senna

Digitally signed by Victor Senna
Date: 2026.08.31 08:22:04 +02'00'

VICTOR SENNA
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES
DATE:

ITEM TITLE

C239/2026 MUNICIPAL PUBLIC ACCOUNT COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT ICT: UNJUSTIFIED DEVIATIONS FROM NORMAL SUPPLY CHAIN PROCESSES - SOPHOS FIREWALL (UBUNTU (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 non-compliance, for unjustifiable reasons, of the official procurement processes (deviation) when procuring the Sophos computer network firewall devices and annual license.

BACKGROUND

The municipality procured a Sophos firewall device and an annual license to secure the municipality's networks, ensuring the daily functioning of the municipality's ICT systems and network, and data security, without following the prescribed process for goods and services exceeding the prescribed threshold.

DISCUSSION

During the statutory audit by the Auditor General of South Africa, when testing the deviations, the Auditor General identified several instances where the reason for the deviation could not be justified.

The municipality deviated from the SCM process for the procurement of the core Sophos Network Firewall Device from Ubuntu (Pty) Ltd. The total payments made to Ubuntu Technologies (Pty) Ltd amounted to R322 491,28 for the 2024/25 financial year.

Paragraph 37 of the municipality's supply chain policy states that:

"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT 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 potentially 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.

1. 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.
2. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."

During the testing of this deviation by the Auditor General, several instances where the reason for the deviation was not found to be justifiable were identified:

Procurement of Sophos Firewall Devices and Annual License: The municipality deviated from the SCM process for procurement of Sophos network security firewall devices, which had reached their end of life, and the expiry of the Sophos licence, which was to expire on 31 January 2025. The motivation for deviating was that, due to delays in finalising the procurement financing after considering high purchase costs due to financial constraints, there was not much time left before the licences expired. Once expired, the network connection from all towns and remote sites to the main data centre would not be possible. This would have created major disruptions to the municipality's business operations.

The AGSA found that the procurement deviation was irregular because it resulted from poor planning and was therefore not justifiable.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

There are no financial implications from this item; however, non-compliance with MFMA Section 32 may lead to the NT withholding of the municipality's equitable share and other revenue due in terms of DORA.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Compliance with Section 32 of the MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Risk of non-compliance with statutes and withholding of revenues due to the municipality from the National Treasury.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R322 491.28 for the financial year 2024/2025 be written off.

RECOMMENDATION BY MANAGEMENT TO MPAC: 14 AUGUST 2026

1. **The report is referred to MPAC for its UIFWE recovery assessment as contemplated in Section 32(2) of the MFMA.**

2. **It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R322 491.28 for the financial year 2024/2025 be written off.**

DISCUSSION DURING THE MEETING: 08 SEPTEMBER 2026

Mr J Rasekgala:

- RT-15 tender of 2021 – services can be procured and the costing of each service is indicated. It also includes a list of service providers through which procurement can happen – this is only for the services they are rendered.
- No appointment was made through the RT-15 process although competitive prices were evaluated.
- ICT explores the high option with Business Connection through the RT-15 process.
- At this stage did not have any knowledge that there was no money in the bank.

Alderman C Wood – who was the Director who should have given direction/guidance in this regard.

Mr J Rasekgala – The Director Corporate Services at that time, Mr GW Hermanus as he was appointed on 01/10/2024.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 08 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Confirm that R322 491.28 paid to Ubuntu (Pty) Ltd constitutes irregular expenditure arising from SCM non-compliance.**

2. **Determine that no quantifiable municipal financial loss has been established.**

3. **Recommends that the irregular expenditure to the amount of R322 491.28 be written off as irrecoverable in terms of section 32 of the MFMA.**

4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **Strengthen ICT contract and license monitoring.**

7. **Require procurement planning to commence sufficiently before expiry/end-of life dates.**

8. **Require quarterly reporting of critical ICT contracts/licenses to the appropriate oversight structure.**

Annexure: E

Irregular Expenditure Report on Supply Chain Management Non-Compliance

Unjustified Deviations from Normal Supply Chain Processes (Supplier: Ubuntu (Pty) Ltd)

1. Introduction

- This report has been drafted for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.
- This report focuses on irregular expenditure incurred due to non-compliance with supply chain management processes for the 2024/2025 financial year.
- The report analyses the expenditure incident and the events that led to the irregular expenditure, identifies the responsible officials, and outlines the measures taken or proposed to prevent recurrence.

2. The legal implications of the report

The legal implications of this report are governed by section 32 of the MFMA, which mandates the identification, reporting, and management of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE).

3. Type of UIFWE applicable to this report

The type of UIFWE applicable to this report is irregular expenditure incurred due to non-compliance with supply chain management regulations, specifically the failure to follow competitive bidding procedures for transactions above the prescribed threshold.

4. Discussion of events/ reasons that led to the UIFWE

- During the 2024/2025 financial year, the Municipality awarded purchase order H0001397 for the supply, configuration, and installation of a Sophos XGS 3300 Firewall/Security Appliance and a 12-Month Annual License to Ubuntu (Pty) Ltd, without a competitive bidding process for the amount that exceeded the prescribed threshold, as required by the SCM policy.
- A deviation arose as a result of delays in procurement processes while the municipality was exploring the possibility of acquiring the needed network firewall solution through a high purchase arrangement due to the depressed financial situation prevalent then in the municipality.

- By the time it was determined that the high purchase procurement was not viable, time had already run out to embark on a competitive bidding process.
- A deviation was approved by the Accounting Officer.
- A purchase order to the amount of R322491.27 was issued on the strength of the deviation approved by the Municipal Manager.
- However, during the statutory audit, it was found that the deviation was not justified and the expenditure related thereto constitutes irregular expenditure because the deviation could have been avoided with good planning.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

- According to the Municipality's SCM Policy, the Municipal Manager approved deviations from the regular supply chain management prescripts.

6. Why is the expenditure irregular expenditure?

- The reasons considered valid by the Municipal Manager to approve the deviation were found unjustifiable by the AGSA during audit.
- Failing to follow a competitive SCM process due to the Municipality procuring services in excess of the value of R300,000.00 is non-compliant with Regulation 19 of the SCM Regulations and the Municipality's own SCM Policy and therefore constitutes irregular expenditure in terms of the MFMA. Section 1 of the MFMA defines "irregular expenditure" as expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the Municipality or entity or any of the Municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred as a result of deliberate or negligent action or inaction by an official. This assessment is necessary to support the determination of liability and the appropriate consequence management response.

The facts presented in this report indicate that the procurement process was not conducted in accordance with the prescribed supply chain management requirements due to a deviation approved by the Municipal Manager. A contract exceeding the applicable threshold was awarded without a competitive bidding process on the strength of a deviation the Auditor-General found unjustifiable. These requirements form part of the Municipality's established SCM framework and are known control measures applicable to all qualifying transactions.

There is no evidence at this stage that the SCM process was intentionally bypassed for personal gain. The available information does not suggest fraud, collusion, or any intentional misconduct related to the transaction.

However, the failure to follow a competitive procurement process on the basis of a deviation that was found to be unjustified indicates a breakdown in the application of required controls. The Municipal Manager had direct responsibility for ensuring justifiable grounds for deviations.

On the balance of probabilities, the irregular expenditure does not appear to have arisen from negligent action or inaction or even deliberate misconduct. The conduct does not even reflect a lapse in judgment in oversight for reasons for deviations, but rather a pressing need to keep the networks, systems and data of the municipality safe and secure from cybersecurity threats.

8. Mitigating controls to prevent similar UIFWE in the future

To prevent similar irregular expenditure in the future, the following mitigating controls will be implemented going forward:

a) Ensure proper planning by monitoring contracts through contract management reports.

b) Ensure timeous procurement by following the procurement plan.

c) Ensure uninterrupted network security essentials by commencing procurement processes well in time.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Maphefa Joel Rasekgala, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not?

The irregular expenditure has not been referred to the Disciplinary Board, and no investigation is underway to determine whether an act of financial misconduct has occurred and to recommend appropriate disciplinary measures, as no evidence of misconduct is present. All actors in this case did so on the strength of a deviation approved by the then Municipal Manager.

11. Measures already taken to recover the UIFWE

- Not applicable. There is no need to recover the expenditure as no negligence or act of dishonesty for personal gain has been identified.

12. Cost of the measures already taken to recover UIFWE

- No measures have been taken as yet; thus, no costs.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

The Municipality will not institute any legal proceedings because the irregular expenditure cannot be recovered.

14. Annexures

Supporting documents attached to this report include:

- A copy of the AGSA COMAF 09 of 2025.
- A copy of the Deviation Authorised by the Municipal Manager.
- A copy of the purchase order issued to Ubuntu (Pty) Ltd
- Copies of invoices paid.

15. Conclusion of report

a) In conclusion, this report highlights the irregular expenditure resulting from non-compliance with SCM processes due to a deviation that was approved by the then Municipal Manager and found to be unjustified by AGSA.

b) The analysis provided aims to ensure accountability and transparency within the Municipality's financial management practices.

16. Referral of report to the MPAC

This report is hereby referred to the MPAC for its UIFWE recovery assessment as contemplated in section 32(2) of the MFMA.

Report compiled by:	**Date:**	**Designation:**	**Signature:**
M.J Rasekgala	27 July 2026	ICT Manager	

Report approved by:	**Date:**	**Designation:**	**Signature:**
G.W Hermanus	27 July.	Director: Corporate Services	As Reviewed

Report authorised for MPAC referral by:	Date:	Designation:	Signature:
W Hendricks	14/08/2026	Municipal Manager	

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AUDITOR-GENERAL SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025

Background

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

DETAILED AUDIT FINDING

Procurement processes and contract management

SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations

1. Unjustified deviations from normal Supply chain processes

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 R300 000 (VAT included) 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 R300 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 17(1) of the Municipal Supply Chain Management Regulations states that:
"A supply chain management policy must stipulate the conditions for the procurement processes of goods or
services through formal written price quotations, which must include conditions stating—

a) 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;

b) 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(1)(b) and;

c) 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."

Section 36 of the Municipal Supply Chain Management Regulations states that;

(1.) "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 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.

(2.) 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

(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 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:
"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT
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 –

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.*

2. *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.*
3. *Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."*

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

Part A: Inadequate Justification for Procurement processes Deviations

No	Name of supplier and service provided	Category	Actual value of contract	Deviation date of approval	Auditor's comment
1.	**Drafting of legal opinions - Bradley Conradie Halton**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R6 325,00	29 January 2025	The municipality deviated from the SCM process to procure legal services from the service provider citing the potential risk to the municipality it was vitally important to use a service provider with proven local government experience as well as someone who knows the dynamics of the municipality through previous work done. However, the deviation is unjustifiable because alternative service providers were available, and a proper procurement process should have been followed as this was not an emergency. **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 obtain price quotations in contravention with regulation 36(1)(a). This results irregular expenditure of R69 000,00. The non-compliance not individually material but will be evaluated with other instances of non-compliance.
2.	**UBUNTU TECHNOLOGY (PTY) LTD**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R322 491,28	29/11/2024	The municipality deviated from the SCM process for the core Sophos network firewall device, which was scheduled to reach its end-of-life on December 15, 2024. The reason for deviation was that the procurement process was "extensively discussed in ICT Steering Committee meetings, which led to delays in the final decision-making, as we sought the most suitable solution given the municipality's current financial challenges". This seems more like improper planning to ensure that the correct processes were followed. **Impact:** This results 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 obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R322 491.28. The non-compliance is material (recurring) and will be included in the audit report.
3.	**TWK Communications**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R93 176,73	08/07/2024	The municipality deviated from the SCM process for internet services which came to an end on 30 June 2024. The motivation for deviating was that it will require intensive hand over and infrastructure planning. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable. **Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.

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No	Name of supplier and service provided	Category	Actual value of contract	Deviation date of approval	Auditor's comment
					Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R547 443.95 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report.
4.	**Wispernet**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R56 925,00	02/07/2024	The municipality deviated from the SCM process for internet fibre line 100MB installed at Head Office Data Centre and 200MB fibre line at Operational Command Centre. The current contract comes to an end on 30 June 2024. The motivation for deviating was that a transition period is of 3 months are required. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable. **Impact: 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 follow the formal tender processes. This results to irregular expenditure of R229 571.05 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report.
5.	**BIDVEST SERVICES (PTY) LTD**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R18 630,00	22/08/2024	The municipality deviated from the SCM process for sanitary bins. The argument for the deviation was that the municipality currently pay the current service provider way less than any other bidder, but by not going out on the formal quotation process, this can not be sure and it is unfair to other bidders by not giving them a equal change to bid. **Impact: 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 follow the formal tender processes. This results to irregular expenditure of R32 500.06 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report.

Part B:

2. Deviations incorrectly categorised

Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

Order date	Supplier	Details of goods or services supplied	Amount (R)	Reason for deviation
1/10/2025	Blue Falcon	Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025	1 159 200,00	Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-08-30	NEWPORT WATER SOLUTIONS (PTY) LTD	SERVICING OF FIRE EQUIPMENT	120 101,76	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-09-26	ADENCO CONSTRUCTION PTY LTD	Vandalism and stealing of cables Main supply in Villiersdorp	102 550,08	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-10-29	ADENCO CONSTRUCTION PTY LTD	Replace damaged 11m Pole on OH line in Ham street Villiersdorp	91 191,19	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes

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2024-10-17	SPEED VAC AND PLANT (PTY) LTD	The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck.	61 828,90	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ADENCO CONSTRUCTION PTY LTD	Vandalism to the 11kv pole and cable vandalized	48 483,65	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ADENCO CONSTRUCTION PTY LTD	Vandalism in Villiersdorp 3x poles	46 167,97	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-09-26	ADENCO CONSTRUCTION PTY LTD	In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen.	40 145,63	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-08-15	ADENCO CONSTRUCTION PTY LTD	In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair.	34 365,45	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ARCCON	Vandalism a 11KV pole at Dennestreet, Caledon	27 668,37	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes

2024-11-05	ADENCO CONSTRUCTION PTY LTD	Vandalism for Villiersdorp	24 863,92	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-25	MAXAL PROJECTS SA (PTY) LTD	Emergency callout strip and clean	6 706,80	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-10-15	ANDRAG AGRICO (PTY) LTD	hose rubber dual 100mm clamp heavy duty labour	5 187,08	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
			1 768 460,80	

Impact

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

Internal control deficiency

Financial and performance management –

Review and monitor compliance with applicable laws and regulations

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

Financial and performance management –

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

Recommendation

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

Management response

DESCRIPTION	RESPONSE
Does management agree with the finding (Yes/ No)	Part A – No Part B - Yes
Detail reason for agreeing/ disagree with finding	**Part A** The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved. The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had

DESCRIPTION	RESPONSE
	a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants).
Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding.	Part A – Management disagrees with finding Part B – Management agrees with the internal control deficiency.
Detail corrective action to be taken and date.	Part A – N/A as management disagrees with the finding. Part B – AFS note to be adjusted.
Does the finding affect an amount disclosed in the financial statements (Yes/ No)	Yes
If yes, what corrections will be made to the population	Part A – Management disagrees with finding Part B – AFS note to be adjusted
If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated.	N/A
Position of official responsible to take corrective actions	Deputy Director: Finance

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

Auditor's conclusion:

Part A

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

Part B

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

MM Review of Deviation Requisition

Requisition	5458655, Purchase of Sophos XGS 3300 Firewall Appliance HA plus Xstream Protection license including configuration in ICT Data Center Caledon. - Caledon - WIP Capital - Caledon - General
Task Ref	4217690
From	Nico La Grange
Due Date	02-12-2024
Date Completed	29-11-2024
Date Assigned	28-11-2024 16:06
MM Approval User	REYNOLDST
Current Date	2024-11-29
Task Due Date	2024-12-02
Requisition Reference	5458655
Requisition Number	40873
Requisition Date	2024-11-27
Requisition Type	General
Requestor Name	CHRISTOPHERBL
Product / Service Name	Purchase of Sophos XGS 3300 Firewall Appliance HA plus Xstream Protection license including configuration in ICT Data Center Caledon. - Caledon - WIP Capital - Caledon - General
Product / Service Description	XGS 3300 Security Appliance - EU/UK power cord - XG3CTCHEUK XGS 3300 Xstream Protection - 12 MOS - GOV - XS330012ZZNGAA Setup and Configuration installation fee
Required Delivery Date	2024-12-03
Required Delivery Address	ICT, 11 Church Str, Caledon, 7230
Directorate Code	0051
Directorate	Corporate Services
Cost Centre Code	1115
Department	ICT
Insure Items to be Purchased?	
ASSET DETAIL	
Does this Requisition include Asset or Clothing Items?	Asset
Asset Item Review Outcome	Approve
Asset Review Comments	Is an asset.
DEVIATION DETAIL	
Deviation Item?	Yes
Deviation Type (Section 36)	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes.

Motivate Reason for Deviation	Our ICT department would like to formally request a deviation regarding our core Sophos network firewall device, which is scheduled to reach its end-of-life on December 15, 2024. Reasons for Deviation: As we are aware, all electronic appliances that remain continuously operational have a limited lifecycle. Our firewall appliance will reach the end of its lifecycle in December 2024. The municipality ICT Sophos firewall appliance is a critical component of the Municipality's Data center. Without its operation, we would be unable to maintain production. It also serves as the first line of defense against hackers attempting to breach our network. Without its protection, the entire municipality's operations could come to a halt. It is highly recommended that we replace the appliance with the upgraded model (XGS 3300) before December and install the additional necessary licensing software. We will also need to migrate the current device's network configuration settings to the new device. The purchase includes an additional device to serve as a backup in the event of a failure of the primary device, and the secondary device will also function as a failover solution if needed. Initially, we considered the hire purchase option, given the municipality's current financial situation, as it would offer short-term financial relief. However, the excessively high interest rates made this approach unviable. And option for payment monthly is not available as the municipality is not allowed to pay interest. The procurement process was extensively discussed in ICT Steering Committee meetings, which led to delays in the final decision-making, as we sought the most suitable solution given the municipality's current financial challenges.

6 of 8

ICT Deviation	ICT
ICT Deviation Review Outcome	Approve
ICT Deviation Review Comments	See motivation comments, kindly approve urgent.
Fleet Manager Review Outcome	
Fleet Manager Review Comments	
SCM Deviation Review Outcome	Support Deviation
Departmental Comments	As we are aware, Firewall electronic appliances that remain continuously operational have a limited lifecycle. Our firewall appliance will reach the end of its lifecycle by December, and we are obligated to replace the device. Our firewall device is a critical component of our network, functioning as its heartbeat; without its operation, our entire workflow would be disrupted. It also serves as the first line of defense against hackers attempting to breach our network. Without its protection, the entire municipality's operations could come to a halt. The initial hire purchase option had R200 000 interest fees and was not the feasible solution.
SCM Deviation Review Comments	28/11/2024 - NICO LA GRANGE - THE DEVIATION TIPE MUST NOT BE A EMERGRNCY. IT MUST BE AN EXCEPTIONAL CASE. 28/11/2024 - NICO LA GRANGE - SCM SUPPORT THIS DEVIATION AS AN EXCEPTIONAL CASE. NOT POSIBLE TO FOLLOW A PROCUREMENT PROCES IN TIME BEFORE CURRENT FIREWALL EXPIRE ON 05 DECEMBER 2024 CONCIDERING THE POTENTIAL RISK.. PLEASE DO ALL SCM CHECKS BEFORE AN ORDER IS GENERATED.
Director Comment on Deviation	Due to the importance of the Firewall electronic appliances, the deviation is supported.
CFO Review Outcome	
CFO Review Comment	
RELATED PARTIES DECLARATION	
Does the requested and recommended officials have any relationship i.t.o Regulation 45 of the SCM Policy with this supplier?	No
Official Name and Surname	
Official Relation to Supplier	
Relative Name and Surname	
Relative ID Number	
Relative Employer	
Total Estimated Amount (R)	322491.28
Estimated Value Interval (R)	R200,000.01 – and above
MM Deviation Review Outcome	Approve Deviation Requisition
MM Comment on Deviation	Agree with the motivations

Feedback History

Feedback User	Feedback Date	% Compl	Feedback
Reynold Stevens (REYNOLDST)	29-11-2024 12:23	100%	No feedback was required.

Reallocated Tasks

Prev. Allocated To	Date Reallocated	Reallocation Note

Task Note

Note

Back

Theewaterskloof Municipality

THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY

OFFICIAL ORDER

Order
H0001397

Billing Address:
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 11 CHURCH STREET
CALEDON
7230

VAT Registration number:4000846248

SUPPLIER NAME: UBUNTU TECHNOLOGY (PTY) LTD [U00062]
SUPPLIER TEL NO:
SUPPLIER FAX NO:
PHYSICAL ADDRESS: CPT OFFICE: OFFICE 2, MANHATTA CENTURY WAY, CENTURY CITY
DATE: 20241205

DIRECTORATE: Corporate Services
COST CENTRE: ICT
NAME: Bloemfontein C
REQ NO: 40873

DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.
XGS 3300 Security Appliance EU UK power cord	2.00	72046.22	144092.45	165706.32
XGS 3300 Xstream Protection 12 MOS GOV	1.00	96334.74	96334.74	110784.95
Configuration and Installation	1.00	40000.00	40000.00	46000.00
		GRAND TOTAL	280427.19	322491.27

APPROVED BY: Signature: Name In Print: MARTIN A Date: 2024/12/10

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This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

Order - Payment

H0001397

621

VAT Registration number:4000846248

SUPPLIER NAME: UBUNTU TECHNOLOGY (PTY) LTD [U00062]
SUPPLIER TEL NO: **SUPPLIER FAX NO:**
VAT REGISTRATION NO: 000004660168669 **PHYSICAL ADDRESS:** CPT OFFICE: OFFICE 2, MANHATTA
DATE: 20241205 CENTURY WAY, CENTURY CITY

DIRECTORATE: Corporate Services
COST CENTRE: ICT
NAME: Bloemfontein C

mSCOA CONFIG	DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.	DISCOUNT
071115000450	XGS 3300 Security Appliance EU UK power cord	2.00	72046.22	144092.45	165706.32	
071115000450	XGS 3300 Xstream Protection 12 MOS GOV	1.00	96334.74	96334.74	110784.95	
071115000450	Configuration and Installation	1.00	40000.00	40000.00	46000.00	
			GRAND TOTAL	280427.19	322491.27	

PAYMENT AUTHORIZATION	
DATE	2024/12/05
HEAD OF DEPARTMENT	PROCUREMENT OFFICER

GRAND TOTAL	322491.27
LESS DISCOUNT	0.00
NETT AMOUNT	322491.27

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Ubuntu Technology (Pty) Ltd
PO Box 68259
Highveld
0169

VAT Number **4660168669**
Reg Number **1997/13313/07**
Telephone **(012) 347 7944**
Fax **(012) 347 4903**

Tax Invoice

Document No
IN136522

To:
WMUN07
Theewaterskloof Municipality
PO Box 24
Caledon
7230

Deliver To:

Theewaterskloof Municipality
6 Plein Street
Caledon
7230
0282143300
Ingemar Julius

Customer VAT No **4000846248**

Account	Date	Your Reference	Our Reference	Sales Person
WMUN07	19/12/2024	01IJ84	PO92315	UC Branch Commission

Item Code	Item Description	Units	Price (Ex)	Nett Price
UC-SOP.XG3CTCHEUK	XGS 3300 Security Appliance	0.00	72,046.23	
On Backorder				
UC-SOP.XS330012ZZNGA	Xstream Protection for XGS 3300 - 12 MOS - GOV	1.00	96,334.74	96,334.74
1050/WCA/002/002	Sales/Western Cape/Unified Communications/Public	0.00	40,000.00	
Configuration and Installation				

Only to be invoiced upon completion

As per Quote Ref: Theewaterskloof-241028-Sophos XGS 3300 Firewall

BANKING DETAILS
Bank Name: ABSA
Account Number 404 761 8208
Branch Code 632005

Total (Excl)	R	96,334.74
Tax	R	14,450.21
Total (Incl)	**R**	**110,784.95**

Received in Good Order

Signed: _____ Date: _____

1. The Customer hereby confirms that the products/services and quantities indicated on this invoice has been received, that the pricing is in accordance with the agreement with Ubuntu and is payable without any deductions by the customer.

2. The customer is not entitled to to sell or dispose of any goods unpaid for without the prior consent of Ubuntu.

3. The risk of loss/theft/damage of products and parts delivered in accordance with this invoice transfers to the customer on delivery of same.

4. Products and parts supplied as per this invoice will stay the property of Ubuntu until full payment has been received. Ubuntu may remove such products/parts in the event of non payment by the customer and claim any resulting damages or costs from the customer.

5. Ubuntu reserves the right to claim the maximum interest rate allowed by law on any money overdue.

6. Payment must be made with 30 (thirty) days of date of invoice unless stated otherwise on the Invoice.

7. No credit will be passed unless discrepancies are reported within 72 hours of delivery. Please report your claim by e-mail : debtors@ubuntusa.co.za

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Ubuntu Technology (Pty) Ltd
PO Box 68259
Highveld
0169

VAT Number **4660168669**
Reg Number **1997/13313/07**
Telephone **(012) 347 7944**
Fax **(012) 347 4903**

Tax Invoice

Document No
IN136921

To:
WMUN07
Theewaterskloof Municipality
PO Box 24
Caledon
7230

Deliver To:

Theewaterskloof Municipality
6 Plein Street
Caledon
7230
0282143300
Ingemar Julius

Customer VAT No **4000846248**

Account	Date	Your Reference	Our Reference	Sales Person
WMUN07	27/01/2025	01IJ84	PO92315	UC Branch Commission

Item Code	Item Description	Units	Price (Ex)	Nett Price
UC-SOP.XG3CTCHEUK	XGS 3300 Security Appliance	2.00	72,046.23	144,092.46
	S?N: X33010DWGP9CXA9; X33020RB34HGVE5			
	D/N: D/L00515871			
UC-SOP.XS330012ZZNGA	Xstream Protection for XGS 3300 - 12 MOS - GOV	0.00	96,334.74	
	Already invoice as part of IN136522 in Dec 2024			
1050/WCA/002/002	Sales/Western Cape/Unified Communications/Public	1.00	40,000.00	40,000.00
	Configuration and Installation			
	D/N: JobCard 10658			
	As per Quote Ref: Theewaterskloof-241028-Sophos XGS 3300 Firewall			

BANKING DETAILS
Bank Name: ABSA
Account Number 404 761 8208
Branch Code 632005

Total (Excl)	R	184,092.46
Tax	R	27,613.87
Total (Incl)	**R**	**211,706.33**

Received in Good Order

Signed: _____ Date: _____

1. The Customer hereby confirms that the products/services and quantities indicated on this invoice has been received, that the pricing is in accordance with the agreement with Ubuntu and is payable without any deductions by the customer.

2. The customer is not entitled to to sell or dispose of any goods unpaid for without the prior consent of Ubuntu.

3. The risk of loss/theft/damage of products and parts delivered in accordance with this invoice transfers to the customer on delivery of same.

4. Products and parts supplied as per this invoice will stay the property of Ubuntu until full payment has been received. Ubuntu may remove such products/parts in the event of non payment by the customer and claim any resulting damages or costs from the customer.

5. Ubuntu reserves the right to claim the maximum interest rate allowed by law on any money overdue.

6. Payment must be made with 30 (thirty) days of date of invoice unless stated otherwise on the Invoice.

7. No credit will be passed unless discrepancies are reported within 72 hours of delivery. Please report your claim by e-mail : debtors@ubuntusa.co.za

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SOPHOS

LICENSE SCHEDULE

Sophos Order Reference: 01862837
Provisioned Date: 10/12/2024
Distributor Purchase Order Number: DUXB0045838 / INV00658606

Customer Address

THEEWATERSKLOOF MUNICIPALITY
6 Plein Street, Caledon
Cape Town
7230
South Africa

Reseller

Ubuntu Technologies

Please keep this License Schedule for future reference.

Note for new licenses:

Your subscription will start on the date order processing has been completed by Sophos and expire at the end of the purchased term, regardless of when Software is activated and/or Hardware is received by you. The date order processing has been completed should be reflected in the Start Date shown in the Schedule of Product and Services section below. However, please check the licensing screen in your Sophos product to obtain definitive confirmation. If a license key has been provided, you will need to activate your key first to confirm.

ACTION NEEDED: Activate the following products now

Sophos Firewall

Product	License Number	License Key
XGS 3300 Xstream Protection - 12 MOS - GOV (SKU: XS330012ZZNGAA Old SKU:)	LN1001056140	LKG1BMA-ESR-2WB944BB8

What you need to do

Follow the steps below to activate your license.

You need to register every new Firewall. If we've sent you license keys, you also need to apply those.

The setup process will ask for your serial number and/or license key. You can only use each of them once. The steps are:

1. Go to https://central.sophos.com/ and sign in (if you don't already have an account, then **start a Sophos trial**).
2. In **Sophos Central Admin**, click **your account name** (it's in the upper right of the page).
3. Click **Firewall Licenses** at the top of the page, then click **Claim Firewall**.
4. Follow the registration steps. When you finish, the firewall will appear in the list.
5. If you're installing a hardware appliance, skip this step. If you're installing a virtual appliance from **Firewall Details** > (serial number) > **Download Installers**, go to the Sophos Firewall help and search for "Virtual and software appliances" to get instructions.
6. If you want to manage the firewall from Sophos Central, do as follows:
   a. In Sophos Central navigate to **Firewall Management > Firewalls**
   b. Click **Add** in the firewall details management column and follow the instructions to connect your firewall to Sophos Central.
7. If you have any license keys to activate, see the instructions below.

New subscriptions

In the Firewall, go to **System > Administration > Licensing** and click **Activate Subscription**. Then enter the license key.

Other ways to activate your license

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You can activate your license in other ways, for example without access to the appliance. See https://community.sophos.com/kb/122671.

Upgrade or renew a license

If you have ordered an update or renewal of an existing license our systems will have automatically updated your license. The firewall will pick up the updated license at its next daily license sync, which can take up to 24 hours. If you want it to get the license right away, open its web admin console, go to **System > Administration > Licensing** and click **Synchronize.**

Support

The following products are covered by Sophos support services.

Enhanced Support
XGS 3300 Xstream Protection

For details of how to access Sophos technical support, please see https://www.sophos.com/support.

Regional phone numbers for Sophos Support services:

Region	Country	Enhanced Support
Global Support in English	United Kingdom	Toll Free Local: 08007563807 International: 441312021566
	Australia	Toll Free Local: 1800954019 International: 61272527642
	China	864008423937
	Hong Kong	85230188420
	India	Toll Free Local: 0008000404604
	Ireland	353212373911
	Malaysia	60390784008
	Netherlands	31767901641
	New Zealand	6498712956
	Philippines	63282313321
	Singapore	6531575922
	South Africa	Toll Free Local: 0800993558
	Switzerland	41225451620
	Taiwan	886255940688
	Thailand	6624590254
	Turkey	902129004658
	UAE	971600575209
	Vietnam	842856784402

Schedule of Products and Services

Here is a list of all the products and services you've purchased. Keep this safe as you may need to refer to it when you contact support or renew a license.

Product	License Number	License ID / Serial Number	Quantity	Start Date	Expiry Date	Term (Months)
XGS 3300 Xstream Protection (SKU: XS330012ZZNGAA Old SKU:)	LN1001056140		1	31/01/2025	30/01/2026	12

* The Start and Expiry dates displayed in the table above may not be correct if the product was provisioned by Sophos on a date later than the order was received. Please check the licensing screen in your Sophos product to see the actual start and expiry dates. If a key has been provided you will need to activate the key first as per the instructions in this license schedule.

Please note, if you have purchased Hardware along with a Software subscription and certain conditions are met, the Software subscription term will have been extended by three (3) months without additional charge. This is reflected in the table above. The extension is a gesture of goodwill to take Hardware delivery times into consideration. Any renewal will fall back to the length of a standard term and will be quoted accordingly.

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Terms

General Terms

• Except as otherwise noted in these General Terms, your installation, access and/or use of the software products and/or services listed in this License Schedule are subject to the terms and conditions of the Sophos End User Terms of Use at: https://www.sophos.com/legal/sophos-end-user-terms-of-use, unless Sophos agrees otherwise in writing. All products that are licensed on a perpetual basis are subject to the End User License Agreement at: https://www.sophos.com/legal.

• Your use of the hardware products are subject to the terms and conditions of the Hardware Terms of Use at: https://www.sophos.com/legal

• If you are a Managed Service Provider (MSP), your use of the products and/or services listed in this License Schedule is instead subject to the terms and conditions of the Managed Service Provider Agreement at: https://www.sophos.com/legal unless Sophos agrees otherwise in writing.

• Any professional services listed in this License Schedule are subject to the Sophos Professional Services Terms and Conditions at: https://www.sophos.com/legal unless Sophos agrees otherwise in writing.

• The meters, units and/or applicable usage limits for products and services are specified in the Licensing Guidelines at: https://www.sophos.com/legal/license-entitlement-and-usage-policy.

Export Terms

• These items are subject to the Export Administration Regulations (EAR). Any diversion contrary to these regulations is prohibited.

• These items (commodities, technology, services or software) are controlled by the U.S. government and authorized for export / re-export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.

• If these goods are to be delivered to a country within the European Union: please be advised in accordance with article 11(9) of EU Regulation 2021/821, that these goods are subject to controls. If they are to be exported out of the European Union, the exporter must acquire the relevant export licenses.

• If these goods are to be delivered to a country within the United Kingdom: please be advised in accordance with the Export Control Order of 2008, that these goods are subject to controls. If they are to be exported out of the European Union, the exporter must acquire the relevant export licenses.

• The export control laws and regulations of other countries may apply in addition to those of the United States of America, United Kingdom, the European Union, and/or relevant European Union member states.

• Sophos may suspend certain or all security updates, upgrades, downloads and functionality to or of the products and/or services listed in this document if Sophos believes that the products and/or services are, or may be, located in, provided in, or accessed from certain embargoed and restricted jurisdictions, which may be updated by Sophos from time to time without notice.

• A breach of the export provisions of the relevant agreement governing your access and use of Sophos products and services, as applicable, is considered a cause for termination of that agreement.

• For more information regarding the export of Sophos products and services, please see: https://www.sophos.com/legal/export or contact your Sophos representative.

Export Licenses

Product Description	Country of Origin	Export License Number	Export Classification Number
XGS 3300 Xstream Protection	IN	ENC	5D002.c.1

Theewaterskloof
Municipality

THEEWATERSKLOOF MUNICIPALITY

CONTRACT

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGN CONTRACTS FOR THEIR RESPECTIVE RECORDS

PART 1 (TO BE FILLED IN BY THE BIDDER)

I hereby undertake to supply all or any of the goods and/or works described in the bid documents to the **THEEWATERSKLOOF MUNICIPALITY** in accordance with the requirements and specifications stipulated in **QUOTATION NO: QUOTATION NO: CB 16/2025/26 – SUPPLY SOPHOS XSTREAM PROTECTION BUNDLE, ONE YEAR SUBSCRIPTION LICENSE FOR THEEWATERSKLOOF MUNICIPALITY, CALEDON.**

at the price quoted. My offer rebinding upon me and open for acceptance by the purchaser during the validity period indicated calculated from the closing time of bid.

1. The following documents shall be deemed to form and be read and construed as part of this agreement.

   (i) Bidding documents, viz
   - Invitation to bid
   - Form of Offer
   - Tax Compliance Status Pin Certificate;
   - Pricing schedule(s);
   - Specifications
   - Preference claims in terms of the Preferential Procurement Regulations 2022;
   - MBD 4 (Declaration of Interest), MBD 6.1 (Preference Points), MBD 8 (Declaration of Bidder's Past Supply Chain Management) and MBD 9 (Certificate of Independent Bid Determination);

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) rate(s) quoted cover all the goods and / or works specified in the bidding documents; that the price(s) rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or other party regarding this or any other bid.

6. I confirm that I am duly authorized to sign this contract.

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NAME (PRINT) Damian Michael

CAPACITY Managing Director

SIGNATURE DM

NAME OF FIRM **Innovo Networks Pty) Ltd.**

DATE 27/03/2026

WITNESSES

1. V Dhlula

2. KTrimm

DATE 27/03/2026

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I, GW Hemans in my capacity as Director **Corporate Services** accepts your bid for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order will be sent to you after the contract has been signed by both parties.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.
4. The contract is based on the following:

ITEM	DESCRIPTION	ESTIMATED QUANTITY (A)	UNIT	UNIT PRICE (B)		PRICE (A X B)	
				R	c	R	c
1	SOPHOS FIREWALL XGS 3300, XSTREAM PROTECTION BUNDLE, One Year Subscription License.	1	EACH	96 730	04	96 730	04
				Sub Total		96 730	04
				Vat @ 15%		14 509	51
				Total		111 239	55

The contract will be for a period from date of appointment for a period of 12 months.

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5. I confirm that I am duly authorized to sign this contract.

SIGNED AT Caledon ON 26-04-01

NAME (PRINT) [illegible]

SIGNATURE .....

OFFICIAL STAMP

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer aan die raad gelewer is en dat die prys/fooi redelik en volgens ooreenkoms/kontrak is.
Handtekening Datum

WITNESSES

1. .....
2. .....

DATE 01/04/2026

5. Mediation

5.1 Each party shall submit a list with 3 (three) names of knowledgeable persons, with expertise relating to the particular field in which the dispute arose, as potential mediators from which one mediator shall be selected by agreement between the parties. Should the parties fail to reach agreement on the choice of the mediator within 5 (five) working days from the day on which it has become apparent that the matter cannot be settled through negotiation, any of the parties may request the Institute for Mediation and Arbitration of South Africa to appoint a mediator.

5.2 The mediator shall in his sole discretion determine the form of representations to be made, provided that in making this determination, the mediator shall consult the disputing parties and may be guided by their common reasonable desire on the form in which the said representations are to be made. All representations by the parties shall be made without prejudice.

5.3 The mediator shall within a period of 10 (ten) working days after receipt of the representations of the parties endeavor to facilitate an agreement between them or determine a procedure or framework within which they can negotiate to resolve the dispute or difference. All representations by the parties shall be made without prejudice.

5.4 Any such negotiated agreement shall be in writing, signed by both parties and be binding on the parties. Failing agreement between the parties the dispute shall be resolved by the submission thereof to arbitration.

5.5 The parties agree to contribute equally to the cost of the mediator and each party shall bear any other costs separately regardless of the outcome of the mediation.

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GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

JULY 2010

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
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8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
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13. Incidental Services
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15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
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22. Penalties
23. Termination for default
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25. Force Majeure
26. Termination for insolvency
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28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

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1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of Contract Documents and Information Inspection

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5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

6.1The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

6.2When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance Security

7.1Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque.

7.4The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections Tests and Analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

8.3If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

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8.4If the inspections, tests and analyses referred to in clauses 8.2and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5Where the goods or services referred to in clauses 8.2 and 8.3do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6Goods and services which are referred to in clauses 8.2 and 8.3and which do not comply with the contract requirements may be rejected.

8.7Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and Documents

10.1Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

11. Insurance

11.1The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.

12. Transportation

12.1Should a price other than an all-inclusive delivered price be required, this shall be specified.

13. Incidental Services

13.1The supplier may be required to provide any or all of the following services, including additional services, if any:

(a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare Parts

14.1As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a)such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b)in the event of termination of production of the spare parts:
(i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4Payment will be made in Rand unless otherwise stipulated.

17. Prices

17.1Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

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18. Variation Orders

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Assignment

19.1The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

20.1The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the Supplier's Performance

21.1Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied inconformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for Default

23.1The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a)if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

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(b)if the supplier fails to perform any other obligation(s) under the contract; or(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.

23.6If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

24. Anti-dumping and Countervailing Duties and Rights

24.1When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure. DM

25.2If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for Insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4Notwithstanding any reference to mediation and/or court proceedings herein,

(a)the parties shall continue to perform their respective obligations under the contract unless they otherwise agree;
and
(b)the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

28.1Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a)the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b)the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing Language

29.1The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable Law

30.1The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

31. Notices

31.1Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice. DM

31.2The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and Duties

32.1A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of Contracts

33.1The contractor shall not abandon, transfer, cede assign or sublet contract or part thereof without the written permission of the purchaser

34. Amendment of Contracts

34.1No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of Restrictive Practices

35.1In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of restrictive practices 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/ are or a contractor(s) was / were involved in collusive bidding.

35.2If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 0f 1998.

35.3If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10)years and / or claim damages from the bidder(s) or contractor(s)concerned.

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MPAC62/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

UNJUSTIFIED DEVIATIONS FROM NORMAL SCM PROCESSES – SOPHOS FIREWALL (UBUNTU (PTY) LTD

1. Purpose of the report

This report is submitted by the Municipal Public Accounts Committee to the Municipal Council in terms of section 32(2) of the Municipal Finance Management Act 56 of 2003 (MFMA).

The purpose of this report is to enable Council to determine whether the UIFWE is recoverable or irrecoverable, whether recovery measures must be pursued, whether the expenditure may be written off, and whether further disciplinary, criminal or other consequence-management action is required.

The report follows the minimum structure contemplated by Annexure J, including section 32(1) and regulation 74 considerations.

2. Summary of the UIFWE case

Type of UIFWE: Irregular expenditure

Financial year: 2024/2025

Amount involved: R322,491.28

Department / area: Directorate Corporate Services – ICT

Case: Procurement of Sophos firewall equipment and annual license without following the prescribed competitive procurement process.

3. Factual background and events leading to UIFWE

- The firewall devices had reached end-of-life and the Sophos license was due to expire on 31 January 2025.
- Management states that delays in finalising procurement financing and high purchase costs left insufficient time before license expiry.
- Management says expiry would have interrupted connectivity between towns/remote sites and the main data centre.
- AGSA found that the deviation resulted from poor planning and was therefore not justifiable.

- Management recommends that the R322,491.28 irregular expenditure be written off.

4. Identification of persons potentially responsible

- The Director: Corporate Services, Mr GW Hermanus.

The identification above is for the purpose of informing MPAC's section 32 recovery and consequence-management assessment. It does not, by itself, constitute a final finding of misconduct.

5. Section 32(1) test – deliberate or negligent conduct

The report shows no evidence of fraud or personal gain and concludes that the conduct was not negligent. However, the same report records poor planning as the cause of the deviation.

6. Recovery assessment in terms of section 32 and regulation 74

No recovery measures have been taken. The municipality proposes no legal proceedings.

7. Special considerations for irregular expenditure

- Competitive procurement was not followed for an amount above the prescribed threshold.
- AGSA found the reason for the deviation unjustifiable.
- The core issue for MPAC is whether the delay was reasonably foreseeable and whether the municipality failed to plan for the known license expiry.

8. Disciplinary board referral considerations

Not referred to the Disciplinary Board.

9. Criminal referral considerations

No criminal conduct is identified in the report. **No criminal referral is indicated on the present evidence.**

10. Other consequence-management considerations

- Strengthen ICT contract and license monitoring.
- Require procurement planning to commence sufficiently before expiry/end-of-life dates.
- Require quarterly reporting of critical ICT contracts/licenses to the appropriate oversight structure.

11. MPAC recommendation to Council

MPAC recommends that the Municipal Council:

1. **Confirm that R322 491.28 paid to Ubuntu (Pty) Ltd constitutes irregular expenditure arising from SCM non-compliance.**
2. **Determine that no quantifiable municipal financial loss has been established.**
3. **Recommends that the irregular expenditure to the amount of R322 491.28 be written off as irrecoverable in terms of section 32 of the MFMA.**
4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
6. **Strengthen ICT contract and license monitoring.**
7. **Require procurement planning to commence sufficiently before expiry/end-of life dates.**
8. **Require quarterly reporting of critical ICT contracts/licenses to the appropriate oversight structure.**

12. Supporting annexures

- AGSA COMAF 09 of 2025.
- Deviation authorised by the Municipal Manager.
- Purchase order H0001397.
- Invoices.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	08/09/2026
MPAC resolution reference	**MPAC62/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 24 AUGUST 2026

MPAC62/2026 ICT: UNJUSTIFIED DEVIATIONS FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES: SOPHOS FIREWALL (UBUNTU (PTY) LTD)

1. When was the firewall first identified as being at end-of-life?
   The firewall devices' end-of-life was identified around October 2024 and was discussed in several ICT Steering Committee meetings thereafter.
2. When was the license expiry date known?
   The license expiry date was known from the date the previous license was activated, which was 12 months prior, i.e., January 2024.
3. When was the procurement request submitted?
   Procurement was discussed in several ICT Steering Committee meetings before the end of the 2024/25 financial year, with a view to procuring it through high purchase with Business Connexion, which was to be appointed through Transversal Tender RT15-2021 to provide connectivity services to the municipality.
4. When did the SCM process commence?
   The procurement process commenced once advice was received that the devices and licence could not be procured through high purchase, as the municipality's financial policies did not allow it.
5. Who delayed the procurement?
   The ICT Steering Committee delayed the procurement while exploring options to procure through higher purchase financing due to financial constraints.
6. What did the ICT Steering Committee recommend?
   That higher purchase be pursued; however, the Finance Department later advised that finance policies do not allow it.
7. Was the item in the procurement plan?
   Yes, and it was budgeted for.
8. Why was financing only considered near expiry?
   The financing option was not considered near expiry. It was considered during discussions to consolidate all connectivity requirements in one contract with Business Connexion using National Treasury's Transversal Tender RT15-2021. While the financial system indicated that the municipality had adequate budget for this procurement, it was indicated that the municipality did not have money in the bank to meet the commitment if Business Connexion services were procured.

9. What alternative procurement options were considered?
   None were considered after the Finance Department advised against the higher purchase financing.

10. Why does management regard failure as not negligent?
    The failure to procure in time was not due to negligence, but due to delays caused by exploring financing options because of financial constraints.
11. Was any official held accountable for the procurement delay?
    No official was held accountable, as the delays resulted from extensive discussions and considerations by the ICT Steering Committee, not from any official's actions or inaction.

QUESTIONS DURING MEETING:

Mr J Rasekgala:

- RT-15 tender of 2021 – services can be procured and the costing of each service is indicated. It also includes a list of service providers through which procurement can happen – this is only for the services they are rendered.
- No appointment was made through the RT-15 process although competitive prices were evaluated.
- ICT explores the high option with Business Connection through the RT-15 process.
- At this stage did not have any knowledge that there was no money in the bank.

Alderman C Wood – who was the Director who should have given direction/guidance in this regard.

Mr J Rasekgala – The Director Corporate Services at that time, Mr GW Hermanus as he was appointed on 01/10/2024.

ITEM TITLE

C240/2026 MUNICIPAL PUBLIC ACCOUNT COMMITTEE: DIRECTORATE CORPORATE SERVICES: DEPARTMENT ICT: UNJUSTIFIED DEVIATIONS FROM NORMAL SUPPLY CHAIN PROCESSES - FIBRE INTERNET ACCESS (WISPERNET)

[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 non-compliance for unjustifiable reasons for not following the official procurement processes (deviation) when procuring 100Mbps and 200Mbps fibre broadband internet connections from Wispernet.

BACKGROUND

The municipality procured 100 Mbps and 200 Mbps wireless internet services for use at the data centre in the main office and at the Operational Command Centre in Caledon through a deviation procurement process approved by the then Municipal Manager.

DISCUSSION

During the statutory audit by the Auditor General of South Africa, when testing the deviations, the Auditor General identified several instances where the reason for the deviation was not found to be justifiable.

The municipality deviated from the SCM process for the procurement of the 100 Mbps and 200 Mbps fibre Internet access lines for the head office and Command Control Room in Caledon from Wispernet. The total payments made to Wispernet were R229 571.05 for the 2024/25 financial year.

Paragraph 37 of the municipality's supply chain policy states that:

"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT 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 potentially harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation include, 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.

2. 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 note to the annual financial statements.
3. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."

During the testing of this deviation by the Auditor General, several instances where the reason for the deviation was not found to be justifiable were identified:

Procurement of Fibre Internet Services from Wispernet: The municipality deviated from the SCM process for procurement of 100 Mbps and 200 Mbps fibre internet services, which ended on 30 June 2024. The motivation for deviating was that the formal tender process would take longer to finalise. AGSA noted that the procurement process has begun, but it seems the process started too late, resulting in the deviation. This deviation is therefore due to the municipality's poor planning and is not justifiable.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

This item has no financial expenditure implications.

The procurement referred to was classified as irregular by AGSA because of unjustifiable reasons for deviation.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Compliance with Section 32 of MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Non-compliance with financial management statutes may lead NT to withhold the equitable share and other grants due to the municipality.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R229 571.05 be written off for the financial year 2024/2025.

RECOMMENDATION BY MANAGEMENT TO MPAC: 14 AUGUST 2026

1. **The report is referred to MPAC for its UIFWE recovery assessment as contemplated in Section 32(2) of the MFMA.**

2. **It is recommended that, in light of the fact that there is no reason to suspect theft or fraud, Council has received value for money, did not suffer any financial losses, and as there are no grounds for a claim against any official, irregular expenditure in the amount of R229 571.05 be written off for the financial year 2024/2025.**

DISCUSSION DURING MEETING:

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 08 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Confirm that R229 571.05 paid to Wispernet constitutes irregular expenditure arising from SCM non-compliance.**

2. **Determine that no quantifiable municipal financial loss has been established.**

3. **Recommends that the irregular expenditure to the amount of R229 571.05 be written off as irrecoverable in terms of section 32 of the MFMA.**

4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **Strengthen ICT contract monitoring and commence procurement well before expiry.**

7. **Require quarterly reporting of critical ICT contracts to the appropriate oversight structure.**

Annexure: E

Irregular Expenditure Report on Supply Chain Management Non-Compliance

Unjustified Deviations from Normal Supply Chain Processes (Service Provider: Wispernet)

1. Introduction

- This report has been drafted for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.
- This report focuses on irregular expenditure incurred due to non-compliance with supply chain management processes for the 2024/2025 financial year.
- The report analyses the expenditure incident and the events that led to the irregular expenditure, identifies the responsible officials, and outlines the measures taken or proposed to prevent recurrence.

2. The legal implications of the report

The legal implications of this report are governed by section 32 of the MFMA, which mandates the identification, reporting, and management of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE).

3. Type of UIFWE applicable to this report

The type of UIFWE applicable to this report is irregular expenditure incurred due to non-compliance with supply chain management regulations, specifically the failure to follow competitive bidding procedures for transactions above the prescribed threshold.

4. Discussion of events/ reasons that led to the UIFWE

- During the 2024/2025 financial year, the Municipality awarded purchase order H0000095 for the supply, configuration, and installation of 100Mbps and 200Mbps fibre broadband internet access to Wispernet, without receiving three written quotations for the amount that exceeded the prescribed threshold, as required by the SCM policy.
- A deviation arose as a result of the failure of the LTE-based VPN solution added through the RT15-2021 NT Transversal Tender Participation Contract signed with Cell C. The Cell C solution failed due to limited LTE network coverage of the municipal area by Cell C.

- By the time it was determined that the LTE-based solution was not viable, time had already run out to embark on a TWK2 three-quotation process as the municipality required the services to function, and compiling the technical specifications for a different connectivity solution would have taken longer.

- Wispernet had previously rendered the services and had infrastructure in place. A deviation for procurement of a three-month contract was sought and granted by the Municipal Manager.

- A deviation was approved by the Accounting Officer.

- A purchase order to the amount of R56 925.00 was issued on the strength of the deviation approved by the Municipal Manager.

- However, during the statutory audit, it was found that the deviation was not justified and the expenditure related thereto constitutes irregular expenditure because the deviation could have been avoided with good planning.

- A new contract was later procured through a competitive process.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

- In accordance with the Municipality's SCM Policy, the then Municipal Manager approved deviation from the regular supply chain management prescripts.

6. Why is the expenditure irregular expenditure?

- The reasons considered valid by the Municipal Manager to approve the deviation were found unjustifiable by the AGSA during audit.

- Failing to follow a competitive SCM process due to the Municipality procuring services in excess of the value of R300,000.00 is non-compliant with Regulation 19 of the SCM Regulations and the Municipality's own SCM Policy and therefore constitutes irregular expenditure in terms of the MFMA. Section 1 of the MFMA defines "irregular expenditure" as expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the Municipality or entity or any of the Municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred as a result of deliberate or negligent action or inaction by an official. This assessment is necessary to support the determination of liability and the appropriate consequence management response.

The facts presented in this report indicate that the procurement process was not conducted in accordance with the prescribed supply chain management requirements

due to a deviation approved by the Municipal Manager. A contract exceeding the applicable threshold was awarded without a competitive bidding process on the strength of a deviation the Auditor-General found unjustifiable. These requirements form part of the Municipality's established SCM framework and are known control measures applicable to all qualifying transactions.

There is no evidence at this stage that the SCM process was intentionally bypassed for personal gain. The available information does not suggest fraud, collusion, or any intentional misconduct related to the transaction.

However, the failure to follow a competitive procurement process on the basis of a deviation that was found to be unjustified indicates a breakdown in the application of required controls. The Municipal Manager had direct responsibility for ensuring justifiable grounds for deviations.

On the balance of probabilities, the irregular expenditure does not appear to have arisen from negligent action or inaction or even deliberate misconduct. The conduct does not even reflect a lapse in judgment in oversight for reasons for deviations, but rather a pressing need to keep the networks, systems and data of the municipality safe and secure from cybersecurity threats.

8. Mitigating controls to prevent similar UIFWE in the future

To prevent similar irregular expenditure in the future, the following mitigating controls will be implemented going forward:

a) Ensure proper planning by monitoring contracts through contract management reports.

b) Ensure timeous procurement by following the procurement plan.

c) Ensure uninterrupted internet access services by commencing procurement processes well in time.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Maphefa Joel Rasekgala, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not?

The irregular expenditure has not been referred to the Disciplinary Board, and no investigation is underway to determine whether an act of financial misconduct has occurred and to recommend appropriate disciplinary measures, as no evidence of misconduct is present. All actors in this case did so on the strength of a deviation approved by the then Municipal Manager.

11. Measures already taken to recover the UIFWE

- Not applicable. There is no need to recover the expenditure as no negligence or act of dishonesty for personal gain has been identified.

12. Cost of the measures already taken to recover UIFWE

- No measures have been taken as yet; thus, no costs.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

The Municipality will not institute any legal proceedings because the irregular expenditure cannot be recovered.

14. Annexures

Supporting documents attached to this report include:

- A copy of the AGSA COMAF 09 of 2025.
- A copy of the Deviation Authorised by the Municipal Manager.
- A copy of the purchase order issued to Wispernet
- Copies of invoices paid.

15. Conclusion of report

a) In conclusion, this report highlights the irregular expenditure resulting from non-compliance with SCM processes due to a deviation that was approved by the then Municipal Manager and found to be unjustified by AGSA.

b) The analysis provided aims to ensure accountability and transparency within the Municipality's financial management practices.

16. Referral of report to the MPAC

This report is hereby referred to the MPAC for its UIFWE recovery assessment as contemplated in section 32(2) of the MFMA.

Report compiled by:	Date:	Designation:	Signature:
M.J Rasekgala	27 July 2026	ICT Manager	

Report approved by:	Date:	Designation:	Signature:
G.W Hermanus	07/08/2026	Director: Corporate Services	Received

Report authorised for MPAC referral by:	Date:	Designation:	Signature:
W Hendricks	14/08/2026	Municipal Manager	

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AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

24 October 2025

Reference: Communication No. 09 of 2025

Dear Mr. W Hendricks

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF COMPLIANCE WITH LEGISLATION FOR THE YEAR ENDED 30 JUNE 2025

Background

1. In performing the audit of compliance with legislation, we identified instances of non-compliance as described in the annexure. We have recorded the internal control deficiency that gave rise to the instances of non-compliance and our recommendation for correcting the instances of non-compliance for your consideration.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Please provide us with the reasons for the instances of non-compliance and the steps that will be taken to rectify the matter in future.

Yours sincerely

Masixole Velem
Senior Manager: Western Cape

Enquiries: Henno Pretorius
Cell phone: 064 907 4146
Telephone: (021) 528 4100
Email: hennop@agsa.co.za

Acknowledgement of receipt by management:

_____ _____

Received by Date

Auditing to build public confidence

Auditor-General of South Africa

DETAILED AUDIT FINDING

Procurement processes and contract management

SCM: Reason for not following the official procurement processes (Deviation) not justifiable and incorrect classification of deviations

1. **Unjustified deviations from normal Supply chain processes**

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 R300 000 (VAT included) 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 R300 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 17(1) of the Municipal Supply Chain Management Regulations states that:
"A supply chain management policy must stipulate the conditions for the procurement processes of goods or
services through formal written price quotations, which must include conditions stating—
a) 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;
b) 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(1)(b) and;
c) 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."

Section 36 of the Municipal Supply Chain Management Regulations states that;

(1.) "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 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.

(2.) 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

(3.) In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 1 06 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:
"36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSESSNT
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 –

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.

2. 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.
3. Subparagraph 36(2) does not apply to the procurement processes of goods and services contemplated in paragraph 11(2) of this policy."

During our testing of this deviation, we identified several instances where the reason for the deviation was not found to be justifiable:

Part A: Inadequate Justification for Procurement processes Deviations

No	Name of supplier and service provided	Category	Actual value of contract	Deviation date of approval	Auditor's comment
1.	**Drafting of legal opinions - Bradley Conradie Halton**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R6 325,00	29 January 2025	The municipality deviated from the SCM process to procure legal services from the service provider citing the potential risk to the municipality it was vitally important to use a service provider with proven local government experience as well as someone who knows the dynamics of the municipality through previous work done. However, the deviation is unjustifiable because alternative service providers were available, and a proper procurement process should have been followed as this was not an emergency. **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 obtain price quotations in contravention with regulation 36(1)(a). This results irregular expenditure of R69 000,00. The non-compliance not individually material but will be evaluated with other instances of non-compliance.
2.	**UBUNTU TECHNOLOGY (PTY) LTD**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R322 491,28	29/11/2024	The municipality deviated from the SCM process for the core Sophos network firewall device, which was scheduled to reach its end-of-life on December 15, 2024. The reason for deviation was that the procurement process was "extensively discussed in ICT Steering Committee meetings, which led to delays in the final decision-making, as we sought the most suitable solution given the municipality's current financial challenges". This seems more like improper planning to ensure that the correct processes were followed. **Impact:** This results 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 obtain price quotations in contravention with regulation 36(1)(a). This results to irregular expenditure of R322 491.28. The non-compliance is material (recurring) and will be included in the audit report.
3.	**TWK Communications**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R93 176,73	08/07/2024	The municipality deviated from the SCM process for internet services which came to an end on 30 June 2024. The motivation for deviating was that it will require intensive hand over and infrastructure planning. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable. **Impact:** This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process.

No	Name of supplier and service provided	Category	Actual value of contract	Deviation date of approval	Auditor's comment
					Deviations were approved by the accounting officer even though it was not impractical to follow the formal tender processes. This results to irregular expenditure of R547 443.95 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report.
4.	**Wispernet**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R56 925,00	02/07/2024	The municipality deviated from the SCM process for internet fibre line 100MB installed at Head Office Data Centre and 200MB fibre line at Operational Command Centre. The current contract comes to an end on 30 June 2024. The motivation for deviating was that a transition period is of 3 months are required. A formal tender process has begun, but it seems the process was started too late resulting in the deviation. This deviation is therefore, because of the municipality's improper planning not justifiable. **Impact: 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 follow the formal tender processes. This results to irregular expenditure of R229 571.05 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report.
5.	**BIDVEST SERVICES (PTY) LTD**	Any other exceptional case where it is impractical or impossible to follow the official procurement processes	R18 630,00	22/08/2024	The municipality deviated from the SCM process for sanitary bins. The argument for the deviation was that the municipality currently pay the current service provider way less than any other bidder, but by not going out on the formal quotation process, this can not be sure and it is unfair to other bidders by not giving them a equal change to bid. **Impact: 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 follow the formal tender processes. This results to irregular expenditure of R32 500.06 (expenditure current year). All future expenditure for this services should also be regarded as irregular expenditure.. The non-compliance is material (recurring) and will be included in the audit report.

Part B:

2. Deviations incorrectly categorised

Auditors finding

Furthermore, we identified that the following deviations was incorrectly categorised as "Any other exceptional case where it is impractical or impossible to follow the official procurement process" under Regulation 36(1)(a), despite the circumstances clearly meeting the definition of an "Emergency". These deviations are therefore incorrectly classified in Note 57.7 of the AFS:

Order date	Supplier	Details of goods or services supplied	Amount (R)	Reason for deviation
1/10/2025	Blue Falcon	Security Services - Emergency Deployment - 29, 30 December 2024 till 08 January 2025	1 159 200,00	Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-08-30	NEWPORT WATER SOLUTIONS (PTY) LTD	SERVICING OF FIRE EQUIPMENT	120 101,76	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-09-26	ADENCO CONSTRUCTION PTY LTD	Vandalism and stealing of cables Main supply in Villiersdorp	102 550,08	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-10-29	ADENCO CONSTRUCTION PTY LTD	Replace damaged 11m Pole on OH line in Ham street Villiersdorp	91 191,19	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes

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2024-10-17	SPEED VAC AND PLANT (PTY) LTD	The sewer network of Grabouw had a blockage and caused a spillage in the area. The service provider was tasked to unblock the sewer and contain the spill with the use of a Jetvac truck.	61 828,90	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ADENCO CONSTRUCTION PTY LTD	Vandalism to the 11kv pole and cable vandalized	48 483,65	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ADENCO CONSTRUCTION PTY LTD	Vandalism in Villiersdorp 3x poles	46 167,97	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-09-26	ADENCO CONSTRUCTION PTY LTD	In Ham street Villiersdorp an 11Kv pole and cable was vandalized. The pole and cable was stolen.	40 145,63	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-08-15	ADENCO CONSTRUCTION PTY LTD	In Ham street Villiersdorp an 11Kv pole and cable was damage. The pole and cable was stolen. Due to gale force wind and rain it was impossible to repair.	34 365,45	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-08	ARCCON	Vandalism a 11KV pole at Dennestreet, Caledon	27 668,37	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes

2024-11-05	ADENCO CONSTRUCTION PTY LTD	Vandalism for Villiersdorp	24 863,92	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-11-25	MAXAL PROJECTS SA (PTY) LTD	Emergency callout strip and clean	6 706,80	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
2024-10-15	ANDRAG AGRICO (PTY) LTD	hose rubber dual 100mm clamp heavy duty labour	5 187,08	5. Any other exceptional case where it is impractical or impossible to follow the official procurement processes
			1 768 460,80	

Impact

- Material Non-compliance with Supply Chain Management regulations 17(1)(a) and (c) and 19 (a) resulting in irregular expenditure of R10 734 718.15. The irregular expenditure will also be assessed for expenditure management compliance to confirm if there was prevention of irregular expenditure.
- Incorrect classification misstatement of R1 768 460.80

Internal control deficiency

Financial and performance management –

Review and monitor compliance with applicable laws and regulations

- Reviews of procurement processes deviations are not performed adequately, as the reasons for bypassing the official procurement processes process are often unjustifiable.
- There is a lack of robust processes for reviewing and monitoring compliance with applicable expenditure management laws and regulations, contributing to irregular expenditure.
- The municipality lacks sufficient planning and monitoring controls to ensure deviations are justified and aligned with appropriate emergency protocols.

- Weaknesses in procurement processes oversight and insufficient planning lead to recurring non-compliance with Supply Chain Management (SCM) regulations.
- The municipality's failure to anticipate and plan for critical service needs, particularly high-demand services like town cleaning, highlights a significant deficiency in operational planning and forecasting.
- Lack of oversight mechanisms to ensure proper categorisation aligned with regulatory definitions.

Financial and performance management –

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

- Reviews of the classification of deviations and the financial statements were not performed adequately resulting in incorrect classification.

Recommendation

- Management should investigate the total population of deviations and adjust the financial statements to include the irregular expenditure of R10 734 718.15 and any other misstatement identified in the investigated population. Furthermore, management should ensure that all future payments on these unjustifiable deviations should also be regarded and treated as irregular expenditure. Management should update the financial statements to include the total irregular expenditure incurred in the current financial year in this regard.
- Management should establish robust procedures to review and monitor procurement processes deviations before approval, including independent verification of the categorisation.
- Management should strengthen their review and monitoring processes of compliance with expenditure management applicable laws and regulations to ensure that reasonable steps are taken to prevent irregular expenditure.
- A stricter approval process for deviations should be implemented, ensuring adequate justification and minimising recurrence of non-compliance.
- The municipality should revise its emergency procurement processes policies to ensure compliance with SCM regulations, even during disaster responses. Adopting a proactive approach to managing procurement processes timelines and engaging in parallel processes will help minimise irregularities and enhance transparency.
- Management should implement proper review processes on the classification of deviations in the financial statements.

Management response

DESCRIPTION	RESPONSE
Does management agree with the finding (Yes/ No)	Part A – No Part B - Yes
Detail reason for agreeing/ disagree with finding	**Part A** The deviations and related motivations were reasonable due to the circumstances that existed at that particular time, and accordingly the said deviations were approved. The Management still underscores the reality of the challenges experienced with the recruitment and selection of Senior Management during the year under review which had

DESCRIPTION	RESPONSE
	a direct impact on the functionality of the bid committees that created undue delays and forced deviations. A compounding factor was the uncertainty surrounding the Municipality's financial position and the risk of forfeiting external funding (conditional grants).
Management comment on internal control deficiencies and root cause indicated and detail reason for agreeing/ disagree with finding.	Part A – Management disagrees with finding Part B – Management agrees with the internal control deficiency.
Detail corrective action to be taken and date.	Part A – N/A as management disagrees with the finding. Part B – AFS note to be adjusted.
Does the finding affect an amount disclosed in the financial statements (Yes/ No)	Yes
If yes, what corrections will be made to the population	Part A – Management disagrees with finding Part B – AFS note to be adjusted
If **yes** and no corrections will be made the reason, why such a conclusion has been reached should be indicated.	N/A
Position of official responsible to take corrective actions	Deputy Director: Finance

Name: Annielle Martin
Position: Acting SCM Manager
Date:31/10/2025

Auditor's conclusion:

Part A

Management's responses are acknowledged. No additional supporting evidence was supplied to the auditors to justify the deviations. We therefore will conclude that the deviations are not justifiable.

Management indicated that no corrections is required in the financial statements, therefore the irregular expenditure of **R10 734 719.15** will be taken to uncorrected misstatements and the amount is material and results in a modification the audit opinion.

Part B

In respect of the irregular expenditure, we have not yet received the updated financial statements. Once received we will confirm if management adjusted for the finding.

Theewaterskloof Municipality

THEEWATERSKLOOF MUNICIPALITY

Office of the Director: Financial Services

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SUPPLY CHAIN MANAGEMENT POLICY

REQUEST FOR DEVIATION FORM IN TERMS OF REGULATION 36

Section A

Reg. 36	Reason for Deviation	(Mark with X where applicable)
(1)(a)(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	
	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.		
(ii)	**Sole supplier**	
(iii)	**Acquisition of special works of art or historical objects where specifications are difficult to compile.**	
(iv)	**Acquisition of animals for zoos and/or nature and games reserves.**	
(v)	**Any other exceptional case where it is impractical or impossible to follow the official procurement processes.**	**X**

Section B

Furnish and motivate reasons for the required deviation:

The ICT department wishes to formally request a deviation concerning the current main internet internet fibre line 100MB installed at our Head Office Data Centre and 200MB fibre line at Operational Command Centre provided by Wispernet (PTY) Ltd. The Operational Command Centre plays a crucial role in the ongoing monitoring of municipal properties through call centre operations and CCTV surveillance. This function is integral to ensuring effective oversight and management of public assets. As the existing contract expired on June 30, 2024, this deviation is necessary to ensure uninterrupted services while we adhere to the formal Internet service provider SCM tender process.

Reasons for Deviation:

The two fibre lines constitute the essential infrastructure of the municipality; their uninterrupted operation is indispensable for maintaining internet services critical to effective service delivery. Given the existing infrastructure of fibre lines, sourcing an alternative provider and reinstalling the current infrastructure would present considerable challenges.

Transition Period: We are requesting a three-month migration period to conduct thorough testing of firewall network configurations with the new service provider until September 30, 2024. We are currently in the final stages of concluding our Internet contract process titled "32. Procurement of goods and services under contracts secured by other organs of state," which is set to span a duration of three years.

Annexures: Please attached all relevant proof, i.e. quotes, sole provider, etc.

Section C

Financial Implication		
Vote Number	**Available Budget**	**Deviation Amount**
011115995724	**R 617,500.00**	**R 56 925.00**

Section D

Related Parties Declaration						
Does the requested and recommended officials have any relationship i.t.o Regulation 45 of the SCM Policy with this supplier?						
Please indicate Yes / No	No					
If Yes, provide name and surname and tick the relevant relation as indicated below						
Name and Surname						
Spouse	Domestic Partner	Dependent Child	Nondependent Child	Grandchild	Grandparent	Parent
Relative living in an Common Household	Brother	Sister	Parent-in-Law	Brother-in-Law	Sister-in-Law	

KANTOOR - CALEDON - OFFICE
✉ 24, Caledon 7230

☎ (028) 214-3300
FAX (028) 212-1229

Wispernet.

H0000095

LET WEL / PLEASE NOTE
HIERDIE BESTELLING VERVAL 2 MAANDE NA DATUM VAN UITREIKING.
THIS ORDER WILL EXPIRE 2 MONTHS AFTER DATE OF ISSUE.

269495

BESKRYWING DESCRIPTION	KR. Nr. CR No.	BESTEL Nr. ORDER No.	U VERW. YOUR REF.	BESTELDATUM ORDER DATE	AFSLAG DISCOUNT	BLADSY PAGE
Order		06/2m/24		03/07/2024	N/A	1-1

BTW. Nr./VAT No. 4000846248

VOORRAAD Nr. & BESKRYWING STOCK No. & DESCRIPTION	HOEVEELHEID QUANTITY	PRYS PRICE	AANVRAAG REQUISITION	AFSLAG LINE DISC.	NETTO WAARDE NETT VALUE	
Municipality Hq	3	3500.00	—	—	10 500.00	
10 Mbps 1:1 Uncapped, unlimited, unthrottled local and international bandwidth connection Access fee	3	3800.00	—	—	11 400.00	
CCTV Control Room 200 Mbps 1:1 uncapped, Unlimited Unthrottled local & international bandwidth connection	3	5400.00	—	—	16 200.00	
Access Fee	3	3800.00	—	—	11 400.00	
Vote No. 01111 5995724						
C. Bloemfontein				TOTAAL TOTAL R	56 925.00	

LET WEL: BETALING IS 30 DAE NA DATUM VAN MAANDSTAAT TENSY 'N ANDER REELING GETREF IS MET 'N GEKWALIFISEERDE AMPTENAAR VAN THEEWATERSKLOOF MUNISIPALITEIT.

PAYMENT IS MADE 30 DAYS AFTER DATE OF STATEMENT UNLESS OTHERWISE AGREED WITH AN AUTHORISED OFFICIAL OF THEEWATERSKLOOF MUNICIPALITY

Mnq. — Bestel deur / Ordered by

Goedgekeur deur / Approved by

OFFICIAL OF THEEWATERSKLOOF MUNICIPALITY

RM(A) (021) 386 2423 - NT1690022

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THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY

OFFICIAL ORDER

Order
H0000095

Billing Address:
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 11 CHURCH STREET
CALEDON
7230

VAT Registration number:4000846248

SUPPLIER NAME: WISPERNET (PTY) LTD. [W00092]
SUPPLIER TEL NO: 0448736228
SUPPLIER FAX NO:
PHYSICAL ADDRESS: 33 HIBERNIA STREET
GEORGE
DATE: 20240724

DIRECTORATE: Office of the Municipal Manage
COST CENTRE: Directorate: Corporate Service
NAME: BLOEMFONTEIN C
REQ NO: 269495

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DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.
MUNICIPALITY HQ 100 MBPS 1.1 UNCAPPED,UNLIMITED, UNTHROLLED LOCAL AND INTERNATIONAL BANDWITH CONNECTION	3.00	3500.00	10500.00	12075.00
ACCESS FEE	3.00	3800.00	11400.00	13110.00
CCTV CONTROL ROOM 200 MBPS 1.1 UNCAPPED,UNLIMITED,UNTHROLLEED LOCAL & INTERNATIONAL BANDWITH CONNECTION	3.00	6209.00	18627.00	18630.00
ACCESS FEE	3.00	3800.00	11400.00	13110.00
		GRAND TOTAL	51927.00	56925.00

APPROVED BY: Signature: Parnell Name In Print: PARNELL Z Date: 2024/07/24

This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

Theewaterskloof Municipality

THEEWATERSKLOOF MUNISIPALITEIT : THEEWATERSKLOOF MUNICIPALITY

OFFICIAL ORDER

Order
H0002439

Billing Address:
PO Box 24
Caledon, 7230
Tel: 028 214 3300

Delivery : 11 CHURCH STREET
CALEDON
7230

VAT Registration number:4000846248

SUPPLIER NAME: WISPERNET (PTY) LTD. [W00092]
SUPPLIER TEL NO: 0448736228
SUPPLIER FAX NO:
PHYSICAL ADDRESS: 33 HIBERNIA STREET
GEORGE
DATE: 20250411

DIRECTORATE: Corporate Services
COST CENTRE: ICT
NAME: Saurse H
REQ NO: 42164

DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.
100 MBPS 11 UNCAPPED UNLIMITED UNTHROTTLED LOCAL AND INTERNATIONAL BANDWIDTH FIBRE WITH 29 PUBLIC IP BLOCKFROM 01 APR 2025 TO 30 APR 2025 Caledon Office	1.00	6800.00	6800.00	7820.00
200 MBPS 11 UNCAPPED UNLIMITED UNTHROTTLED LOCAL AND INTERNATIONAL BANDWIDTH FIBRE WITH 29 PUBLIC IP BLOCK FROM 01 APR 2025 TO 30 APR 2025 Caledon Control	1.00	9200.00	9200.00	10580.00
		GRAND TOTAL	16000.00	18400.00

APPROVED BY: Signature: Name In Print: SEPTEMBER H.J Date: 2025/04/11

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This order is an official commitment.
The order number must be reflected on your delivery notes, correspondence and Invoices.
For all orders above R3 000, your VAT registration number must be reflected on the invoice.
Payments will be done within 30 days, from the date the invoice is received.

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WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
33 Hibernia Street, George
PO Box 814, George 6530
Email : admin@wispernet.co.za

VAT Reg. No. 414 024 8123
Tel : 044 873 6228
Fax : 044 874 7183
www.wispernet.co.za

Copy Tax Invoice

Date	01/07/24
Page	1
Document No	IOA22303

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 July 2024 - 31 July 2024				3,450.00
2500014	Access Fee 01 July 2024 - 31 July 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

673

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07 VAT Reg. No. 414 024 8123
33 Hibernia Street, George Tel : 044 873 6228
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Document No IOA22307

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 July 2024 - 31 July 2024				6,210.00
2500014	Access Fee 01 July 2024 - 31 July 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

674

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
VAT Reg. No. 414 024 8123
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Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 August 2024 - 31 August 2024				3,450.00
2500014	Access Fee 01 August 2024 - 31 August 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA22502

Theewaterskloof Municipality

P.O. Box 24
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7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 August 2024 - 31 August 2024				6,210.00
2500014	Access Fee 01 August 2024 - 31 August 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

676

WISPERNET INTERNET SERVICES PROVIDER

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VAT Reg. No. 414 024 8123
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Document No IOA22639

Theewaterskloof Municipality

P.O. Box 24
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7230

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Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 September 2024 - 30 September 2024				3,450.00
2500014	Access Fee 01 September 2024 - 30 September 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

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Document No IOA22643

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

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Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 September 2024 - 30 September 2024				6,210.00
2500014	Access Fee 01 September 2024 - 30 September 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

678

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA22800

Theewaterskloof Municipality

P.O. Box 24
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7230

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Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 October 2024 - 31 October 2024				3,450.00
2500014	Access Fee 01 October 2024 - 31 October 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA22804

Theewaterskloof Municipality

P.O. Box 24
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Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 October 2024 - 31 October 2024				6,210.00
2500014	Access Fee 01 October 2024 - 31 October 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

680

WISPERNET INTERNET SERVICES PROVIDER

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VAT Reg. No. 414 024 8123
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Date	01/11/24
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Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 November 2024 - 30 November 2024				3,450.00
2500014	Access Fee 01 November 2024 - 30 November 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA23034

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 November 2024 - 30 November 2024				6,210.00
2500014	Access Fee 01 November 2024 - 30 November 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

682

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
VAT Reg. No. 414 024 8123
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Document No IOA23352

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 December 2024 - 31 December 2024				3,450.00
2500014	Access Fee 01 December 2024 - 31 December 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

683

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
VAT Reg. No. 414 024 8123
33 Hibernia Street, George
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Document No IOA23356

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 December 2024 - 31 December 2024				6,210.00
2500014	Access Fee 01 December 2024 - 31 December 2024				4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

684

WISPERNET INTERNET SERVICES PROVIDER

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Date	01/01/25
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Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 January 2025 - 31 January 2025					3,450.00
2500014	Access Fee 01 January 2025 - 31 January 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total	6,800.00
Discount @ 0.00%	0.00
Amount Excl VAT	6,800.00
VAT	1,020.00
Total	**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

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Document No IOA23579

Theewaterskloof Municipality

P.O. Box 24
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7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 January 2025 - 31 January 2025					6,210.00
2500014	Access Fee 01 December 2024 - 31 January 2025					4,370.00

J/C:

Received in good order

Signed_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Date_____

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

- 686

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA23855

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 February 2025 - 28 February 2025					3,450.00
2500014	Access Fee 01 February 2025 - 28 February 2025					4,370.00

J/C:

Received in good order

Signed_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Date_____

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA23859

Theewaterskloof Municipality

P.O Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 February 2025 - 28 February 2025					6,210.00
2500014	Access Fee 01 February 2025 - 28 February 2025					4,370.00

J/C:

Received in good order

Signed_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Date_____

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

688

WISPERNET INTERNET SERVICES PROVIDER

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Theewaterskloof Municipality

P.O Box 24
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7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000584		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 March 2025 - 31 March 2025				3,450.00
2500014	Access Fee 01 March 2025 - 31 March 2025				4,370.00

J/C:

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Received in good order

Signed_____ Date_____

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

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Document No IOA24010

Theewaterskloof Municipality

P.O. Box 24
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11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	G0000627		40 00 84 62 48

Code	Description	Quantity Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 March 2025 - 31 March 2025				6,210.00
2500014	Access Fee 01 March 2025 - 31 March 2025				4,370.00

J/C:

Received in good order

Signed_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Date_____

Sub Total	9,200.00
Discount @ 0.00%	0.00
Amount Excl VAT	9,200.00
VAT	1,380.00
Total	**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

690

WISPERNET INTERNET SERVICES PROVIDER

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Document No IOA24190

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	10FPZ 278325		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 April 2025 - 30 April 2025					6,210.00
2500014	Access Fee 01 April 2025 - 30 April 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		9,200.00
Discount @	0.00%	0.00
Amount Excl VAT		9,200.00
VAT		1,380.00
Total		**10,580.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
33 Hibernia Street, George
PO Box 814, George 6530
Email : admin@wispernet.co.za

VAT Reg. No. 414 024 8123
Tel : 044 873 6228
Fax : 044 874 7183
www.wispernet.co.za

Tax Invoice

691

Date 01/04/25

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Document No IOA24191

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	10FPZ 278324		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 April 2025 - 30 April 2025					3,450.00
2500014	Access Fee 01 April 2025 - 30 April 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		6,800.00
Discount @	0.00%	0.00
Amount Excl VAT		6,800.00
VAT		1,020.00
Total		**7,820.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

692

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
33 Hibernia Street, George
PO Box 814, George 6530
Email : admin@wispernet.co.za

VAT Reg. No. 414 024 8123
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Fax : 044 874 7183
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Date	01/05/25
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Theewaterskloof Municipality

P.O Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	CB 03/2024/25		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 May 2025 - 31 May 2025					4,600.00
2500014	Access Fee 01 May 2025 - 31 May 2025					4,370.00

J/C:

Received in good order

Signed_____

Banking Details:
FNB , George
Branch Code. 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Date_____

Sub Total		7,800.00
Discount @	0.00%	0.00
Amount Excl VAT		7,800.00
VAT		1,170.00
Total		**8,970.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
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VAT Reg. No 414 024 8123
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Date 01/05/25

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Document No IOA24351

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number
ZG3221	CB 03/2024/25		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 May 2025 - 31 May 2025					8,050.00
2500014	Access Fee 01 May 2025 - 31 May 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		10,800.00
Discount @	0.00%	0.00
Amount Excl VAT		10,800.00
VAT		1,620.00
Total		**12,420.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

694

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
33 Hibernia Street, George
PO Box 814, George 6530
Email : admin@wispernet.co.za

VAT Reg. No. 414 024 8123
Tel : 044 873 6228
Fax : 044 874 7183
www.wispernet.co.za

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Date	01/06/25
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Document No	IOA24527

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	CB 03/2024/25		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	100MB Fibre Internet 01 June 2025 - 30 June 2025					4,600.00
2500014	Access Fee 01 June 2025 - 30 June 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		7,800.00
Discount @	0.00%	0.00
Amount Excl VAT		7,800.00
VAT		1,170.00
Total		**8,970.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

WISPERNET INTERNET SERVICES PROVIDER

Reg No: 2009/017994/07
33 Hibernia Street, George
PO Box 814, George 6530
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www.wispernet.co.za

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Date 01/06/25

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Document No IOA24531

Theewaterskloof Municipality

P.O. Box 24
Caledon
7230

11 Church Street
Caledon
7230

Account	Your Reference	Sales Code	Customer V.A.T. Reg. Number:
ZG3221	CB 03/2024/25		40 00 84 62 48

Code	Description	Quantity	Unit	Unit Price	Disc	Nett Price
2500014	200MB Fibre Internet 01 June 2025 - 30 June 2025					8,050.00
2500014	Access Fee 01 June 2025 - 30 June 2025					4,370.00

J/C:

Received in good order

Signed_____ Date_____

Banking Details:
FNB , George
Branch Code: 210 114
Account Number: 62 333 467 464

Terms 7 days Nett

OWNERSHIP OF THE ABOVE SHALL NOT PASS UNTIL PAYMENT HAS BEEN RECEIVED IN FULL

Sub Total		10,800.00
Discount @	0.00%	0.00
Amount Excl VAT		10,800.00
VAT		1,620.00
Total		**12,420.00**

SUBJECT TO OUR STANDARD CONDITIONS OF SALE / ONDERHEWIG AAN VERKOOPSVOORWAARDES

696

Theewaterskloof
Municipality

THEEWATERSKLOOF MUNICIPALITY

CONTRACT

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGN CONTRACTS FOR THEIR RESPECTIVE RECORDS

PART 1 (TO BE FILLED IN BY THE BIDDER)

I hereby undertake to supply all or any of the goods and/or works described in the bid documents to the **THEEWATERSKLOOF MUNICIPALITY** in accordance with the requirements and specifications stipulated in **QUOTATION NO: QUOTATION NO: CB 07/2025/26 – SUPPLY AND INSTALL OF FIBRE INTERNET BUSINESS LINES AT THEEWATERSKLOOF MUNICIPALITY, CALEDON FROM 01 OCTOBER 2025 TO 28 FEBRUARY 2026.**

1. at the price quoted. My offer rebinding upon me and open for acceptance by the purchaser during the validity period indicated calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement.

   (i) Bidding documents, viz
   - Invitation to bid
   - Form of Offer
   - Tax Compliance Status Pin Certificate;
   - Pricing schedule(s);
   - Specifications
   - Preference claims in terms of the Preferential Procurement Regulations 2022;
   - MBD 4 (Declaration of Interest), MBD 6.1 (Preference Points), MBD 8 (Declaration of Bidder's Past Supply Chain Management) and MBD 9 (Certificate of Independent Bid Determination);

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) rate(s) quoted cover all the goods and / or works specified in the bidding documents; that the price(s) rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or other party regarding this or any other bid.

6. I confirm that I am duly authorized to sign this contract.

697

NAME (PRINT) Lohan Oosthuizen

CAPACITY Managing Director

SIGNATURE .....

NAME OF FIRM Wispernet Pty) Ltd.

DATE 22 September 2025

WITNESSES

1. .....

2. .....

DATE 22 September 2025

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I, ... in my capacity as .....: **Corporate Services** accepts your bid for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).

2. An official order will be sent to you after the contract has been signed by both parties.

3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

4. The contract is based on the following:

ITEM	DESCRIPTION	ESTIMATED QUANTITY (A)	UNIT PRICE (B) R	UNIT PRICE (B) c	PRICE (A X B) R	PRICE (A X B) c
1	INSTALLATION FEE, IF APPLICABLE	1	0	00	0	00
2	ACCESS FEE, IF APPLICABLE FROM 01 OCTOBER 2025 TO 28 FEBRUARY 2026.	5 months	3 900	00	19 500	00
3	100 MBPS 1:1 UNCAPPED UNLIMITED UNTHROTTLED LOCAL AND INTERNATIONAL BANDWIDTH FIBRE WITH /29 PUBLIC IP BLOCK FROM 01 OCTOBER 2025 TO 28 FEBRUARY 2026. (Caledon Head office)	5 months	4 950	00	24 750	00
4	INSTALLATION FEE, IF APPLICABLE	1	0	00	0	00
5	ACCESS FEE, IF APPLICABLE FROM 01 OCTOBER 2025 TO 28 FEBRUARY 2026.	5 months	3 900	00	19 500	00
6	200 MBPS 1:1 UNCAPPED UNLIMITED UNTHROTTLED LOCAL AND INTERNATIONAL BANDWIDTH FIBRE WITH /29 PUBLIC IP BLOCK FROM 01 OCTOBER 2025 TO 28 FEBRUARY 2026. (Caledon Control Room)	5 months	9 000	00	45 000	00
			Sub Total		108 750	00
			Vat @15%		16 312	50
			Total		125 062	50

The contract period will be from 01 October 2025 until 28 February 2026.

5. I confirm that I am duly authorized to sign this contract.

SIGNED AT Caledon ON 29/09/2025

NAME (PRINT) S.M. Hlomo

SIGNATURE .....

OFFICIAL STAMP

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT

Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.

Handtekening ..... Datum .....

WITNESSES

1. .....
2. .....

DATE 22 SEP 25

5. Mediation

5.1 Each party shall submit a list with 3 (three) names of knowledgeable persons, with expertise relating to the particular field in which the dispute arose, as potential mediators from which one mediator shall be selected by agreement between the parties. Should the parties fail to reach agreement on the choice of the mediator within 5 (five) working days from the day on which it has become apparent that the matter cannot be settled through negotiation, any of the parties may request the Institute for Mediation and Arbitration of South Africa to appoint a mediator.

5.2 The mediator shall in his sole discretion determine the form of representations to be made, provided that in making this determination, the mediator shall consult the disputing parties and may be guided by their common reasonable desire on the form in which the said representations are to be made. All representations by the parties shall be made without prejudice.

5.3 The mediator shall within a period of 10 (ten) working days after receipt of the representations of the parties endeavor to facilitate an agreement between them or determine a procedure or framework within which they can negotiate to resolve the dispute or difference. All representations by the parties shall be made without prejudice.

5.4 Any such negotiated agreement shall be in writing, signed by both parties and be binding on the parties. Failing agreement between the parties the dispute shall be resolved by the submission thereof to arbitration.

5.5 The parties agree to contribute equally to the cost of the mediator and each party shall bear any other costs separately regardless of the outcome of the mediation.

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

JULY 2010

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of Contract Documents and Information Inspection

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

6.1The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

6.2When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance Security

7.1Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque.

7.4The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections Tests and Analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

8.3If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4If the inspections, tests and analyses referred to in clauses 8.2and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5Where the goods or services referred to in clauses 8.2 and 8.3do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6Goods and services which are referred to in clauses 8.2 and 8.3and which do not comply with the contract requirements may be rejected.

8.7Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and Documents

10.1Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

11. Insurance

11.1The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.

12. Transportation

12.1Should a price other than an all-inclusive delivered price be required, this shall be specified.

13. Incidental Services

13.1The supplier may be required to provide any or all of the following services, including additional services, if any:

(a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare Parts

14.1As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a)such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b)in the event of termination of production of the spare parts:
(i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4Payment will be made in Rand unless otherwise stipulated.

17. Prices

17.1Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. Variation Orders

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Assignment

19.1The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

20.1The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the Supplier's Performance

21.1Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied inconformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for Default

23.1The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a)if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b)if the supplier fails to perform any other obligation(s) under the contract; or(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.

23.6If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

24. Anti-dumping and Countervailing Duties and Rights

24.1When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for Insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4Notwithstanding any reference to mediation and/or court proceedings herein,

(a)the parties shall continue to perform their respective obligations under the contract unless they otherwise agree;
and
(b)the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

28.1Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a)the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b)the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing Language

29.1The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable Law

30.1The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

31. Notices

31.1Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and Duties

32.1A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of Contracts

33.1The contractor shall not abandon, transfer, cede assign or sublet contract or part thereof without the written permission of the purchaser

34. Amendment of Contracts

34.1No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of Restrictive Practices

35.1In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of restrictive practices 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/ are or a contractor(s) was / were involved in collusive bidding.

35.2If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 0f 1998.

35.3If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10)years and / or claim damages from the bidder(s) or contractor(s)concerned.

MPAC63/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

UNJUSTIFIED DEVIATIONS FROM NORMAL SCM PROCESSES – FIBRE INTERNET ACCESS (WISPERNET)

1. Purpose of the report

This report is submitted by the Municipal Public Accounts Committee to the Municipal Council in terms of section 32(2) of the Municipal Finance Management Act 56 of 2003 (MFMA).

The purpose of this report is to enable Council to determine whether the UIFWE is recoverable or irrecoverable, whether recovery measures must be pursued, whether the expenditure may be written off, and whether further disciplinary, criminal or other consequence-management action is required.

The report follows the minimum structure contemplated by Annexure J, including section 32(1) and regulation 74 considerations.

2. Summary of the UIFWE case

Type of UIFWE: Irregular expenditure

Financial year: 2024/2025

Amount involved: R229,571.05 per the main item and management recommendation.

Department / area: Directorate Corporate Services – ICT

Case: Procurement of 100Mbps and 200Mbps fibre internet access through a deviation after the previous service arrangement ended.

3. Factual background and events leading to UIFWE

- The municipality procured 100Mbps and 200Mbps fibre internet services for the Head Office data centre and Operational Command Centre in Caledon.
- The previous service ended on 30 June 2024.
- AGSA found that the formal procurement process had started too late and therefore the deviation was not justifiable.
- Annexure E states that a three-month contract was procured through a deviation and that purchase order H0000095 was issued for R56,925.00.
- A new contract was later procured through a competitive process.

- The main item states total 2024/25 payments to Wispernet of R229,571.05.

4. Identification of persons potentially responsible

- The then Municipal Manager / Accounting Officer approved the deviation.
- No other responsible official is identified in the UIFWE report.

The identification above is for the purpose of informing MPAC's section 32 recovery and consequence-management assessment. It does not, by itself, constitute a final finding of misconduct.

5. Section 32(1) test – deliberate or negligent conduct

The report concludes that the conduct was not negligent because there was a pressing need to keep the network operating. However, AGSA attributed the deviation to poor planning.

6. Recovery assessment in terms of section 32 and regulation 74

No recovery action has been taken. There is a significant amount discrepancy between the main item (R229,571.05) and Annexure E's three-month purchase order (R56,925.00).

7. Special considerations for irregular expenditure

- The procurement was classified as irregular because competitive procurement requirements were not followed.
- The main report and supporting Annexure E contain materially different amounts.
- Value received should be assessed against each invoice/service period, not assumed from the existence of the service.

8. Disciplinary board referral considerations

Not referred to the Disciplinary Board.

9. Criminal referral considerations

No criminal conduct is identified in the report. Criminal referral is not presently indicated unless further verification identifies unsupported or false payments.

10. Other consequence-management considerations

- Complete the supplier/payment reconciliation.
- Verify the service periods and actual connectivity delivered.
- Strengthen contract monitoring and commence procurement well before expiry.

11. MPAC recommendation to Council

1. **Confirm that R229 571.05 paid to Wispernet constitutes irregular expenditure arising from SCM non-compliance.**
2. **Determine that no quantifiable municipal financial loss has been established.**
3. **Recommends that the irregular expenditure to the amount of R229 571.05 be written off as irrecoverable in terms of section 32 of the MFMA.**
4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
6. **Strengthen ICT contract monitoring and commence procurement well before expiry.**
7. **Require quarterly reporting of critical ICT contracts to the appropriate oversight structure.**

12. Supporting annexures

- AGSA COMAF 09 of 2025.
- Deviation authorised by the Municipal Manager.
- Purchase order H0000095.
- Wispernet invoices.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	08/09/2026
MPAC resolution reference	**MPAC63/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 24 AUGUST 2026

MPAC63/2026 ICT: UNJUSTIFIED DEVIATIONS FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES: FIBRE INTERNET ACCESS (WISPERNET)

1. Why is the report amount R229,571.05?
   In the AGSA COMAF 9 of 2025, the auditor concluded that the deviation would result in expenditure of R229 571.05 for the services and should also be regarded as irregular expenditure.
2. What is the total value of the purchase order?
   Multiple orders were issued, amounting to R56 925.00
3. How much was actually paid?
   R229 571.05 was paid to Wispernet during the period under audit.
4. What dates do the invoices cover?
   The invoices cover the period from 01 July 2024 to June 2025.
5. Was service continued after the three-month emergency period?
   The same services that were procured through the emergency deviation approval continued, namely fibre internet services for the data centre and operational command centre in Caledon.
6. Was a competitive tender subsequently awarded?
   Yes, a TWK2 process was followed, and a contract was signed.
7. When did that tender process start?
   The tender/procurement process started immediately after the order was issued, through a deviation for emergency reasons, and was concluded before 30 September 2024.
8. Who was responsible for ensuring continuity?
   The then ICT Manager and the then Director for Corporate Services.
9. Why was a deviation necessary if the contract expiry was known beforehand?
   It was anticipated that Business Connexion, a subsidiary of Telkom SA, would render the services, and that a Regulation 32 process would be followed to procure the services through Transversal Tender RT15-2021 issued by the National Treasury. When the financial situation was not allowed, a decision was taken to revert to the previous solution; however, there was not enough time to commence the procurement process before the contract expired.

10. What evidence proves no loss occurred?
    The services rendered were used and monitored through the monthly contract management report.

ITEM HEADING

C241/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES - OPERATIONS: OVERSTATED IRREGULAR EXPENDITURE

[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 MPAC on the disclosure of irregular expenditure that was inclusive of payments incurred as contract value instead of the actual expenditure incurred in the 2022/23 financial year.

BACKGROUND

During the 2022/23 financial year of the auditing of irregular expenditure by the Auditor General, it was noted that the irregular expenditure disclosed and recorded in the Section 32 Register was inclusive of payments to be incurred in future as management disclosed the irregular contracts at contract value instead of the actual expenditure incurred. This results in the overstatement of irregular expenditure in the financial statements of 2022/23. Furthermore, a portion of it was written off by Council as recommended by Municipal Public Accounts Committee (MPAC). This results in a material overstatement of *Irregular expenditure of R 26 830 957,32 incurred in the 2022/23 financial year* and *approved by Council* as disclosed in note 53.3 of the financial statements.

DISCUSSION

The Municipality must prepare annual financial statements which fairly present the state of affairs of the municipality, its performance against the budget, its management of revenue, expenditure, assets and liabilities, its business activities, financial results and position at the end of each financial year. Management must also ensure that the financial statements of the Municipality present the financial position, financial performance and cash flows.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

This results in a material overstatement of Irregular expenditure of R 26 830 957,32 incurred in the 2022/23 financial year and approved by Council as disclosed in note 53.3 of the financial statements.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The legal implications of this report are governed by Section 32 of the MFMA, which mandated the identification, reporting and management of unauthorized, irregular, fruitless and wasteful expenditure (UIFWE).

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Management must review processes of irregular expenditure incurred that was not adequate to ensure that only actual expenditure incurred as disclosed as irregular expenditure in the financial statements to reduce the risk of occurance.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that MPAC considerers the report and the mitigation controls that were proposed.

RECOMMENDATION BY MANAGEMENT TO MPAC: 14 AUGUST 2026

It is recommended that MPAC considerers the report and the mitigation controls that were proposed.

NOTE: Upon the availability of the Council Resolution regarding Material Irregularity, a reconciliation will be done on any overlapsed items to determine the correct financial loss.

DISCUSSION DURING MEETING: 08 SEPTEMBER 2026

Mr J Barnard:

- The overstatement in the agenda-item is only for the overstatement in the AG report for the service providers used by Community Services.
- Actual expenditure versus Irregular Expenditure (Section 32 register at SCM) – Annual Financial Statements to be corrected.
- Nothing to do with value for money.
- Separate reports on all the service providers will be presented as irregular expenditure for consideration by MPAC.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 08 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Take note of the overstatement amount of R26 830 957.32 classified by the AG as an irregular expenditure.**

2. **Recommends that the irregular expenditure to the amount of R26 830 957.32 be written off as irrecoverable in terms of section 32 of the MFMA.**

3. **Takes note of the assurance given by the Deputy Director: Operations, Mr J Barnard, that agenda-items regarding irregular expenditure for all the service providers listed, will be presented to MPAC for consideration.**

4. **No disciplinary board referrals are recommended.**

5. **No criminal charge referrals are recommended.**

6. **Management should ensure that the correct figures of irregular expenditure are disclosed in future financial statements.**

MPAC - IRREGULAR EXPENDITURE REPORT

TITLE: COMMUNITY SERVICES – OVERSTATED IRREGULAR EXPENDITURE

1. INTRODUCTION:

This report has been drafted for submission to MPAC in accordance with Section 32 of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations. This report will focus on the irregular expenditures incurred due to non-compliance of Section 122(1) of the MFMA and in terms of Paragraph 17 of the General Recognized Accounting Princeples1 (GRAP 1) for the 2022/2023 financial year.

The report will analyse the incident and the events that led to the irregular expenditure, identifies the responsible officials and outlines the measures taken, or proposed measures to prevent similar recurrences.

2. LEGAL IMPLICATIONS OF THE REPORT:

The legal implications of this report are governed by Section 32 of the MFMA, which mandated the identification, reporting and management of unauthorized, irregular, fruitless and wasteful expenditure (UIFWE).

3. TYPE OF UIFWE APPLICATION TO THIS REPORT:

The type of UIFWE applicable to this report is that irregular expenditure that was disclosed and recorded in the Section 32 Register, was inclusive of payments to be incurred in future as management **disclosed irregular contracts at contract value instead of the actual expenditure incurred.** That resulted to the overstatement or irregular expenditure incurred.

4. DISCUSSION OF EVENTS / REASONS THAT LED TO THE UIFWE:

During the 2022/23 financial year of the auditing of irregular expenditure by the Auditor General, it was noted that the irregular expenditure disclosed and recorded in the Section 32 Register was inclusive of payments to be incurred in future as management **disclosed the irregular contracts at contract value instead of the actual expenditure incurred.** This results to the overstatement of irregular expenditure in the financial statements of 2022/23. Furthermore, a portion of it was written off by Council as recommended by Municipal Public Accounts Committee (MPAC). This result in a material overstatement of *Irregular expenditure of R 26 830 957,32 incurred in the 2022/23 financial year* and *approved by Council* as disclosed in note 53.3 of the financial statements.

In terms of Section 122(1)(a) of the MFMA No. 56 of 2003:

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of Paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1):

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial

Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation.

Below is a list of irregular expenditures incurred in the 2022/23 financial year that was disclosed at contract value instead of actual expenditure incurred:

COMAF 6 Overstatement of Irregular Expenditure			
Service Provider	**Actual Expenditure 2022/23**	**Irregular expenditure as per Section 32 Register**	**Difference**
ZWH Projects	R 29 107 728.20	**R 22 811 454.41** **R 1 842 913.70**	**R 5 656 564,62**
Specialized Agri Protection Services	R 139 168.32	**R 47 540.00** **R 21 340.00**	**R 65 933.61**
WB Tipper Trucks and Plant Hire	R 21 680 968,75	**R 14 316 075.50** **R 995 394.00**	**R 4 528 113.50**
Blue Falcon (Pty)Ltd	R 21 621 253,50	**R 16 833 084.75**	**R 11 245 404.16**
Security Consortium	R 12 144 317,00	**R 9 426 407.00**	**R 2 087 682.00**
SISWA Trading and Project	R 7 385 116.00	**R 7 385 116,00**	-
Term Group	R 7 085 072,94	**R 5 990 926.50**	**R 2 188 293.88**
Isidingo Security	R 6 124 445,50	**R 5 925 408.66**	**R 970 424,73**
HWM Consultancy	R 77 595.40	**R 20 257.88** **R 57 701,52**	-
Machaira Projects	R 707 984.17	**R 627 693.35** **R 80 290.82**	**R 80 290,82**
Trails End	R 9 790.00	**R 8 250.00**	**R 8 250.00**
Van Tonder Security	R 156 365.00	**R 156 365,00**	-
TOTAL	R 106 239 804.78	**R 86 546 219.09**	**(R 26 830 957.32)**

A material overstatement of irregular expenditure incurred in the 2022/23 financial year amounts to a total of R 26 830 957.32.

5. OFFICIALS RESPONCIBLE FOR THE UIFWE INCURRED:

In terms of Section 32 of the MFMA, it requires that consideration need to be given whether any irregular expenditure that was incurred were of a result of deliberate or negligent action by an official.

According to the MFMA the Municipal Manager serves as the Accounting Officer and is task with primary duties encompassing financial management, asset and liability control and budget implementation. The CFO is responsible for oversight in terms of Section 81 of the MFMA to ensure that financial statements reflects the financial position of the municipality, SCM processes are adhered to and that any deviations are promptly documented and approved to avoid any irregular expenditures.

The Municipality must prepare annual financial statements which fairly presents the state of affairs of the municipality, its performance against the budget, its management of revenue, expenditure, assets and liabilities, its business activities, financial results and position at the end of each financial year. Management must also ensure that the financial statements of the Municipality present the financial position, financial performance and cash flows.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred as disclosed as irregular expenditure in the financial statements.

6. WHY IS THE EXPENDITURE AN IRREGULAR EXPENDITURE:

The irregular expenditure that was disclosed and recorded in the Section 32 Register was inclusive of payments be incurred as management disclosed the irregular contracts at contract value instead of actual expenditure incurred. This resulted in a material overstatement of irregular expenditure in the 2022/23 financial year.

7. CONCIDERATION OF DELIBERATE OR NEGLIGENT CONDUCT RELATING TO UIFWE INCURRED:

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred because of deliberate or negligent actions or inaction by an official. The assessment is necessary to support the determination of liability and the appropriate consequence management response.

The information and facts presented in this report indicated that the irregular expenditure that was incurred was disclosed and recorded in the Section 32 Register, but the irregular contract value was recorded instead of the actual spending and resulted in a material overstatement of irregular expenditure.

There is no evidence that it was done intentionally, and the available information does not indicate any intentional actions.

8. MITIGATING CONTROLS TO PREVENT A SIMILAR UIFWE IN FUTURE:

To prevent similar findings in future, the following mitigating controls need to be implemented:

1. Management need to strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.
2. Management must further adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed
3. Reinforce SCM training for all relevant officials, focussing on prescribed procurement processes.
4. Introduced a mandatory checklist and approval workflows for SCM procurement and deviation processes in the financial system.
5. Require mandatory IA to conduct quarterly SCM compliance audits and report findings to the MPAC.
6. Embedded SCM compliance verifications into both the original and adjustment budget processes.

9. CONFIRMATION BY AUTHER:

I, Jan Barnard, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. ANNEXURES:

Annexure A – A copy of Communication No 6 of the Auditor General

11. CONCLUSION OF THE REPORT:

In conclusion, the report highlights the material overstatement of irregular expenditure resulted by the disclosure of contract values instead of the actual expenditure incurred. The analysis provided aims to ensure accountability and transparency, within the municipality's financial management practices.

12. REFERAL OF REPORT TO MPAC:

This report is hereby referred to the MPAC for its UIFWE assessment as contemplated in Section 32(2) of the MFMA.

REPORT COMPILED BY	DATE	DESIGNATION	SIGNATURE
J BARNARD	31/7/26	DD OPERATIONS	

REPORT APPROVED BY	DATE	DESIGNATION	SIGNATURE
WILFRED SCHREVIAN EVAN SOLOMONS-JOHANNES	31.07.2026	DIRECTOR: COMMUNITY SERVICES MA.F. Solomons-Johannes	31.07.2026

REPORT AUTHORIZED FOR MPAC BY	DATE	DESIGNATION	SIGNATURE
W HENDRICKS	4/8/2026	M.H W HENDRICKS	

ANNEX A

721

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

18 October 2023

Reference: Communication No. 06 of 2023

Dear Mr. WS Johannes

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

Background

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

722

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

DETAILED AUDIT FINDING

723

Irregular expenditure overstated

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."

During the audit of irregular expenditure, it was noted that the irregular expenditure disclosed and recorded in the section 32 register was inclusive of payments to be incurred in future as management disclosed the following irregular contracts at contract value instead of actual expenditure incurred.

This results to the overstatement of irregular expenditure by a material amount of R42 283 776. Furthermore, a portion amounting to R22 571 827 was written off by council as recommended by Municipal Public Accounts Committee (MPAC).

This result in a material overstatement of *Irregular expenditure incurred in the current year* line by R42 283 776 and *approved by council line* by R22 571 827 as disclosed in note 53.3 of the financial statements.

SUPPLIERS AND PAYMENT NUMBERS	ACTUAL EXPENDITURE 2022/23	IRREGULAR EXPENDITER AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS	DIFFERENCE
ABH Logistics	**384 000,00**	**384 000,00**	-
26983	384 000,00	384 000,00	
Bluefalcon (pty) Ltd.	**10 375 849,34**	**21 621 253,50**	**(11 245 404,16)**
23915	2 284 762,50	16 833 084,75	
24854	2 359 800,00	-	
25063	2 167 750,00	-	
25141	2 432 250,00	-	
25485	914 250,00	-	
26730	217 036,84	1 999 999,99	
27179 - Payment in 2023/24	-	2 788 168,76	

Caledon Informal Traders Association (CITA)	**250 420,00**	**179 458,53**	**70 961,47**
24169	250 420,00	179 458,53	
Caledon Vet	**400,00**	**400,00**	**-**
23126	400,00	400,00	
HWM Consultancy	**77 959,40**	**77 959,40**	**-**
22835	20 257,88	20 257,88	
23287	57 701,52	57 701,52	
JT Maritz Electrical	**-**	**4 794 000,44**	**(4 794 000,44)**
No Payments in 2022/23	-	4 794 000,44	
K2C Construction	**205 831,14**	**165 784,00**	**40 047,14**
23747	48 944,00	48 944,00	
24309	88 991,14	48 944,00	
26493	67 896,00	67 896,00	
Machaira Projects (Pty) Ltd.	**627 693,35**	**707 984,17**	**(80 290,82)**
22933	141 003,53	627 693,35	
23209	141 003,59	-	
23628	136 455,09	-	
24196	209 231,14	80 290,82	
MDL Engineering Company (Pty) Ltd.	**9 258 758,70**	**8 182 769,13**	**1 075 989,57**
23922	3 692 352,87	8 182 769,13	
24134	863 860,68	-	
24520	1 530 115,42	-	
24663	1 483 167,43	-	
25734	825 221,52	-	
25936	864 040,78	-	
Media 24	**12 311,99**	**2 280,00**	**10 031,99**
26353	12 311,99	2 280,00	
Rhula National Security	**1 159 200,00**	**1 304 100,00**	**(144 900,00)**
24199	144 900,00	-	
24380	289 800,00	1 304 100,00	
25067	144 900,00	-	

25183	289 800,00	-	
25493	289 800,00	-	
Security Consortuim SA	**10 056 635,00**	**12 144 317,00**	**(2 087 682,00)**
23909	1 428 300,00	9 426 407,00	
24381	1 518 000,00	-	
25068	1 580 100,00	-	
25184	840 075,00	-	
25495	1 972 250,00	-	
26729	2 717 910,00	2 717 910,00	
Siswa Trading & Projects	**7 385 116,00**	**7 385 116,00**	**-**
23925	780 436,00	7 385 116,00	
23961	1 294 992,00	-	
24278	767 510,00	-	
24695	821 123,00	-	
25070	879 428,00	-	
25185	1 535 365,00	-	
25415	1 306 262,00	-	
Specialised Agri Protection Services	**73 234,71**	**139 168,32**	**(65 933,61)**
23926	49 795,72	47 540,00	
25739	23 438,99	21 340,00	
(blank)		70 288,32	
Term Group	**4 896 779,06**	**7 085 072,94**	**(2 188 293,88)**
23927	1 662 639,76	5 990 926,50	
24395	1 069 996,43	-	
25071	1 069 996,43	-	
25497	1 094 146,44	-	
27181 - Payment in 2023/24	-	1 094 146,44	
Trails End	**1 540,00**	**9 790,00**	**(8 250,00)**
24899	1 540,00	1 540,00	
(blank)		8 250,00	
TWK Communications	**114 134,13**	**33 838,54**	**80 295,59**

23929	114 134,13	33 838,54	
Unitrade 1047 T/A Isidingo Security Services	**7 112 870,23**	**6 142 445,50**	**970 424,73**
23930	789 360,00	5 925 408,66	
24385	789 360,00	-	
24697	992 960,06	-	
25072	203 600,06	-	
25102	992 960,06	-	
25499	1 344 630,06	-	
26728	1 999 999,99	217 036,84	
Utilities Worlds (Pty) Ltd.	**581 816,86**	**3 646 500,00**	**(3 064 683,14)**
25776	227 486,62	3 646 500,00	
26110	88 175,69	-	
26509	77 889,06	-	
26943	85 418,22	-	
27241	102 847,27	-	
Van Tonder Security Services	**156 365,00**	**156 365,00**	**-**
24270	156 365,00	156 365,00	
Verso Financial Services (Pty) Ltd.	**-**	**10 667 411,16**	**(10 667 411,16)**
(blank)	-	10 667 411,16	
Verve Media Group Africa	**5 400,00**	**5 400,00**	**-**
23064	5 400,00	5 400,00	
WB Tipper Truck and Plant Hire (Pty) Ltd.	**17 152 855,25**	**21 680 968,75**	**(4 528 113,50)**
23746	270 692,75	14 316 075,50	
23910	556 824,25	-	
23963	285 090,75	-	
24343	849 936,25	-	
24396	1 065 003,50	-	
24698	2 198 514,00	-	
24850	2 196 500,00	-	
25073	2 191 900,00	-	
25186	1 503 487,00	-	

25500	1 191 262,00	-	
25554	1 605 434,50	-	
26731	3 238 210,25	3 238 210,25	
(blank)		995 394,00	
27182 - Payment in 2023/24	-	3 131 289,00	
ZWH Projects and Development	**23 451 163,58**	**29 107 728,20**	**(5 656 564,62)**
23614	357 909,70	22 811 454,41	
23911	1 138 518,70	-	
24078	328 945,25	-	
24279	1 585 028,28	-	
24472	657 890,50	-	
24688	55 890,00	-	
24699	964 164,55	-	
24853	1 965 813,34	-	
25074	557 302,50	-	
25178	5 591 908,01	-	
25501	5 654 496,15	-	
26732	3 764 820,30	3 624 883,79	
27183	828 476,30	828 476,30	
(blank)		1 842 913,70	
Grand Total	**93 340 333,74**	**135 624 110,58**	**(42 283 776,84)**

Internal control deficiency

Financial and Performance Management

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Recommendation

Management should strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Management should further adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed.

Management response

Management comment on audit finding: Management notes the finding and agrees with the finding.		
Management comment on internal control deficiencies: Management agrees with the internal control deficiencies.		
Management comment on recommendation: Management agrees with the recommendation. The AFS will be adjusted accordingly.		
Remedial action		
What actions will be taken: AFS to be adjusted	By whom: Deputy & Act. CFO	By when: Final submission of AFS
If the above finding affects an amount(s) disclosed in the financial statements:		
Please give an indication of whether a correcting journal entry shall be processed	Yes	**No**
If yes, please indicate the accounting entry: N/A		
If no, please provide the reason why such a conclusion has been reached: The misstatement relates to a disclosure item of which no journal is required.		

Name: Paul Mabhena
Position: Act. CFO
Date: 01/11/2023

Auditor's conclusion:

MPAC64/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

OVERSTATED IRREGULAR EXPENDITURE

1. Purpose of the report

This report is submitted by the Municipal Public Accounts Committee to the Municipal Council in terms of section 32(2) of the Municipal Finance Management Act 56 of 2003 (MFMA).

The purpose of this report is to enable Council to determine whether the UIFWE is recoverable or irrecoverable, whether recovery measures must be pursued, whether the expenditure may be written off, and whether further disciplinary, criminal or other consequence-management action is required.

The report follows the minimum structure contemplated by Annexure J, including section 32(1) and regulation 74 considerations.

2. Summary of the UIFWE case

Type of UIFWE: Accounting misstatement relating to irregular expenditure

Financial year: 2022/2023

Amount involved: R26,830,957.32 per the current municipal report.

Department / area: Directorate Community Services – Operations / financial reporting

Case: Irregular expenditure was disclosed at contract value instead of actual expenditure incurred, causing an overstatement in the Section 32 register and financial statements.

3. Factual background and events leading to UIFWE

- The current report states that the Section 32 register included future payments because irregular contracts were disclosed at contract value rather than actual expenditure.
- The current report states a material overstatement of R26,830,957.32 for 2022/23.

4. Identification of persons potentially responsible

- The report does not clearly identify an individual official responsible for the misstatement.

- The matter appears to involve financial reporting/classification controls and requires identification of the officials responsible for the Section 32 register and financial statements.

The identification above is for the purpose of informing MPAC's section 32 recovery and consequence-management assessment. It does not, by itself, constitute a final finding of misconduct.

5. Section 32(1) test – deliberate or negligent conduct

The current report does not provide a completed section 32(1) assessment of deliberate or negligent conduct.

6. Recovery assessment in terms of section 32 and regulation 74

Recovery cannot be determined as this is a overstatement and not necessarily cash expenditure.

7. Special considerations for irregular expenditure

- The matter concerns overstatement/misclassification, not necessarily cash expenditure beyond what was actually paid.
- Financial statements and the Section 32 register must reflect actual expenditure incurred.

8. Disciplinary board referral considerations

No disciplinary board referral is recommended.

9. Criminal referral considerations

No criminal conduct is identified.

10. Other consequence-management considerations

- Correct Section 32 register and financial statements.
- Implement independent review of irregular-expenditure classifications.

11. MPAC recommendation to Council

MPAC recommends that Council:

- **Take note of the overstatement amount of R26 830 957.32 classified by the AG as an irregular expenditure.**

- **Recommends that the irregular expenditure to the amount of R26 830 957.32 be written off as irrecoverable in terms of section 32 of the MFMA.**
- **Takes note of the assurance given by the Deputy Director: Operations, Mr J Barnard, that agenda-items regarding irregular expenditure for all the service providers listed, will be presented to MPAC for consideration.**
- **No disciplinary board referrals are recommended.**
- **No criminal charge referrals are recommended.**
- **Management should ensure that the correct figures of irregular expenditure are disclosed in future financial statements.**

12. Supporting annexures

- AGSA Communication No. 06 of 2023.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	08/09/2026
MPAC resolution reference	**MPAC64/2026**

MPAC64/2026 DIRECTORATE COMMUNITY SERVICES – OPERATIONS: OVERSTATED IRREGULAR EXPENDITURE

1. Why does the current figure differ from the AGSA figure?
2. What happened to the R22.571 million previously written off?
3. Which Council resolutions are affected?
4. Which contracts were included in the overstatement?
5. What is the actual irregular expenditure after correction?
6. Has the Section 32 register been corrected?
7. Have the annual financial statements been corrected?
8. Did the previous write-offs include expenditure that had not actually occurred?
9. Does any actual financial loss remain after the correction?
10. Has the Auditor-General agreed with the municipality's revised calculation?

DISCUSSION DURING MEETING:

Mr J Barnard:

- The overstatement in the agenda-item is only for the overstatement in the AG report for the service providers used by Community Services.
- Actual expenditure versus Irregular Expenditure (Section 32 register at SCM) – Annual Financial Statements to be corrected.
- Nothing to do with value for money.
- Separate reports on all the service providers will be presented as irregular expenditure for consideration by MPAC.

ITEM TITLE

C242/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT LOCAL ECONOMIC DEVELOPMENT: IRREGULAR EXPENDITURE REPORT - FESTIVAL OF LIGHTS 2022/2023 FINANCIAL YEAR

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

This report has been prepared for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act, 56 of 2003 (MFMA), read together with Regulation 74 of the Municipal Budget and Reporting Regulations.

The report deals with irregular expenditure incurred during the implementation of the Christmas Lights Festival held on 16 December 2022, where expenditure amounting to R179 458.53 was subsequently classified as irregular expenditure due to non-compliance with the Municipality's Supply Chain Management (SCM) Policy.

The purpose of the report is to provide MPAC with the relevant facts surrounding the expenditure, assess whether the expenditure is recoverable in terms of section 32 of the MFMA, identify any person who may be liable, consider whether disciplinary or criminal proceedings are warranted, and recommend appropriate corrective and preventative measures.

BACKGROUND

The Festival of Lights (Christmas Lights Festival) is a municipal community event intended to celebrate the commencement of the festive season while promoting social cohesion, local economic development, tourism and opportunities for local businesses, informal traders and artists.

Following the successful hosting of the festival during the 2017/2018 period, the Executive Mayor expressed the intention to revive the event during December 2022.

To facilitate planning, the Directorate: Economic Development and Planning prepared a detailed proposal for the hosting of the Festival of Lights. The proposal, including the estimated budget requirements, implementation arrangements and anticipated socio-economic benefits, was tabled to the Municipal Management Team on 7 November 2022 for consideration.

During the presentation of the proposal, management was informed that no budget provision had been made for the Festival of Lights in the Municipality's approved 2022/2023 Annual Budget. It was further indicated that expenditure incurred in the absence of an approved budget allocation would require corrective action through the Municipality's subsequent adjustment budget process.

After Management's decision, the administration commenced with detailed planning and implementation of the festival. An internal planning committee was established comprising representatives from:

- Local Economic Development and Tourism;
- Traffic Services;
- Town Management;
- Electricity Services;
- Occupational Health and Safety; and
- Supply Chain Management.
- The Caledon Informal Traders Association (CITA) also served on the planning committee as the representative body for local informal traders.

As part of its role, CITA:

- coordinated participation by informal traders;
- sourced sponsorships and donations from local businesses;
- assisted with the event application;
- facilitated procurement of various goods and services required for the event in terms of a Service Level Agreement concluded with the Municipality.
- The estimated budget for the festival amounted to R250 420.00.
- Actual expenditure incurred amounted to R179 458.53, with sponsorships and donations significantly reducing the Municipality's financial contribution. The unspent balance was refunded to the Municipality by CITA in accordance with the provisions of the Service Level Agreement.
- Although the Festival was successfully implemented and achieved its intended municipal objectives, the procurement and funding process did not fully comply with the Municipality's approved budget and Supply Chain Management requirements. Consequently, the expenditure was subsequently identified and recorded as irregular expenditure in terms of section 1 of the Municipal Finance Management Act.

Subsequent Auditor-General Finding – Immaterial Variance (COMAF 6)

After the submission of the original Section 32 report, the Auditor-General of South Africa, through Communication No. 06 of 2023 dated 20 October 2023, identified an immaterial variance relating to the reconciliation of the Festival of Lights expenditure.

The Auditor-General's reconciliation reflected the following:

Description	Amount (R)
Immaterial Variance (COMAF 6)	436.47

During Management's review of the Auditor-General's findings, a detailed reconciliation of the transaction was undertaken. The review established that the original Section 32 report contained a calculation error reflecting the amount expected to be repaid to the Municipality. The report incorrectly reflected a repayment amount of R70,961.47, whereas the correct repayment made by the Caledon Informal Traders Association (CITA) amounted to R70,525.00, as confirmed by the supporting bank statements.

Further investigation confirmed that the remaining R436.47 represented bank charges levied by the service provider's financial institution when processing the repayment to the Municipality and did not constitute expenditure retained by CITA. The Municipality received the repayment due in terms of the Service Level Agreement, less than the banking charges incurred by the service provider during the transfer process.

Management accordingly concluded that:

- the Service Level Agreement was substantially complied with;
- the Municipality received the agreed reimbursement of the unspent funds;
- the difference of R436.47 arose solely from banking charges and a clerical calculation error in the original Section 32 report;
- the variance does not represent a municipal financial loss; and
- no evidence exists that the variance resulted from fraud, corruption, theft, personal enrichment or any deliberate attempt to misrepresent the financial position of the Municipality.
- Based on the Auditor-General's findings and Management's reconciliation, the variance of R436.47 is regarded as immaterial and does not alter the conclusion that the Municipality received the goods and services associated with the Festival of Lights, benefited from the event, received repayment of the unspent funds, and suffered no quantifiable financial loss arising from this variance.

DISCUSSION

Event Implementation

1. Procurement Process Assessment

Although the Festival of Lights was approved by Management as a municipal initiative and implemented successfully, the investigation found that the procurement process for acquiring goods and services did not fully comply with the Municipality's approved Supply Chain Management (SCM) Policy.

The investigation found that the Caledon Informal Traders Association (CITA) was appointed through a Service Level Agreement to coordinate the procurement of various goods and services required for the event and to source sponsorships from local businesses. This approach was adopted because CITA had already been actively involved in planning the event, representing the local informal trading sector and was able to mobilise community support and sponsorships within the limited implementation period available.

The investigation further established that the appointment was made outside the prescribed competitive procurement processes required by the Municipality's SCM Policy. No evidence was found that a formal competitive bidding process or an approved deviation in terms of the SCM Policy had been completed before the Service Level Agreement was concluded. Consequently, although the procurement achieved the intended operational objectives, the process followed was not fully compliant with the Municipality's procurement framework.

The investigation notes that Management decided to proceed with the festival after considering the public interest, economic development objectives and operational timeframes. The investigation established that the procurement process did not comply with Regulation 19 of the Municipal Supply Chain Management Regulations and the relevant provisions of the Municipality's SCM Policy requiring a competitive bidding process (or an approved deviation) for procurements of this nature.", the Management decision to proceed with the event did not exempt the Municipality from complying with the requirements of the MFMA, the Municipal Supply Chain Management Regulations or the Municipality's SCM Policy. It is this procedural non-compliance that resulted in the expenditure being classified as irregular expenditure.

2. Official(s) or councillor(s) responsible for UIFWE

Following an assessment of the available documentation, financial records, Service Level Agreement, management reports, Auditor-General findings and supporting evidence, the investigation established the following:

- The Local Economic Development and Tourism Department, i.e. the LED Manager, Ms EL Lotriet, and the events and tourism staff members, i.e. Mr Morne October and Ms Busisiwe Fadana, were instructed to implement The Festival of Lights.
- Given the instruction, a proposal was drafted and tabled to the management to revive a successful municipal event that had previously been hosted during the 2017/2018 period.

The proposal was formally tabled before the Municipal Management Meeting on 7 November 2022. The Municipal Management Team consisted of the following officials:

OFFICIAL	DESIGNATION
Mr Boy Ngubo	Municipal Manager
Denver Damons	Deputy Director: Technical Services
Francois Du Toit	Deputy Director: Electrical Services Department
Walter Hendriks	Acting Director: Corporate Services
Ashwille Riddles	Acting CFO
Honey Gxoyiya	Acting Director: Economic Development and Planning
Wilfred Solomons-Johannes	Director: Community Services
Anton Opperman	Chief Internal Audit
Elana Lotriet	LED Manager

Theewaterskloof Municipality

BESTUURSVERGADERING

07 NOVEMBER 2022

PRESENSIELYS

Theewaterskloof Municipality

NAAM EN VAN	HANDTEKENING
Mnr/Mr B Ngubo	
Mnr/Mr D Damons	
Mnr/Mr F du Toit	
Mnr/Mr W Hendricks	
Mnr/Mr A Riddles	
Mnr/Mr H Gxoyiya	
Mnr/Mr W Solomons-Johannes	
Mnr/Mr A Opperman	
Me/Ms M Faul	MFaul
Me/Ms S Baron	

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that:

1. **Management endorses the hosting of the Christmas lights festival on 16 December 2022 at Donkin Plein, Caledon.**

2. **Funding for the budget shortfall to the amount of R250 450.00 be allocated to successfully host the event.**

3. **Approval be granted to enter into a formal agreement with Caledon Informal Traders Association (CITA), as a registered institution, to coordinate the function and to transfer the event funds to them for the logistic and coordinating of the event.**

4. **CITA to provide a debriefing report, outlining all expenditure to the Municipality post the event, by no later than 15 January 2023.**

RECOMMENDATION FROM ECONOMIC DEVELOPMENT COMMITTEE TO MANAGEMENT: 02 NOVEMBER 2022

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 recommended as follows:

1. **That Management endorses the hosting of the Christmas lights festival on 16 December 2022 at Donkin Plein, Caledon.**

2. **That funding for the budget shortfall to the amount of R250 450.00 be allocated to successfully host the event.**

3. **That approval be granted to enter into a formal agreement with Caledon Informal Traders Association (CITA), as a registered institution, to coordinate the function and to transfer the event funds to them for the logistic and coordinating of the event.**

4. **That CITA to provide a debriefing report, outlining all expenditure to the Municipality post the event, by no later than 15 January 2023.**

RESOLVED BY MANAGEMENT: 07 NOVEMBER 2022

1. **Management endorses the hosting of the Christmas lights festival on 16 December 2022 at Donkin Plein, Caledon.**

2. **Management resolves that the budget shortfall be discussed with the budget office by the Manager: LED, Ms E Lotriet.**

3. **That approval be granted to enter into a formal agreement with Caledon Informal Traders Association (CITA), as a registered institution, to coordinate the function and to transfer the event funds to them for the logistic and coordinating of the event.**

4. **That CITA to provide a debriefing report, outlining all expenditure to the Municipality post the event, by no later than 15 January 2023.**

For finalization by the Manager: LED, Ms E Lotriet.

Findings of fact

- Management approved the event.
- Officials implemented the Management decision.
- CITA entered into a Service Level Agreement.

- SCM requirements were not followed.

The investigation does not conclude that any individual official is liable for the irregular expenditure. Responsibility for ensuring compliance with SCM legislation ordinarily rests with officials exercising delegated procurement responsibilities. The determination of negligence or liability remains a matter for MPAC and Council in terms of section 32 of the MFMA."

- Management was informed that no budget provision existed within the approved 2022/2023 Municipal Budget for the Festival.
- After considering the proposal, Management resolved that the festival should proceed and that the budget implications would be addressed during the subsequent Adjustment Budget process.
- A multi-disciplinary planning committee was established to coordinate implementation of the event.
- A Service Level Agreement was concluded with the Caledon Informal Traders Association (CITA) to facilitate procurement activities, coordinate informal trader participation and obtain sponsorships from local businesses.
- Sponsorships secured by CITA reduced the Municipality's financial contribution to the event.
- The festival was successfully implemented and achieved its intended municipal, social and local economic development objectives.
- Actual expenditure amounted to R179 458.53.
- Unspent funds amounting to R70 525.00 were refunded to the Municipality in accordance with the Service Level Agreement.
- The Auditor-General subsequently identified an immaterial reconciliation variance of R436.47, which Management confirmed resulted from bank charges incurred during the repayment transaction together with a clerical calculation error contained in the original report.
- The procurement process followed for the appointment of CITA did not fully comply with the Municipality's approved Supply Chain Management Policy and consequently the expenditure constitutes irregular expenditure in terms of section 1 of the MFMA.

3. Why is the expenditure irregular expenditure?

The expenditure constitutes irregular expenditure because it was incurred in a manner that was not fully compliant with the Municipality's approved Supply Chain Management Policy.

Although:

- ✓ a legitimate municipal event was held;
- ✓ the Municipality entered into a formal Service Level Agreement;
- ✓ goods and services were delivered;
- ✓ sponsorships reduced municipal expenditure; and
- ✓ surplus funds were refunded to the Municipality,

- ✓ The appointment process did not follow the prescribed competitive procurement procedures.

Consequently, the expenditure falls within the definition of irregular expenditure contained in section 1 of the MFMA as expenditure incurred in contravention of, or not in accordance with, the Municipality's Supply Chain Management Policy.

The investigation distinguishes between the legitimacy of the municipal objective and compliance with procurement legislation. The Festival of Lights constituted a legitimate municipal initiative supported by Management and delivered measurable community and local economic development benefits. Nevertheless, the legitimacy of the event does not remove the Municipality's obligation to comply with the legislative and policy requirements governing public procurement. Accordingly, the irregular expenditure relates solely to the procurement process followed and not to the value, necessity or outcome of the expenditure itself.

4. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires MPAC to consider whether irregular expenditure resulted from deliberate conduct, negligence, gross negligence or circumstances beyond reasonable control.

The available documentation indicates that:

1. the event was initiated in response to a Mayoral commitment;
2. implementation timelines were limited;
3. the administration sought to ensure successful delivery of an important community event;
4. CITA was selected because of its unique community representation and ability to secure sponsorships;
5. a formal Service Level Agreement governed the relationship;
6. full financial reporting was submitted;
7. surplus funds were repaid to the Municipality.
8. No evidence has been identified indicating:
9. fraud;
10. corruption;
11. personal enrichment;
12. collusion;
13. intentional circumvention of procurement legislation for improper gain.
14. However, the prescribed Supply Chain Management procedures were not fully complied with.

The investigation does not make a finding on negligence. Rather, it presents the evidence for MPAC's consideration. Similarly, no evidence was found that CITA received any undue benefit beyond the contractual obligations contained in the Service Level Agreement.

However, responsibility for ensuring compliance with the Municipality's Supply Chain Management Policy ultimately rests with officials exercising delegated procurement responsibilities. The purpose of this investigation is therefore not to exonerate any individual but to present the available evidence to enable MPAC to determine whether negligence occurred and whether any person should be held liable in terms of section 32 of the MFMA.

On the balance of probabilities, the available evidence indicates that the irregular expenditure resulted from procedural non-compliance during the implementation of an approved municipal project rather than deliberate misconduct or intentional financial misconduct.

5. Mitigating controls to prevent similar UIFWE in future

To strengthen governance and prevent recurrence of similar irregular expenditure, the following corrective measures should be implemented:

a. Develop and adopt a comprehensive Municipal Events Management Policy incorporating procurement planning and governance requirements.
b. Ensure that all major municipal events are included in the approved Annual Procurement Plan and municipal budget.
c. Require early SCM involvement during the planning stages of all municipal events.
d. Introduce a mandatory procurement compliance checklist before any event implementation may commence.
e. Ensure that deviations from normal procurement processes are fully motivated, approved and documented in accordance with applicable SCM legislation.
f. Provide annual SCM compliance training to officials responsible for organising municipal events.
g. Establish a standing Municipal Events Committee with clearly defined governance and procurement responsibilities.

Financial Loss and Recovery Assessment

The investigation considered whether the Municipality suffered a financial loss arising from the irregular expenditure and whether recovery proceedings would be appropriate in terms of section 32 of the MFMA.

The evidence confirms that:

- the contracted goods and services were delivered in full;
- the Festival was successfully implemented;
- the Municipality received the intended community, tourism and local economic development benefits;

- sponsorships reduced the Municipality's financial contribution;
- the unspent balance of R70 525.00 was refunded to the Municipality in accordance with the Service Level Agreement; and

- the Auditor-General's immaterial variance of R436.47 was attributable to bank charges incurred during the repayment transaction and does not constitute a municipal loss.
- Accordingly, the investigation did not identify any quantifiable financial loss suffered by the Municipality.
- In the absence of financial loss, contractual breach or unjust enrichment by the service provider, recovery proceedings against CITA would not be appropriate. The investigation further notes that any consideration of recovery against an official is dependent upon a finding of liability by Council following MPAC's recommendation in terms of section 32 of the MFMA.

6. Confirmation by author of report that information in report is a true reflection of facts

I, Elana Lotriet, confirm that the information contained in the report is a true reflection and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

7. Confirmation if UIFWE matter has been referred for disciplinary action & if not, why not?

Based on the available evidence:

- no evidence of fraud, corruption or personal benefit has been identified;
- the Municipality received the contracted services;
- all expenditure has been fully accounted for;
- the Service Level Agreement was substantially complied with;
- the Municipality received reimbursement of the unspent allocation.

Accordingly, no disciplinary proceedings have been instituted at this stage.
Should MPAC identify additional evidence indicating financial misconduct, the matter may be referred in terms of the Municipal Financial Misconduct Regulations.
Similarly, no criminal investigation has been initiated as the available evidence does not indicate criminal conduct requiring referral under section 173 of the MFMA.

This recommendation is based on the information currently available and may be revisited should further evidence emerge.

8. Measures already taken

The Municipality has already undertaken the following corrective actions:

- "entered into and implemented a formal Service Level Agreement"

- obtained a comprehensive event debriefing report;
- verified expenditure through supporting invoices and bank statements;
- recovered the unspent allocation of R70 525.00 from CITA;

- disclosed the expenditure as irregular expenditure in the Annual Financial Statements; and
- submitted the matter for investigation in terms of section 32 of the MFMA.

9. Cost of measures already taken

No additional costs have been incurred in recovering municipal funds.
The Municipality successfully recovered the unspent allocation.

10. Estimated cost and benefit of further recovery

- The Municipality has already recovered the refundable balance due under the Service Level Agreement.
- There is therefore no further recoverable financial loss arising from the transaction.
- The estimated cost of pursuing further recovery proceedings would exceed any potential benefit.
- Accordingly, further recovery action is not considered appropriate.

Annexures

The following supporting documentation accompanies this report:

- Minutes of the management meeting approving the Festival of Lights Event.
- Service Level Agreement between Theewaterskloof Municipality and CITA.
- Event debriefing report.
- Financial expenditure reconciliation.
- Proof of repayment of R70 525.00.
- Bank statements.
- Auditor-General Communication No. 06 of 2023.
- Section 32 Register.
- Council and MPAC resolutions relating to the Festival of Lights.
- Correspondence and supporting documentation relied upon during the investigation.

The investigation confirms that the Festival of Lights was implemented as an approved municipal initiative intended to promote social cohesion, tourism and local economic development within the Theewaterskloof municipal area. The event was successfully delivered; the Municipality received the contracted goods and services, sponsorships reduced municipal expenditure, and the unspent funds were refunded in accordance with the Service Level Agreement.

The investigation further confirms that the expenditure was correctly classified as irregular expenditure because the procurement process followed did not fully comply with the Municipality's approved Supply Chain Management Policy.

The irregularity therefore relates to procedural non-compliance with procurement legislation and not to the legitimacy, necessity or performance of the expenditure.

Management's subsequent investigation into the Auditor-General's Communication No. 06 of 2023 established that the immaterial variance of R436.47 resulted from bank charges incurred during the repayment transaction together with a clerical calculation error contained in the original Section 32 report. The investigation found no evidence that the variance resulted in municipal financial loss, fraud, corruption or personal enrichment.

Based on the evidence available, the investigation did not identify any basis upon which recovery from the Caledon Informal Traders Association would be justified, as the contractual obligations were substantially fulfilled, the Municipality received the intended benefit and the refundable balance was repaid. The investigation similarly found no evidence of intentional financial misconduct. The determination of whether any official should be held liable for procedural non-compliance remains a matter for consideration by MPAC and Council in accordance with section 32 of the MFMA.

"The report therefore provides MPAC with the factual and legal basis required to determine whether any person should be held liable and whether the expenditure should be certified as irrecoverable in terms of section 32 of the MFMA. Based on the evidence currently available, MPAC recommends to Council that no disciplinary or criminal proceedings be instituted at this stage. This recommendation may be reviewed should additional evidence emerge."

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

As per MFMA.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The legal implications of this report are governed primarily by:

- Section 32 of the Municipal Finance Management Act, 56 of 2003;
- Regulation 74 of the Municipal Budget and Reporting Regulations;
- The Municipality's approved Supply Chain Management Policy;
- The Municipal Systems Act, 32 of 2000 (where applicable); and
- The Municipal Financial Misconduct Regulations.

Section 32 of the MFMA requires the Municipality to investigate all instances of irregular expenditure and determine whether:

- the expenditure is recoverable;
- any official or other person is liable;
- disciplinary or criminal proceedings are required; or
- the expenditure should be certified by Council as irrecoverable and written off.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

As per attached report.

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item be referred back to be amended as discussed during the Management Meeting with the inclusion of a recommendation, if applicable, and the COMAF's for the item and that the item thereafter be submitted to MPAC for discussion.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that MPAC recommend to Council that:

1. **The expenditure of R179 458.53 be confirmed as irregular expenditure resulting from non-compliance with the Municipality's Supply Chain Management Policy.**

2. **MPAC considers recommending to Council that the expenditure be certified as irrecoverable in terms of section 32 of the MFMA, having regard to the investigation findings that:**

    2.1. **the Municipality received the contracted goods and services;**
    2.2. **the festival achieved its intended municipal objectives;**
    2.3. **the unspent allocation of R70 525.00 was refunded to the Municipality;**
    2.4. **no municipal financial loss has been identified;**
    2.5. **no evidence of fraud, corruption or personal enrichment was established; and**
    2.6. **there are no reasonable grounds to pursue recovery against the service provider.**
    2.7. **The question of liability of any municipal official, if applicable, should be determined by Council after considering MPAC's recommendations.**

3. **"Based on the evidence currently available, MPAC recommends to Council that no disciplinary or criminal proceedings be instituted.**

4. **This recommendation may be reviewed should additional evidence emerge.**

DISCUSSION DURING MEETING: (03 SEPTEMBER 2026)

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 03 SEPTEMBER 2026

MPAC recommends that Council:

1. **Confirms that R179, 458.53 constitutes irregular expenditure resulting from non-compliance with the Municipality's SCM Policy.**

2. **Notes that the Municipality received contracted goods and services and achieved the intended objectives of the event.**

3. **Notes that R70 525 00 was refunded by CITA and that the R436.47 AG variance is reported as bank charges/calculation error rather than a municipal loss.**

4. **Recommends that the irregular expenditure to the amount of R179, 458.53 be written off as irrecoverable in terms of section 32 of the MFMA.**

5. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

7. **Direct Management to implement event-procurement controls.**

ITEM TITLE

C243/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT PROPERTY MANAGEMENT: ITEM TO MPAC FOR ITEM 3968914 - IRREGULAR EXPENDITURE: MEDIA 24 (MOTOR SPORT DEVELOPMENT IN CALEDON)

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

Item to MPAC for item 3968914 - Irregular Expenditure: Media 24 (Motor Sport Development in Caledon)

BACKGROUND

Refer to Annexure Bundle.

DISCUSSION

Refer to Annexure Bundle.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Refer to Annexure Bundle.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Refer to Annexure Bundle.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Refer to Annexure Bundle.

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item be referred back to be amended as discussed during the Management Meeting with the inclusion of a recommendation and the COMAF's for the item and that the item thereafter be submitted to MPAC for discussion.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That MPAC notes the circumstances in which expenditure of R2 280.00, VAT inclusive, was incurred and paid to Media24 for the advertisement published in the Hermanus Times on 5 April 2023 concerning the proposed motor sport facility on a portion of Erf 2830, Caledon.**
2. **That MPAC determines that the amount constitutes irregular expenditure because the advertisement was published before an official municipal purchase order had been issued and before the required Supply Chain Management processes had been completed.**
3. **That MPAC determines that the evidence available is insufficient to establish, on a balance of probabilities, that any official deliberately or negligently committed, made or authorised the irregular expenditure as contemplated in section 32(1)(c) of the MFMA.**
4. **That MPAC finds that the incident should, on the evidence available, be treated as an administrative process-control failure requiring corrective management action, improved internal communication and strengthened SCM controls.**
5. **That MPAC determines that no recovery proceedings should be instituted in relation to this expenditure and therefore recommends that the irregular expenditure be certified as irrecoverable and written off in terms of section 32(2)(b) of the MFMA.**

DISCUSSION DURING THE MEETING: (03 SEPTEMBER 2026)

Councillor P Stander: Was the service rendered as no proof of the advertisement was attached?

Ms N Baliso: No final approval was granted for the publication. No proof from Media 24 – no purchase order was issued.

Ms Baliso indicated that she was satisfied that the service was rendered.

Councillor TB Zimmermann: Who authorized the publication?

Ms M Faul describes the procurement process to be followed for placing of advertisements.

Councillor P Stander indicated that the explanation answered a lot of questions.

Councillort TB Zimmermann: Process to sign off the quotation that a purchase order can be issued. Someone authorized the publication without a purchase order.

Mr E Wessels: Quotation is obtained with the advertisement from Media 24. Media 24 proceeded with the publication without the approval of the Municipality. The service was rendered therefore the invoice needs to be signed off. It was a miscommunication between Media 24 and the Official of Theewaterskloof Municipality.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 03 SEPTEMBER 2026

MPAC recommends that Council:

1. **Confirms that R2 280.00 paid to Media 24 constitutes irregular expenditure arising from SCM non-compliance.**

2. **Determine that no quantifiable municipal financial loss has been established.**

3. **Recommends that the irregular to the amount of R2 280.00 be written off as irrecoverable in terms of Section 32 of the MFMA.**

4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

Annexure: E

(These illustrative UIFWE-incidence report templates are provided for guidance. Municipalities and municipal entities may adapt these templates to suit their internal reporting formats. The headings included represent the minimum required content of a UIFWE report. Municipalities and municipal entities may include additional information where necessary to support proper disclosure, oversight, and decision-making.)

IRREGULAR EXPENDITURE REPORT: COUNCIL ITEM SC30/2026 – MEDIA24 / HERMANUS TIMES ADVERTISEMENT: PROPOSED MOTOR SPORT DEVELOPMENT, PORTION OF ERF 2830, CALEDON

Council item	SC30/2026
File number	6/3/1/5/1
Financial year	2022/2023
Supplier / publication	Media24 / Hermanus Times
Service	Advertisement: proposed motor sport development, portion of Erf 2830, Caledon
Publication date	5 April 2023
Amount paid	R2 280.00 (VAT inclusive)
Identified responsible official	Ms Janine Joorst

1. Introduction

This report has been prepared for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.

The incident concerns R2 280.00 (VAT inclusive) paid to Media24 for an advertisement in the Hermanus Times during the 2022/2023 financial year. The advertisement related to a proposed motor sport facility on a portion of Erf 2830, Caledon.

2. The legal implications of the report

Section 32(1)(c) of the MFMA provides that a municipal official is liable for irregular expenditure if the official deliberately or negligently committed, made or authorised that expenditure. Under section 32(2), the Municipality must recover the amount from a person found liable unless Council, after investigation by a Council committee, certifies the amount as irrecoverable and writes it off. A write-off does not, by itself, excuse disciplinary or criminal proceedings.

Sections 62 and 78 of the MFMA require effective, efficient and transparent financial management, diligent operation of internal controls, prevention of irregular expenditure and compliance with the MFMA, the SCM policy and delegations. Section 171 treats the deliberate or negligent causing or permitting of irregular expenditure as financial misconduct; the applicable financial-misconduct framework requires investigation and appropriate disciplinary steps where the evidence warrants them.

Regulation 74 requires the committee to consider measures already taken to recover the amount, the cost of those measures, the likely cost and benefit of further recovery action, and the reasons supporting its recommendation to Council.

The transaction occurred on 5 April 2023. The Theewaterskloof SCM Policy dated 1 July 2019, presently available for this assessment, requires procurement through authorised processes and three written quotations for purchases from R2 000.01 to R30 000.00 (VAT inclusive). Deviations require Accounting Officer approval on lawful grounds, with reasons recorded and reported. The record to the authors disposal contains one quotation and no evidence of an official order before publication.

3. Type of UIFWE applicable to this report

Classification: Irregular expenditure arising from non-compliance with the Municipality's supply chain management requirements.

Media24 published the advertisement on 5 April 2023 before an official purchase order had been generated.

The service was received and the amount was paid. The evidence therefore supports classification as irregular expenditure. It does not presently support a separate classification as fruitless and wasteful expenditure because the advertisement was published and responses were received.

4. Discussion of events/reasons that led to the UIFWE

A request was received at Department Economic Development and Planning from the Executive mayoral office to investigate the possibility of a motor sport development better know a s a 'spin-track' in Caledon particularly in the area close to the existing Caledon Sport grounds or where similar evets was conducted in the past.

Mr Johann Pienaar, Manager: Town Planning and Building Control, sent a site analysis dated 14 February 2022 to Mr E. Lotriet, Manager: Local Economic Development, addressing Erf 2830 and Remainder Erf 1, Caledon which directly identifies the two possible portions of land.

During the Draft 2023/2024 IDP a possible motor sport facility on a portion of Erf 2830 was identified as a proposed project during the IDP identification period. The Mayor requested the Property Management office that a public participation process be conducted to assess public sentiment. The Officials were uncertain which statutory participation process applied to this request because Council had not decided on the use of the land in terms of the applicable legislation process.

It was thus proposed during a collaborative meeting with department Economic Development and Planning as well as officials from the IDP office that the identified project be advertised with the draft IDP participation process.

This process was later presented as not the correct decision and that the matter should first have been referred to Senior Management for guidance.

Ms J Joorst from Property Management subsequently proceeded with the process to obtain quotation from Media 24 for the placement of the proposed advertisements as part of the process identified. On 30 March 2023 at 08:14 Ms Olivia Dickson of Media24 emailed Ms Janine Joorst the advertisement proof "for approval", stated the price as R2 280.00 including VAT, and identified publication in the Hermanus Times on 5 April 2023. The underlying proof was sent by Ms Glaudia Potgieter at 08:09.

No documentary evidence was made available to the author confirming that Ms J. Joorst sought or obtained final approval before instructing Media24 to publish the advertisement. Media24 subsequently proceeded with publication before an official municipal order had been issued.

Media24 published the advertisement 05 April 2023. The Municipality thereby received the service before completing the required SCM control. R2 280.00 (VAT inclusive) was subsequently paid during the 2022/2023 financial year.

Although the publication proceeded without a formal municipal order, the service delivered a useful outcome that contributed to future planning. Public comments and objections were received, enabling the Municipality to assess community sentiment. This is relevant to determining whether any financial loss was suffered and whether recovery is warranted, but it does not retrospectively regularise the procurement non-compliance.

Council Item SC30/2026 describes the cause of the incident generally as a "miscommunication between the Property Management Office and Media24." Appropriate standard operating procedures and procurement controls will be implemented to prevent a recurrence.

Management (12 June 2023), MPAC (22 June 2023) and Council (29 June 2023) supported or resolved that the amount be approved and accepted because no fraud, loss or damage was identified and value was received.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

Primary implicated official

Ms Janine Joorst is the identified responsible official only based from the administrative function. Ms Joorst requested the placement of the advertisement and based on further miscommunication between herself and the Media 24 office the placement proceeded. The publication instruction was the immediate causal act by which the Municipality received a service before the official order and required SCM process were completed.

Based on the evidence this was purely a miscommunication with no intend to proceed with the publication without an official order.

6. Why is the expenditure irregular expenditure?

The publication of the advertisement before the Municipality had generated an official purchase order committed the Municipality outside the authorised procurement workflow and circumvented a fundamental preventative SCM control.

The transaction value of R2 280.00, VAT inclusive, fell within the written-quotation threshold prescribed by the SCM Policy effective from 1 July 2019 and presently available to the author.

The available record contains no approved deviation supported by lawful reasons, no valid ratification, and no purchase order issued before publication. The original Annexure A expressly records that the normal SCM processes were not followed.

The uncertainty regarding the appropriate public-participation process increased the need to escalate the matter and obtain the required approvals before committing the Municipality. It did not provide authority to bypass the applicable SCM requirements.

Although public comments and objections were received, no direct financial loss was identified, and no evidence of fraud is presently apparent, these considerations do not remedy or regularise expenditure incurred contrary to the applicable SCM Policy.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

There is presently insufficient evidence to conclude that the responsible official acted deliberately or negligently. Although the miscommunication might have been prevented had the level of diligence reasonably expected of a municipal official been exercised, the available evidence does not support a definitive finding in this regard.

8. Mitigating controls to prevent similar UIFWE in the future

The original Annexure A states that the applicable protocol was communicated to staff, and the 12 June 2023 management recommendation contemplated a directive by Acting Municipal Manager Mr W.S.E. Solomons-Johannes.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Mr E. Wessels, Head: Property Management, confirm that this report is a true and accurate reflection of the facts presently known from Council Item SC30/2026, its annexures.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not?

The agenda record does not show that Ms Janine Joorst or any other official was referred to the Disciplinary Board or to another formal disciplinary process. The 2023 process concluded that there were no grounds for a claim because value was received and no loss, damage or fraud was identified.

11. Measures already taken to recover the UIFWE

No recovery action against Ms Janine Joorst or any other person is evidenced in the agenda bundle. The amount of R2 280.00 was paid to Media24, and the Council resolution dated 29 June 2023 "approved and accepted" the expenditure without recording a determination of individual liability or the recovery of the amount.

Recovery should not be pursued merely because an official has been identified by name. On the evidence presently available, it cannot be established that Ms Joorst acted deliberately or negligently. It is therefore not recommended, at this stage, that she or any other official be held personally financially liable for the expenditure or that recovery proceedings be instituted.

This remains subject to the committee's final determination after considering all relevant evidence and affording the affected official an opportunity to make representations.

12. Cost of the measures already taken to recover UIFWE

None is evidenced.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

The maximum principal amount potentially recoverable is R2 280.00. If liability is established, a written demand and voluntary or administratively lawful repayment process would have low marginal cost and should be attempted first.

14. Annexures

The following records support this report or must be obtained before the section 32 process is finalised:

14.1. Annexure Bundle:

a. Email confirmation from Media24 on quotation received

b. Site Analysis Report

15. Conclusion of report

The Municipality incurred irregular expenditure of R2 280.00 (VAT inclusive) in the 2022/2023 financial year when Media24 published the Hermanus Times advertisement before the SCM process and official order were completed. The service was received, public comments were generated and no fraud, personal gain or actual financial loss is presently evidenced.

16. Referral of report to the MPAC

This report is referred to MPAC for investigation and a recovery assessment under section 32 of the MFMA and regulation 74. MPAC is requested to recommend that Council:

Report compiled by:	Date:	Designation:	Signature:
Mr E. Wessels	24 July 2026	Head: Property Management	
Report approved by:	**Date:**	**Designation:**	**Signature:**
Ms NL Baliso	27 July 2026	Director: Economic Development and Planning	
Report authorised for MPAC referral by:	**Date:**	**Designation:**	**Signature:**
Mr W Hendricks	03/08/2026	Municipal Manager	

1003

756

Janine Joorst

From:	Olivia Dickson <Olivia.Dickson@media24.com>
Sent:	Thursday, March 30, 2023 8:14 AM
To:	Janine Joorst
Subject:	FW: Advert Proof: Mun TWK MOTOR SPORT DEVELOPMENT-000000000-20x3-HL050423
Attachments:	Mun TWK MOTOR SPORT DEVELOPMENT-000000000-20x3-HL050423.jpg; Mun TWK MOTOR SPORT DEVELOPMENT-000000000-20x3-HL050423.pdf

More Janine

Ek hoop dit gaan goed vanoggend

Hiermee aangeheg die advertensie vir goedkeuring

Prys: R2 280 (BTW ingesluit)

Vriendelike groete

Olivia Dickson
021 406 2026 | 082 328 4396
odickson@hermanustimes.co.za

HERMANUS Times

MEDIA24 BOLAND media

From: Glaudia Potgieter <Glaudia.Potgieter@media24.com>
Sent: Thursday, March 30, 2023 8:09 AM
To: Olivia Dickson <Olivia.Dickson@media24.com>
Subject: Advert Proof: Mun TWK MOTOR SPORT DEVELOPMENT-000000000-20x3-HL050423

Publication: Hermanus Times

Publication Date: Wednesday 05 April 2023

Advert Size: 20x3

757

Advert Id: 000000000

1004

Description: Mun TWK MOTOR SPORT DEVELOPMENT

Sent: 08:08 on 30 March 2023

PROOFREADING
The responsibility of spelling/grammar will be that of the representative and the client for approval.

PROOFS
- **Only 3 proofs are allowed per client for in-house designing.**
- **All proofs have to be signed off or approved via e-mail.**

PROEFLEESWERK
Die verantwoordelikheid van die spelling/grammatika lê by die verteenwoordiger en die kliënt wat goedkeuring moet gee.

PROEWE
- **Slegs 3 proewe word per kliënt toegelaat vir advertensies wat intern opgemaak is.**
- **Alle proewe moet afgeteken of per e-pos goedgekeur word.**

NB: Geen advertensie wat deur 'n Grafiese Ontwerper van Media24 ontwerp is mag ingevolge artikel 12(7) van die Wet op Outeursreg, 1987 sonder verlof van Media24 gereproduseer word nie!
NB: In accordance with article 12(7) of the of the Copyright Act, 1987, no advertisement designed by a graphic designer of Media24 may be reproduced without the permission of Media24.

This email is subject to the following disclaimer

1005

SITE ANALYSIS REPORT

To: E Lotriet
Manager: Local Economic Development

From: Johann Pienaar
Manager: Town Planning and Building Control

Date: 11 February 2022

Subject: Site analysis for possible motor sport development

---

1. INTRODUCTION

1.1. With reference to the meeting that was held regarding the above matter on 09 February 2022, the town planning section conducted a site analysis on two areas that were identified to accommodate the proposed development. The erven that formed part of the analysis includes Erf 2830, Caledon and Remainder Erf 1, Caledon (refer Annexure A). The analysis covers the following headings:

1.1.1. Location;
1.1.2. Accessibility;
1.1.3. Extent;
1.1.4. Existing infrastructure;
1.1.5. Security and access control;
1.1.6. Slope;
1.1.7. Zoning;
1.1.8. Natural environment;
1.1.9. Noise pollution; and
1.1.10. Spectator safety.

2. LOCATION

2.1. The possible development area that was identified on Erf 2830, Caledon, is indicated as Annexure B. Erf 2830 is the location of the Caledon sports fields. The area in question does not currently form part of the formal sports facilities and is not being utilised for any specific purpose.

2.2. The portion identified on the Remainder of Erf 1, Caledon is indicated in Annexure C. The area in question is located next to the abovementioned Caledon sports fields and the Caledon golf club. The property is not currently being utilised for any purpose.

3. ACCESSIBILITY

3.1. Erf 2830 is accessible via an existing access point located within Agri Avenue. In the absence of a traffic impact statement, it appears as if the existing access road and access point is sufficient to provide access to the site itself. There is however not vehicular access to the potential paved area where the motor sport will take place. It will therefore be necessary to construct such an access road. The possible alignment of such an access road is indicated in Annexure D.

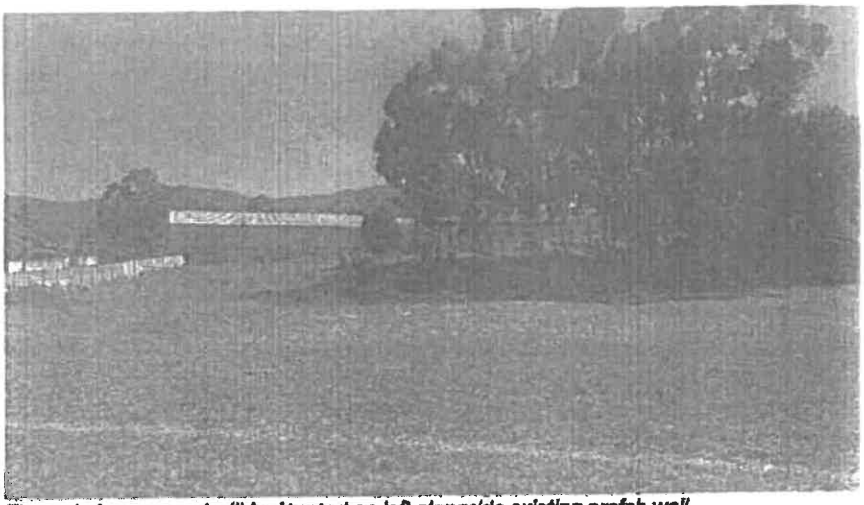


Figure 1: Access road will be located on left alongside existing prefab wall.

3.2. The portion identified on Remainder Erf 1 is accessible via Sports Avenue. However, the aforementioned road is only paved up to the point of the access gates to the sports field. Again, in the absence of a traffic impact statement, the author is of the opinion that a formal, paved access road will have to be constructed to ensure safe access to the development area. The extent of the aforementioned road is indicated in Annexure E.



Figure 2: Access road to be upgraded

4. EXTENT

4.1. From the documentation that was presented to the town planning section, an area of approximately 1 500m² is required for the development area.

4.2. The area identified on Erf 2830 for the proposed activity has an extent of approximately 3 860m². This area is for the possible motor sport track alone. It does not include the area that is available for spectator areas and parking. The area identified on Erf 1 has an approximate extent of 3 hectares. This 3 hectare area must include the motor sport track, parking as well as spectator areas.

4.3. From the above it is therefore evident that both identified areas are large enough to accommodate the proposed land use.

5. EXISTING INFRASTRUCTURE

5.1. As Erf 2830 forms part of the existing sports fields, extensive infrastructure is available that can be utilised for the purposes of the proposed land use. The existing parking area of the sports field can be used for the purposes of the proposed land use. The sports field is furthermore developed with ablution facilities that can also be utilized. The area identified on Erf 2830 lastly has a spectator area that, with some minor upgrading, can be used.

5.2. The portion identified on Erf 1 does not have any existing infrastructure. It will therefore be necessary to construct parking areas, ablution facilities for spectators as well as spectator viewing areas.

6. SECURITY AND ACCESS CONTROL

6.1. Access to Erf 2830 can easily be controlled as the sports field is walled and fenced. It will therefore be easy to secure the area and prevent unauthorised access to the site.

6.2. As it currently stands, the area identified on Erf 1, will have to be secured by constructing a wall or erecting a fence. This will form part of the overall project budget should this area be considered for development.

7. SLOPE

7.1. The area identified on Erf 2830 is flat with very little, to no slope at all. The author is of the opinion that earth works will not be required to ensure a suitable area for the proposed track.

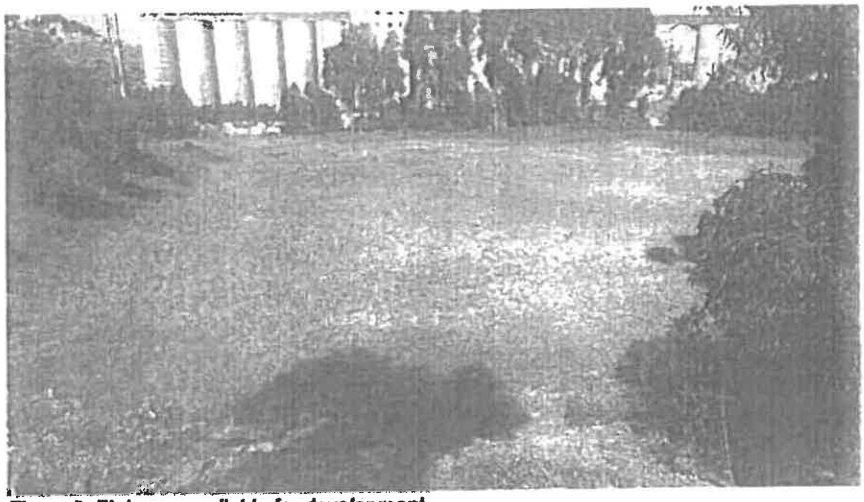


Figure 3: Flat area available for development

7.2. The identified area on Erf 1 has a slope that runs in an easterly to westerly direction. Although the slope is not regarded as significant in terms of development criteria, the author is of the opinion that some earthworks will be required to ensure a suitable area for the proposed track. These earthworks will also form part of the overall budget should this area be considered for development.

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Figure 4: East-west sloping terrain

8. ZONING

8.1. Erf 2830 is currently zoned as Open Space Zone 1 in terms of the Theewaterskloof Municipality Zoning Bylaw. The primary land use rights associated with this zoning includes public open space. The land use description for this use means land, with or without access control set aside for the public as an open space for recreation or outdoor sport. Motor sport is regarded as an outdoor sport and therefore the current zoning for Erf 2830 allows for the proposed activity to take place on the property, without the need for any further land use approvals.

8.2. Erf 1 is currently zoned as Utility Zone in terms of the Theewaterskloof Municipality Zoning Bylaw. The primary use for this particular zoning is utility service which is limited to infrastructure that is required to provide engineering and associated services for the proper functioning of urban development (e.g. water reservoirs, purification works, electricity substations, etc). In order to establish the proposed land use on Erf 1 either a departure or rezoning application will have to be submitted to the town planning section for processing.

9. NATURAL ENVIRONMENT

9.1. Erf 2830 is an existing sport complex with *no* natural vegetation or sensitive areas present. No negative impact within this regard is foreseen.

9.2. The area identified on Erf 1 does contain sensitive vegetation and is located next to an area that contains critically sensitive vegetation. This is confirmed in a botanical study that was completed in 2019 for the municipality (refer Annexure F). The recommendation in the report is that should the area with less sensitive vegetation be considered for development, which a 10 meter buffer be left between the development area and the critically endangered area. In light of the above information, it is likely that any development proposal on this area will require an environmental authorisation process in terms of the National Environmental Management Act. However, this must be confirmed with the Department of Environmental Affairs and Development Planning, should this area be considered for development.

10. NOISE POLLUTION

11. Given the location of the identified area on Erf 2830, the silos of the malt factory, provide a buffer between the development area and the residential areas of Bergsig and Uitsig. However, the possibility exists that noise is also reflected from the silos towards the CBD area of Caledon.



Figure 5: Possible noise buffers

11.1. No buffer exists between the area identified on Erf 1 and the neighbouring residential area of Bergsig. Noise pollution is therefore a very real possibility.

11.2. In the absence of a noise impact study, it is impossible to say with certainty what the impact of noise will be on the surrounding urban environment. However, on face value,

it would appear that Erf 2830 does contain certain mitigating features that might limit the impact of noise on the surrounding area.

12. SPECTATOR SAFETY

12.1. The physical characteristics of Erf 2830 offers the opportunity to easily separate spectators from the motor sport activities itself. Spectator safety can therefore be ensured with very little intervention.



Figure 6: Possible spectator area



Figure 7: Possible elevated spectator area

12.2. Erf 1 will require the construction of a designated spectator area to ensure the safety of spectators during motor sport activities.

13. SUMMARY AND CONCLUSION

13.1. The following table summarises the characteristics of both areas that were evaluated:

Criteria	Erf 2830	Erf 1
Location	✓	✓
Accessibility	✓	X
Extent	✓	✓
Existing infrastructure	✓	X
Security and access control	✓	X
Slope	✓	X
Zoning	✓	X
Natural environment	✓	X
Noise pollution	✓	X
Spectator safety	✓	X

In light of the above assessment, it is the author's opinion that Erf 2830 is more suitable to accommodate the proposed land use.

Prepared by

J Pienaar
Manager: Town Planning and Building Control

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AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

20 October 2023

Reference: Communication No. 06 of 2023

Dear Mr. WS Johannes

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

Background

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

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Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

DETAILED AUDIT FINDING - 768

Irregular expenditure overstated

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."

During the audit of irregular expenditure, it was noted that the irregular expenditure disclosed and recorded in the section 32 register was inclusive of payments to be incurred in future as management disclosed the following irregular contracts at contract value instead of actual expenditure incurred.

This results to the overstatement of irregular expenditure by a material amount of R16 792 426.07. Furthermore, a portion amounting to R15 538 594.63 was written off by council as recommended by Municipal Public Accounts Committee (MPAC).

This result in a material overstatement of *Irregular expenditure incurred in the current year* line by R16 792 426.07 and *approved by council line* by R15 538 594.63 as disclosed in note 53.3 of the financial statements.

SUPPLIERS AND PAYMENT NUMBERS	ACTUAL EXPENDITURE 2022/23	IRREGULAR EXPENDITER AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS	DIFFERENCE
ABH Logistics	**384 000,00**	**384 000,00**	-
26983	384 000,00	384 000,00	
Bluefalcon (pty) Ltd.	**16 964 768,10**	**21 621 253,50**	**(4 656 485,40)**
23915	2 284 762,50	16 833 084,75	
24854	2 359 800,00	-	
25063	2 167 750,00	-	
25141	2 432 250,00	-	
25485	914 250,00	-	
26730	217 036,84	1 999 999,99	
27608	2 110 250,00		
27940	1 690 500,00		
27179 - Payment in 2023/24	2 788 168,76	2 788 168,76	
Caledon Informal Traders Association (CITA)	**250 420,00**	**179 458,53**	**70 961,47**
24169	250 420,00	179 458,53	
Caledon Vet	**400,00**	**400,00**	-

23126	400,00	400,00	
HWM Consultancy	**77 959,40**	**77 959,40**	-
22835	20 257,88	20 257,88	
23287	57 701,52	57 701,52	
JT Maritz Electrical	**3 212 691,93**	**4 794 000,44**	**(1 581 308,51)**
No Payments in 2022/23	-	4 794 000,44	
27745	1 212 917,70		
27261	1 999 774,23		
K2C Construction	**205 831,14**	**165 784,00**	**40 047,14**
23747	48 944,00	48 944,00	
24309	88 991,14	48 944,00	
26493	67 896,00	67 896,00	
Machaira Projects (Pty) Ltd.	**627 693,35**	**707 984,17**	**(80 290,82)**
22933	141 003,53	627 693,35	
23209	141 003,59	-	
23628	136 455,09	-	
24196	209 231,14	80 290,82	
MDL Engineering Company (Pty) Ltd.	**9 258 758,70**	**8 182 769,13**	**1 075 989,57**
23922	3 692 352,87	8 182 769,13	
24134	863 860,68	-	
24520	1 530 115,42	-	
24663	1 483 167,43	-	
25734	825 221,52	-	
25936	864 040,78	-	
Media 24	**12 311,99**	**2 280,00**	**10 031,99**
26353	12 311,99	2 280,00	
Rhula National Security	**1 159 200,00**	**1 304 100,00**	**(144 900,00)**
24199	144 900,00	-	
24380	289 800,00	1 304 100,00	
25067	144 900,00	-	
25183	289 800,00	-	
25493	289 800,00	-	
Security Consortuim SA	**10 056 635,00**	**12 144 317,00**	**(2 087 682,00)**
23909	1 428 300,00	9 426 407,00	
24381	1 518 000,00	-	
25068	1 580 100,00	-	
25184	840 075,00	-	
25495	1 972 250,00	-	
26729	2 717 910,00	2 717 910,00	
Siswa Trading & Projects	**7 385 116,00**	**7 385 116,00**	-
23925	780 436,00	7 385 116,00	
23961	1 294 992,00	-	
24278	767 510,00	-	
24695	821 123,00	-	
25070	879 428,00	-	
25185	1 535 365,00	-	

25415	1 306 262,00	-	
Specialised Agri Protection Services	**99 831,99**	**139 168,32**	**(39 336,33)**
23926	49 795,72	47 540,00	
25739	23 438,99	21 340,00	
27852	26 597,28	70 288,32	
Term Group	**5 990 925,50**	**7 085 072,94**	**(1 094 147,44)**
23927	1 662 639,76	5 990 926,50	
24395	1 069 996,43	-	
25071	1 069 996,43	-	
25497	1 094 146,44	-	
27181 - Payment in 2023/24	1 094 146,44	1 094 146,44	
Trails End	**8 998,00**	**9 790,00**	**(792,00)**
24899	1 540,00	1 540,00	
27236	7 458,00	8 250,00	
TWK Communications	**114 134,13**	**33 838,54**	**80 295,59**
23929	114 134,13	33 838,54	
Unitrade 1047 T/A Isidingo Security Services	**7 112 870,23**	**6 142 445,50**	**970 424,73**
23930	789 360,00	5 925 408,66	
24385	789 360,00	-	
24697	992 960,06	-	
25072	203 600,06	-	
25102	992 960,06	-	
25499	1 344 630,06	-	
26728	1 999 999,99	217 036,84	
Utilities Worlds (Pty) Ltd.	**581 816,86**	**3 646 500,00**	**(3 064 683,14)**
25776	227 486,62	3 646 500,00	
26110	88 175,69	-	
26509	77 889,06	-	
26943	85 418,22	-	
27241	102 847,27	-	
Van Tonder Security Services	**156 365,00**	**156 365,00**	**-**
24270	156 365,00	156 365,00	
Verso Financial Services (Pty) Ltd.	**-**	**10 667 411,16**	**(10 667 411,16)**
No payments	-	10 667 411,16	
Verve Media Group Africa	**5 400,00**	**5 400,00**	**-**
23064	5 400,00	5 400,00	
WB Tipper Truck and Plant Hire (Pty) Ltd.	**22 490 741,25**	**21 680 968,75**	**809 772,50**
23746	270 692,75	14 316 075,50	
23910	556 824,25	-	
23963	285 090,75	-	
24343	849 936,25	-	
24396	1 065 003,50	-	
24698	2 198 514,00	-	

24850	2 196 500,00	-	
25073	2 191 900,00	-	
25186	1 503 487,00	-	
25500	1 191 262,00	-	
25554	1 605 434,50	-	
26731	3 238 210,25	3 238 210,25	
27618	1 058 299,00		
27716	1 148 298,00	995 394,00	
27182 - Payment in 2023/24	3 131 289,00	3 131 289,00	
ZWH Projects and Development	**32 674 815,94**	**29 107 728,20**	**3 567 087,74**
23614	357 909,70	22 811 454,41	
23911	1 138 518,70	-	
24078	328 945,25	-	
24279	1 585 028,28	-	
24472	657 890,50	-	
24688	55 890,00	-	
24699	964 164,55	-	
24853	1 965 813,34	-	
25074	557 302,50	-	
25178	5 591 908,01	-	
25501	5 654 496,15	-	
26732	3 764 820,30	3 624 883,79	
27619	1 977 603,92		
27770	1 952 023,44		
27183	828 476,30	828 476,30	
27271	5 294 025,00	1842 913,70	
Grand Total	**118 831 684,51**	**135 624 110,58**	**(16 792 426,07)**

Internal control deficiency

Financial and Performance Management

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Recommendation

Management should strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Management should examine the entire population to determine the extent of the misstatement and adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed.

Management response

Management comment on audit finding
Management is to a large extend in agreement with the finding. Out of the 18 variances noted as per this finding, Management is in agreement that 10 items are required to be adjusted. Management revisited the entire population and noted that irregular expenditure incurred is factually understated by R3,108,293 and should disclosed as R138,732,403. In addition, irregular expenditure approved by Council was found to be overstated by R16,526,397 and should be disclosed as R100,141,403 and not as R116,667,800. Irregular expenditure awaiting further action was found to be understated by R19,634,690 and should be disclosed as R39,346,639 and not as R19,711,950. Kindly refer to the Excel document accompanying this response for the working paper which corroborates the misstatements as identified above.
Management comment on internal control deficiencies
Management is in agreement with the internal control deficiency.
Management comment on recommendation
Management is in agreement with the recommendation and also revisited the entire population to determine the factual misstatement. The AFS will be adjusted accordingly.

Remedial action		
What actions will be taken: AFS to be adjusted with the factual misstatement.	By whom: Deputy CFO& Act. CFO	By when: Final submission of AFS.

If the above finding affects an amount(s) disclosed in the financial statements:		
Please give an indication of whether a correcting journal entry shall be processed	Yes	**No**
If yes, please indicate the accounting entry: N/A		
If no, please provide the reason why such a conclusion has been reached: The misstatement relates to a disclosure item of which no journal is required.		

Name: Paul Mabhena
Position: Act. CFO
Date: 03-11-2023

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Auditor's conclusion:

This finding will be reported in the management report. Management are yet to update the financial statements to correct the misstatement. We will inspect the updated financial statements for accuracy.

MPAC57/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

PROPERTY MANAGEMENT – MEDIA24 / HERMANUS TIMES

Irregular Expenditure - Motor Sport Development in Caledon

1. Purpose

This report is prepared for submission to Council following MPAC's investigation of the R2,280.00 expenditure paid to Media24 for an advertisement in the Hermanus Times concerning a proposed motor sport facility on a portion of Erf 2830, Caledon. The purpose is to determine whether the expenditure is recoverable or irrecoverable, whether any person should be held liable, and what consequence-management and corrective action is appropriate.

2. Summary of UIFWE

UIFWE classification	Irregular expenditure arising from SCM non-compliance
Financial year	2022/2023
Supplier	Media24 / Hermanus Times
Service	Advertisement concerning proposed motor sport development
Publication date	5 April 2023
Amount paid	R2,280.00 VAT inclusive
Primary control failure	Advertisement published before an official municipal purchase order and completion of required SCM processes
Quotation threshold	Transaction fell within the written-quotation range under the SCM Policy available to the report author

3. Factual background

- The Executive Mayoral Office requested investigation of a possible motor sport development in Caledon.
- A site analysis identified portions of land relevant to the proposed development and the project was identified during the draft IDP process.
- Property Management was requested to facilitate public participation/advertising, although the appropriate statutory participation process was initially uncertain because Council had not yet decided on the use of the land.
- A collaborative meeting proposed advertising the project through the draft IDP participation process; it was later indicated that the matter should first have been referred to senior management for guidance.

- Ms Janine Joorst of Property Management obtained a quotation from Media24. The quotation reflected R2,280.00 including VAT and publication in the Hermanus Times.
- The supporting report states that no documentary evidence was available confirming final approval before Media24 was instructed to publish.
- Media24 published the advertisement on 5 April 2023 before an official municipal purchase order had been issued.
- The advertisement produced public comments and objections, providing information relevant to the municipality's planning process, but the receipt of value does not retrospectively cure the SCM breach.

4. Person potentially responsible

The report identifies Ms Janine Joorst as the primary implicated official based on the administrative function performed: she requested the advertisement and the publication proceeded before the official order and required SCM process were completed.

This identification is not a finding of liability.

5. Why the expenditure is irregular

- The advertisement was published before the municipality generated an official purchase order.
- The available record contains one quotation but no evidence of the required completed SCM process before publication.
- No approved deviation supported by lawful grounds and no valid ratification is evidenced in the material supplied.
- The transaction was therefore outside the authorised procurement workflow and constitutes irregular expenditure.

6. Section 32(1) – deliberate or negligent conduct

The incident report concludes that there is presently insufficient evidence to establish, on a balance of probabilities, that Ms Joorst or another official acted deliberately or negligently. The report characterises the immediate cause of miscommunication between Property Management and Media24.

MPAC should nevertheless record that the absence of proof of deliberate conduct does not automatically establish absence of negligence.

Recommended MPAC finding:

Deliberate conduct is not established on the evidence supplied. Negligence is also not established on the present record.

7. Recovery assessment – Regulation 74

Measures already taken	No recovery action against Ms Joorst or another person is evidenced.
Cost already incurred	None evidenced.
Maximum amount potentially recoverable	R2,280.00.
Likely recovery route	If liability were established, a written demand/administratively lawful repayment process would be the first step.
MPAC assessment	The service was received, public responses were generated, no quantifiable financial loss is identified, and liability has not been established.

Recommended MPAC finding:

MPAC therefore recommend that the R2,280.00 be certified as irrecoverable. The write-off should not be treated as condonation of the procurement breach.

8. Disciplinary referral

No evidence of fraud, collusion, personal enrichment or other criminal conduct is identified in the report supplied. **A disciplinary board referral is therefore not recommended in the current evidence.**

9. Criminal referral

No evidence of fraud, collusion, personal enrichment or other criminal conduct is identified in the report supplied. **A criminal referral is therefore not recommended in the current evidence.**

10. Corrective and preventative measures

- No publication, advertising or other external commitment may proceed without a valid purchase order or other lawful procurement authority.
- Where the statutory/public-participation process is uncertain, the matter must be escalated to senior management/legal/SCM before any commitment is made.
- Reinforce the quotation and purchase-order requirements for low-value procurement.
- Introduce a written pre-publication SCM checklist for municipal advertisements.
- Provide refresher SCM training to Property Management and other officials who initiate advertising or procurement.

11. MPAC recommendation to Council:

1. **Confirm that R2,280.00 paid to Media24 constitutes irregular expenditure arising from SCM non-compliance.**
2. **Determine that no quantifiable municipal financial loss has been established.**
3. **Recommends that the irregular expenditure to the amount of R2,280.00 be written off as irrecoverable in terms of section 32 of the MFMA.**
4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

12. Supporting documentation

- Media24 quotation and proof of publication.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	03/09/2026
MPAC resolution reference	**MPAC57/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 11 AUGUST 2026 – QUESTIONS ASKED BY MPAC

MPAC57/2026 – PROPERTY MANAGEMENT: ITEM TO MPAC FOR ITM 3968914 – IRREGULAR EXPENDITURE: MEDIA 24 (MOTOR SPORT DEVELOPMENT IN CALEDON)

Questions to the Head of Property Management

These are probably your most important questions.

Authority

1. **Who authorised Ms Joorst to proceed with the advertisement?**
   The minutes of the meeting held on 14 March 2023 record that the proposal would be advertised for public comments and objections, but that the advertisement had to be placed only after Council had approved the draft IDP. Although Ms Janine Joorst attended that meeting, the minutes do not record that she was instructed or authorized to proceed. To my own recollection it was decided that Property Management will proceed with the publication process, which J Joorst was the administrative official. Media24's email of 30 March 2023 requested Ms Joorst's final approval of the proof, but no subsequent written approval or instruction is included in the available record. It therefore cannot be established from the present evidence who, if anyone, authorised the final publication.

2. **Was Ms Joorst authorised under the applicable delegation to instruct Media24?**
   Based on the evidence presently available, it cannot be established that Ms Janine Joorst instructed Media24 to publish the advertisement. Her documented involvement was administrative and related to obtaining a formal quotation and advertisement proof for the proposed project's publication in the local newspaper.
   The authority to approve expenditure and financially commit the Municipality ordinarily rests with the Accounting Officer or an appropriately delegated official.

3. **Can management provide MPAC with the delegation that applied on 5 April 2023?**
   No delegation is available as the placement of an advertisement is part of the administrative process to test public participation and interest as part of the approved Immovable Property Policy. The delegation nevertheless would reside with the Accounting officer with the administrative function delegated to each department.

4. **Was there an approved requisition before Media24 was instructed?**
   No approved requisition preceding publication has been identified in the documents available to the author. Application for deviation was made in April 2023 which was subsequently rejected by SCM department as well as the CFO.

5. **Was there a purchase order before publication?**
   No order was issued to support the placement of advertisement. Subsequent deviation request was further rejected by SCM and CFO.

6. **If not, why was Media24 instructed to proceed?**

   The record contains no final instruction from the Municipality to Media24. Media24's email of 30 March 2023 requested approval, but no outgoing response has been provided. Publication alone does not establish who gave instructions, how it was communicated or why the supplier proceeded.

SCM compliance

1. **The report states that the applicable SCM process was not followed. Who was responsible for ensuring that the SCM process was completed before the supplier was instructed?**
   Ordinarily, the designated project owner or end-user must initiate the requirement, confirm budget, compile the supporting documents and obtain the required approvals. Any official dealing with the supplier must refrain from committing the Municipality until a valid order has been issued and SCM and Finance retain their verification and payment-control responsibilities. There is no clear evidence that a final instruction to proceed was issued to Media24.

2. **Was Ms Joorst trained on the Municipality's SCM procedures?**
   The author has not been provided with a training register, attendance record or other documentary evidence confirming whether Ms Joorst received the relevant SCM training before this transaction.

3. **Was the SCM procedure communicated to Property Management staff?**
   General SCM procedures and training were available within the Municipality. However, the author does not presently have documentary evidence confirming precisely what procedures were communicated to Property Management staff, when they were communicated, or whether Ms Joorst personally received and acknowledged them before 5 April 2023.

4. **If it was communicated, why was the procedure not followed in this case?**
   The advertisement was published without a formal purchase order having been issued. The available evidence does not establish whether final approval or an instruction to publish was communicated to Media24. The only further documented record is a request for deviation, which was subsequently rejected by SCM and the Chief Financial Officer and, on the face of the available chronology, appears to have been rejected after the advertisement had already been published.

   Although the required procurement procedure was not completed before publication, there is insufficient evidence to conclude that Ms Janine Joorst personally failed to follow the prescribed procedure or instructed Media24 to proceed. The confirmed non-compliance relates to the transaction itself, namely, that the advertisement was published without a formal purchase order and should not, without further supporting evidence, be attributed to Ms Joorst as an individual act of non-compliance.

5. **Was there any approved deviation from the SCM process?**
   No approved deviation existed to authorise the placement of the advertisement. The subsequent request for deviation was formally rejected by both SCM and the Chief Financial Officer, and the matter was referred for consideration in terms of section 32 of the MFMA.

6. **If not, why did the official proceed without one?**

   Although the required procurement procedure was not completed before publication, there is insufficient evidence to conclude that Ms Janine Joorst personally failed to follow the prescribed procedure or instructed Media24 to proceed. The confirmed non-compliance relates to the transaction itself, namely, that the advertisement was published without a formal purchase order and should not, without further supporting evidence, be attributed to Ms Joorst as an individual act of non-compliance.

The report describes the incident as miscommunication between Property Management and Media24.

Ask:

1. **"Please explain exactly what was miscommunicated, between which two people, and how that miscommunication resulted in Media24 publishing before a purchase order existed."**

   The evidence available to the author consists of a previous report prepared by the former Acting Property Manager, a request for quotation, and Media24's request to Ms Janine Joorst for final approval of the advertisement proof. No further evidence has been identified confirming that a formal purchase order or instruction to proceed was issued to Media24.

   Similarly, there is no documentary evidence that the Municipality expressly rejected or withdrew approval for the publication. The reference to a "miscommunication" therefore reflects the absence of clear evidence showing either that final approval was granted or that publication was expressly declined. It should not be interpreted as a finding that a specific instruction was issued or that a particular communication occurred.

2. **Who communicated with Media24?**

   Ms Janine Joorst

3. **What exactly was communicated?**

   The only available evidence to the author is an email where Ms Joorst requested for a quotation for placement of an advertisement in the Hermanus Times and subsequest email from Media 24 requesting final approval. No further communication are available to the author.

4. **Was the communication verbal or written?**

   Communication was via Email

5. **Who sent the instruction?**
   There was no formal instruction as supporting evidence, but only a request for quotation from J Joorst, as well as a request for final approval received from Media24.

6. **Who approved the instruction?**
   There are no evidence that a formal approval or final instruction was issued.

7. **Did Media24 believe it had a valid municipal order?**
   It can thus not be determined whether Media 24 believed that a valid municipal order was made, as this would be an assumption/speculation, but based on the general norm, publications are only done upon issued order from SCM.

8. **Did anyone tell Media24 that the purchase order was still outstanding?**
   Media24 was requested on 13 August 2026 to provide any further correspondence, but the representative advised that only the advertisement and proof could be located. The available evidence therefore does not establish whether Media24 was informed of the outstanding order.

9. **When did management first discover the advertisement had already been published?**
   The exact date on which management first became aware of the publication is not established by the documents available to the author. The historical narrative indicates that the matter was queried after public comments or objections were received and that the Acting Municipal Manager requested confirmation of the process followed.

Ask about the purchase order

This should be a very simple question:

1. **"What date was the official purchase order issued?"**
   No official order was issued, based on the evidence available.

Then:

2. **"What date and time were Media24 instructed to publish?"**
   No official supporting evidence indicates that a final instruction was issued to proceed with the placement of the advertisement.

And:

3. **"What date was the quotation accepted?"**
   The only date available is the email received from Media 24 requesting final approval 30 March 2023. There is no evidence available supporting the quotation was accepted.

QUESTIONS DURING THE MEETING:

Councillor P Stander: Was the service rendered as no proof of the advertisement was attached?

Ms N Baliso: No final approval was granted for the publication. No proof from Media 24 – no purchase order was issued.

Ms Baliso indicated that she was satisfied that the service was rendered.

Councillor TB Zimmermann: Who authorized the publication?

Ms M Faul describes the procurement process to be followed for placing of advertisements.

Councillor P Stander indicated that the explanation answered a lot of questions.

Councillort TB Zimmermann: Process to sign off the quotation that a purchase order can be issued. Someone authorized the publication without a purchase order.

Mr E Wessels: Quotation is obtained with the advertisement from Media 24. Media 24 proceeded with the publication without the approval of the Municipality. The service was rendered therefore the invoice needs to be signed off. It was a miscommunication between Media 24 and the Official of Theewaterskloof Municipality.

ITEM TITLE

C244/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT - K2C CONSTRUCTION - SEPTEMBER - OCTOBER 2022

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

Irregular expenditure report - K2C Construction for the period September and October 2022.

BACKGROUND

See attached report.

DISCUSSION

See attached report.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

See attached report.

LEGAL IMPLICATIONS (ITEM AUTHOR)

See attached report.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

See attached report.

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item be referred back to be amended as discussed during the Management Meeting with the inclusion of a recommendation and the COMAF's for the item and that the item thereafter be submitted to MPAC for discussion.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That the Municipal Public Accounts Committee notes the circumstances that resulted in the irregular expenditure.**

2. **That MPAC determines that the expenditure constitutes irregular expenditure arising from procedural non-compliance with the Municipality's Supply Chain Policy.**

3. **That MPAC determines that there is insufficient evidence to conclude that the irregular expenditure resulted from deliberate or negligent conduct as contemplated in section 32(1) of the MFMA.**

4. **That MPAC determines that no quantifiable financial loss has been suffered by the Municipality and that there no reasonable grounds to institute recovery proceedings.**

5. **That MPAC recommends to Council that the irregular expenditure be certified as irrecoverable in terms of section 32 of the MFMA.**

6. **That Management be directed to implement corrective SCM control measures to prevent similar instances of irregular expenditure.**

DISCUSSION DURING THE MEETING:

Councillor P Stander raised questions to the Director: Economic Development and Planning, the SCM Manager and the Acting Director: Finance, which is included in the report with the responses.

Councillor P Stander requested a 5-minute caucus break to formulate the recommendations. The caucus break was granted by the Chairperson.

After the caucus break the Chairperson, Councillor M Gana, indicates that MPAC is an independent committee and the Mayor requests that the meeting be postponed for 1 day. The Mayor cannot decide for MPAC who part of the meeting can be or not.

Councillor P Stander - the status that MPAC stands for must be respected, there is interference every time and makes it very hard for us to do our work.

Councillor T Zimmermann requested that the following be minuted – when the Mayor entered and insulted the MPAC Members, I left the Council Chambers.

Mr GW Hermanus expressed serious concern regarding the perceived interference in the proceedings of the Municipal Public Accounts Committee (MPAC) following the Mayor's entry into the meeting and his engagement with the Committee by posing questions.

The incident raised concerns regarding the separation of powers and was viewed as potentially undermining the legally mandated and independent functioning of MPAC.

MPAC has a specific oversight mandate and should be allowed to conduct its proceedings independently and without undue interference from the Executive Mayor. It was further stated that the matter was serious from a governance perspective and should be formally recorded.

I want to place on record, in my capacity as Director: Corporate Services, I'm concern regarding the interference by the Mayor in the functioning of MPAC. It was stressed that the Chairperson of MPAC is responsible for presiding over the Committee and that the Committee should be permitted to exercise its mandate within the applicable legislative and governance framework.

I'm concern regarding alleged interference previously raised and documented through correspondence and reiterated the importance of maintaining the independence, integrity and proper functioning of MPAC.

The content of Annexure J was read out load during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 25 AUGUST 2026

1. **Determines that the September-October 2022 expenditure of R97 888.00 constitutes irregular expenditure.**

2. **Determines, based on the evidence currently supplied, that no quantifiable municipal financial loss has been established.**

3. **Recommends that the irregular expenditure to the amount of R97 888.00 be written off as irrecoverable in terms of section 32 of the MFMA.**

4. **No disciplinary board referral as the supplied material constrains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

Annexure:E

Irregular Expenditure Report on Supply Chain Management Non-Compliance

1. Introduction

- This report has been drafted for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.
- This report focuses on irregular expenditure incurred due to non-compliance with supply chain management processes for the 2022/2023 financial year.
- The report analyses the expenditure incident and the events that led to the irregular expenditure, identifies the responsible officials, and outlines the measures taken or proposed to prevent recurrence.

2. The legal implications of the report

The legal implications of this report are governed by section 32 of the MFMA, which mandates the identification, reporting, and management of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE).

3. Type of UIFWE applicable to this report

The type of UIFWE applicable to this report is irregular expenditure incurred due to non-compliance with supply chain management regulations, specifically the failure to follow competitive bidding procedures for transactions above the prescribed threshold.

4. Discussion of events/ reasons that led to the UIFWE

The Municipality initially appointed K2C Construction for the provision of 18 chemical toilets and the cleansing thereof once a week.

The original scope of the contract entailed the rental of 18 chemical toilets and the cleansing thereof once a week with the total amounting to R 48 944.00 inclusive of

VAT. This appointment was amended to include 14additional toilets totaling to 32

The toilets were dispatched to the informal settlements of Grabouw, settlements included, Lost City, Kgutsong and Siayanzela . The aforementioned informal settlements were established in 2014/15 with approximately more than 2000 informal structures, both with limited and or no sanitation services.

The appointment of K2C was extended via a deviation (attached) 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 Advertisement Attached)** Upon the receival of the offers it was found that no bidder was deemed responsive, and no award made **(Cancellation Letters Attached)** hence the expense incurred for September 20222 **(Invoice No. IN567 attached)** and October 2022 **(Invoice No. IN572)** was deemed irregular as there was no contract for these months. A deviation request to allow for a formal tender to be advertised starting October 2022 however deviation approval was only from November 2022 to February 2023 **(Purchase Order F0002823)** rendering the expenditure incurred in September and October 2022, irregular as the service was fully utilsed by the community. During the 4-month contract period the municipality went through a competitive bidding process by advertising **(DEV01 2022/23)**, to test the market for the provision of chemical toilets. The three-year tender (Dev 01/2022/23) was advertised 21st of October 2022 and closed on the 11th of November 2022.

The tender was only adjudicated in March 2023 and the award was made to Moreki Distibutors. **(Appointment Letter Attached)**

The provision of sanitation services must continue uninterrupted because the community would not allow the service provider to remove the toilets unless it is replaced.

The cost incurred for September and October 2022 rental and the additional was outside the deviation approval and was reported as irregular expenditure in the amount R 97 888.00 (R48 944.per month)

- No deviation report or waiver was approved by the Accounting Officer.
- Consequently, the transaction constitutes irregular expenditure due to non-compliance with sections 111 and 112 of the MFMA, read with the Municipal SCM Regulations and the Municipality's SCM policy.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

- According to the Municipality's SCM Policy, the SCM Manager oversees the competitive bidding process and ensures compliance with all SCM prescripts.
- The CFO is responsible for oversight in terms of section 81 of the MFMA to ensure that SCM processes are adhered to and that deviations are properly documented and approved.
- Director/Deputy responsible for the Economic Development and Planning Directorate under which the Human Settlements Department resorts, is responsible for the general procurement oversight of the Department
- The Manager Human Settlement is responsible for operational implementation of SCM processes of the department

6. Why is the expenditure irregular expenditure?

- The appointment of the service provider did not comply with the supply chain management prescripts, as neither a competitive SCM process nor a formal deviation was approved by the municipal manager.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred as a result of deliberate or negligent action or inaction by an official. This assessment is necessary to support the determination of liability and the appropriate consequence management response.

The facts presented in this report indicate that the procurement process was not conducted in accordance with the prescribed supply chain management requirements.

There is no evidence at this stage that the SCM process was intentionally bypassed for personal gain. The available information does not suggest fraud, collusion, or any intentional misconduct related to the transaction.

On the balance of probabilities, the irregular expenditure appears to have arisen from delayed processes rather than deliberate misconduct. The conduct reflects a lapse in control and compliance oversight.

8. Mitigating controls to prevent similar UIFWE in the future

a) Formal tender process followed for all future procurement of chemical toilets for informal settlement with limited or no sanitation services.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Warren Moses, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not ?

For the consideration of MPAC

11. Measures already taken to recover the UIFWE

- N/A

12. Cost of the measures already taken to recover UIFWE

- None as yet.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

For consideration of MPAC

14. Annexures

Supporting documents attached to this report include:

- Initial Deviation Approval
- Copy of Advertisement (WM 03/2022/23
- Copy of cancellation letters (WM 03/2022/23
- Coppy of invoices for rental and cleasing for September & October 2022
- Purchase order for approved Deviaion (November 2022 - February 2023
- Appointment Letter Tender No. Dev 01/2022/23

15. Conclusion of report

a) In conclusion, this report highlights the irregular expenditure resulting from non-compliance with SCM processes, the events that led to it, and the actions taken to address it.

b) The analysis provided aims to ensure accountability and transparency within the Municipality's financial management practices.

16. Referral of report to the MPAC

This report is hereby referred to the MPAC for its UIFWE recovery assessment as contemplated in section 32(2) of the MFMA.

Report compiled by:	Date:	Designation:	Signature:
Mr W Moses	24 July 2026	Manager: Human Settlements	

Report approved	Date:	Designation:	Signature:

by:			
Ms N Baliso	27 July 2026	Director: Economic Development & Planning	

Report authorised for MPAC referral by:	Date:	Designation:	Signature:
Mr W Hendricks	03/08/2026	Municipal Manager	

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Theewaterskloof Municipality

THEEWATERSKLOOF MUNICIPALITY

Office of the Director: Financial Services

SUPPLY CHAIN MANAGEMENT POLICY

REQUEST for DEVIATION from, and RATIFICATION of MINOR BREACHES of PROCUREMENT PROCESSES in terms of REGULATION 36

Section A

REG. 36	Reason for Deviation (Mark with X where applicable)	
1	**The accounting officer may –** **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 an Emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)	
	<u>Circumstances that warrant emergency dispensation</u> 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.	
(ii)	**Sole supplier**	
(iii)	**Acquisition of special works of art or historical objects, where specifications are difficult to compile.**	
(iv)	**Acquisition of animals for zoos and/or nature and games reserves.**	
(v)	**Any other exceptional case where it is impractical or impossible to follow the official procurement processes.**	X
(vi)	**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.**	

Section B

<u>Background</u>

The Theewaterskloof Municipality has appointed K2C Construction on contract JB 02/2021/22 for the rental of 18 chemical toilets for a period of 6 months commencing 23 September 2021.

The original scope of the contract entailed the rental of 18 chemical toilets and the cleansing thereof once a month with the total amounting to R 173 638.50 inclusive of VAT.

The toilets were dispatched to the informal settlements of Lost City with 5 and the remaining 13 was allocated to the Kgutsong. Both the mentioned informal settlement was established in 2014/15 with approximately more than 1000 informal structures both with limited and or no

sanitation services. This contract was entered into to increase the number of sanitation services in both settlements to improve the level of service in the mentioned areas.

Request

The original appointment as per contract JB 02/2021/22 was for a period of 6 months commencing on 23 September 2021 (contract attached) ending 23 March 2022. In March 2022 the community of Siyayanzela at a meeting demanded more toilets and threatened with protest action and the closure of the N2 should their demands not be met within 7 days. On the 11th of March 2022 the Deputy CFO approved a variation order for additional 14 toilets for a period of 1 month, in the amount of R 25 265.50 inclusive of VAT. During this period the requested for a deviation appointment while going out on a new procurement but this was subsequently not supported. The community indicated that they would not allow the service provided to remove the current toilets should new once not be placed. The community is currently utilising the service in full, and the service provider must be paid for rendering the service irrespective of there not being a formal contract in place. The department is in the process of advertising a 3-year tender for chemical toilets and served before the BSC on the 13th of June 2022 and is envisaged to be advertised no later than Friday 1 August 2022.

Motivation

The Department estimates that an appointment of a service provider will only be realised in September hence the request to appoint the current service provider, K2C Construction for a period of 3 months to allow for the finalisation of the procurement process. Access to basic services is a constitutional right of all people and is the core function of the municipality. The health and safety of this community is also at risk as the unavailability of this basic service could result in the spread of diseases. The community threatened that should the current toilets be removed without replacing them 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.

Section C

Financial Implication		
Vote Number	**Available Budget**	**Deviation Amount**
		R 146 832.00

Annexures: Please attached all relevant annexures, i.e. quotes, proof of sole provider, etc.

Section D

1. Requested by:	Warren Moses		24/06/2022
Official	**Name**	**Signature**	**Date**
2. Recommended by:	Khanyisile Hontshia		24/06/2022
Town Manager / Manager	**Name**	**Signature**	**Date**
3. Recommended by:			
Dir. / Dep. Dir.	**Name**	**Signature**	**Date**

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4. Recommended by:			
Fleet Management	Name	Signature	Date
5. SCM Comments:			
Reviewed by:	S. FRANCIS		24/06/22
	Name	Signature	Date
6. Approved:	BM NGUBO		27/06/22
MM / Dir. / Dep. Dir. Financial Services	Name	Signature	Date
- Provide reason if not approved:			

K2C CONSTRUCTION

1 Liverpool Road
Croydon, Faure
7131
T: 084 775 2317
E: candice.ziegers@gmail.com

Date: 09/06/2022

Quotation: Q0447

Company VAT No: 4400273415
Company Registration: 2015/444605/07

Customer: Theewaterskloof Munisipaliteit
PO Box 24
Caledon

Customer VAT no: 4000846248

Requested By: Warren Moses (Senior Administrative Officer) – Rental of 32 Chemical Toilets for a period from 01 June 2022 to 30 August [illegible] for Grabouw

Description	Quantity	Unit Price	Total
01 June 2022 to August 2022			
Month 1 – June 2022			
Rental of toilet per month	32	700	22,400.00
Service and cleaning of toilets per month	32	580	18,560.00
Monthly transport cost for the service and cleansing of the toilets	1	1600	1,600.00
Month 2 – July 2022			
Rental of toilet per month	32	700	22,400.00
Service and cleaning of toilets per month	32	580	18,560.00
Month [illegible]nsport cost for the service and cleansing of the toilets	1	1600	1,600.00
Month 3 – August 2022			
Rental of toilet per month	32	700	22,400.00
Service and cleaning of toilets per month	32	580	18,560.00
Monthly transport cost for the service and cleansing of the toilets	1	1600	1,600.00
		Total Excl VAT	127,680.00
		VAT	19,152.00
		Total Incl VAT	146,832.00

This quotation is valid for 30 days

Please note that a 50% deposit may be required. Work to commence 5 working days after deposit has been received.

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TWK 2

Theewaterskloof
Municipality

P.O. BOX 24 CALEDON 7230
TEL: 028 – 214 3300

Dear Sir / Madam

REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS
QUOTATION NUMBER: WM 03/2022/23

Kindly furnish us with a written quotation for:
PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMNTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

The detailed project description and schedules are attached or can be obtained from **Mr. W. Moses** at Tel: **028 2143300** or e-mail: warrenmo@twk.org.za as well as all technical queries.

A formal quotation must be submitted on the letterhead of your business and must have attached all relevant signed schedules and additional information as requested. Failure to do so will result in the quotation to be rejected. The quotation must be in a sealed envelope and clearly marked: **Tender Box No 2**, for attention: **WARREN MOSES, QUOTATION NO: WM 03/2022/23** and the service provider's name and address. Quotations will not be accepted if they don't comply with the marking instructions. Quotations must be placed in tender box **No. 2** at the **Main Entrance** of Theewaterskloof Municipality, 6 Plein Street, Caledon by no later than **12:00** on **Friday, 16 September 2022**, immediately after which the quotations will be opened in public in the Council Chambers. If posted, interested service providers to ensure that sufficient time are given for the post to reach us before the closing date and time. Council cannot take responsibility for any delays.

Compulsory Clarification Meeting:

- A compulsory clarification meeting will be held on Wednesday, **13 September 2022** via **MS Teams** at **15h00**, and no one will be allowed to join the meeting after **15h15.**
- The MS Teams link will be provided upon request from Warren Moses via email – warrenmo@twk.org.za.

1. **Standard Conditions of Quotation:**

The following conditions will apply:

a) Quotations must be completed in hand written non-erasable black ink.
b) Price(s) quoted must be valid for the duration of the contract period.
c) Price(s) quoted must be firm and must be inclusive of VAT, clearly indicating Price, VAT and Total Price.
d) The contract will be for a period from 01 October 2022 until 30 December 2022.
e) This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations of 2017 and for this purpose **MBD 2, MBD 4, MBD 6.1, MBD 8** and **MBD 9** forms which are available on the Municipal Website **www.twk.org.za** must be completed and submitted together with your quotation.
f) The successful provider will be the one scoring the highest points.
g) A **Valid Tax Compliance Status Pin Certificate** and a copy of your **latest Municipal Account** or **Lease Agreement** should be attached to your quotation.
h) Council may accept a quotation in full, partially or not at all.
i) Payments will be made not later than 30 days, after the receipt of a tax invoice.
j) Invoices must not be issued before goods / services have been supplied / rendered.
k) The General Conditions of Contract will apply to this quotation.
l) Calculation errors will be corrected by the Municipality by using the unit prices.
m) If a valid B-BBEE certificate or Sworn Affidavits is not attached it will be interpreted that the preference points for B- BBEE status level or contribution are not claimed.
n) If a valid B-BBEE certificate or Sworn Affidavits is attached and if points is not claimed in terms of MBD 6.1 it will be interpreted that the preference points for B- BBEE status level or contribution are not claimed.
o) Please note that the Municipality will not request a valid B- BBEE certificate or Sworn Affidavits if such is not attached to the bidders tender at closing date of this tender.

p) The estimated contract value for the period will be used to calculate the financial offer for evaluation purposes in terms of the 80/20 preference point system and will be awarded per unit prices as tendered for.
q) The municipality reserves the right to appoint the bidder scoring first, second and third highest preference points at any time during the duration of the contract. When the tenderer scoring the highest points cannot perform on the contract, the municipality has the right to purchase from the tenderer scoring the second highest points and if the second highest points scorer cannot perform on the contract, the municipality reserves the right to purchase from the tenderer scoring the third highest points.
r) No Alternative offers will be accepted.

2. Bidders Obligations:

2.1 Eligibility Criteria

Only bidders who satisfy the following criteria are eligible to submit an offer:

2.1.1 Pricing Instructions

- In order to be considered for a contract in terms of this quotation, bidders are required to price on all items in the schedule of services required and sign.

2.1.2 Specifications

- In order to be considered for a contract in terms of this quotation, the bidder must sign and declare compliance by **Schedule 1**.

2.1.3 Safe Disposal Certificate

- Bidders must provide a safe disposal certificate obtained from a municipality for a similar service not older than 3 months. Proof thereof must be attached be attached to the quotation document.

2.1.4 Special Conditions of Contract

- In order to be considered for a contract in terms of this quotation, the bidder must sign and declare compliance by **Schedule 2**.

2.1.5 Scope of Works

- In order to be considered for a contract in terms of this quotation, the bidder must sign and declare compliance by **Schedule 3**.

3. The Employer's Undertakings:

3.1 Tests for Administrative Compliance

Bidders may be found non-compliant if, inter alia: (these documents may be requested)

- The bidder has failed to complete and sign and attach requested information to all schedules not excluded in responsiveness criteria;
- The bidder has failed to submit the MBD 2, MBD 4, MBD 8 and MBD 9 forms;
- The bidder has failed to submit a municipal account of where the head office of the company is registered or in case where the premise is leased, the bidder has failed to provide a copy of the lease of the premise;
- The bidder has failed to submit a valid Tax Compliance Status Pin Certificate; and
- The bidder has failed to submit a certified B-BBEE certificate, whereas points were claimed and a copy of certificate was supplied, a certified copy of the B-BBEE certificate may be requested.

NB: No quotations will be considered from persons in the service of the state
Failure to comply with these conditions may invalidate your offer.

Yours faithfully

SIGNATURE **DATE: 09 September 2022**
SUPPLY CHAIN MANAGEMENT

TWK 2

SCHEDULE OF SERVICES REQUIRED

No	DESCRIPTION:	QUANTITY	UNIT PRICE		PRICE	
			R	c	R	c
1	Rental of toilet per month	32				
2	Service and cleansing of toilets per month(Toilets to be serviced twice a week)	32				
3	Monthly transport cost for the service and cleansing of the toilets	1				
4	Cost of one anchor per toilet (Once-off)	32				
5	Once-off delivery and pick-up cost	Sum				
NB: Estimated cost is monthly for item no. 1, 2 and 3. Item no. 4 and 5 are once off prices for the duration of the appointment				**Sub Total**		
				15% VAT		
				TOTAL		

DELIVERY ADDRESS: Theewaterskloof Municipality
Caledon Town Office
22 Plein Street
Caledon
7230

We, the undersigned, do hereby declare that these are the properly priced Bill / Schedules of Quantities forming part of this Contract Document containing Pages in consecutive order upon which my/our Tender for Quotation No: **WM 03/2022/23: PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMNTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022**, has been based.

My/our total Contract Price for this work and above items (Total) is (in words)

.....

.....

SIGNED ON BEHALF OF BIDDER:

NAME OF BIDDER

DATE

SCHEDULE 1: SPECIFICATIONS

Toilets

- Rectangular hut c/w non-flush bench, 1100mm, 1250mm, 2285mm, minimum 50.0kg, Minimum 90 litre capacity,
- Service frequency of toilets – twice and thrice a week,
- Toilets to be delivered within 72hours from receiving the order,
- Air vents at the top close to the roof,
- The door must have a self-closing mechanism and a latch to lock it,
- The toilet must be placed in such a manner that it is easy accessible for the servicing crew, and
- When servicing the toilet, the content of the toilet must be removed from the toilet by means of a vacuum pump to avoid spilling.
- The toilet be secured with a steel anchor at all time

Truck

- The truck must be road worthy and licensed.
- The truck must be fitted with a sludge tank, fresh water tank and vacuum pump,
- The sludge tank must be sealed to avoid spilling,
- The fresh water tank must have a drain valve to let water out for filling the toilet with water and wash the toilet,
- The vacuum pump must direct into the sludge tank, and
- The truck must be fitted with a container that holds the chemicals.

The Operator

- A dumping book/log must be kept as proof that the waste was disposed at a dumpsite and must be signed by a delegated municipal official.
- Also have a Material Safety Data Sheet of the chemicals used and must make sure the chemical is safely disposed at a dumpsite.
- Operator and assistant to ensure of the PPE ;Safety shoes/gumboots, Rubber gloves, Safety glasses, Hard hat, Overall and Mask

If the bidder fails to sign this schedule, it will be interpreted that the bidder does not comply with the Specifications and therefore will be regarded as being not eligible.

I hereby declare that I comply with the Specifications.

Name of Bidder	Signature on Behalf of Tenderer	Date

SCHEDULE 2:
SPECIAL CONDITIONS OF QUOTATION AND CONTRACT

Toilets must be cleaned twice a week for the duration of this appointment
Each toilet must be installed with an anchor properly embedded into the ground
Minimum weight of the toilet must be 50 kilograms with a minimum 90 liter capacity
The General Conditions of Contract are the General Conditions of Contract for Construction Works (2015) as published by the South African Institution of Civil Engineering.
Damage to any services must be repaired by the contractor at his own cost
Special attention must be given to the protection of private property
All necessary public safety measures must be taken in terms of OHS Act
Special care must be given to ensure accessibility of properties at all times.
The successful bidder must submit a letter of Good Standing with from Department of Labour prior to sign of the contract.
Bidders must submit proof of having Public Liability Assurance of R200, 000.00 per claim on date of signature of contract.

If the bidder fails to sign this schedule, it will be interpreted that the bidder does not comply with the Special Conditions of Quotation and Contract and therefore will be regarded as being not eligible.

I hereby declare that I comply with the Special Conditions of Quotation and Contract.

Name of Bidder	**Signature on Behalf of Tenderer**	**Date**

SCHEDULE 3:
SCOPE OF WORKS

1. Portable toilets to be placed out at designated area and TWK representative to sign to confirm correctness of the position.

2. Units to be serviced at least twice a week. (An official from the municipality should sign off after each service)

3. Broken units must be repaired or replaced within 24hours and the cost will be for the bidders account.

4. The apparatus and methods used shall not cause any damage to pipes, manholes, property or fixtures and any damage as may be caused may be repaired by the Council at the Service Provider's expense. The service provider must have sufficient insurances to cover any damages caused as a result of their services rendered.

5. The successful bidder must ensure that all goods and services delivered under this contract are sufficiently insured, inter alia
   a. Riot Insurance effected through the South African Special Risks Insurance Association (SASRIA) in respect of all construction equipment, machines and/or vehicles for a sum sufficient to provide for their replacement, and
   b. Public Liability insurance including, but not limited to, Liability for defective workmanship, Liability for the acts of employees or any principal of the contractor, Liability for accidental loss, damage or injury to property and/or persons for a limit of Indemnity of R5, 000, 000.00 per event and with a minimum limit of R5, 000, 000.00 per event and per period of insurance.

6. The contractor to provide his/her own staff for the cleaning and upkeep of the units.

7. The successful bidder must make his own arrangements for disposal of night soil at a permitted hazardous waste site.

8. The cleaning and emptying of the drums within a residential area are not permitted.

9. A penalty may, in terms of the General Condition Contract be imposed based on the decision of the municipality in the event of non – adherence to 8 above.

10. Continuous non – adherence to the conditions as set out above will result in the termination of this contract.

11. The unit shall comply with South African Bureau of Standards, Standard SANS 10400-Q (2011)

12. The Service Provider shall be required to advise the relevant Council representative(s) who are monitoring this contract of the time of arrival on site of the cleaning team to enable the Council representative(s) to monitor the operation.

Emptying of tanks must be performed with a suction tanker vehicle suitable to perform the function.

13. Vehicles to be used must transport effluent in a safe and non-offensive manner.

14. All effluent removed from chemical toilets shall be deposited at a waste water treatment works.

15. A record of the number of chemical toilets serviced, including location/address shall be kept by the service provider and provided to the representative of the Employer on a weekly basis.

Servicing and Cleaning of Toilet

1. Pump the content of the toilet out, fill with the required amount of water, add the chemicals, wash the toilet out and dry it.

2. The successful bidder must ensure the process of cleansing the toilets is in accordance with the Occupational Health and safety Act

If the bidder fails to sign this schedule, it will be interpreted that the bidder does not comply with the Scope of Works and therefore will be regarded as being not eligible.

I hereby declare that I comply with the Scope of Works.

Name of Bidder	Signature on Behalf of Tenderer	Date

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE THEEWATERSKLOOF MUNICIPALITY					
Bid Number:	**WM 03/2022/23**	Closing Date:	**16 September 2022**	Closing Time:	**12:00**
Description:	**PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMNTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022**				

THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (CONTRACT FOR THE RENDERING OF SERVICES)

Bid Response Documents may be Deposited in the Bid Box **NO. 2** situated at:

MUNICIPAL HEAD OFFICE
06 PLEIN STREET
CALEDON
7230

SUPPLIER INFORMATION

NAME OF BIDDER				
CONTACT PERSON				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
TAX COMPLIANCE STATUS	TCS PIN:		**OR** CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	**2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER PART B:3]
3. TOTAL NUMBER OF ITEMS OFFERED		**4. TOTAL BID PRICE**	**R**
5. SIGNATURE OF BIDDER	.....	**6. DATE**	
7. CAPACITY UNDER WHICH THIS BID IS SIGNED			

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	**SCM**	CONTACT PERSON	**Warren Moses**
CONTACT PERSON	**Ruhan Andries**	TELEPHONE NUMBER	**028 214 3300**
TELEPHONE NUMBER	**028 214 3300**	FACSIMILE NUMBER	**N/A**
FACSIMILE NUMBER	**028 212 1229**	E-MAIL ADDRESS	warrenmo@twk.org.za
E-MAIL ADDRESS	ruhanan@twk.org.za		

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

2.1 Bidders must ensure compliance with their tax obligations.

2.2 Bidders are required to submit their unique personal identification number (pin) issued by sars to enable the organ of state to view the taxpayer's profile and tax status.

2.3 Application for the tax compliance status (tcs) certificate or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with sars as e-filers through the website www.sars.gov.za.

2.4 Foreign suppliers must complete the pre-award questionnaire in part b:3.

2.5 Bidders may also submit a printed tcs certificate together with the bid.

2.6 In bids where consortia / joint ventures / sub-contractors are involved, each party must submit a separate tcs certificate / pin / csd number.

2.7 Where no tcs is available but the bidder is registered on the central supplier database (csd), a csd number must be provided.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

805

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: andreajacobs13@gmail.com

Attention: Ms. A. Ziegers
ABH Logistics (Pty) Ltd.
4 Plump Close
Victoria Park
Somerset West
7130

Dear Madam,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

We regret to inform you that the above mentioned quotation was cancelled in terms of Regulation 13 (1)(c) of the Preferential Procurement Regulations of 2017.

"Reg. 13 (1) states the following:

(1) An organ of state may, before the award of a tender, cancel a tender invitation if-

(c) no acceptable tender is received.

Furthermore we would like to motivate you to participate in future request for quotes.

Yours faithfully

S. MBEKENI
ACCOUNTANT: SCM

13/10/2022

806

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: muzi@olal.co.za

Attention: Mr. M. Khala
Ikamva Tyi Technologies and Projects (Pty) Ltd.
PP Mong Trust
P.O. Box 52
Vyeboom
7171

Dear Sir,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

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Yours faithfully

S. MBEKENI
ACCOUNTANT: SCM

13/10/2022.

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
807
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: candice.ziegers@gmail.com

Attention: Ms. C. Ziegers
K2C Construction (Pty) Ltd
01 Liverpool Road
Croydon Faure
7130

Dear Madam,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

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S. MBEKENI
ACCOUNTANT: SCM

13/10/2022

808

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: info@lncmaintenance@gmail.com

Attention: Mr. N. Du Plessis
LNC Maintenance and Services (Pty) Ltd.
43 Chanita Close
Sercorpark
Strand
7140

Dear Sir,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

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S. MBEKENI
ACCOUNTANT: SCM

13/10/2022

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

809

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: mthuthukhala@icloud.com

Attention: Mr. R. Boitumelo
Prima Group of Companies (Pty) Ltd.
9255 Bonga Street
Zwelihle
Hermanus
7200

Dear Sir,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

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Yours faithfully

S. MBEKENI
ACCOUNTANT: SCM

13/10/2022

810

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: WM 03/2022/23
Contact: Ms. S. Newman
Date: 13 October 2022
Email: timaharrison123@gmail.com

Attention: Mr. T. Harrison
TJH Property Investments (Pty) Ltd.
11 Buccaneer Road
Eldorado Park
1811

Dear Sir,

QUOTATION NO: WM 03/2022/23 – PROVISION OF 32 PORTABLE CHEMICAL TOILETS TO VARIOUS INFORMAL SETTLEMENTS IN GRABOUW FOR A PERIOD FROM 01 OCTOBER 2022 TO 30 DECEMBER 2022

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(c) no acceptable tender is received.

Furthermore we would like to motivate you to participate in future request for quotes.

Yours faithfully

S. MBEKENI
ACCOUNTANT: SCM

13/10/2022

0125110966098

Tax Invoice

811

1

K2C CONSTRUCTION

Tax Invoice

13 OCT 2022

THEEWATERSKLOOF MUNICIPALITY

1 Liverpool Road

Croydon, Faure

7131
T: 084 775 2317 / 084 472 0709
E: candice.ziegers@gmail.com
E: k2cconstructionpty@gmail.com
Vat No: 4400273415

Order Date:	31/08/2022
Order No:	No Order number as per Warren Moses and Simphiwe Tebele
Invoice No:	IN567
Customer ID:	THE001
Invoice Date:	03/10/2022
Customer Vat No:	4000846248

Shipping Address

Warren Moses
Theewaterskloof Municipality
1 Arbor Avenue
Grabouw
7160
Tel: 028 214 3300

Invoice Address

Warren Moses
Theewaterskloof Municipality
P.O.Box 24
Caledon
7230
Tel: 028 214 3300

Item	Description	Quantity Ordered	Price Excl	Amount Incl Vat
2000/600	Rental of toilet per month	32	22 400,00	R 25 760,00
2000/600	Service and cleansing of toilets per month	32	18 560,00	R 21 344,00
2000/600	Monthly transport cost for the service and cleansing of the toilets	1	1 600,00	R 1 840,00
	Rental for September 2022:			
	01 September 2022 till 30 September 2022			

PAID

BANK DETAILS: FNB
Acc Number: 625 7 999 6334
Branch: 200-912

Excl	R 42 560,00
Vat	R 6 384,00
Total	R 48 944,00

Notice must be given to us of any goods not received within 10 days taken from the date of despatch stated on invoice.
Any shortage or damage must be notified within 72 hours of receipt of goods.
Complaints can only be accepted if made in writing within 30 days of receipt of goods.
No goods may be returned without prior authorisation from the company.

Thank you for your business!

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere koos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.

Handtekening 13/10/2022 Datum

812 R0010082 A

Tax Invoice

Tax Invoice

K2C CONSTRUCTION

1 Liverpool Road

Croydon, Faure

7131
T: 084 775 2317 / 084 472 0709
E: candice.ziegers@gmail.com
E: k2cconstructionpty@gmail.com
Vat No: 4400273415

Order Date:	30/09/2022 A
Order No:	No Order number as per Warren Moses and Simphiwe Tebele
Invoice No:	IN572
Customer ID:	THE001
Invoice Date:	20/10/2022
Customer Vat No:	4000846248

Shipping Address

Warren Moses
Theewaterskloof Municipality
1 Arbor Avenue
Grabouw
7160
Tel: 028 214 3300

Invoice Address

Warren Moses
Theewaterskloof Municipality
P.O.Box 24
Caledon
7230
Tel: 028 214 3300

Item	Description	Quantity Ordered	Price Excl	Amount Incl Vat
2000/600	Rental of toilet per month	32	22 400,00	R 25 760,00
2000/600	Service and cleansing of toilets per month	32	18 560,00	R 21 344,00
2000/600	Monthly transport cost for the service and cleansing of the toilets	1	1 600,00	R 1 840,00
	Rental for October 2022: A			
	01 October 2022 till 31 October 2022			

BANK DETAILS: FNB
Acc Number: 625 7 999 6334 A
Branch: 200-912

Excl	R 42 560,00
Vat	R 6 384,00
Total A	R 48 944,00 A

Notice must be given to us of any goods not received within 10 days taken from the date of despatch stated on invoice.
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Complaints can only be accepted if made in writing within 30 days of receipt of goods.
No goods may be returned without prior authorisation from company

Thank you for your business!

PAID

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.
Handtekening A 23/11/2022 Datum

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.
Handtekening 23/11/22 Datum

01 [illegible] 0 96608

813

Order - Payment
F0002823

VAT Registration number:4000846248

SUPPLIER NAME: R2C CONSTRUCTION [K00029]
SUPPLIER TEL NO: SUPPLIER FAX NO:
VAT REGISTRATION NO: 4000044400273415 PHYSICAL ADDRESS: 1 LIVERPOOL ROAD
DATE: 20221207 CRAYDON

DIRECTORATE: Directorate Technical Serv and Plannin
COST CENTRE: Human Settlements
NAME: Gertse S

mSCOA CONFIG	DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.	DISCOUNT
012511096609	Rental of toilet per month- November	32.00	650.00	20800.00	23920.00	
012511096609	Service and cleaning of toilets per month November 2022	32.00	530.00	16960.00	19504.00	
012511096609	Monthly transport cost for the service and cleansing of the toilets- Nove	1.00	1600.00	1600.00	1840.00	
012511096609	Rental of toilet per month- December 2022	32.00	650.00	20800.00	23920.00	
012511175900	Service and cleaning of toilets per month December 2022	32.00	530.00	16960.00	19504.00	
012511496600	Monthly transport cost for the service and cleansing of the toilets- Dece	1.00	1600.00	1600.00	1840.00	
012511290250	Rental of toilet per month- January 2023	32.00	650.00	20800.00	23920.00	
012511175900	Service and cleaning of toilets per month January 2023	32.00	530.00	16960.00	19504.00	
012511096608	Monthly transport cost for the service and cleansing of the toilets- Janu	1.00	1600.00	1600.00	1840.00	
012511096608	Rental of toilet per month- February 2023	32.00	650.00	20800.00	23920.00	
012511290250	Service and cleaning of toilets per month February 2023	32.00	530.00	16960.00	19504.00	
012511396600	Monthly transport cost for the service and cleansing of the toilets- Febr	1.00	1600.00	1600.00	1840.00	
	GRAND TOTAL			157440.00	181056.00	

PAYMENT AUTHORIZATION	
DATE	2022/12/07
HEAD OF DEPARTMENT	PROCUREMENT OFFICER

GRAND TOTAL	181056.00
LESS DISCOUNT	0.00
NETT AMOUNT	181056.00

814

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: DEV 01/2022/23
Contact: Mr. H. September
Date: 24 March 20223
Email: sales@morekisolutions.co.za

Attention: Mr. J. Kempe
Moreki Distributors (Pty) Ltd.
3 Cradick Street
Parow Industria
Cape Town

Dear Sir,

TENDER NO: DEV 01/2022/23 –THE APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY AND DELIVR NON-FLUSH CHEMICAL TOILETS TO VARIOUS AREAS IN THEEWATERSKLOOF MUNICIPAL AREA ON AN AD-HOC BASIS FOR THE PERIOD FROM DATE OF APPOINTMENT TO JUNE 2025

We have pleasure informing you of a resolution taken by our Bid Adjudication Committee on 10 March 2023 to award the above mentioned tender to **Moreki Distributors (Pty) Ltd.**in the estimated amount of **R 1 889 942.35** (One Million Eight Hundred Eighty Eight Thousand Nine Hundred and Fourty Two rand Thirty Five cents only) Vat Incl.

The award is subject to the availability of funds

It is further recommended that the addendum is compiled with the condition that the Contract ends if the above stated amount is reached or on 30 June 2025 whichever comes first.

The Award will be made as follows for all towns at the following rates :

Grabouw		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	1,068.00
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**1880.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Genadendal/Greyton		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**812.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Riviersonderend		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**812.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Botrivier		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**812.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Caledon		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**812.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Villiersdorp		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	1,068.00
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	**1880.00**

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Theewaterskloof
Municipality

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Kindly note that this award is conditional and subject to an appeal of 21 calendar days from date of this decision, for the unsuccessful tenderers, after which we will inform you again in writing for the contract to be concluded to confirm your official appointment.

We however trust that the relationship will be mutually beneficial for us to carry out our constitutional mandate of service delivery.

Yours faithfully

S. FRANCIS
MANAGER: SCM

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

20 October 2023

Reference: Communication No. 06 of 2023

Dear Mr. WS Johannes

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

Background

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

DETAILED AUDIT FINDING

Irregular expenditure overstated

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."

During the audit of irregular expenditure, it was noted that the irregular expenditure disclosed and recorded in the section 32 register was inclusive of payments to be incurred in future as management disclosed the following irregular contracts at contract value instead of actual expenditure incurred.

This results to the overstatement of irregular expenditure by a material amount of R16 792 426.07. Furthermore, a portion amounting to R15 538 594.63 was written off by council as recommended by Municipal Public Accounts Committee (MPAC).

This result in a material overstatement of *Irregular expenditure incurred in the current year* line by R16 792 426.07 and *approved by council line* by R15 538 594.63 as disclosed in note 53.3 of the financial statements.

SUPPLIERS AND PAYMENT NUMBERS	ACTUAL EXPENDITURE 2022/23	IRREGULAR EXPENDITER AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS	DIFFERENCE
ABH Logistics	**384 000,00**	**384 000,00**	-
26983	384 000,00	384 000,00	
Bluefalcon (pty) Ltd.	**16 964 768,10**	**21 621 253,50**	**(4 656 485,40)**
23915	2 284 762,50	16 833 084,75	
24854	2 359 800,00	-	
25063	2 167 750,00	-	
25141	2 432 250,00	-	
25485	914 250,00	-	
26730	217 036,84	1 999 999,99	
27608	2 110 250,00		
27940	1 690 500,00		
27179 - Payment in 2023/24	2 788 168,76	2 788 168,76	
Caledon Informal Traders Association (CITA)	**250 420,00**	**179 458,53**	**70 961,47**
24169	250 420,00	179 458,53	
Caledon Vet	**400,00**	**400,00**	-

23126	400,00	400,00	
HWM Consultancy	**77 959,40**	**77 959,40**	-
22835	20 257,88	20 257,88	
23287	57 701,52	57 701,52	
JT Maritz Electrical	**3 212 691,93**	**4 794 000,44**	**(1 581 308,51)**
No Payments in 2022/23	-	4 794 000,44	
27745	1 212 917,70		
27261	1 999 774,23		
K2C Construction	**205 831,14**	**165 784,00**	**40 047,14**
23747	48 944,00	48 944,00	Syf
24309	88 991,14	48 944,00	oof
26493	67 896,00	67 896,00	Match
Machaira Projects (Pty) Ltd.	**627 693,35**	**707 984,17**	**(80 290,82)**
22933	141 003,53	627 693,35	
23209	141 003,59	-	
23628	136 455,09	-	
24196	209 231,14	80 290,82	
MDL Engineering Company (Pty) Ltd.	**9 258 758,70**	**8 182 769,13**	**1 075 989,57**
23922	3 692 352,87	8 182 769,13	
24134	863 860,68	-	
24520	1 530 115,42	-	
24663	1 483 167,43	-	
25734	825 221,52	-	
25936	864 040,78	-	
Media 24	**12 311,99**	**2 280,00**	**10 031,99**
26353	12 311,99	2 280,00	
Rhula National Security	**1 159 200,00**	**1 304 100,00**	**(144 900,00)**
24199	144 900,00	-	
24380	289 800,00	1 304 100,00	
25067	144 900,00	-	
25183	289 800,00	-	
25493	289 800,00	-	
Security Consortuim SA	**10 056 635,00**	**12 144 317,00**	**(2 087 682,00)**
23909	1 428 300,00	9 426 407,00	
24381	1 518 000,00	-	
25068	1 580 100,00	-	
25184	840 075,00	-	
25495	1 972 250,00	-	
26729	2 717 910,00	2 717 910,00	
Siswa Trading & Projects	**7 385 116,00**	**7 385 116,00**	-
23925	780 436,00	7 385 116,00	
23961	1 294 992,00	-	
24278	767 510,00	-	
24695	821 123,00	-	
25070	879 428,00	-	
25185	1 535 365,00	-	

25415	1 306 262,00	-	
Specialised Agri Protection Services	**99 831,99**	**139 168,32**	**(39 336,33)**
23926	49 795,72	47 540,00	
25739	23 438,99	21 340,00	
27852	26 597,28	70 288,32	
Term Group	**5 990 925,50**	**7 085 072,94**	**(1 094 147,44)**
23927	1 662 639,76	5 990 926,50	
24395	1 069 996,43	-	
25071	1 069 996,43	-	
25497	1 094 146,44	-	
27181 - Payment in 2023/24	1 094 146,44	1 094 146,44	
Trails End	**8 998,00**	**9 790,00**	**(792,00)**
24899	1 540,00	1 540,00	
27236	7 458,00	8 250,00	
TWK Communications	**114 134,13**	**33 838,54**	**80 295,59**
23929	114 134,13	33 838,54	
Unitrade 1047 T/A Isidingo Security Services	**7 112 870,23**	**6 142 445,50**	**970 424,73**
23930	789 360,00	5 925 408,66	
24385	789 360,00	-	
24697	992 960,06	-	
25072	203 600,06	-	
25102	992 960,06	-	
25499	1 344 630,06	-	
26728	1 999 999,99	217 036,84	
Utilities Worlds (Pty) Ltd.	**581 816,86**	**3 646 500,00**	**(3 064 683,14)**
25776	227 486,62	3 646 500,00	
26110	88 175,69	-	
26509	77 889,06	-	
26943	85 418,22	-	
27241	102 847,27	-	
Van Tonder Security Services	**156 365,00**	**156 365,00**	**-**
24270	156 365,00	156 365,00	
Verso Financial Services (Pty) Ltd.	-	**10 667 411,16**	**(10 667 411,16)**
No payments	-	10 667 411,16	
Verve Media Group Africa	**5 400,00**	**5 400,00**	-
23064	5 400,00	5 400,00	
WB Tipper Truck and Plant Hire (Pty) Ltd.	**22 490 741,25**	**21 680 968,75**	**809 772,50**
23746	270 692,75	14 316 075,50	
23910	556 824,25	-	
23963	285 090,75	-	
24343	849 936,25	-	
24396	1 065 003,50	-	
24698	2 198 514,00	-	

24850	2 196 500,00	-	
25073	2 191 900,00	-	
25186	1 503 487,00	-	
25500	1 191 262,00	-	
25554	1 605 434,50	-	
26731	3 238 210,25	3 238 210,25	
27618	1 058 299,00		
27716	1 148 298,00	995 394,00	
27182 - Payment in 2023/24	3 131 289,00	3 131 289,00	
ZWH Projects and Development	**32 674 815,94**	**29 107 728,20**	**3 567 087,74**
23614	357 909,70	22 811 454,41	
23911	1 138 518,70	-	
24078	328 945,25	-	
24279	1 585 028,28	-	
24472	657 890,50	-	
24688	55 890,00	-	
24699	964 164,55	-	
24853	1 965 813,34	-	
25074	557 302,50	-	
25178	5 591 908,01	-	
25501	5 654 496,15	-	
26732	3 764 820,30	3 624 883,79	
27619	1 977 603,92		
27770	1 952 023,44		
27183	828 476,30	828 476,30	
27271	5 294 025,00	1842 913,70	
Grand Total	**118 831 684,51**	**135 624 110,58**	**(16 792 426,07)**

Internal control deficiency

Financial and Performance Management

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Recommendation

Management should strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Management should examine the entire population to determine the extent of the misstatement and adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed.

Management response

Management comment on audit finding
Management is to a large extend in agreement with the finding. Out of the 18 variances noted as per this finding, Management is in agreement that 10 items are required to be adjusted. Management revisited the entire population and noted that irregular expenditure incurred is factually understated by R3,108,293 and should disclosed as R138,732,403. In addition, irregular expenditure approved by Council was found to be overstated by R16,526,397 and should be disclosed as R100,141,403 and not as R116,667,800. Irregular expenditure awaiting further action was found to be understated by R19,634,690 and should be disclosed as R39,346,639 and not as R19,711,950. Kindly refer to the Excel document accompanying this response for the working paper which corroborates the misstatements as identified above.
Management comment on internal control deficiencies
Management is in agreement with the internal control deficiency.
Management comment on recommendation
Management is in agreement with the recommendation and also revisited the entire population to determine the factual misstatement. The AFS will be adjusted accordingly.

Remedial action		
What actions will be taken: AFS to be adjusted with the factual misstatement.	By whom: Deputy CFO& Act. CFO	By when: Final submission of AFS.

If the above finding affects an amount(s) disclosed in the financial statements:		
Please give an indication of whether a correcting journal entry shall be processed	Yes	**No**
If yes, please indicate the accounting entry: N/A		
If no, please provide the reason why such a conclusion has been reached: The misstatement relates to a disclosure item of which no journal is required.		

Name: Paul Mabhena
Position: Act. CFO
Date: 03-11-2023

Auditor's conclusion:

This finding will be reported in the management report. Management are yet to update the financial statements to correct the misstatement. We will inspect the updated financial statements for accuracy.

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THEEWATERSKLOOF MUNICIPALITY

MPAC55/2026

K2C CONSTRUCTION – IRREGULAR EXPENDITURE

September–October 2022

1. Purpose of the report

This report is submitted by the Municipal Public Accounts Committee to the Municipal Council in terms of section 32(2) of the Municipal Finance Management Act 56 of 2003 (MFMA). Its purpose is to enable Council, after considering MPAC's investigation, to determine whether the irregular expenditure is recoverable or irrecoverable, whether recovery action is warranted, and what consequence-management and preventative measures should follow.

2. Summary of the UIFWE case

Type of UIFWE	Irregular expenditure
Financial year incurred	2022/23
Period	September and October 2022
Amount involved	R97,888.00
Department / project	Human Settlements – provision of chemical toilets to informal settlements
Service provider	K2C Construction
Nature of non-compliance	Service was incurred outside the applicable deviation approval; no Accounting Officer deviation/waiver was approved for the two months.
Original contract context	18 chemical toilets; the appointment was subsequently increased to 32 toilets.

The supplied report states that the municipality incurred R48,944.00 per month for September and October 2022, totalling R97,888.00. The services were used by the community.

3. Factual background and events leading to the UIFWE

- The municipality initially appointed K2C Construction for 18 chemical toilets and weekly cleansing.
- The appointment was amended to include an additional 14 toilets, bringing the total to 32.
- A deviation had been used to bridge the procurement period while a competitive process was pursued.
- The supporting report states that the deviation approval did not cover the September and October 2022 expenditure.

- A request for a further formal tender was made, but the formal deviation approval reflected in the report commenced only from November 2022 to February 2023.
- The municipality subsequently conducted a competitive process, and the three-year tender was advertised in October 2022 and later awarded to Moreki Distributors in March 2023.
- The September and October expenditure was therefore reported as irregular because the service was rendered without valid procurement authorisation covering those months.

Documentary evidence identified in the agenda includes the initial deviation approval, advertisement and cancellation letters, September/October invoices, the later approved purchase order, the tender appointment letter and related procurement documentation.

4. Identification of persons potentially responsible

The then Acting Director of Economic Development and Planning, Mr HM Gxoyiya takes full responsibility.

Identification in this report is not a finding of misconduct.

5. Section 32(1) test – deliberate or negligent conduct

The supplied incident report concludes that there is no evidence at that stage of intentional bypassing for personal gain, fraud, collusion or intentional misconduct. It attributes the irregularity to delayed processes and a lapse in control and compliance oversight.

Recommended MPAC finding:

MPAC's view, based only on the supplied record, is that deliberate conduct is not established. However, the absence of deliberate misconduct does not by itself exclude negligence. MPAC determined that the responsible officials failed to take reasonable steps to ensure that the service continued only under valid procurement authorization for the months of September and October 2022.

6. Recovery assessment in terms of section 32 and regulation 74

6.1 Measures already taken

The supplied report records no recovery action having been taken.

6.2 Cost already incurred

The report records no recovery costs to date.

6.3 Likely success and cost of further recovery

The available evidence indicates that the municipality received and used the sanitation services. The report expressly states that there were no quantifiable financial loss and no reasonable grounds for recovery proceedings. No estimate of recovery costs was supplied.

6.4 MPAC recovery assessment

On the evidence presently before MPAC, the R97,888.00 represents irregular expenditure arising from procurement non-compliance, but the documentation does not demonstrate a quantifiable financial loss to the municipality. The benefit of the sanitation service was received.

Recommended MPAC finding:

MPAC can reasonably recommend that the amount be certified as irrecoverable rather than pursuing a recovery claim for the expenditure itself.

7. Special considerations – irregular expenditure

- The procurement process did not provide a valid deviation/contract covering the September and October 2022 expenditure.
- The service was nevertheless rendered and used for the intended community purpose.
- The supplied report does not identify a quantifiable financial loss, overpayment or personal enrichment.
- The irregularity therefore appears to be a compliance failure rather than evidence, on the present record, of a recoverable financial loss.

8. Disciplinary board referral considerations

The supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct. On the present record, **a disciplinary board referral is not recommended**.

9. Criminal referral considerations

The supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct. On the present record, **a criminal referral is not recommended**.

10. Other consequence-management considerations

- Confirm the accountability of officials responsible for ensuring that procurement authorisations remain valid.
- Review the SCM deviation monitoring process so that an approval cannot expire without an automated escalation.
- Require service-continuity planning for essential community services where procurement delays occur.
- Require monthly reporting on deviations and impending expiry dates to the Accounting Officer and relevant oversight structures.

11. MPAC recommendation to Council:

MPAC recommends that the Municipal Council:

1. **Determines that the September–October 2022 expenditure of R97,888.00 constitutes irregular expenditure.**
2. **Determines, based on the evidence currently supplied, that no quantifiable municipal financial loss has been established.**
3. **Recommends that the irregular expenditure to the amount of R97,888.00 be written off as irrecoverable in terms of section 32 of the MFMA.**
4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

12. Supporting annexures

- Initial deviation approval.
- Advertisement and cancellation letters.
- September and October 2022 invoices.
- Purchase order for the later approved deviation.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission – Cllr A Gana **MPAC CHAIRPERSON**	24/08/2026
MPAC resolution reference	**MPAC55/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 11 AUGUST 2026 – QUESTIONS ASKED BY MPAC

MPAC55/2026 – HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT – K2C CONSTRUCTION – SEPTEMBER – OCTOBER 2022 (R97 888.00)

The report says K2C originally provided chemical toilets, the earlier deviation expired, September and October 2022 expenditure fell outside an approved deviation, and no deviation/waiver was approved by the Accounting Officer. It identifies SCM Manager, CFO, Director/Deputy Director and Manager: Human Settlements as officials with relevant responsibilities.

1. **Questions to Manager: Human Settlements**

1. **When did you first know that the existing authority for K2C would expire on 31 August 2022?**

   As reflected in the attached deviation in the initial submission, I was the official who requested approval for the continuation of the K2C service for the period June to August 2022. I was therefore aware that the approved deviation would expire at the end of August 2022. Pre-planning for procurement could not be initiated before June 2022 as the function (Informal Settlements) resided with the Community Services Directorate.

2. **When did you inform SCM that the service would still be required after August?**

   The continued requirement for the chemical toilet service was addressed in conjunction with SCM. During the approved deviation period, I initiated a formal price quotation procurement process (WM 03/2022/23) to ensure that a compliant procurement arrangement would be in place for the continued provision of the service.

   The MPAC report confirms that a competitive bidding process was undertaken and that the initial offers received were found to be non-responsive, with no award being made.

3. **Who instructed K2C to continue providing the 32 toilets during September and October?**

   No specific instruction was issued by me to K2C to continue providing the service during September and October 2022.

   The service continued because the toilets were already deployed and being utilised by communities in informal settlements with limited or no alternative sanitation services. Removing the toilets without an immediate replacement would have left the affected communities without access to basic sanitation services.

   The continuation was therefore a consequence of the operational circumstances and the need to avoid an interruption of an essential basic service, rather than a specific instruction from me to continue the service without procurement authority.

4. **Was that instruction written or verbal?**

   No written or verbal instruction was issued by me for K2C to continue providing the service during September and October 2022. The service continued in the absence of a new approved deviation covering those months in support of continuing to provide access to sanitation services.

5. **If verbal, identify the official who issued it.**

   Not applicable. I am not aware of any official who issued verbal instruction to K2C to continue the service during September and October 2022.

6. **Did you know that no approved deviation covered September and October?**

   Yes. I was aware that the approved deviation only covered the period up to the end of August 2022.

   I had, however, taken steps during the approved period to ensure that an appropriate procurement process (advertising WM 03/2022/203 & DEV 01/2022/23) was in place for the continuation of the service.

7. **If yes, why were services permitted to continue?**

   The services continued because removing the 32 chemical toilets without an immediate replacement would have left the affected informal settlements without basic sanitation services.

The Municipality had a Constitutional obligation to maintain access to essential basic services. An immediate removal of the toilets could also have resulted in significant community unrest, including possible protest action, disruption of the N2, and potential damage to municipal property.

Maintaining the existing sanitation service was therefore driven by the need to prevent an interruption of an essential service while the Municipality was pursuing the required procurement process.

8. **Did you request an extension/deviation before the existing authority expired?**

   Yes. During the period in which I was Acting Manager: Human Settlements, I obtained an approved deviation covering June to August 2022.

   In addition, during the deviation period steps were taken to advertise a formal price quotation (TWK2) and afterwards attempted to obtain further deviation approval to cover the period while the tender process was being pursued. The subsequent approval, however, was only granted from November 2022 to February 2023 and therefore did not cover September and October 2022.

9. **If not, why not?**

   Not applicable, as steps were taken to obtain the necessary deviation approval, as well as commencing with a formal procurement process.

10. **Who verified that the September and October services had been rendered?**

    The Informal Settlements Management Officer responsible for the relevant area was responsible for monitoring the service on site.

    The officer was present when the service provider cleaned the chemical toilets and verified that the service had been rendered. The service was further supported by the relevant dumping certificates provided by the service provider when dumping waste at the municipal Wastewater Plants

11. **Who approved the invoices for payment?**

    The September 2022 invoice was signed by me, Warren Moses, in my capacity as Acting Manager: Human Settlements.

The October 2022 invoice was signed by Mr S. Tebele in his capacity as Deputy Director: Human & Informal Settlements and Mr H Gxohiya in his capacity as Director Economic Development & Planning.

12. **What action did you take to prevent expenditure from being incurred without procurement authority?**

Ms B. Petersen left the service of Council on 31 May 2022, and I acted in the position of Manager: Human Settlements from 1 June 2022 to 31 December 2022.

During this period, I took steps to regularise the procurement process and ensure continuity of the required sanitation service.

Firstly, I obtained deviation approval covering the period June to August 2022. During the approved deviation period, I initiated a procurement process by advertising TWK 2 (WM 03/2022/23), with the intention of ensuring that a compliant procurement process would be in place from 1 September 2022.

The bids received through that process were subsequently found to be non-responsive and no award could therefore be made.

A further deviation was then sought to cover the period while the procurement process was being addressed. However, the deviation approval that was ultimately granted only commenced in November 2022 and covered the period from November 2022 to February 2023. Consequently, September and October 2022 fell outside the approved deviation period.

To achieve long-term compliance and secure the continued provision of the essential sanitation service, I also initiated the three-year tender process, DEV 01/2022/23, which was advertised in October 2022. The tender was subsequently adjudicated and awarded to Moreki Distributors in March 2023.

The steps taken demonstrate that efforts were made throughout the period to establish an appropriate procurement mechanism while ensuring that the affected communities continue to receive essential sanitation services.

2. Questions to Director: Economic Development & Planning

1. **When did the Director become aware that the K2C appointment/deviation expired?**
   What the report establishes is that the K2C appointment was extended by deviation **from June to August 2022**, with the intention that a competitive bidding process would be completed by the end of September 2022. The subsequent tender process did not result in an award, and the September and October expenditure therefore fell outside the approved deviation.
2. **Was the Director aware that services were continuing?**
   The report confirms that the services continued, but it does not provide evidence that I was specifically informed that K2C continued providing the services after the expiry of the deviation. As per operational protocols the Deputy Director and the Manager would have dealt with procurement-related tasks.
3. **What oversight was exercised over the Human Settlements procurement?**
   My oversight was at the level of general departmental procurement oversight. The operational responsibility for implementing the SCM process rested with the Deputy Director and Manager Human Settlements, while the specialised SCM compliance and competitive bidding functions rested with SCM.
4. **Did the Manager report the procurement risk to the Director?**
   There would have been some form (formal/informal) of communication between me and the management team highlighting not just the procurement risk but also the risks associated with the community not having sanitation services.
5. **Did the Director instruct that services continue?**
   I did not, according to the evidence contained in this report, issue an instruction for K2C to continue providing the services after the approved deviation had expired. The report records the operational necessity for continuity of sanitation services but does not attribute the decision to continue the services to the Director, Deputy Director or Manager.

6. **Did the Director request that SCM regularise the position?**

   Procurement processes and deviation processes were undertaken, but it does not attribute a specific regularisation instruction to the Director.

7. **What control(s) existed to monitor contract/deviation expiry dates?**

   The Director's role was general oversight rather than the day-to-day administration of individual contract or deviation expiry dates.

8. **Why did those controls fail?**

   The controls did not fail but unavoidable non-compliance to internal controls occurred because the procurement process was delayed and the transition between the expired deviation, the unsuccessful procurement process and the subsequent approved deviation was not effectively controlled. The report characterises this as a lapse in control and compliance oversight rather than deliberate misconduct.

   Additional comment by Councillor Stander during meeting:

   Delay does not justify the irregular expenditure / procurement process was not followed. Responsible person must be identified.

3. Questions to SCM Manager

1. When did SCM realise that the procurement process would not be completed before the existing arrangement expired?
2. Did SCM notify Human Settlements, the Director, CFO or Accounting Officer that continued expenditure would be irregular?
3. Why was a deviation not prepared for September and October?
4. Who had responsibility for preparing/submitting the deviation?
5. Why was the quotation process cancelled?
6. Why was the three-year tender only advertised on 21 October 2022?

Response by SCM Manager: Mr A Plaatjies:

This is a departmental matter – responsibility of the departments – departments must submit procurement plan with relevant dates approved by Council. SCM acted only when tender document is submitted for BSC or when deviation process is submitted.

4. Questions to CFO

1. When did the CFO become aware of the expenditure?
2. Was the CFO aware before payment that no valid deviation existed?

Response by Acting Director: Finance, Mr A Riddles:

If no procurement process was followed and the expense is certified by end user that services were rendered, payment is done to the service provider, and the irregular expenditure is flagged.

5. Questions to Accounting Officer

1. Was the Accounting Officer asked to approve a deviation for September–October?
2. If not, why not?
3. When did the Accounting Officer first become aware that expenditure had been incurred without authority?
4. What investigation was instituted at that point?
5. Why has the current investigation not identified the specific official responsible for the control failure?
6. On what evidence can MPAC conclude that there was no negligent conduct?
7. Were written representations obtained from every implicated official?
8. If not, how was the conclusion regarding negligence reached?

COMMENTS BY THE MUNICIPAL MANAGER (MR WF HENDRICKS):

Pursuant to the questions to my office for MPAC 2021/22 items I confirm that I was not the responsible Municipal Manager and can therefore not respond to the MPAC questions put to me.

ITEM TITLE - 837

C245/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT - K2C CONSTRUCTION FOR THE PERIOD MARCH - APRIL 2023

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

Irregular expenditure report - K2C Construction for the period March - April 2023.

BACKGROUND

See attached document.

DISCUSSION

See attached document.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

See attached document.

LEGAL IMPLICATIONS (ITEM AUTHOR)

See attached document.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

See attached document.

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item be referred back to be amended as discussed during the Management Meeting with the inclusion of a recommendation and the COMAF's for the item and that the item thereafter be submitted to MPAC for discussion.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That the Municipal Public Accounts Committee notes the circumstances that resulted in the irregular expenditure.**

2. **That MPAC determines that the expenditure constitutes irregular expenditure arising from procedural non-compliance with the Municipality's Supply Chain Policy.**

3. **That MPAC determines that there is insufficient evidence to conclude that the irregular expenditure resulted from deliberate or negligent conduct as contemplated in section 32(1) of the MFMA.**

4. **That MPAC determines that no quantifiable financial loss has been suffered by the Municipality and that there no reasonable grounds to institute recovery proceedings.**

5. **That MPAC recommends to Council that the irregular expenditure be certified as irrecoverable in terms of section 32 of the MFMA.**

6. **That Management be directed to implement corrective SCM control measures to prevent similar instances of irregular expenditure.**

DISCUSSION DURING THE MEETING: (03 SEPTEMBER 2026)

Councillor P Stander: What were the reasons for the delay in the adjudication of the tender?

Mnr HM Gxoyiya: Bid Adjudication Committee did not sit to adjudicate the tender during the 4 months.

Councillor P Stander: Why were the invoices signed off?

Mr HM Gxoyiya: The services were rendered to the Municipality and once an invoice is submitted to the Municipality, it needs to be signed off.

Councillor Stander responded that Mr HM Gxoyiya confirmed that the services were rendered to the Municipality.

Councillor D Jacobs: When the BAC did not sit to consider the tender, why were other procurement processes not followed?

Mr HM Gxoyiya: Once the tender was already advertised, no other procurement process can be followed.

Alderman C Wood request a 10-minute caucus break which were granted by the Chairperson.

After the caucus break Councillor P Stander indicated that Mr H Gxoxiya take full responsibility, and therefore the names of the SCM Manager, CFO and Manager Human Settlements can be removed as they are no longer in the service of the Municipality.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 03 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Determines that the March 2023 and first 14 days of April 2023 expenditure of R67 898.00 constitutes irregular expenditure.**

2. **Determines, based on the evidence currently supplied, that no quantifiable municipal financial loss has been established.**

3. **Recommends that the irregular expenditure to the amount of R67 898.00 be written off as irrecoverable in terms of Section 32 of the MFMA.**

4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

Annexure:E

Irregular Expenditure Report on Supply Chain Management Non-Compliance

1. Introduction

- This report has been drafted for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.
- This report focuses on irregular expenditure incurred due to non-compliance with supply chain management processes for the 2022/23 financial year.
- The report analyses the expenditure incident and the events that led to the irregular expenditure, identifies the responsible officials, and outlines the measures taken or proposed to prevent recurrence.

2. The legal implications of the report

The legal implications of this report are governed by section 32 of the MFMA, which mandates the identification, reporting, and management of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE).

3. Type of UIFWE applicable to this report

The type of UIFWE applicable to this report is irregular expenditure incurred due to non-compliance with supply chain management regulations, specifically the failure to follow competitive bidding procedures for transactions above the prescribed threshold.

4. Discussion of events/ reasons that led to the UIFWE

The Municipality initially appointed K2C Construction for the provision of 18 chemical toilets and the cleansing thereof once a week.

The original scope of the contract entailed the rental of 18 chemical toilets and the cleansing thereof once a week with the total amounting to R 48 944.00 inclusive of VAT. This appointment was increased by adding 14 more toilets totaling to 32 toilets.

The toilets were dispatched to the informal settlements of Grabouw, settlements included, Lost City, Kgutsong and Siayanzela . The aforementioned informal settlements were established in 2014/15 with approximately more than 2000 informal structures, both with limited and or no sanitation services.

Upon completion of the original contract with K2C Constuction deviation approval was granted from November 2022 to February 2023 to allow the department to advertise a formal 3-year tender as no further deviations will be supported

(Purchase order F 0002823 Attached). During the 4-month contract period the municipality went through a competitive bidding process by advertising (DEV01 2022/23), to test the market for the provision of chemical toilets. The three-year tender (Dev 01/2022/23) was advertised 21st of October 2022 and closed on the 11th of November 2022.

The tender was only adjudicated 10th of March 2023 and the appointment to Moreki Distibutors was only made on the 24th of March 2023 **(appointment letter attahed),** hence the toilets had to remain on site for the month of March 2023. The new service provider indicated that it needed the 14 days lead time for the delivery of its toilets and logistical arrangement between the two service providers had to be made to ensure that once Moreki delivers, K2C can remove to ensure sure that the community is not left without sanitation services. K2C removed its toilets on the 14th of April 2023 and Moreki delivered on the same day, hence the expenditure incurred was for the month of March 20223 and the remaining 14 days in April 2023.

The cost incurred for March 2023 rental and the additional 14 days in April 2023 **(Invoice No. IN602 attached)** were outside the deviation approval and were reported as irregular expenditure in the amount of R 67 898.00

- No deviation report or waiver was approved by the Accounting Officer.
- Consequently, the transaction constitutes irregular expenditure due to non-compliance with sections 111 and 112 of the MFMA, read with the Municipal SCM Regulations and the Municipality's SCM policy.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

- According to the Municipality's SCM Policy, the SCM Manager oversees the competitive bidding process and ensures compliance with all SCM prescripts.
- The CFO is responsible for oversight in terms of section 81 of the MFMA to ensure that SCM processes are adhered to and that deviations are properly documented and approved.
- Deputy Director / Director responsible for the Economic Development and Planning Directorate under which the Human Settlements Department resorts, is responsible for the general procurement oversight of the Department
- The Manager Human Settlement is responsible for operational implementation of SCM processes of the department

6. Why is the expenditure irregular expenditure?

- The appointment of the service provider did not comply with the supply chain management prescripts, as neither a competitive SCM process nor a formal deviation was approved by the municipal manager.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred as a result of deliberate or negligent action or inaction by an official. This assessment is necessary to support the determination of liability and the appropriate consequence management response.

The facts presented in this report indicate that the procurement process was not conducted in accordance with the prescribed supply chain management requirements.

There is no evidence at this stage that the SCM process was intentionally bypassed for personal gain. The available information does not suggest fraud, collusion, or any intentional misconduct related to the transaction.

On the balance of probabilities, the irregular expenditure appears to have arisen from delayed processes rather than deliberate misconduct. The conduct reflects a lapse in control and compliance oversight.

8. Mitigating controls to prevent similar UIFWE in the future

a) Formal tender process followed for all future procurement of chemical toilets for informal settlement with limited or no sanitation services.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Warren Moses, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not ?

For the consideration of MPAC.

11. Measures already taken to recover the UIFWE

- N/A

12. Cost of the measures already taken to recover UIFWE

- None as yet.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

For consideration by MPAC.

14. Annexures

Supporting documents attached to this report include:

- Copy of invoices paid.
- Copy of deviation request form (approved purchase order)
- Copy of contract award documentation

15. Conclusion of report

a) In conclusion, this report highlights the irregular expenditure resulting from non-compliance with SCM processes, the events that led to it, and the actions taken to address it.

b) The analysis provided aims to ensure accountability and transparency within the Municipality's financial management practices.

16. Referral of report to the MPAC

This report is hereby referred to the MPAC for its UIFWE recovery assessment as contemplated in section 32(2) of the MFMA.

Report compiled by:	**Date:**	**Designation:**	**Signature:**
Mr W Moses	24 July 2026	Manager: Human Settlements	

Report approved by:	**Date:**	**Designation:**	**Signature:**
Ms N Baliso	27 July 2026	Director: Economic Development & Planning	

Report authorised for MPAC referral by:	Date:	Designation:	Signature:
Mr W Hendricks	03/08/2026	Municipal Manager	

Order - Payment

F0002823

VAT Registration number:4000846248

SUPPLIER NAME: K2C CONSTRUCTION [K00029]
SUPPLIER TEL NO: **SUPPLIER FAX NO:**
VAT REGISTRATION NO: 000004400273415 **PHYSICAL ADDRESS:** 1 LIVERPOOL ROAD
DATE: 20221207 CRAYDON

DIRECTORATE: Directorate Technical Serv and Plannin
COST CENTRE: Human Settlements
NAME: Gertse S

mSCOA CONFIG	DESCRIPTION	QUANTITY	UNIT PRICE EXCL.	AMOUNT EXCL.	AMOUNT INCL.	DISCOUNT
012511096609	Rental of toilet per month- November	32.00	650.00	20800.00	23920.00	
012511096609	Service and cleaning of toilets per month November 2022	32.00	530.00	16960.00	19504.00	
012511096609	Monthly transport cost for the service and cleansing of the toilets- Nove	1.00	1600.00	1600.00	1840.00	
012511096609	Rental of toilet per month- December 2022	32.00	650.00	20800.00	23920.00	
012511175900	Service and cleaning of toilets per month December 2022	32.00	530.00	16960.00	19504.00	
012511496600	Monthly transport cost for the service and cleansing of the toilets- Dece	1.00	1600.00	1600.00	1840.00	
012511290250	Rental of toilet per month- January 2023	32.00	650.00	20800.00	23920.00	
012511175900	Service and cleaning of toilets per month January 2023	32.00	530.00	16960.00	19504.00	
012511096608	Monthly transport cost for the service and cleansing of the toilets- Janu	1.00	1600.00	1600.00	1840.00	
012511096608	Rental of toilet per month- February 2023	32.00	650.00	20800.00	23920.00	
012511290250	Service and cleaning of toilets per month February 2023	32.00	530.00	16960.00	19504.00	
012511396600	Monthly transport cost for the service and cleansing of the toilets- Febr	1.00	1600.00	1600.00	1840.00	
	GRAND TOTAL			157440.00	181056.00	

PAYMENT AUTHORIZATION	
DATE	2022/12/07
HEAD OF DEPARTMENT	PROCUREMENT OFFICER

GRAND TOTAL	181056.00
LESS DISCOUNT	0.00
NETT AMOUNT	181056.00

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Ref. No.: DEV 01/2022/23
Contact: Mr. H. September
Date: 24 March 20223
Email: sales@morekisolutions.co.za

Attention: Mr. J. Kempe
Moreki Distributors (Pty) Ltd.
3 Cradick Street
Parow Industria
Cape Town

Dear Sir,

TENDER NO: DEV 01/2022/23 –THE APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY AND DELIVR NON-FLUSH CHEMICAL TOILETS TO VARIOUS AREAS IN THEEWATERSKLOOF MUNICIPAL AREA ON AN AD-HOC BASIS FOR THE PERIOD FROM DATE OF APPOINTMENT TO JUNE 2025

We have pleasure informing you of a resolution taken by our Bid Adjudication Committee on 10 March 2023 to award the above mentioned tender to **Moreki Distributors (Pty) Ltd.**in the estimated amount of **R 1 889 942.35** (One Million Eight Hundred Eighty Eight Thousand Nine Hundred and Fourty Two rand Thirty Five cents only) Vat incl.

The award is subject to the availability of funds

It is further recommended that the addendum is compiled with the condition that the Contract ends if the above stated amount is reached or on 30 June 2025 whichever comes first.

The Award will be made as follows for all towns at the following rates :

Grabouw			
No	**Description**	**Unit Price (Per Toilet Per Month)**	
1	Rental of toilet per month	98.00	
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00	
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	1,068.00	
4	Cost of one anche per toilet (Once-off)	2.00	
		Sub Total (Y)	1880.00

5	**Once-off delivery and pick-up cost**	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

847

Theewaterskloof Municipality

Theewaterskloof Municipality Head Office
6 Plein Street
P.O.Box 24
Caledon
7230
Telephone: +27 (28) 2143300
Fax: +27 (28) 2141289
Website: www.twk.gov.za

Genadendal/Greyton		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	812.00

5	Once-off delivery and pick-up cost	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Riviersonderend		
No	**Description**	**Unit Price (Per Toilet Per Month)**
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	812.00

5	Once-off delivery and pick-up cost	
No	**Description**	**Unit Price (Per delivery)**
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Theewaterskloof Municipality

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Website: www.twk.gov.za

Botrivier		
No	Description	Unit Price (Per Toilet Per Month)
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	812.00

5	Once-off delivery and pick-up cost	
No	Description	Unit Price (Per delivery)
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Caledon		
No	Description	Unit Price (Per Toilet Per Month)
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	N/A
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	812.00

5	Once-off delivery and pick-up cost	
No	Description	Unit Price (Per delivery)
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Villiersdorp		
No	Description	Unit Price (Per Toilet Per Month)
1	Rental of toilet per month	98.00
2	Service and cleaning of toilets per month (Toilets to be serviced twice a week) (price per toilet per month)	712.00
3	Service and cleaning of toilets per month (Toilets to be serviced thrice a week) (price per toilet per month)	1,068.00
4	Cost of one anche per toilet (Once-off)	2.00
	Sub Total (Y)	1880.00

5	Once-off delivery and pick-up cost	
No	Description	Unit Price (Per delivery)
5.1	1-10 Toilets (per toilet)	2.00
5.2	Up to 20 Toilets (per toilet)	2.00
5.3	21 and more Toilets (per toilet)	2.00

Theewaterskloof
Municipality

Theewaterskloof Municipality Head Office
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Fax: +27 (28) 2141289
Website: www.twk.gov.za

Kindly note that this award is conditional and subject to an appeal of 21 calendar days from date of this decision, for the unsuccessful tenderers, after which we will inform you again in writing for the contract to be concluded to confirm your official appointment.

We however trust that the relationship will be mutually beneficial for us to carry out our constitutional mandate of service delivery.

Yours faithfully

S. FRANCIS
MANAGER: SCM

850

Tax Invoice

K2C CONSTRUCTION

1 Liverpool Road
Croydon, Faure
7131
T: 084 775 2317 / 084 472 0709
E: candice.ziegers@gmail.com
E: k2cconstructionpty@gmail.com
Vat No: 4400273415

Order Date:	07/12/2022
Order No:	F0002823
Invoice No:	IN602
Customer ID:	THE001
Invoice Date:	13/04/2023
Customer Vat No:	4000846248

Shipping Address

Warren Moses
Theewaterskloof Municipality
1 Arbor Avenue
Grabouw
7160
Tel: 028 214 3300

Invoice Address

Warren Moses
Theewaterskloof Municipality
P.O.Box 24
Caledon
7230
Tel: 028 214 3300

Item	Description	Quantity Ordered	Price Excl	Amount Incl Vat
2000/600	Rental of toilet per month	32	20,800.00	R 23,920.00
2000/600	Service and cleansing of toilets per month	32	16,960.00	R 19,504.00
2000/600	Monthly transport cost for the service and cleansing of the toilets	1	1,600.00	R 1,840.00
	Rental for March 2023			
	01 March till 31 March 2023			
2000/600	Rental of toilet per month	32	10,400.00	R 11,960.00
2000/600	Service and cleansing of toilets per month	32	8,480.00	R 9,752.00
2000/600	Monthly transport cost for the service and cleansing of the toilets	1	800.00	R 920.00
	Rental for April 2023			
	01 April till 14 April 2023			

BANK DETAILS: FNB
Acc Number: 625 7 999 6334
Branch: 200-912

Excl	R 59,040.00
Vat	R 8,856.00
Total	R 67,896.00

Notice must be given to us of any goods not received within 10 days taken from the date of despatch stated on invoice.
Any shortage or damage must be notified within 72 hours of receipt of goods.
Complaints can only be accepted if made in writing within 30 days of receipt of goods.
No goods may be returned without prior authorisation from company

Thank you for your business!

851

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

20 October 2023

Reference: Communication No. 06 of 2023

Dear Mr. WS Johannes

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

Background

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication, as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

DETAILED AUDIT FINDING

Irregular expenditure overstated

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."

During the audit of irregular expenditure, it was noted that the irregular expenditure disclosed and recorded in the section 32 register was inclusive of payments to be incurred in future as management disclosed the following irregular contracts at contract value instead of actual expenditure incurred.

This results to the overstatement of irregular expenditure by a material amount of R16 792 426.07. Furthermore, a portion amounting to R15 538 594.63 was written off by council as recommended by Municipal Public Accounts Committee (MPAC).

This result in a material overstatement of *Irregular expenditure incurred in the current year* line by R16 792 426.07 and *approved by council line* by R15 538 594.63 as disclosed in note 53.3 of the financial statements.

SUPPLIERS AND PAYMENT NUMBERS	ACTUAL EXPENDITURE 2022/23	IRREGULAR EXPENDITER AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS	DIFFERENCE
ABH Logistics	**384 000,00**	**384 000,00**	-
26983	384 000,00	384 000,00	
Bluefalcon (pty) Ltd.	**16 964 768,10**	**21 621 253,50**	**(4 656 485,40)**
23915	2 284 762,50	16 833 084,75	
24854	2 359 800,00	-	
25063	2 167 750,00	-	
25141	2 432 250,00	-	
25485	914 250,00	-	
26730	217 036,84	1 999 999,99	
27608	2 110 250,00		
27940	1 690 500,00		
27179 - Payment in 2023/24	2 788 168,76	2 788 168,76	
Caledon Informal Traders Association (CITA)	**250 420,00**	**179 458,53**	**70 961,47**
24169	250 420,00	179 458,53	
Caledon Vet	**400,00**	**400,00**	-

23126	400,00	400,00	
HWM Consultancy	**77 959,40**	**77 959,40**	-
22835	20 257,88	20 257,88	
23287	57 701,52	57 701,52	
JT Maritz Electrical	**3 212 691,93**	**4 794 000,44**	**(1 581 308,51)**
No Payments in 2022/23	-	4 794 000,44	
27745	1 212 917,70		
27261	1 999 774,23		
K2C Construction	**205 831,14**	**165 784,00**	**40 047,14**
23747	48 944,00	48 944,00	Sept
24309	88 991,14	48 944,00	Oct
26493	67 896,00	67 896,00	March
Machaira Projects (Pty) Ltd.	**627 693,35**	**707 984,17**	**(80 290,82)**
22933	141 003,53	627 693,35	
23209	141 003,59	-	
23628	136 455,09	-	
24196	209 231,14	80 290,82	
MDL Engineering Company (Pty) Ltd.	**9 258 758,70**	**8 182 769,13**	**1 075 989,57**
23922	3 692 352,87	8 182 769,13	
24134	863 860,68	-	
24520	1 530 115,42	-	
24663	1 483 167,43	-	
25734	825 221,52	-	
25936	864 040,78	-	
Media 24	**12 311,99**	**2 280,00**	**10 031,99**
26353	12 311,99	2 280,00	
Rhula National Security	**1 159 200,00**	**1 304 100,00**	**(144 900,00)**
24199	144 900,00	-	
24380	289 800,00	1 304 100,00	
25067	144 900,00	-	
25183	289 800,00	-	
25493	289 800,00	-	
Security Consortuim SA	**10 056 635,00**	**12 144 317,00**	**(2 087 682,00)**
23909	1 428 300,00	9 426 407,00	
24381	1 518 000,00	-	
25068	1 580 100,00	-	
25184	840 075,00	-	
25495	1 972 250,00	-	
26729	2 717 910,00	2 717 910,00	
Siswa Trading & Projects	**7 385 116,00**	**7 385 116,00**	-
23925	780 436,00	7 385 116,00	
23961	1 294 992,00	-	
24278	767 510,00	-	
24695	821 123,00	-	
25070	879 428,00	-	
25185	1 535 365,00	-	

25415	1 306 262,00	-	
Specialised Agri Protection Services	**99 831,99**	**139 168,32**	**(39 336,33)**
23926	49 795,72	47 540,00	
25739	23 438,99	21 340,00	
27852	26 597,28	70 288,32	
Term Group	**5 990 925,50**	**7 085 072,94**	**(1 094 147,44)**
23927	1 662 639,76	5 990 926,50	
24395	1 069 996,43	-	
25071	1 069 996,43	-	
25497	1 094 146,44	-	
27181 - Payment in 2023/24	1 094 146,44	1 094 146,44	
Trails End	**8 998,00**	**9 790,00**	**(792,00)**
24899	1 540,00	1 540,00	
27236	7 458,00	8 250,00	
TWK Communications	**114 134,13**	**33 838,54**	**80 295,59**
23929	114 134,13	33 838,54	
Unitrade 1047 T/A Isidingo Security Services	**7 112 870,23**	**6 142 445,50**	**970 424,73**
23930	789 360,00	5 925 408,66	
24385	789 360,00	-	
24697	992 960,06	-	
25072	203 600,06	-	
25102	992 960,06	-	
25499	1 344 630,06	-	
26728	1 999 999,99	217 036,84	
Utilities Worlds (Pty) Ltd.	**581 816,86**	**3 646 500,00**	**(3 064 683,14)**
25776	227 486,62	3 646 500,00	
26110	88 175,69	-	
26509	77 889,06	-	
26943	85 418,22	-	
27241	102 847,27	-	
Van Tonder Security Services	**156 365,00**	**156 365,00**	**-**
24270	156 365,00	156 365,00	
Verso Financial Services (Pty) Ltd.	**-**	**10 667 411,16**	**(10 667 411,16)**
No payments	-	10 667 411,16	
Verve Media Group Africa	**5 400,00**	**5 400,00**	**-**
23064	5 400,00	5 400,00	
WB Tipper Truck and Plant Hire (Pty) Ltd.	**22 490 741,25**	**21 680 968,75**	**809 772,50**
23746	270 692,75	14 316 075,50	
23910	556 824,25	-	
23963	285 090,75	-	
24343	849 936,25	-	
24396	1 065 003,50	-	
24698	2 198 514,00	-	

24850	2 196 500,00	-	
25073	2 191 900,00	-	
25186	1 503 487,00	-	
25500	1 191 262,00	-	
25554	1 605 434,50	-	
26731	3 238 210,25	3 238 210,25	
27618	1 058 299,00		
27716	1 148 298,00	995 394,00	
27182 - Payment in 2023/24	3 131 289,00	3 131 289,00	
ZWH Projects and Development	**32 674 815,94**	**29 107 728,20**	**3 567 087,74**
23614	357 909,70	22 811 454,41	
23911	1 138 518,70	-	
24078	328 945,25	-	
24279	1 585 028,28	-	
24472	657 890,50	-	
24688	55 890,00	-	
24699	964 164,55	-	
24853	1 965 813,34	-	
25074	557 302,50	-	
25178	5 591 908,01	-	
25501	5 654 496,15	-	
26732	3 764 820,30	3 624 883,79	
27619	1 977 603,92		
27770	1 952 023,44		
27183	828 476,30	828 476,30	
27271	5 294 025,00	1842 913,70	
Grand Total	**118 831 684,51**	**135 624 110,58**	**(16 792 426,07)**

Internal control deficiency

Financial and Performance Management

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Recommendation

Management should strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Management should examine the entire population to determine the extent of the misstatement and adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed.

Management response

Management comment on audit finding
Management is to a large extend in agreement with the finding. Out of the 18 variances noted as per this finding, Management is in agreement that 10 items are required to be adjusted. Management revisited the entire population and noted that irregular expenditure incurred is factually understated by R3,108,293 and should disclosed as R138,732,403. In addition, irregular expenditure approved by Council was found to be overstated by R16,526,397 and should be disclosed as R100,141,403 and not as R116,667,800. Irregular expenditure awaiting further action was found to be understated by R19,634,690 and should be disclosed as R39,346,639 and not as R19,711,950. Kindly refer to the Excel document accompanying this response for the working paper which corroborates the misstatements as identified above.
Management comment on internal control deficiencies
Management is in agreement with the internal control deficiency.
Management comment on recommendation
Management is in agreement with the recommendation and also revisited the entire population to determine the factual misstatement. The AFS will be adjusted accordingly.

Remedial action		
What actions will be taken: AFS to be adjusted with the factual misstatement.	By whom: Deputy CFO& Act. CFO	By when: Final submission of AFS.

If the above finding affects an amount(s) disclosed in the financial statements:		
Please give an indication of whether a correcting journal entry shall be processed	Yes	**No**
If yes, please indicate the accounting entry: N/A		
If no, please provide the reason why such a conclusion has been reached: The misstatement relates to a disclosure item of which no journal is required.		

Name: Paul Mabhena
Position: Act. CFO
Date: 03-11-2023

Auditor's conclusion:

This finding will be reported in the management report. Management are yet to update the financial statements to correct the misstatement. We will inspect the updated financial statements for accuracy.

MPAC56/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

IRREGULAR EXPENDITURE - K2C CONSTRUCTION

March–April 2023

1. Purpose of the report

This draft report is submitted by MPAC to Council in terms of section 32(2) of the MFMA to enable Council to determine the recoverability of the irregular expenditure and the appropriate consequence-management and preventative measures.

2. Summary of the UIFWE case

Type of UIFWE	Irregular expenditure
Financial year incurred	2022/23
Period	March 2023 and 14 days in April 2023
Amount involved	R67,898.00
Department / project	Human Settlements – provision of chemical toilets at Siayanzela
Service provider	K2C Construction
Nature of non-compliance	Expenditure fell outside the deviation approval period; no further deviation/waiver was approved for the March–April period.

The report states that the new service provider, Moreki Distributors, was appointed on 24 March 2023, but required 14 days' lead time to deliver the toilets. K2C removed its toilets on 14 April 2023 and Moreki delivered on the same day. The municipality therefore incurred K2C expenditure for March 2023 and the first 14 days of April 2023.

3. Factual background and events leading to the UIFWE

- The municipality had used K2C Construction for chemical toilet services and obtained a deviation approval for November 2022 to February 2023.
- The municipality conducted a competitive process for a longer-term service arrangement.
- The tender was advertised on 21 October 2022 and closed on 11 November 2022.
- The tender was adjudicated on 10 March 2023, and Moreki Distributors was appointed on 24 March 2023.
- Because the new provider indicated a 14-day lead time, K2C remained in place while the transition occurred.
- The report states that the March 2023 rental and the additional 14 days in April 2023 fell outside the deviation approval.

- The expenditure of R67,898.00 was accordingly recorded as irregular because no valid deviation/waiver had been approved for the period.

4. Identification of persons potentially responsible

The then Acting Director of Economic Development and Planning, Mr HM Gxoyiya takes full responsibility.

These roles are identified for accountability assessment only and do not constitute findings of misconduct.

5. Section 32(1) test – deliberate or negligent conduct

The supplied report states that there is no evidence of intentional bypassing for personal gain, fraud, collusion or intentional misconduct. It concludes that the irregularity appears to have resulted from delayed procurement processes and a lapse in control and compliance oversight.

Recommended MPAC finding:

MPAC's view, based only on the supplied record, is that deliberate conduct is not established. However, the absence of deliberate misconduct does not by itself exclude negligence. MPAC determined that the responsible officials failed to take reasonable steps to ensure that the service continued only under valid procurement authorization for the month of March 2023 and 14 days in April 2023.

6. Recovery assessment in terms of section 32 and regulation 74

6.1 Measures already taken

The supplied report shows no recovery measures have been taken.

6.2 Cost already incurred

No recovery costs have been incurred according to the report.

6.3 Likely success and cost of further recovery

No recovery-cost estimate was provided. The expenditure related to chemical sanitation services that were actually supplied during the transition to the new service provider. The available record does not identify a quantifiable loss, overpayment or personal benefit.

6.4 MPAC recovery assessment

The verification of invoices, proof of service and the actual rates charged, MPAC can reasonably conclude that the irregularity does not, on the present evidence, establish a recoverable municipal financial loss.

Recommended MPAC finding:

MPAC can reasonably recommend that the amount be certified as irrecoverable rather than pursuing a recovery claim for the expenditure itself.

7. Special considerations – irregular expenditure

- The expenditure occurred after the previous deviation approval period had ended.
- The municipality had already initiated a competitive process and eventually appointed a new service provider.
- The continuation of K2C was connected to service continuity and the 14-day lead time of the incoming provider.

8. Disciplinary board referral considerations

The supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct. On the present record, **a disciplinary board referral is not recommended**.

9. Criminal referral considerations

No evidence of fraud, corruption, collusion or personal enrichment is identified in the supplied report. **MPAC therefore does not recommend a criminal referral on the current evidence.**

10. Other consequence-management considerations

- Review the monitoring of deviation expiry dates and ensure that no service continues after expiry without a lawful procurement basis.
- Introduce an escalation mechanism where a tender is delayed and an essential service is at risk of interruption.
- Require written transition plans when a new service provider is appointed with a lead-time requirement.
- Ensure that every continuation of service is supported by a valid purchase order/contract/deviation and documented approval before expenditure is incurred.

11. MPAC recommendation to Council

MPAC recommends that the Municipal Council:

1. **Determines that the March 2023 and first 14 days of April 2023 expenditure of R67,898.00 constitutes irregular expenditure.**
2. **Determines, based on the evidence currently supplied, that no quantifiable municipal financial loss has been established.**
3. **Recommends that the irregular expenditure to the amount of R67,898.00 be written off as irrecoverable in terms of section 32 of the MFMA.**
4. **No disciplinary board referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**

5. **No criminal referral as the supplied material contains no evidence of fraud, collusion, personal gain or other criminal conduct.**
6. **Directs Management to strengthen controls over deviations, expiry dates, purchase orders and procurement continuity for essential services.**

12. Supporting annexures

- Invoices paid / invoice IN602.
- Approved purchase order.
- Proof of Moreki Distributors' appointment and delivery lead time.
- Questions raised by MPAC and answers provided by Officials, if any.

13. Signatures

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	03/09/2026
MPAC resolution reference	**MPAC56/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 11 AUGUST 2026 – QUESTIONS ASKED BY MPAC

MPAC56/2026 – HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT – K2C CONSTRUCTION FOR THE PERIOD MARCH – APRIL 2023 (R67 898.00)

This matter deserves even closer examination because it occurred after the earlier K2C irregularity.

1. Established facts

The report states that after the earlier arrangement, a four-month deviation was approved from November 2022 to February 2023 while the municipality advertised the three-year tender. The tender was advertised on 21 October 2022 and closed on 11 November 2022.

However, the tender was only adjudicated on 10 March 2023, with appointment made on 24 March 2023 to Moreki Distributors. The new contractor requires approximately 14 days to manufacture and deploy the toilets. K2C therefore continued during March and until 14 April 2023. The report identifies R67,898 as irregular expenditure because there was no deviation report or waiver approved by the Accounting Officer for that period.

Again, the existing report says there is no evidence "at this stage" of intentional bypass, fraud, collusion or personal gain and attributes the irregular expenditure to delayed processes/control oversight.

2. Questions concerning the tender delay

Tender advertised: 21 October 2022.

Tender closed: 11 November 2022.

1. Why was adjudication only completed on 10 March 2023?

   SCM to respond, the department is not able to speak to conditions around procurement delays.

2. Provide a complete tender timeline.

   SCM to respond

3. Dates of specification committee meetings?

   SCM to respond

4. Evaluation committee meetings?

   SCM to respond

5. Adjudication committee meetings?

   SCM to respond

6. Were any meetings postponed?

   SCM to respond

7. If so, why and by whom?

   SCM to respond

8. Were documents outstanding?

   SCM to respond

9. Were there evaluation delays?

   SCM to respond

10. Identify the official responsible for every period of inactivity.

    SCM to respond

11. Was management informed that the tender would not be rewarded before the February deviation expired?

    SCM to respond

12. When was that warning given?

3. <u>Questions to Manager: Human Settlements</u>

1. **When were you informed that Moreki had been appointed?**

   As per the submitted report the appointment letter for Moreki Distributors was dated 24 March 2023.

   However, I am not in possession of records that was personally notified of the appointment. Appointment letters are usually sent out by the SCM department, and the end user of the particular tender is CC'd in the correspondence to the successful bidder.

2. **When were you informed that Moreki required approximately 14 days to manufacture/deploy toilets?**

   I am currently not in possession of the formal request made by the service provider at the time.

3. **Was that lead time foreseeable?**

   The new service provider (Moreki) indicated that it needed the 14 days lead time for the delivery of it's toilets and logistical arrangement between the 2 services providers had to be made to ensure that once Moreki delivers, K2C can remove to ensure sure that the community is not left without sanitation services. In practice service providers are allowed for 2 weeks site establishment, hence it might have been foreseeable.

4. **Was it included in the tender specifications?**

   The information I am in possession of does not provide sufficient evidence to confirm that the lead time was a tender specification.

   This should be verified against the original tender specifications and conditions of tender before a definitive conclusion is reached.

5. **Who instructed K2C to remain until 14 April?**

   No specific instruction was issued by me to K2C to continue providing the service until 14 April 2023.

   The service continued because the toilets were already deployed and being utilised by communities in informal settlements with limited or no alternative sanitation services. Removing the toilets without an immediate replacement would have left the affected communities without access to basic sanitation services.

   The continuation was therefore a consequence of the operational circumstances (logistical arrangements) and the need to avoid an interruption of an essential basic service, rather than a specific instruction from to continue.

6. **Under what procurement authority?**

   The approved deviation covered the period November 2022 to February 2023.

   The continued expenditure during March 2023 and the first 14 days of April 2023 therefore fell outside the period covered by the approved deviation. The department could however not obtain any other procurement approval as a formal tender was already award hence there was no alternative procurement mechanism to regularise the expenses incurred.

Consequently, there is no additional procurement authority identified in the report that authorised K2C's continued services beyond February 2023.

7. **Was SCM consulted before issuing that instruction?**

   As indicated no official instruction was issued.

8. **Did you know that the previous deviation had expired?**

   Yes, however, the implementation of the late tender award and requested lead time for delivery and removal was unavoidable and beyond my control.

9. **Why was an extension not obtained?**

   An extension could not be obtained as the deviation approval lapsed in February and a formal award was made in March 2023.

10. **Who approved the March and April invoices?**

    Invoice was signed by Mr S. Tebele in his capacity as Deputy Director: Human & Informal Settlements and Mr H Gxohiya in his capacity as Director Economic Development & Planning.

11. **Who certified the services?**

    The Informal Settlements Management Officer responsible for the relevant area was responsible for monitoring the service on site.

    The officer should have been present when the service provider cleaned the chemical toilets and verified that the service had been rendered. The service was further supported by the relevant dumping certificates provided by the service provider when dumping waste at the municipal Wastewater Plants

12. **What lessons had been implemented after the September–October irregular expenditure?**

    The previous irregular expenditure highlighted the risks associated with continuing operational services without ensuring that the applicable procurement authority remains valid.

    The subsequent procurement process demonstrates an attempt to move towards a formal competitive procurement arrangement rather than relying indefinitely on deviations.

4. Questions to Accounting Officer

1. Was the Accounting Officer asked to approve a deviation for September–October?
2. If not, why not?
3. When did the Accounting Officer first become aware that expenditure had been incurred without authority?
4. What investigation was instituted at that point?
5. Why has the current investigation not identified the specific official responsible for the control failure?
6. On what evidence can MPAC conclude that there was no negligent conduct?
7. Were written representations obtained from every implicated official?
8. If not, how was the conclusion regarding negligence reached?

COMMENTS BY THE MUNICIPAL MANAGER (MR WF HENDRICKS):

Pursuant to the questions to my office for MPAC 2021/22 items I confirm that I was not the responsible Municipal Manager and can therefore not respond to the MPAC questions put to me.

ADDITIONAL QUESTIONS AND ANSWERS DURING MEETING:

Councillor P Stander: What were the reasons for the delay in the adjudication of the tender?

Mnr HM Gxoyiya: Bid Adjudication Committee did not sit to adjudicate the tender during the 4 months.

Councillor P Stander: Why were the invoices signed off?

Mr HM Gxoyiya: The services were rendered to the Municipality and once an invoice is submitted to the Municipality, it needs to be signed off.

Councillor Stander responded that Mr HM Gxoyiya confirmed that the services were rendered to the Municipality.

Councillor D Jacobs: When the BAC did not sit to consider the tender, why were other procurement processes not followed?

Mr HM Gxoyiya: Once the tender was already advertised, no other procurement process can be followed.

ITEM TITLE

C246/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT - RHULA NATIONAL SECURITY 2022/2023

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

Irregular Expenditure Report - Rhula National Security 2022/2023

BACKGROUND

See attached document.

DISCUSSION

See attached document.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

See attached document.

LEGAL IMPLICATIONS (ITEM AUTHOR)

See attached document.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

See attached document.

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item be referred back to be amended as discussed during the Management Meeting with the inclusion of a recommendation and the COMAF's for the item and that the item thereafter be submitted to MPAC for discussion.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **That the Municipal Public Accounts Committee notes the circumstances that resulted in the irregular expenditure.**

2. **That MPAC determines that the expenditure constitutes irregular expenditure arising from procedural non-compliance with the Municipality's Supply Chain Policy.**

3. **That MPAC determines that there is insufficient evidence to conclude that the irregular expenditure resulted from deliberate or negligent conduct as contemplated in section 32(1) of the MFMA.**

4. **That MPAC determines that no quantifiable financial loss has been suffered by the Municipality and that there no reasonable grounds to institute recovery proceedings.**

5. **That MPAC recommends to Council that the irregular expenditure be certified as irrecoverable in terms of section 32 of the MFMA.**

6. **That Management be directed to implement corrective SCM control measures to prevent similar instances of irregular expenditure.**

RECOMMENDATION BY MPAC: 03 SEPTEMBER 2026

MPAC requested that the other invoices and supporting documentation be presented at the next MPAC Meeting scheduled for the 8th of September 2026 to calculate the amount of R1 304 100.00 for MPAC to consider the report presented to them.

Attached documentation and present agenda-item at the MPAC meeting of 08 September 2026.

DISCUSSION DURING MEETING:08 SEPTEMBER 2026

Councillor P Stander: Why were the starter kits stored at the municipal depo?

Mr W Moses: Relocation material procured and stored to be used for the relocation from New France to TRA site.

Alderman C Wood: Why is there no case number? No documentation to give an indication for how many starter kits are paid for. Theft put under the attention of the Director and Deputy Director by the Informal Settlement Officer – names must be attached.

Mr W Moses: Annexure E was drafted with the information/facts available. Security was for the protection of the starter kits (municipal asset) and land to be protected against invasion. R1 159 200 is only for the safeguard of the starter kits and the land. Not aware of any case numbers available. Names can be provided.

Councillor P Stander: Who is responsible for going to the Director/Deputy Director and reporting the theft and land invasion?

Mr W Moses: Melvin Davids was the Informal Settlements Officer at Botriver at that time, and he will report directly to the Director/Deputy Director.

Councillor P Stander: Need to know the cost of the starter kits to determine whether the starter kits justify the cost for security expenditure of R1 159 200. Negligence from officials to procure and deliver starter kits at stores with the necessary safeguarding.

Mr W Moses: Will not know whether a security company was at the depo as it is a municipal building.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 08 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Confirms that R1 159 200 .00 constitutes irregular expenditure arising from non-compliance with SCM prescripts.**

2. **That the matter be referred to the Disciplinary Board for investigation.**

3. **Mr Melvin Davids, the Informal Settlements Officer of Botrivier, reported the theft of 300 starter kits to the Acting Director: Economic Development and Planning, Mr HM Gxoyiya and the Deputy Director: Human Settlements, Mr S Tebele.**

   3.1. **No proof that the starter kits (assets) were delivered at the Botrivier Depo.**
   3.2. **No proof of security at the Municipal Depo to safeguard the assets.**
   3.3. **No case number of the SAPS is available indicating that the theft was reported to the SAPS.**
   3.4. **No proof is available that the theft of municipal assets was reported to the Insurance Department of Theewaterskloof Municipality.**
   3.5. **No proof that the security was provided by Rhula National Security.**
   3.6. **No proof of the cost of the starter kits versus the cost incurred for the provision of security services by Rhula National Security.**

4. **The then Acting Director: Economic Development and Planning, Mr HM Gxoyiya, to appoint Rhula National Security without following the prescribed procurement processes.**

Annexure:E

Irregular Expenditure Report on Supply Chain Management Non-Compliance

1. Introduction

- This report has been drafted for submission to the Municipal Public Accounts Committee (MPAC) in accordance with section 32 of the Municipal Finance Management Act 56 of 2003 (MFMA) and regulation 74 of the Municipal Budget and Reporting Regulations.
- This report focuses on irregular expenditure incurred due to non-compliance with supply chain management processes for the 2022/2023 financial year.
- The report analyses the expenditure incident and the events that led to the irregular expenditure, identifies the responsible officials, and outlines the measures taken or proposed to prevent recurrence.

2. The legal implications of the report

The legal implications of this report are governed by section 32 of the MFMA, which mandates the identification, reporting, and management of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE).

3. Type of UIFWE applicable to this report

The type of UIFWE applicable to this report is irregular expenditure incurred due to non-compliance with supply chain management regulations, specifically the failure to follow competitive bidding procedures for transactions above the prescribed threshold.

4. Discussion of events/ reasons that led to the UIFWE

Beaumont housing project is a residential housing development located on Portion 51 Farm 436, in the town of Botrivier which is approximately 24ha. The land was previously owned by Crimson king Prop 111 PTY LTD which is a private entity. The land was purchased from the private entity and was subsequently transferred into the Theewaterskloof municipality's name September 2018.

The project is divided into phase 1A, phase 1B and phase 2 which phases 1A and 1B were initially designed for B grade civil engineering services installation. Phase 1 consists of 272 sites on a shared bases and phase 2 is for the installation of A-grade civil engineering services to 772 sites on portion 51 of farm 436, within Botrivier urban edge.

Construction Works for phase 1A (168 sites) commenced in February 2021 and works relating to TRA's was suspended on the March 2021 as EIA, LUA and SDP

approvals remained pending. Construction works then resumed on the in October 2021 and were completed and handed over in May 2022.

The site was handed over to the municipality with completed engineering services and 168 pre-cast toilets, to the municipality and the contractor has since vacated the site and has subsequently removed its security.

The municipality met with the New France community, who threatened with protest action should they not receive electricity. These informal settlement dwellers cannot be electrified where they are located as the informal settlement is on a landfill site. All residents currently on New France must be relocated to the Beaumont serviced sites in order for them to get electrified. The municipality met with Eskom, and it was agreed that the municipality should relocate the people of New France to the serviced plots in Beaumont and only then Eskom will electrify those plots.

Eskom established site on the 5th of November 2022, commenced with the electrification and more people want to relocate but cannot do so without assistance in the form of material. The municipality obtained emergency quotations for 300 starter kits in order to provide immediate assistance to facilitate speedy relocations in order for Eskom to electrify more structures and to avoid possible protest action from the community as result of a delay in the electrification programme. The municipality subsequently received the emergency assistance materials which was delivered to the municipal store in Botrivier. The municipal does not have security and material was stolen on more that one occasion prompting the department to urgently appoint a security company for the safeguarding of municipal assets. Rhula National Security was therefore appointed on an emergency basis for a period commencing November 2022. The service was extended to guard and monitor the open spaces left by the residents of New France when relocating to the TRA site to ensure that no illegal occupation takes place.

- Consequently, the transaction amounting to R 1 304 100.00 constitutes irregular expenditure due to non-compliance with sections 111 and 112 of the MFMA, read with the Municipal SCM Regulations and the Municipality's SCM policy.

5. Official(s) or councillor(s) responsible for the UIFWE incurred

- According to the Municipality's SCM Policy, the SCM Manager oversees the competitive bidding process and ensures compliance with all SCM prescripts.

- The CFO is responsible for oversight in terms of section 81 of the MFMA to ensure that SCM processes are adhered to and that deviations are properly documented and approved.

- Director/Deputy responsible for the Economic Development and Planning Directorate under which the Human Settlements Department resorts, is responsible for the general procurement oversight of the Department

- The Manager Human Settlement is responsible for operational implementation of SCM processes of the department

6. Why is the expenditure irregular expenditure?

- The appointment of the service provider did not comply with the supply chain management prescripts, as neither a competitive SCM process nor a formal deviation was approved by the municipal manager.

7. Consideration of deliberate or negligent conduct relating to UIFWE incurred

Section 32 of the MFMA requires that consideration be given to whether irregular expenditure was incurred as a result of deliberate or negligent action or inaction by an official. This assessment is necessary to support the determination of liability and the appropriate consequence management response.

The facts presented in this report indicate that the procurement process was not conducted in accordance with the prescribed supply chain management requirements.

There is no evidence at this stage that the SCM process was intentionally bypassed for personal gain. The available information does not suggest fraud, collusion, or any intentional misconduct related to the transaction.

On the balance of probabilities, the irregular expenditure appears to have arisen from delayed processes rather than deliberate misconduct. The conduct reflects a lapse in control and compliance oversight.

8. Mitigating controls to prevent similar UIFWE in the future

a) Formal tender process followed for all future procurement of chemical toilets for informal settlement with limited or no sanitation services.

9. Confirmation by author of report that information in report is a true reflection of facts

I, Warren Moses, confirm that the information contained in this report is a true and accurate reflection of the facts as they are known. This report is based on validated data to ensure reliability and accuracy.

10. Confirmation if UIFWE matter has been referred for disciplinary actions & if not, why not ?

For the consideration of MPAC

11. Measures already taken to recover the UIFWE

- N/A

12. Cost of the measures already taken to recover UIFWE

- None as yet.

13. Estimated cost & benefit of further measures that can be taken to recover the UIFWE

For consideration of MPAC

14. Annexures

Supporting documents attached to this report include:

- Payment information

15. Conclusion of report

a) In conclusion, this report highlights the irregular expenditure resulting from non-compliance with SCM processes, the events that led to it, and the actions taken to address it.

b) The analysis provided aims to ensure accountability and transparency within the Municipality's financial management practices.

16. Referral of report to the MPAC

This report is hereby referred to the MPAC for its UIFWE recovery assessment as contemplated in section 32(2) of the MFMA.

Report compiled by:	Date:	Designation:	Signature:
Mr W Moses	24 July 2026	Manager: Human Settlements	

Report approved by:	Date:	Designation:	Signature:
Ms N Baliso	27 July 2026	Director: Economic Development & Planning	

Report authorised for MPAC referral by:	**Date:**	**Designation:**	**Signature:**
Mr W Hendricks	03|08|2026	Municipal Manager	

Supplier Code: R00136

RHULA NATIONAL SECURITY
122 MAIN ROAD
SOMERSET WEST
CAPE TOWN
7130
Emailed to: SHANTLEYFO@TWK.GOV.ZA

Theewaterskloof Municipality

Remittance Advice
Date: 2026/09/07

Tel : (018) 299 5167 (Creditors Office)
Fax : (028) 212 1229
Pos/Postal: P.O. BOX 24 CALEDON 7230
Address : 6 PLEIN STREET CALEDON 7230

Transactions from : 2022/11/01 to 2023/11/30
Payments total for period: 1304100.00
Invoices total for period: 1304100.00

www.twk.org.za

Date	Type	EFT/Cheq/InvoiceNo	Order No	Amount	Balance
20221123	EFT Payment	0000024199		144900.00	144900.00
20221026	Invoice	RNS-2022-10-BOT		-144900.00	.00
20221206	EFT Payment	0000024380		144900.00	144900.00
20221125	Invoice	RNS-2022-11-BOT		-144900.00	.00
20230126	EFT Payment	0000025067		144900.00	144900.00
20230108	Invoice	RNS-2022-12-BOT		-144900.00	.00
20230209	EFT Payment	0000025183		289800.00	289800.00
20230131	Invoice	RNS-2023-01-BOT		-289800.00	.00
20230310	EFT Payment	0000025493		289800.00	289800.00
20230228	Invoice	RNS-2023-02-BOT		-289800.00	.00
20230428	EFT Payment	0000026092		289800.00	289800.00
20230331	Invoice	RNS-2023-03-BOT		-181730.81	108069.19
20230331	Invoice	RNS-2023-03-BOT		-108069.19	.00

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RHULA NATIONAL

SECURITY (Pty) Ltd

REG NO:2019/443026/07 TAX REG NO:9094902245 PSIRA NO:3008935	TAX INVOICE
	October
RHULA NATIONAL SECURITY(PTY)LTD 122 MAIN ROAD SOMERSET WEST CAPETOWN 7130 TELL:0218456101/0646841835	INVOICE NO: RNS-2022-10-BOT
	VAT NO: 4930301850

Theewaterskloof Municipality 6 Plein Street Caledon, Capetwon 7230	Tel: 028 214 3300 Email: sergiofr@twk.gov.za VAT NO:4000846248

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 10/22	N	Y	SEC.10/22

Description	Quantity	Unit Price	Net Total
Security Service Night Shifts Theewaterskloof Municipality			SITE:
Security Guards Grade C Night Shift	2	21 000.00	42 000.00
Security Guards Grade C Day Shift	1	21 000.00	21 000.00
Vehicle & Communication		63 000.00	63 000.00

Banking Details Name: Nedbank Acc No: 1194468594 Branch Code:10690900 Account Type: Business Account	Sub Total	126 000.00
	Vat	18 900.00
	Total	144 900.00

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RHULA NATIONAL

SECURITY (Pty) Ltd

REG NO:2019/443026/07 TAX REG NO:9094902245 PSIRA NO:3008935 RHULA NATIONAL SECURITY(PTY)LTD 122 MAIN ROAD SOMERSET WEST CAPETOWN 7130 TELL:0218456101/0646841835	TAX INVOICE DATE 25/11/2022 INVOICE NO: RNS-2022-11-BOT VAT NO: 4930301850

Theewaterskloof Municipality
6 Plein Street
Caledon, Capetwon
7230

Tel: 028 214 3300
Email: sergiofr@twk.gov.za

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 25/11	N	Y	SEC.25/11

Date	Description	Quantity	Unit Price	Net Total
25/11	Security Service Night Shifts SITE: Theewaterskloof Municipality 07/11/2022-02/12/2022			
	Security Guards Grade C Night Shift	2	21 000.00	42 000.00
	Security Guards Grade C Day Shift	1	21 000.00	21 000.00
	Vehicle & Communication			63 000.00

Banking Details Name: Nedbank Acc No: 1194468594 Branch Code:10690900 Account Type: Business Account	Sub Total	126 000.00
	Vat	18 900.00
	Total	144 900.00

RHULA NATIONAL

SECURITY (Pty) Ltd

REG NO:2019/443026/07 TAX REG NO:9094902245 PSIRA NO:3008935	TAX INVOICE December 2022
RHULA NATIONAL SECURITY(PTY)LTD 122 MAIN ROAD SOMERSET WEST CAPETOWN 7130 TELL:0218456101/0646841835	INVOICE NO: RNS-2022-12-BOT VAT NO: 4930301850

Theewaterskloof Municipality 6 Plein Street Caledon, Capetwon 7230	Tel: 028 214 3300 Email: sergiofr@twk.gov.za VAT NO:4000846248

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 08/01	N	Y	SEC.08/01

Description	Quantity	Unit Price	Net Total
Security Service Night Shifts SITE: Theewaterskloof Municipality From 01/12/2022-31/12/2022			
Security Guards Grade C Night Shift	2	21 000.00	42 000.00
Security Guards Grade C Day Shift	1	21 000.00	21 000.00
Vehicle & Communication		63 000.00	63 000.00

Banking Details Name: Nedbank Acc No: 1194468594 Branch Code:10690900 Account Type: Business Account	Sub Total	126 000.00
	Vat	18 900.00
	Total	144 900.00

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RHULA NATIONAL

SECURITY (Pty) Ltd

REG NO:2019/443026/07 TAX REG NO:9094902245 PSIRA NO:3008935	TAX INVOICE January 2023
RHULA NATIONAL SECURITY(PTY)LTD 122 MAIN ROAD SOMERSET WEST CAPETOWN 7130 TELL:0218456101/0646841835	INVOICE NO: RNS-2023-01-BOT VAT NO: 4930301850

Theewaterskloof Municipality 6 Plein Street Caledon, Capetwon 7230	Tel: 028 214 3300 Email: sergiofr@twk.gov.za VAT NO:4000846248

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 24/01	N	Y	SEC.24/01

Description	Quantity	Unit Price	Net Total
Security Service Night Shifts SITE: Theewaterskloof Municipality From 01/01/2023-31/01/2023			
Security Guards Grade C Night Shift	2	21 000.00	42 000.00
Security Guards Grade C Day Shift	1	21 000.00	21 000.00
Vehicle & Communication		63 000.00	63 000.00

Banking Details Name: Nedbank Acc No: 1194468594 Branch Code:10690900 Account Type: Business Account	Sub Total	126 000.00
	Vat	18 900.00
	Total	144 900.00

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K0015206

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie redelik en volgens ooreenkoms/kontrak is.
Handtekening 09/03/23 Datum

RHULA NATIONAL SECURITY (Pty) Ltd

REG NO:2019/443026/07
TAX REG NO:9094902245
PSIRA NO:3008935

RHULA NATIONAL SECURITY(PTY)LTD
122 MAIN ROAD
SOMERSET WEST
CAPETOWN
7130
TELL:0218456101/0646841835

TAX INVOICE

DATE	2023/02/28
INVOICE NO:	RNS-2023-02-BOT
VAT NO:	4930301850

Theewaterskloof Municipality
6 Plein Street
Caledon, Capetwon
7230

Tel: 028 214 3300
Email: sergiofr@twk.gov.za
VAT NO: 4000846248

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 28/02	N	Y	SEC.28/02

Date	Description	Quantity	Unit Price	Net Total
28/02	Security Service Day & Night			
	SITE: Theewaterskloof Municipality			
	01/02/2023-28/02/2023			
	Security Guard Grade C Night Shift	2	21 000.00	42 000.00
	Security Guard Grade C Day Shift	1	21 000.00	21 000.00
	Vehicle & Communication		63 000.00	63 000.00
				126 000.00
28/02	Security Service Day & Night			
	Site: New France			
	01/02/2023-28/02/2023			
	Security Guard Grade C Night Shift	2	21 000.00	42 000.00
	Security Guard Grade C Day Shift	1	21 000.00	21 000.00
	Vehicle & Communication		63 000.00	63 000.00
				126 000.00

Banking Details
Name: Nedbank
Acc No: 1194468594
Branch Code:10690900
Account Type: Business Account

Sub Total	252 000.00
Vat	37 800.00
Total	289 800.00

R00 17184

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MUNISIPALITEIT THEEWATERSKLOOF
FINANSIES FINANCE
2023 -03- 24
MUNICIPALITY

RHULA NATIONAL SECURITY (Pty) Ltd

REG NO:2019/443026/07 TAX REG NO:9094902245 PSIRA NO:3008935 RHULA NATIONAL SECURITY(PTY)LTD 122 MAIN ROAD SOMERSET WEST CAPETOWN 7130 TELL:0218456101/0646841835	TAX INVOICE DATE 2023/03/31 INVOICE NO: RNS-2023-03-BOT VAT NO: 4930301850

Theewaterskloof Municipality 6 Plein Street Caledon, Capetwon 7230	Tel: 028 214 3300 Email: sergiofr@twk.gov.za VAT NO: 4000846248

Accounts	Tax Exempt	Tax Reference	Service Code
RNS 31/03	N	Y	SEC.31/03

Date	Description	Quantity	Unit Price	Net Total
31/03	Security Service Day & Night			
SITE: Theewaterskloof Municipality				
	01/02/2023-28/02/2023			
	Security Guard Grade C Night Shift	2	21 000.00	42 000.00
	Security Guard Grade C Day Shift	1	21 000.00	21 000.00
	Vehicle & Communication		63 000.00	63 000.00
				126 000.00
31/03	Security Service Day & Night			
	Site: New France			
	01/02/2023-28/02/2023			
	Security Guard Grade C Night Shift	2	21 000.00	42 000.00
	Security Guard Grade C Day Shift	1	21 000.00	21 000.00
	Vehicle & Communication		63 000.00	63 000.00
				126 000.00

MUNISIPALITEIT THEEWATERSKLOOF
BETAAL SERTIFIKAAT
Ek sertifiseer dat:
Die dienste/goedere soos hierin gespesifiseer, aan die Raad gelewer is en dat die pryse/fooie reëlmatig en volgens ooreenkoms/kontrak is.
24/03/2023
Handtekening Datum

Banking Details Name: Nedbank Acc No: 1194468594 Branch Code:10690900 Account Type: Business Account	Sub Total	252 000.00
	Vat	37 800.00
	Total	289 800.00

PAID

GM

884

AUDITOR-GENERAL
SOUTH AFRICA

The Accounting Officer
Theewaterskloof Municipality
PO Box 24
Caledon
7230

20 October 2023

Reference: Communication No. 06 of 2023

Dear Mr. WS Johannes

COMMUNICATION OF FINDINGS IDENTIFIED DURING THE AUDIT OF THE FINANCIAL STATEMENTS OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

Background

1. In performing the audit of the financial statements, we identified misstatements as described in the annexure. We have recorded the internal control deficiency that gave rise to the misstatements and our recommendation for correcting the misstatements for your consideration. The effect of these misstatements could potentially be material.
2. The finding will be included in the management report including your comments and our final response.

Required

3. You are requested to indicate whether you agree with the facts stated in the annexure including whether you agree with the identified internal control deficiency. Should you disagree, please provide us with documentary evidence to the contrary within 5 days from the date of this communication; as agreed in the engagement letter.
4. Should you agree, you are hereby requested to make the necessary corrections.
5. Should you choose not to make the necessary corrections, kindly communicate your reasons for this within 5 days from the date of this communication, as agreed in the engagement letter. The instances of non-compliance will then be evaluated for reporting purposes based on materiality.
6. Should you choose to make the necessary corrections, kindly refer to point 7, described below and provide us with the necessary information within 5 days from the date of this communication, as agreed in the engagement letter:
7. Please provide us with copies of the proposed adjustments and the supporting documentation.
8. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements.
9. If the results of these procedures are satisfactory, we will accept the proposed adjustments and you may make the adjustments.
10. If the results of these procedures are not satisfactory or there are remaining uncorrected misstatements, we will evaluate these for reporting purposes based on materiality.

Yours sincerely

Unathi Mnqanqeni
Senior Manager: Western Cape

Enquiries: Zukile Gungubele
Telephone: (021) 528 4100
Fax: (021) 528 4200
Email: ZukileG@agsa.co.za

Acknowledgement of receipt by management:

Received by _____ Date _____

Production

GARRICK LAKAY

28 APRIL 2023 12:20

Goods Received Notices (GRN) - Capture

Production

Financial Period

Fin Year 2223
Fin Month 2304

GRN Details

Receive Number R0017184
Date 20230428
Invoice Number RNS-2023-03-BOT

Supplier Information

R00136 RHULA NATIONAL SECURITY

Capture Information

Captured By GARRICKLA
Approved By
Updated No
GRN Total 289,800.00+

SeqNo	Order No	Expenditure	Store	Fin Source	Comp	Quantity	VAT	Amount	Excl	Escalation Inv	Date	Reversal	Delete
						0	0	0			0	0	
1		017010075890				1.00+	0	181,730.81+	No		0		☐
		Contracted Services - Security Services				Calculated Amounts :	23,704.02+	158,026.79+					
2		017010259400				1.00+	0	108,069.19+	No		0		☐
		Other Expenditure - Operating Leases (Machinery an				Calculated Amounts :	14,095.98+	93,973.21+					

Submit for Approval ☐

GRN R0017184 successfully submitted for authorization

Joanle Pretorius

From: Ashwille Riddles
Sent: Friday, 28 April 2023 12:28
To: Garrick Lakay; Joanle Pretorius
Subject: RE: RE: SUPPLIERS

Garrick / Joanle

Please proceed to process these payments.

Ensure that the monies are available immediately. We accept the higher transaction cost.

Thank you.

Ashwille

From: Garrick Lakay <garrickla@twk.gov.za>
Sent: Friday, April 28, 2023 12:23 PM
To: Ashwille Riddles <ashwilleri@twk.gov.za>
Cc: Joanle Pretorius <joanleno@twk.gov.za>
Subject: FW: RE: SUPPLIERS

Hi Mr Riddles,

As discussed, can we process all invoices as discussed on Book 5.

Kind regards,
Garrick Lakay
Principle Clerk: Creditors
Theewaterskloof Municipality
028 214 3300
Jeremiah 29:11
"It always seems impossible until it is done!"
"The greatest are yet to come and that is inevitable."

To: Ashwille Riddles <ashwilleri@twk.gov.za>
Cc: Joanie Pretorius <joanieno@twk.gov.za>
Subject: RE: SUPPLIERS

Hi Mr Riddles,

FYI.

Kind regards,
Garrick Lakay
Principle Clerk: Creditors
Theewaterskloof Municipality
028 214 3300
Jeremiah 29:11
"It always seems impossible until it is done!"
"The greatest are yet to come and that is inevitable."

Theewaterskloof
Municipality

SUPPLIER	INVOICE	DATE	AMOUNT
ZWH PROJECTS &DEVELOPMENT	TWK2414	FEB - MAR 2023	R4 009 477,44
	TWK2413	FEB - MAR 2023	R245 621,10
TOTAL AMOUNT			**R4 255 098,54**

FUEL INVOICE

SUPPLIER	INVOICE	DATE	AMOUNT
BLUE FALCON	ST/032023	Feb-23	R4 788 168,75
TOTAL AMOUNT			**R4 788 168,75**

12379085,6
1304233,6
13683319,2

SUPPLIER	INVOICE	DATE	AMOUNT
WB TIPPERS	03191	Mar-23	R679 190,00
	03193	Mar-23	R572 176,75
	03194	Mar-23	R1 746 441,75
	03195	Mar-23	R420 152,50
TOTAL AMOUNT			**R3 417 961,00**

SUPPLIER	INVOICE	DATE	AMOUNT
TERM GROUP	2023-106	Feb-23	R1 094 146,44
	2023-107	Mar-23	R1 094 146,44
TOTAL AMOUNT			**R2 188 292,88**

SUPPLIER	INVOICE	DATE	AMOUNT
RHULA	RNS-2023-03-BOT	Mar-23	R289 800,00
TOTAL AMOUNT			**R289 800,00**

SUPPLIER	INVOICE	DATE	AMOUNT
SECURITY CONSORTIUM	INV0000067	Feb-23	R1 782 500,00
	INV0000084	FEB - MAR 23	R745 660,00
	INV0000085	Mar-23	R1 972 250,00
TOTAL AMOUNT			**R4 500 410,00**

SUPPLIER	INVOICE	DATE	AMOUNT
ISIDINGO	30517	Mar-23	R217 036,84
	30516	Mar-23	R812 538,48
TOTAL AMOUNT			**R1 029 575,32**

SUPPLIER	INVOICE	DATE	AMOUNT
SIBAKULU	INV-0239	FEB - MAR 23	R3 945 290,63
TOTAL AMOUNT			**R3 945 290,63**

AS PER REQUEST BY MR RIDDLES ONLY PAY R3 000 000,00

TOTAL **R17 027 997,86**

890

Production

Supplier Master

GARRICK LAKAY
26 APRIL 2023 10:16

Business Information

Internal Creditor Code	R00136
Full Registered Name	RHULA NATIONAL SECURITY
Trading Name	RHULA NATIONAL SECURITY
Company Registration No	2019/443026/07
VAT Registration No	493031850
Income Tax Reference No	9094902245
Business Municipal Account No	
City Council	
BBBEE Status Level	0
HDI %	Total 0 Female 0
Business Size	
Secondary Banking Detail	☐
Business Sector	
Discount	0
Discount Term	

Control Accounts (Creditors)

Invoices (Deposits)	
Payments (Withdrawals)	

Banking Details

Bank Code	NEDS
Bank Name	NEDBANK LIMITED
Branch Code	198765
Branch Name	CAPE TOWN
count No	1194468594
Account Type	Cheque/Current
Action Date and Time	2022NOV 1357
Creditor Utilization blocked?	No
Reason for Utilization Block	0

Internal Status

Currently Active	☑
Payments Blocked	☐
Sundry Beneficiary	☐
Applied for Accreditation	☐
Accredited Supplier	☑
Direct Invoicing	☑
EFT Reference Required?	☐
Default EFT Reference	

Financial Year Transaction Summary

Orders	0
GRN	1,014,300.00+
Credit Notes	0
Invoices	1,014,300.00-
Cheque Payments	0
EFT Payments	1,014,300.00+
Outstanding Payments	0
Journals	0
Year-End Journals	0

Age Analysis

Customer Type: Trade Creditors

0 - 30 Days	
31 - 60 Days	
61 - 90 Days	
91 - 120 Days	
121 - 150 Days	
151 - 180 Days	
181 Days - 1 Year	
Over 1 Year	

Record was successfully displayed

DETAILED AUDIT FINDING

Irregular expenditure overstated

In terms of section 122(1)(a) of the MFMA No. 56 of 2003;

"Every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."

In terms of paragraph 17 of the Generally Recognized Accounting Principles 1 (GRAP 1);

"Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements." The application of Standards of GRAP with additional disclosures when necessary is presumed to result in financial statements that achieve a fair presentation."

During the audit of irregular expenditure, it was noted that the irregular expenditure disclosed and recorded in the section 32 register was inclusive of payments to be incurred in future as management disclosed the following irregular contracts at contract value instead of actual expenditure incurred.

This results to the overstatement of irregular expenditure by a material amount of R16 792 426.07. Furthermore, a portion amounting to R15 538 594.63 was written off by council as recommended by Municipal Public Accounts Committee (MPAC).

This result in a material overstatement of *Irregular expenditure incurred in the current year* line by R16 792 426.07 and *approved by council line* by R15 538 594.63 as disclosed in note 53.3 of the financial statements.

SUPPLIERS AND PAYMENT NUMBERS	ACTUAL EXPENDITURE 2022/23	IRREGULAR EXPENDITER AS PER THE SECTION 32 REGISTER AND NOTE 53,3 OF THE AFS	DIFFERENCE
ABH Logistics	**384 000,00**	**384 000,00**	-
26983	384 000,00	384 000,00	
Bluefalcon (pty) Ltd.	**16 964 768,10**	**21 621 253,50**	**(4 656 485,40)**
23915	2 284 762,50	16 833 084,75	
24854	2 359 800,00	-	
25063	2 167 750,00	-	
25141	2 432 250,00	-	
25485	914 250,00	-	
26730	217 036,84	1 999 999,99	
27608	2 110 250,00		
27940	1 690 500,00		
27179 - Payment in 2023/24	2 788 168,76	2 788 168,76	
Caledon Informal Traders Association (CITA)	**250 420,00**	**179 458,53**	**70 961,47**
24169	250 420,00	179 458,53	
Caledon Vet	**400,00**	**400,00**	-

892

23126	400,00	400,00	
HWM Consultancy	**77 959,40**	**77 959,40**	-
22835	20 257,88	20 257,88	
23287	57 701,52	57 701,52	
JT Maritz Electrical	**3 212 691,93**	**4 794 000,44**	**(1 581 308,51)**
No Payments in 2022/23	-	4 794 000,44	
27745	1 212 917,70		
27261	1 999 774,23		
K2C Construction	**205 831,14**	**165 784,00**	**40 047,14**
23747	48 944,00	48 944,00	
24309	88 991,14	48 944,00	
26493	67 896,00	67 896,00	
Machaira Projects (Pty) Ltd.	**627 693,35**	**707 984,17**	**(80 290,82)**
22933	141 003,53	627 693,35	
23209	141 003,59	-	
23628	136 455,09	-	
24196	209 231,14	80 290,82	
MDL Engineering Company (Pty) Ltd.	**9 258 758,70**	**8 182 769,13**	**1 075 989,57**
23922	3 692 352,87	8 182 769,13	
24134	863 860,68	-	
24520	1 530 115,42	-	
24663	1 483 167,43	-	
25734	825 221,52	-	
25936	864 040,78	-	
Media 24	**12 311,99**	**2 280,00**	**10 031,99**
26353	12 311,99	2 280,00	
Rhula National Security	**1 159 200,00**	**1 304 100,00**	**(144 900,00)**
24199	144 900,00	-	
24380	289 800,00	1 304 100,00	
25067	144 900,00	-	
25183	289 800,00	-	
25493	289 800,00	-	
Security Consortuim SA	**10 056 635,00**	**12 144 317,00**	**(2 087 682,00)**
23909	1 428 300,00	9 426 407,00	
24381	1 518 000,00	-	
25068	1 580 100,00	-	
25184	840 075,00	-	
25495	1 972 250,00	-	
26729	2 717 910,00	2 717 910,00	
Siswa Trading & Projects	**7 385 116,00**	**7 385 116,00**	-
23925	780 436,00	7 385 116,00	
23961	1 294 992,00	-	
24278	767 510,00	-	
24695	821 123,00	-	
25070	879 428,00	-	
25185	1 535 365,00	-	

25415	1 306 262,00	-	
Specialised Agri Protection Services	**99 831,99**	**139 168,32**	**(39 336,33)**
23926	49 795,72	47 540,00	
25739	23 438,99	21 340,00	
27852	26 597,28	70 288,32	
Term Group	**5 990 925,50**	**7 085 072,94**	**(1 094 147,44)**
23927	1 662 639,76	5 990 926,50	
24395	1 069 996,43	-	
25071	1 069 996,43	-	
25497	1 094 146,44	-	
27181 - Payment in 2023/24	1 094 146,44	1 094 146,44	
Trails End	**8 998,00**	**9 790,00**	**(792,00)**
24899	1 540,00	1 540,00	
27236	7 458,00	8 250,00	
TWK Communications	**114 134,13**	**33 838,54**	**80 295,59**
23929	114 134,13	33 838,54	
Unitrade 1047 T/A Isidingo Security Services	**7 112 870,23**	**6 142 445,50**	**970 424,73**
23930	789 360,00	5 925 408,66	
24385	789 360,00	-	
24697	992 960,06	-	
25072	203 600,06	-	
25102	992 960,06	-	
25499	1 344 630,06	-	
26728	1 999 999,99	217 036,84	
Utilities Worlds (Pty) Ltd.	**581 816,86**	**3 646 500,00**	**(3 064 683,14)**
25776	227 486,62	3 646 500,00	
26110	88 175,69	-	
26509	77 889,06	-	
26943	85 418,22	-	
27241	102 847,27	-	
Van Tonder Security Services	**156 365,00**	**156 365,00**	**-**
24270	156 365,00	156 365,00	
Verso Financial Services (Pty) Ltd.	**-**	**10 667 411,16**	**(10 667 411,16)**
No payments	-	10 667 411,16	
Verve Media Group Africa	**5 400,00**	**5 400,00**	**-**
23064	5 400,00	5 400,00	
WB Tipper Truck and Plant Hire (Pty) Ltd.	**22 490 741,25**	**21 680 968,75**	**809 772,50**
23746	270 692,75	14 316 075,50	
23910	556 824,25	-	
23963	285 090,75	-	
24343	849 936,25	-	
24396	1 065 003,50	-	
24698	2 198 514,00	-	

24850	2 196 500,00	-	
25073	2 191 900,00	-	
25186	1 503 487,00	-	
25500	1 191 262,00	-	
25554	1 605 434,50	-	
26731	3 238 210,25	3 238 210,25	
27618	1 058 299,00		
27716	1 148 298,00	995 394,00	
27182 - Payment in 2023/24	3 131 289,00	3 131 289,00	
ZWH Projects and Development	**32 674 815,94**	**29 107 728,20**	**3 567 087,74**
23614	357 909,70	22 811 454,41	
23911	1 138 518,70	-	
24078	328 945,25	-	
24279	1 585 028,28	-	
24472	657 890,50	-	
24688	55 890,00	-	
24699	964 164,55	-	
24853	1 965 813,34	-	
25074	557 302,50	-	
25178	5 591 908,01	-	
25501	5 654 496,15	-	
26732	3 764 820,30	3 624 883,79	
27619	1 977 603,92		
27770	1 952 023,44		
27183	828 476,30	828 476,30	
27271	5 294 025,00	1842 913,70	
Grand Total	**118 831 684,51**	**135 624 110,58**	**(16 792 426,07)**

Internal control deficiency

Financial and Performance Management

Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management review processes of irregular expenditure incurred was not adequate to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Recommendation

Management should strengthen their review processes of irregular expenditure to ensure that only actual expenditure incurred is disclosed as irregular expenditure in the financial statements.

Management should examine the entire population to determine the extent of the misstatement and adjust the financial statements to ensure that correct figures of irregular expenditure are disclosed.

Management response

Management comment on audit finding
Management is to a large extend in agreement with the finding. Out of the 18 variances noted as per this finding, Management is in agreement that 10 items are required to be adjusted. Management revisited the entire population and noted that irregular expenditure incurred is factually understated by R3,108,293 and should disclosed as R138,732,403. In addition, irregular expenditure approved by Council was found to be overstated by R16,526,397 and should be disclosed as R100,141,403 and not as R116,667,800. Irregular expenditure awaiting further action was found to be understated by R19,634,690 and should be disclosed as R39,346,639 and not as R19,711,950. Kindly refer to the Excel document accompanying this response for the working paper which corroborates the misstatements as identified above.
Management comment on internal control deficiencies
Management is in agreement with the internal control deficiency.
Management comment on recommendation
Management is in agreement with the recommendation and also revisited the entire population to determine the factual misstatement. The AFS will be adjusted accordingly.

Remedial action		
What actions will be taken:	By whom:	By when:
AFS to be adjusted with the factual misstatement.	Deputy CFO& Act. CFO	Final submission of AFS.

If the above finding affects an amount(s) disclosed in the financial statements:		
Please give an indication of whether a correcting journal entry shall be processed	Yes	**No**

If yes, please indicate the accounting entry:

N/A

If no, please provide the reason why such a conclusion has been reached:

The misstatement relates to a disclosure item of which no journal is required.

Name: Paul Mabhena
Position: Act. CFO
Date: 03-11-2023

Auditor's conclusion:

This finding will be reported in the management report. Management are yet to update the financial statements to correct the misstatement. We will inspect the updated financial statements for accuracy.

MPAC58/2026

DRAFT ANNEXURE J – MPAC UIFWE RECOVERY RECOMMENDATION REPORT TO COUNCIL

HUMAN SETTLEMENTS – RHULA NATIONAL SECURITY

Irregular Expenditure – 2022/2023

1. Purpose

This report concerns irregular expenditure of R1 159 200.00 relating to the emergency appointment of Rhula National Security for security services connected to the Beaumont housing project and the relocation of residents from the New France informal settlement.

2. Summary of UIFWE

UIFWE classification	Irregular expenditure
Financial year	2022/2023
Service provider	Rhula National Security
Amount	R1 159 200.00
Nature of non-compliance	No competitive SCM process and no formal Accounting Officer deviation approved before appointment
Operational context	Emergency safeguarding of municipal materials/assets and open spaces during relocation/electrification activities

3. Factual background

- The Beaumont housing project involved serviced sites intended, among other purposes, to facilitate relocation of residents from New France so that Eskom could electrify the serviced sites.
- Emergency quotations were obtained for 300 starter kits to assist relocation. Materials were delivered to the municipal store in Botrivier.
- The municipality did not have security at the store and material was stolen on more than one occasion.
- Rhula National Security was consequently appointed on an emergency basis from November 2022 to safeguard municipal assets and subsequently to guard open spaces left during relocation.
- The report records expenditure of R1 159 200.00.
- The appointment did not comply with SCM requirements because neither a competitive process nor a formal Accounting Officer-approved deviation was completed.

4. Officials/functions potentially responsible

1. The then Acting Director of Economic Development and Planning, Mr HM Gxoyiya.

2. The then Deputy Director: Human Settlements, Mr S Tebele.

These functions are identified from the report and do not constitute a finding that any named person is liable.

5. Why the expenditure is irregular

The service provider was appointed without a competitive SCM process and without a formal deviation approved by the Municipal Manager. The expenditure therefore did not comply with the applicable SCM prescripts and was classified as irregular.

6. Section 32(1) – deliberate or negligent conduct

The report states that there is no evidence that the SCM process was intentionally bypassed for personal gain and no evidence of fraud, collusion or intentional misconduct. It concludes that, on the balance of probabilities, the irregularity appears to have arisen from delayed processes and a lapse in control and compliance oversight.

7. Recovery assessment – Regulation 74

Measures already taken	None recorded.
Cost already incurred	None recorded.
Potential recovery amount	R1 159 200.00, if liability and recoverable loss are established.
Financial loss identified in report	The report does not identify a quantifiable municipal loss arising from the services rendered.
Service/value received	Security services were provided to safeguard municipal assets and open spaces.

8. Disciplinary referral

A disciplinary board referral is recommended for investigation.

9. Criminal referral

The supplied material contains no evidence of fraud, corruption, collusion or personal enrichment. **A criminal referral is not recommended.**

10. Corrective and preventative measures

- All emergency procurement must be documented immediately and escalated for formal deviation approval where required.

- Introduce an emergency-procurement register showing the reason, official authorisation, supplier, period, amount and expiry date.
- Require retrospective review by SCM and the CFO of every emergency procurement where a formal deviation could not be completed before service commencement.
- Require service-continuity and emergency risk planning for municipal stores, housing projects and assets exposed to theft.
- Ensure that security appointments are supported by a valid procurement authority before services commence wherever circumstances reasonably permit.

11. MPAC recommendation to Council

MPAC recommends that the Municipal Council:

1. **Confirms that R1 159 200.00 constitutes irregular expenditure arising from non-compliance with SCM prescripts.**
2. **That the matter be referred to the Disciplinary Board for investigation.**
3. **Mr Melvin Davids, the Informal Settlements Officer of Botriver, reported the theft of 300 starter kits to the Acting Director: Economic Development and Planning, Mr HM Gxoyiya and the Deputy Director: Human Settlements, Mr S Tebele.**
    - **No proof that the starter kits (assets) were delivered at the Botriver Depo.**
    - **No proof of security at the Municipal Depo to safeguard the assets.**
    - **No case number of the SAPS is available indicating that the theft was reported to the SAPS.**
    - **No proof is available that the theft of municipal assets was reported to the Insurance Department of Theewaterskloof Municipality.**
    - **No proof that the security was provided by Rhula National Security.**
    - **No proof of the cost of the starter kits versus the cost incurred for the provision of security services by Rhula National Security.**
4. **The then Acting Director: Economic Development and Planning, Mr HM Gxoyiya, to appoint Rhula National Security without following the prescribed procurement processes.**

12. Supporting documents

- Invoices and payment records totaling R1 159 200.00.
- Questions raised by MPAC and answers provided during the meeting.

13. Signatures 900

Prepared by	Municipal Public Accounts Committee
Reviewed by	Municipal Public Accounts Committee
Approved for MPAC submission Cllr A Gana **MPAC CHAIRPERSON**	08/09/2026
MPAC resolution reference	**MPAC58/2026**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING: 11 AUGUST 2026 – QUESTIONS ASKED BY MPAC

MPAC58/2026 – HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE REPORT – RHULA NATIONAL SECURITY 2022/2023 (R1 304 100.00)

The report describes emergency assistance/material associated with relocating residents from New France to serviced Beaumont sites and the subsequent appointment of Rhula National Security to safeguard municipal assets/open areas.

The report records approximately R1.304 million as irregular expenditure because the required SCM process/formal deviation was not properly followed.

Questions

1. **What specific event created the emergency?**

   The emergency arose after emergency relocation materials/starter kits were delivered to the municipal store in Botrivier and municipal assets were stolen on more than one occasion. This prompted the urgent appointment of security to safeguard the assets. The appointment also included the protection of the open spaces left by New France informal dwellers relocating to the Beaumont TRA site, from re-invasion.

2. **On what date did the emergency arise?**

   13 October 2022

3. **Who formally declared or recorded the urgency?**

   The Acting Director: Economic Development & Planning, and in consultation with the Manager Supply Chain

4. **Was the urgency unforeseeable?**

   Yes, the initial theft of municipal materials appears to have created an immediate security requirement.

5. **Was there sufficient time to obtain quotations or an approved deviation?**

   Request for quotations was requested from various service providers depending on the urgency of the service required the department had to act expeditiously.

6. **Who requested the security services?**

   The Acting Director Economic Development & Planning commissioned the process of obtaining security services on a nominated service provider by supply chain department.

7. **Who selected Rhula National Security?**

   The Supply Chain Management Unit

8. **On what basis was Rhula selected?**

   The urgency of the matter required immediate intervention and Rhula National Security responded expeditiously hence their appointment on an emergency basis.

9. **Were alternative security providers considered?**

   Yes.

10. Were quotations obtained?

    Quotations were requested but only Rhula responded expeditiously

11. If not, why not?

    As per question 10 above.

12. **Who determined the price?**

    The service provider, as per the provided quotation

13. **Was the rate tested against market rates?**

    Rates could not be tested against market rates as only one quotation was received.

14. **Who authorised commencement of the service?**

    The Acting Director: Economic Development & Planning upon approval from the Accounting Officer.

15. **Was a written contract in place before services commenced?**

    No

16. What was the initial duration?

    The initial duration was for a period of 3 months

17. **How many times was it extended?**

    Only one extension for an additional 3months, was granted to include the protection of the open land parcels in New France to prevent illegal occupation.

18. **Who approved each extension?**

    Extension was requested from the Accounting Officer supported by the Supply Chain Department

19. **At what point did an "emergency" become a foreseeable continuing requirement?**

    The initial emergency was linked to theft of materials at the Botrivier municipal store. The requirement subsequently expanded to guarding and monitoring open spaces after residents relocated, indicating that security had become a continuing operational requirement rather than merely an immediate response to theft.

20. **Why was a competitive procurement process not initiated once it became apparent that security would continue?**

    The provision of security services resorted with Community Services and at that stage there was no security tender in place.

21. **Who was responsible for initiating that process?**

No process followed

22. **What assets were actually protected?**

The emergency housing material and municipal owned land

23. **What evidence exists of the theft referred to in the report?**

The theft was reported by the informal settlements officer responsible for the town of Botrivier.

24. **What was the value of assets stolen before security was appointed?**

Value not quantifiable

25. **What was the value of assets protected?**

R 400 000 and the value of the land

26. **Verify every invoice making up the R1,304,100.**

Invoice attached in the MPAC item report.

27. **Confirm attendance, security deployment, hours and locations against invoices.**

As reflected in the invoices

28. **Did any official or councillor have any relationship with the service provider?**

Not to our knowledge.

29. **Was any official warned that continued expenditure would be irregular?**

Appointment was made based on the urgency of the service required to protect municipal assets.

30. Did management nevertheless instruct continuation?

There was a demand for the service to ensure the implementation of the Botrivier Beaumont TRA relocation project.

QUESTIONS DURING MEETING:

Councillor P Stander: Why were the starter kits stored at the municipal depo?

Mr W Moses: Relocation material procured and stored to be used for the relocation from New France to TRA site.

Alderman C Wood: Why is there no case number? No documentation to give an indication for how many starter kits are paid for. Theft put under the attention of the Director and Deputy Director by the Informal Settlement Officer – names must be attached.

Mr W Moses: Annexure E was drafted with the information/facts available. Security was for the protection of the starter kits (municipal asset) and land to be protected against invasion. R1 159 200 is only for the safeguard of the starter kits and the land. Not aware of any case numbers available. Names can be provided.

Councillor P Stander: Who is responsible for going to the Director/Deputy Director and reporting the theft and land invasion?

Mr W Moses: Melvin Davids was the Informal Settlements Officer at Botriver at that time, and he will report directly to the Director/Deputy Director.

Councillor P Stander: Need to know the cost of the starter kits to determine whether the starter kits justify the cost for security expenditure of R1 159 200. Negligence from officials to procure and deliver starter kits at stores with the necessary safeguarding.

Mr W Moses: Will not know whether a security company was at the depo as it is a municipal building.

ITEM HEADING

C247/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE FINANCE: IRREGULAR EXPENDITURE – NON-COMPLIANCE WITH COMPOSITION OF THE BID ADJUDICATION COMMITTEE IN TERMS OF REGULATION 29 OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATION OF 2005

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

Irregular expenditure - Non-Compliance with composition of the Bid Adjudication Committee in terms of Regulation 29 of the Municipal Supply Chain Management Regulation of 20025.

BACKGROUND

Refer to Annexure A attached.

DISCUSSION

Refer to Annexure A attached.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Refer to Annexure A attached.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Refer to Annexure A attached.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Refer to Annexure A attached.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. **MPAC to consider the content of the report.**
2. **No irregular expenditure occurred, no official responsible, therefore, no recovery applicable.**
3. **Council to consider write-off due to no irregular expenditure occured.**

RESOLVED BY MANAGEMENT: 03 AUGUST 2026

Management resolved that the agenda-item Irregular Expenditure - Non-compliance with the composition of the Bid Adjudication Committee in terms of Regulation 29 of the Municipal Supply Chain Management Regulation of 2005 be submitted to MPAC for discussion as the item was already discussed at the Management Meeting.

DISCUSSION DURING THE MEETING: (03 SEPTEMBER 2026)

Councillor P Stander refer to Government Gazette 43281 – fewer than four senior managers but still a SCM practitioner and a technical expert need to be present at a BAC meeting.

Mr A Plaatjies replied that GG 43281 is only applicable to the senior managers and is not applicable to the SCM practitioner.

Mr Plaatjies further responded that the SCM Manager is not appointed as a Member of the BAC and therefore no appointment letter is available. The SCM Practitioner was not available at that time therefore no SCM Practitioner was present at the applicable meetings.

Ms A Martin refers to Regulation 29(2) of the SCM Policy which indicates that 4 Senior Managers, 1 SCM Practitioner (Official of TWK) and a Technical Expert must be present at a BAC meeting.

FIN03/2022/2023:

- 4 Senior Managers present (Mr Riddles/Gxoyiya/Solomons-Johannes/Amansure)
- No SCM Practitioner present
- 1 Technical Expert present (Ms J van Niekerk)
- Mr Francis not appointed as a Member of the BAC therefore "Observer" status. Must be formally appointed as a Member of the BAC.

BAC is not constituted correctly.

ELEC01/2022/2023:

- 4 Senior Managers present (Mr Riddles/Gxoyiya/Solomons-Johannes/Amansure)
- No SCM Practitioner present
- 1 Technical Expert present (Mr M Redelinghuys)
- Mr Francis not appointed as a Member of the BAC therefore "Observer" status. Must be formally appointed as a Member of the BAC.

BAC is not constituted correctly.

COR05/2022/2023:

- 3 Senior Managers present (Mr Riddles/Barnard/Ms Baliso)

- SCM Practitioner present (Ms A Martin)
- 1 Technical Expert present (Mr J Amansure)
- Mr N la Grange not appointed as a Member of the BAC therefore "Observer" status.

BAC is not constituted correctly.

The content of Annexure J was read out loud during the meeting with the recommendation by MPAC to Council and is attached as annexure.

Questions and Answers from MPAC to Officials are also attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 03 SEPTEMBER 2026

MPAC recommends that the Municipal Council:

1. **Notes the Auditor-General's finding relating to the composition of the Bid Adjudication Committee for tenders FIN03/2022/2023; ELEC01/2022/2023 and COR05/2022/2023.**

2. **Notes Management's response that the BAC was properly constituted in terms of the applicable Government Gazette exemption.**

3. **Does not approve a write-off of the identified expenditure at this stage.**

4. **Notes that MPAC has determined that the BAC was not lawfully constituted for tenders FIN03/2022/2023; ELEC01/2022/2023 and COR05/2022/2023 when the tenders were adjudicated.**

5. **Notes that MPAC recommends disciplinary board referral for tenders FIN03/2022/2023; ELEC01/2022/2023 and COR05/2022/2023 as the BAC was not lawfully constituted when the tenders were adjudicated. Mr A Riddles, the Chairperson of all 3 meetings, did not ensure that the BAC meetings were lawfully constituted at the start of the meetings when the tenders were considered for adjudication.**

6. **Notes that MPAC does not recommend a criminal referral.**

7. **Notes that MPAC recommends that the Municipality review all tenders adjudicated during the period in which the same BAC composition was used to determine whether the issue is isolated or systemic.**

8. **Directs Management to strengthen controls relating to the constitution and appointment of Bid Adjudication Committees.**