



MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[23 JULIE / JULY 2026]

SPEZIALE RAADSVERGADERING /
SPECIAL COUNCIL MEETING

NOTULE / MINUTES

23 JULIE / JULY 2026

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

SPEZIALE RAADSVERGADERING /
SPECIAL COUNCIL MEETING

NOTULE / MINUTES

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RESOLUTIONS TAKEN DURING THE
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**F. VERDAGING /
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THEEWATERSKLOOF MUNISIPALITEIT/ MUNICIPALITY

NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OP 23 JULIE 2026
OM 09:00 IN DIE RAADSAAL MUNISIPALE KANTORE, CALEDON.

MINUTES OF A SPECIAL COUNCIL MEETING HELD ON 23 JULY 2026 AT 09:00
IN THE COUNCIL CHAMBERS MUNICIPAL OFFICES, CALEDON.

A. OPENING EN VERWELKOMING

Die Voorsitter, Speaker W.H. Wells, verwelkom almal teenwoordig.

Raadslid D Jooste open die vergadering met gebed.

OPENING AND WELCOME

The Chairperson, Speaker W.H. Wells, welcomes everyone present.

Councillor D Jooste opened the meeting with a prayer.

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

Nie van toepassing nie / Not applicable.

C. BYWONINGSREGISTER/ATTENDANCE REGISTER

C.1 Teenwoordig/Present Raadslede/Councillors

Raadsheer/Alderman LM de Bruyn
Raadsheer/Alderman CC Clayton
Raadsheer/Alderman WH Wells
Raadslid/Councillor CA Benjamin
Raadslid/Councillor M Botes
Raadslid/Councillor CT Cloete
Raadsheer/Alderman S Fredericks
Raadslid/Councillor M Gana
Raadslid/Councillor DA Jacobs
Raadslid/Councillor D Jooste
Raadslid/Councillor JD Lekhori
Raadslid/Councillor TP Lemina
Raadsheer/Alderman BB Mkhwibiso
Raadslid/Councillor M Mpambani
Raadslid/Councillor MA Nomkoko
Raadslid/Councillor FO Ntantiso
Raadslid/Councillor V Papier
Raadsheer/Alderman M Plato-Mentoor

Raadslid/Councillor MS Shale
 Raadslid/Councillor J Smit
 Raadslid/Councillor C Smith
 Raadslid/Councillor MH Witbooi
 Raadsheer/Alderman C Wood
 Raadslid/Councillor YM van Tonder
 Raadslid/Councillor TB Zimmermann

Amptenare / Officials

Mnr./Mr W Hendricks	(Munisipale Bestuurder) (Municipal Manager)		
Me./Ms N Baliso	(Direkteur: Ekonomiese Ontwikkeling en Beplanning) (Director: Economic Development and Planning)		
Mnr./Mr WSE Solomons-Johannes	(Direkteur: Gemeenskapsdienste) (Director: Community Services)		
Mnr./Mr A Riddles	(Wnde Direkteur: Finansies) (Acting Director: Finance)		
Mnr./Mr H Matthee	(Direkteur: Tegnyiese- en Infrastruktuur Implementeringsdienste) (Director: Technical- and Infrastructure Implementation Services)		
Mnr./Mr H Gxoyiya	(Bestuurder: Regsdienste) (Manager: Legal Services)		
Me./Ms. F Ngxowa	(Assistent Vertaler) (Assistant Translator)		
Me./Ms T Michel	(Kommunikasiebeampte) (Communications Officer)		
Me./Ms S Baron	(Sekretariaatdienste) (Secretariat Services)		

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

Rdl./Cllr H Linnerts
 Rdl./Cllr PJ Stander

Afwesig sonder verskoning
Absent without an apology

Geen / None

D. BESLUIE GENEEM TYDENS RAADSVERGADERING VAN 30 MEI 2023
RESOLUTIONS TAKEN DURING THE COUNCIL MEETING OF 30 MAY 2023

ITEM HEADING

**SC08/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: DEPARTMENT PUBLIC SAFETY:
IRREGULAR EXPENDITURE – CALEDON VET**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by Caledon Vet, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

Caledon Vet – R 400.00

DISCUSSION

On 21 April 2022 the Caretaker at the Caledon Animal Pound alerted the Chief: Law Enforcement to two sick pigs at the pound. To miss the 16h00 loadshedding schedule and to save cost of after-hours services, Caledon Vet was contacted and immediately responded to the call. Due to urgent nature of the matter, the normal procurement processes could not be followed.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

Not applicable

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 400.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

- 1. That the template be uploaded to the Agenda-item after it is signed-off by all the relevant Officials.**
- 2. That after the template is uploaded, the Agenda-item be presented to MPAC for consideration.**
 - 1. Agenda-item be referred back.*
 - 2. For finalization by the Deputy Director: Operations, Mr J Barnard.*

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 400.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 400.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 400.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 400.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

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RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC09/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: PUBLIC SAFETY: IRREGULAR
EXPENDITURE – HWM CONSULTANCY**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by HWM CONSULTANCY, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

HWM Consultancy – R 20 257.88

DISCUSSION

On 28 July 2022 the Office of the Speaker informed the Public Safety department that the VIP Protector allocated to the Speaker had to accompany the Speaker to Johannesburg from 28 July until 31 July 2022. On the same day a quotation was sourced from HWM Consultancy and uploaded on Collaborator as a requisition with reference number: 2985395. On 12 August 2022 the Supply Chain Management (SCM) department returned the requisition on Collaborator stating that the requisition must be treated as a direct payment due to the fact that the service has already been rendered at the time of SCM was busy with the adjudication process on Collaborator.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Supported.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

Not applicable

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 20 257.88 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

1. That the email(s) requesting a quotation as well as the quotation received from HWM Consultancy be uploaded as attachment to the item.

2. That after the documentation have been uploaded, the Agenda-item be referred to MPAC for consideration.

- 1. Agenda-item be referred back.*
- 2. For finalization by the Deputy Director: Community Services, Mr J Barnard.*

COMMENTS BY DIRECTORATE:

All documentation attached as Annexure A as per Management decision.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 20 257.88 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 20 257.88 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 20 257.88 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 20 257.88 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

SC10/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE COMMUNITY SERVICES: GRABOUW TOWN OFFICE: IRREGULAR EXPENDITURE – VAN TONDER SECURITY SERVICES

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses that occurred during services delivered by VTSS, and that the Committee considers the report with the explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

VTSS (VAN TONDER SECURITY SERVICES) – R 156 365.00

DISCUSSION

The crucial municipal buildings such as the pump stations urgently required protection in Grabouw especially after loadshedding was implemented nationally as alarms and cameras were insufficient to protect the infrastructure. The situation was worsened by the ongoing water crises which led to further fears of pump stations and sewer pump stations being targeted. The council decided to protect council property immediately until an alternative solution could be found.

The water and sewer pump stations that were targeted caused either major sewer spillages into the adjacent rivers or a lack of water supply to the community

The security company that was positioned at the premises immediately neutralized the burglary attempts by safeguarding infrastructure and reducing service delivery downtime.

Only the VTSS security company in Grabouw was immediately available as the request was made to Specialized Agri Protection Services in Grabouw.

The situation was discussed with SCM to advertise a TWK2 (later Machaira was appointed) and appoint asap.

The deviation process would have been followed however due to funding requirements it was referred to the SEC32 committee.

Council property was protected which was at serious risk of theft and vandalism as the water crises were already causing huge havoc in Town.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair works required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relates to damage to property, impacting on service delivery. The process is underway to advertise a tender/s for a framework contract of panels for the provision of security services.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

Not Applicable

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 156 365.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves:

1. That the template be completed and uploaded to the item after it is signed-off by all the relevant Officials.
2. That after the template has been uploaded, the Agenda-item be referred to MPAC for consideration.
 1. *Agenda-item be referred back.*
 2. *For finalization by the Deputy Director: Community Services, Mr J Barnard.*

COMMENTS BY ITEM AUTHOR:

See Annexure A or attached documentation

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 156 365.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 156 365.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 156 365.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 156 365.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING**SC11/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: GRABOUW TOWN OFFICE: IRREGULAR
EXPENDITURE – MACHAIRA PROJECTS**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses that occurred during services delivered by Machaira Projects, and that the Committee considers the report with the explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

Machaira Projects – R 627 693.35

DISCUSSION

Critical municipal buildings such as pump stations urgently required protection in Grabouw especially after loadshedding was implemented nationally, and alarms and CCTV cameras were not functioning during load shedding periods and were insufficient to protect the infrastructure. The situation was worsened by the ongoing water crises which led to further fears of water pump stations and sewer pump stations being targeted. A request for quotation (TWK2) was advertised (AM10/2021/22) for security guards at high-risk areas whereby Machaira Projects was appointed to protect the Council properties and assets.

The water- and sewer pump stations that were targeted caused either major sewer spillages into the adjacent rivers or a lack of water in the community.

High-risk sites in Grabouw include:

- Lower Steenbras Reservoir
- Palmiet Sewer pump station
- Pineview pump station
- Grabouw Depo

The contract period was initially valid until 30 June 2022 as per AM10/2021/22 however it was decided to extend all guarding services up to until 30 September 2022. It was decided to follow a tender process for the appointment of service providers for security services. While the tender process was in process, no other SCM process for the same services could proceed due to the threshold value.

The security tender OPE09/2022/23 was prepared however took longer than expected thus Machaira Projects was requested to continue with the service on a month-to-month basis until 07 November when Machaira Projects ended the service with the municipality.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair works required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relates to damage to property, impacting on service delivery. The process is underway to advertise a tender/s for a framework contract of panels for the provision of security services.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

Not Applicable

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 627 693.35 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves:

1. That the template be completed and uploaded to the item after it is signed-off by all the relevant Officials.
2. That after the template has been uploaded, the Agenda-item be referred to MPAC for consideration.
 1. *Agenda-item be referred back.*
 2. *For finalization by the Deputy Director: Community Services, Mr J Barnard.*

COMMENTS FROM ITEM AUTHOR:

See Annexure A or applicable documentation as per management decision.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 627 693.35 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 627 693.35 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 627 693.35 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 627 693.35 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC12/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: PUBLIC SAFETY: IRREGULAR
EXPENDITURE - HWM CONSULTANCY**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment of R 57 701,52 made to HWM Consultancy for the provision of travel and accommodation arrangement to the municipality for the period 26 to 29 September 2022, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

On 13 September 2022 the Municipal Manager sent an email to Ms Lizell Kilowan from the Councillor Support division informing her about the invitation extended to the municipality by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to attend the Local Government Summit in Johannesburg from 27 – 28 September 2022; he further instructed Ms Kilowan to register the Executive Mayor, Deputy Executive Mayor, Speaker and the Whip for the event – to which she complied on 14 September 2022. The Acting Chief Financial Officer and Acting Director Community Services was also instructed to register for the event – which they did.

On Thursday, 15 September 2022 Ms Kilowan sent out a TWK 1 for the provision of travel and accommodation arrangements for the period 26 – 29 September for the six (6) municipal officials, to suppliers registered for this commodity on the municipal supplier database. The closing date was Monday, 19 September 2022.

On 19 September HWM Consultancy sent a quote of R57 701,52 which exceeded the TWK 1 threshold value of R 2 001,00 – R 30 000,00. The amount fell in the TWK 2 threshold value of R 30 001,00 – R 200 000,00. However, the advertisement period for a TWK 2 is one (1) week. This would mean that the TWK 2 would be advertised on 20 September with a closing date of 27 September, and then it would still need to undergo an evaluation process. Against this backdrop it was decided to make a deviation as time constraints would not allow for the normal supply chain processes to be followed.

The votes for travel and accommodation were inadequate to cover the costs of the quotation and permission was obtained to utilise the votes of the Community Services Directorate.

DISCUSSION

The invitation to the Local Government Summit by the CoGTA did not allow the municipality much time to plan and organise the travel and accommodation arrangements in accordance with the Supply Chain Management policy. However, if the municipality did not attend the summit, it would have missed a golden opportunity to network with other municipal officials as well as national government officials to promote the municipality as an investment destination and to mobilise resources to adequately respond to its financial and infrastructural challenges. HWM Consultancy was appointed to make the travel and accommodation arrangements for which they submitted one invoice of R 57 701,52 which was paid by the municipality.

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

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Supported for amount to be written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 57 701.52 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 08 MAY 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 57 701.52 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 57 701.52 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 57 701.52 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 57 701.52 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE**SC13/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE - TERM
GROUP**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R4 896 779,06 to Term Group for the rental of 100KVA and 500KVA generators and cost associated therewith in various towns in the municipal area, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. Overberg Water Board, the water service provider for Caledon, submitted multiple applications to ESKOM to be exempted from loadshedding, but this was rejected by the power utility every time. The Caledon water crisis came about as a result of the abovementioned factors. In essence when there was loadshedding in Caledon, Overberg Water was able to pump water, due to them being on the Villiersdorp loadshedding and schedule, but the Caledon water treatment works was not able to receive, pump and treat the water and vice versa when Villiersdorp experienced loadshedding.

In order to comply with the obligation to provide sustainable access to clean and safe drinking imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to start looking at medium-and long-term solutions to the crisis. Term Group was approached by the municipality to lease generators to be stationed at the Caledon water treatment works. This ensured that water was able to be pumped during loadshedding the Caledon loadshedding slot as well as when Overberg Water was unable to pump water during the Villiersdorp loadshedding slot. Provision in the memorandum is made for diesel as well. Generators guzzle diesel at a high tempo. As the loadshedding levels increased and became more regular, the demand for generators increased as other towns in the municipal area started to experience issues with the provision of water.

DISCUSSION

The sustainability of service delivery was under threat without the interventions undertaken by the management of the municipality. The generators leased from Term Group ensures that the provision of water continues uninterrupted during loadshedding slots in the various towns where these generators are utilised. A total of 14 generators are leased for the Theewaterskloof municipal area. Since October 2022 to date, a total of invoices was received from the supplier and paid by the municipality. The total payment value to date stands at R4 896 779,06.

The attached invoices indicate the line items associated with the leasing of the generators, which include weekly inspections, security services, etc.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

The nature of expenditure relates to ad-hoc emergency repairs to fleet to ensure continuity of operations; continued provision and rendering of service delivery supporting critical services to the effective functioning of the municipality that is in line with the provisions of Clause 36 of the TWK SCM Policy. Recommended for approval for the reasons and motivations set forth in accordance with the established and approved supply chain management processes.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 4 896 779,06 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 26 APRIL 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 4 896 779,06 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R 1 094 146.44 be added to the irregular expenditure amount of R 4 896 779.06 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 990 925.50 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 990 925.50 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 5 990 925.50 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC14/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – SISWA
TRADING AND PROJECT**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R7 385 116.00 to Siswa Trading and Project for the provision of water tankers to various communities in the municipal area as and when the need arose during the period October 2022 to February 2023, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. Overberg Water Board, the water service provider for Caledon, submitted multiple applications to ESKOM to be exempted from loadshedding, but this was rejected by the power utility every time. The Caledon water crisis came about as a result of the abovementioned factors. In essence when there was loadshedding in Caledon, Overberg Water was able to pump water, due to them being on the Villiersdorp loadshedding and schedule, but the Caledon water treatment works was not able to receive, pump and treat the water and vice versa when Villiersdorp experienced loadshedding.

In order to comply with the obligation to provide sustainable access to clean and safe drinking imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to secure the provision of water tankers as and when the need arose for the distribution of water to the communities in towns that experienced difficulties with the provision of water. Invoices were submitted by Siswa Trading and Project when they rendered services to the municipality.

DISCUSSION

The water crisis challenged the ability of the municipality to provide access to sustainable and safe drinking water during a time when ESKOM rolled out stage six (6) loadshedding and the water service provider for Caledon, Overberg Water was unable to provide water due to loadshedding. The municipality, with the approval of the Executive Mayor sourced the services of Siswa Trading and Project to provide water tankers to Caledon as and when it was necessary to do so.

A total of seven (7) invoices were submitted for payment. The total amount paid by the municipality to provide the service was R 7 358 116.00.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair works required for ad-hoc repairs to plant and equipment to prevent disruption of service delivery impact in line with the established and approved supply chain management processes. This transaction is an insurance claim to reinstate and restore water supply in the interest of the public to ensure the constitutional provision of Section 27 (1)(b) of the Constitution of the Republic of South Africa Act, 108 of 1996, prescribing that the municipality must provide everyone the right to have access to sufficient water that is basic municipal services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 385 116,00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 26 APRIL 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 385 116,00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 385 116,00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 385 116.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 7 385 116.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC15/2026 MUNICIPAL PUBLIC ACCOUNTS: COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE –
SPECIALIZED AGRI PROTECTION SERVICES**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by Specialized Agri Protection Services, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

Specialized Agri Protection Services -

R 165.00 – Caledon Traffic

R 18 150.00 – Caledon

R 19 305.00 – Villiersdorp

R 9 920.00 – Greyton

The total amount of payments made from July 2022 to February 2023 is R47 540.00.

DISCUSSION

It was common practice in the past years that each town, at the start of each financial year, appointed a service provider through a TWK2 SCM process (between R 30 000.00 and R 200 000.00) for the delivery of security services on a one-year contract for the monitoring and response of municipal properties. For the current financial year, the towns did start their SCM processes to appoint service providers, but the total amount of all these services in total exceeded the amount of R 200 000.00. For this reason, it was decided to follow a tender process to appoint service providers for the delivery of security services (monitoring and response) over a 3-year contract period. After consultation with the Acting CFO and SCM, it was decided that while the tender process for security services will be underway, no other SCM process can proceed as it will be in conflict with the same services requested through a tender process. It was collectively decided that the same service providers that were appointed the previous financial year for security services need to proceed on a month-to-month basis with monitoring and response services to mitigate the safety risk of municipal properties and assets.

Because of the circumstances at the time and explained, no procurement process could be followed to appoint new service providers to safeguard municipal properties. The best way to secure and safeguard municipal properties was to proceed with the same service providers on a month-to-month basis until the tender process is completed and awarded and a service provider be appointed. The Council did not suffer any losses or any damage and did receive value for money.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair work is required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relate to damage to property, impacting on service delivery. The process is underway to advertise a tender/s for a framework contract of panels for the provision of security services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R47 540.00 for the 2022/2023 financial year be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

1. That the invoices be uploaded to the item.
2. That after the invoices have been uploaded, the Agenda-item be presented to MPAC for consideration.
 1. *Agenda-item referred back.*
 2. *For finalization by the Deputy Director: Community Services, Mr J Barnard.*

COMMENTS BY DIRECTORATE:

All applicable documentation is attached as Annexure A as resolved by Management.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R47 540.00 for the 2022/2023 financial year be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R47 540.00 for the 2022/2023 financial year be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R47 540.00 for the 2022/2023 financial year be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is resolved that the irregular expense in the amount of R47 540.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 JULY 2026

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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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC16/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – ZWH
PROJECTS AND DEVELOPMENT**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R18 801 976,97 to ZWH Projects and Development for the lease of generators and cost associated therewith in various towns in the municipal area, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. Overberg Water Board, the water service provider for Caledon, submitted multiple applications to ESKOM to be exempted from loadshedding, but this was rejected by the power utility every time. The Caledon water crisis came about as a result of the abovementioned factors. In essence when there was loadshedding in Caledon, Overberg Water was able to pump water, due to them being on the Villiersdorp loadshedding and schedule, but the Caledon water treatment works was not able to receive, pump and treat the water and vice versa when Villiersdorp experienced loadshedding.

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In order to comply with the obligation to provide sustainable access to clean and safe drinking imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to start looking at medium-and long-term solutions to the crisis. ZWH Projects and Development was approached by the municipality to lease generators to be stationed at the Caledon water treatment works. This ensured that water was able to be pumped during loadshedding the Caledon loadshedding slot as well as when Overberg Water was unable to pump water during the Villiersdorp loadshedding slot. Provision in the memorandum is made for diesel as well. Generators guzzle diesel at a high tempo. As the loadshedding levels increased and became more regular, the demand for generators increased as other towns in the municipal area started to experience issues with the provision of water.

DISCUSSION

The sustainability of service delivery was under threat without the interventions undertaken by the management of the municipality. The generators leased from ZWH Projects and Development ensure that the provision of water continues uninterrupted during loadshedding slots in the various towns where these generators are utilised. A total of 14 generators is leased for the Theewaterskloof municipal area. Since October 2022 to date, a total of invoices was received from the supplier and paid by the municipality. The total payment value to date stands at R18, 801,976.97.

The attached invoices indicate the line items associated with the leasing of the generators, which include weekly inspections, security services, etc.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

The Eskom loadshedding impacted the country nationwide and the phenomenon is exacerbated due to the continuous mechanical failures and related problems at the Eskom generation plants which is the national electricity utility supplier, which varies on a daily and/or weekly basis with increased stages. Notwithstanding the above, the municipality must also provide essential services such as emergency services and client care for basic service delivery to report incidents, provision of basic municipal services (i.e. water, sanitation, electricity, etc.), dealing with service delivery complaints, etc. uninterrupted to ensure continuity of operations and in the interest of the general public. The municipality installed temporary emergency generators to limit and/or mitigate against any service disruption to ensure that members of the public have access to government services, emergency services, water, sanitation, electricity, monitoring of CCTV cameras to prevent vandalism, theft, burglaries to critical and essential government services and infrastructure, etc.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 18 801 976,97 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

- 1. That the list of generators, with costs, must be uploaded to this item.**
- 2. That after the list is uploaded, the Agenda-item be referred to MPAC for consideration.**

- 1. Agenda-item be referred back.*
- 2. For finalization by the Deputy Director: Community Services, Mr J Barnard.*

COMMENTS FROM DIRECTORATE:

Additional information as requested per Management resolution on 26 April 2023 has been uploaded.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 18 801 976,97 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R 4 009 477.44 be added to the irregular expenditure amount of R18 801 976.97 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 22 811 454.41 for the financial year 2022/2023 be approved and accepted.

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RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 22 811 454.41 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 22 811 454.41 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE**SC17/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – ISIDINGO
SECURITY SERVICES**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment with a value of R5,112,870.18 to Isidingo Security Services for the provision of security services to the municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. This prompted the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to start looking at medium- and long-term solutions to the crisis. Generators were installed at Caledon and in Grabouw first.

These generators were placed at pump stations and boreholes. Isidingo Security Services was approached by the municipality to safeguard municipal assets at water infrastructure sites in the municipal area

DISCUSSION

The sustainability of service delivery was under threat as higher loadshedding levels meant longer hours without electricity, making municipal properties the prey of vandals and criminal elements. Water infrastructure like boreholes and pump stations in this instance are vandalised on a daily basis and restored at thousands of rands. The installation of generators at these sites in the municipal area made it more vulnerable and security was therefore of great necessity. It was thus necessary to appoint dedicated security guards to safeguard municipal assets during these dark times. Isidingo Security Services was appointed by the municipality to execute this task. Since its appointment the service provider has submitted six (6) invoices which were paid by the municipality. The total payment value to date stands at R5 112 870,18.

The attached invoices indicate the line items the municipality was billed for.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair work is required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relate to damage to property, impacting on service delivery. The process is underway to advertise a tender/s for a framework contract of panels for the provision of security services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 112 870,18 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 26 APRIL 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 112 870,18 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R 812 538.48 be added to the irregular expenditure amount of R 5 112 870.18 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommendation as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 925 408.66 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 925 408.66 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 5 925 408.66 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE**SC18/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – SECURITY
CONSORTIUM SA**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment with a value of R7,643,907.00 to Security Consortium SA for the provision of security services to the municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. The Grabouw water treatment works facilities was in need of major upgrades. The ever-increasing population of the town was not taken into consideration when the water infrastructure was installed many years ago. The upgrades took place during odd hours and there was a need for security personnel to safeguard the assets of council and the tools utilised by the service provider.

After the new pumps were installed and all the upgrades were concluded, backup generators were installed at the various water treatment plants in Grabouw, namely Upper Steenbras, Eikenhof, etc. The Process Controllers of these plants work in shifts, and they thus have offices at these facilities. At the same time the Grabouw Town Office also required protection from criminal elements during loadshedding hours. This prompted the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to start looking at medium-and long-term solutions to the crisis. Security Consortium SA was approached by the municipality to safeguard municipal assets in Grabouw specifically.

DISCUSSION

The sustainability of service delivery was under threat as higher loadshedding levels meant longer hours without electricity, making municipal properties the prey of vandals and criminal elements. It was thus necessary to appoint dedicated security guards to safeguard municipal assets during these dark times. Security Consortium SA was appointed by the municipality to execute this task. Since its appointment the service provider has submitted five (5) invoices which were paid by the municipality. The total payment value to date stands at R7 643 907,00.

The attached invoices indicate the line items the municipality was billed for.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair work is required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relate to damage to property, impacting on service delivery. The process is underway to appoint a panel of service providers after advertising a tender/s for a framework contract for the provision of security services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 643 907,00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 26 APRIL 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 7 643 907,00 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R 1 782 500.00 be added to the irregular expenditure amount of R 7 643 907.00 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 9 426 407.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 9 426 407.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 9 426 407.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC19/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – WB
TIPPER TRUCK AND PLANT HIRE**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R13,064,708.75 to WB Tipper Truck and Plant Hire for the provision of water tankers to various communities in the municipal area as and when the need arose during the period October 2022 to February 2023, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. Overberg Water Board, the water service provider for Caledon, submitted multiple applications to ESKOM to be exempted from loadshedding, but this was rejected by the power utility every time.

The Caledon water crisis came about as a result of the abovementioned factors. In essence when there was loadshedding in Caledon, Overberg Water was able to pump water, due to them being on the Villiersdorp loadshedding and schedule, but the Caledon water treatment works was not able to receive, pump and treat the water and vice versa when Villiersdorp experienced loadshedding. In order to comply with the obligation to provide sustainable access to clean and safe drinking imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to secure the provision of water tankers as and when the need arose for the distribution of water to the communities in towns that experienced difficulties with the provision of water. Invoices were submitted by WB Tipper Truck and Plant Hire when they rendered services to the municipality.

DISCUSSION

The water crisis challenged the ability of the municipality to provide access to sustainable and safe drinking water during a time when ESKOM rolled out stage six (6) loadshedding and the water service provider for Caledon, Overberg Water was unable to provide water due to loadshedding. The municipality, with the approval of the Executive Mayor sourced the services of WB Tipper Truck and Plant Hire to provide water tankers to the municipality as and when it was necessary to do so.

A total of seven 11 invoices were submitted for payment. The total amount paid by the municipality to service provider was R 13 064 708.75.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair works required for ad-hoc repairs to plant and equipment to prevent disruption of service delivery impact in line with the established and approved supply chain management processes. This transaction is an insurance claim to reinstate and restore water supply in the interest of the public to ensure the constitutional provision of Section 27 (1)(b) of the Constitution of the Republic of South Africa Act, 108 of 1996, prescribing that the municipality must provide everyone the right to have access to sufficient water that is basic municipal services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 13 064 708.75 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

1. That the amount on the template "point 3 – Initial Contract value and if uncertain please explain" be amended to R13 064 708.75 and uploaded to the item as an annexure.

2. That after the amended template has been uploaded, the item be presented to MPAC for consideration.

1. Agenda-item be referred back.
2. For finalization by the Deputy Director: Community Services, Mr J Barnard.

COMMENTS BY ITEM AUTHOR:

Amount amended as per Management resolution of 26 April 2023.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 13 064 708.75 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R 1 251 366.75 be added to the irregular expenditure amount of R 13 064 708.75 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 14 316 075.50 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 14 316 075.50 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 14 316 075.50 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE**SC20/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – BLUE
FALCON (PTY) LTD**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment with a value of R12 044 916,00 to Blue Falcon (PTY) LTD for the provision of security services to the municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. Coupled with this was the need to appoint dedicated security and tactical response teams to safeguard municipal assets from vandals and theft. This prompted the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to start looking at medium-and long-term solutions to the crisis. Blue Falcon (PTY) LTD was approached by the municipality to safeguard municipal assets.

The service provider conducted a risk analysis and based upon that risk analysis it was decided that VIP protection was required for the political office bearers of the municipality.

DISCUSSION

The sustainability of service delivery was under threat as higher loadshedding levels meant longer hours without electricity, making municipal properties the prey of vandals and criminal elements. It was thus necessary to appoint dedicated security guards and tactical response teams to safeguard municipal assets during these dark times. Blue Falcon was appointed by the municipality to execute this task. Since its appointment the service provider has submitted five (5) invoices which were paid by the municipality. The total payment value to date stands at R12 044 916,00.

The attached invoices indicate the line items the municipality was billed for.

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

SCM processes were not followed. The urgency and prevailing emergency circumstances warranted emergency dispensation in terms of Clause 36 of the Theewaterskloof SCM Policy.

The incurring of emergency expenditure was authorized by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair work is required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relate to damage to property, impacting on service delivery. The process is underway to appoint a panel of service providers after advertising a tender/s for a framework contract for the provision of security services.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The amount written off is not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R12 044 916,00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 26 APRIL 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 12 044 916.00 for the financial year 2022/2023 be approved and accepted.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R4 788 168.75 be added to the irregular expenditure amount of R 12 044 916.00 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 16 833 084.75 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 16 833 084.75 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 16 833 084.75 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC21/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
CORPORATE SERVICES: DEPARTMENT ICT: TWK
COMMUNICATIONS**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by TWK Communications, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

1. Investigate the irregular expenditure,
2. Make recommendations to the Council as to who, if any liable for irregular expenditure,
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
4. Make recommendations if necessary for the implementation of measures to present future irregular expenditure and,
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorized, irregular, fruitless and wasteful expenditure currently.

BACKGROUND

An item has been to be presented to the Municipal Public Accounts Committee regarding an expenditure item for TWK Communications. This report provides the context and explanation for this item.

DISCUSSION

TWK Communication has been the connectivity and telephone system service provider for Theewaterskloof Municipality for the last few years at least from 2016. MTN as the previous service provider which was appointed per tender to implement a new telephone system never managed to do so. Theewaterskloof Municipality has still been using the TWK Communications telephone system daily and still do. TWK Communications have been appointed with deviations for the periods we have utilized their services.

The service has been provided at historic cost implying that council has received value for money and at the usual fair monthly cost. Between a past deviation and a future extended deviation there was a gap of a month which resulted in the figure listed here for consideration of the Municipal Public Accounts Committee.

The relevant figure is R33838.54 for Invoice 490031 for payment date 28/10/2022 for payment number 23929.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

The maintenance and functionality of the municipal telephone system is critical for service delivery and basic services.

RISK MANAGEMENT IMPLICATION

Maintaining the levels of basic service delivery.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

1. That the agenda-item be referred back.
2. That the information under "Purpose/Aim of the Report", "Legal Responsibilities", "Financial Responsibilities" and "Recommendation by Item Author" be amended.
3. That the deviation and invoices be uploaded as attachment to the Agenda-item.

4. That the template be signed by all the relevant Officials.

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1. *Agenda-item be referred back.*
2. *For finalization by the Acting Director: Corporate Services, Mr J Amansure.*

COMMENTS FROM ITEM AUTHOR:

Item amended. Signed template and invoices attached.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 08 MAY 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 33 838.54 for the financial year 2022/2023 be approved and accepted.

For finalization by the Manager: ICT, Mr B Ellman.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Manager: ICT, Mr J Rasekgala.

ITEM HEADING

**SC22/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
CORPORATE SERVICES: DEPARTMENT ICT: VERVE MEDIA
GROUP - APRIL 2023**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by Verve Media Group, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

1. Investigate the irregular expenditure,
2. Make recommendations to the Council as to who, if any is liable for the irregular expenditure,
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off,
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure and,
5. To report to Council on the effective functioning of processes and procedures/control surrounding the prevention of unauthorized, irregular fruitless and wasteful expenditure currently.

BACKGROUND

A TWK2 formal quotation process (BE02/2021/22) was concluded in the prior financial year, to appoint Verve Media Group to create, update and maintain a brand-new municipal website at our domain of www.twk.gov.za

A request was however received from Finance/IDP/Internal Audit departments to backup and still maintain the previous years (old) website for audit purposes and portfolio of evidence. The new service provider was thus requested to do what was required and did so successfully; however, provided an invoice afterwards for the work outside the initial scope of the above mentioned TWK2 quotation process. The work was performed at a rate that he quoted on initially, however the rate per hour was not included in the agreement sent to him.

The payment was dated 26/8/2022, with payment voucher number 23064, for the invoice number 13062 for the amount of R5400.

DISCUSSION

The rate per hour was provided for in the quote and work was done according to it. It was thus a fair and acceptable cost for additional work requested from the service provider, which was performed.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

The amount written off as not irregular or unauthorized in view of the explanation and reason explained in the report.

CLIENT CARE IMPLICATION

Website Sustainability ongoing

RISK MANAGEMENT IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

1. That the agenda-item be referred back.
2. That the information under "Purpose/Aim of the Report", "Legal Responsibilities", "Financial Responsibilities" and "Recommendation by Item Author" be amended.

3. That the deviation and invoices be uploaded as attachment to the Agenda-item.

4. That the template be signed by all the relevant Officials.

1. *Agenda-item be referred back.*
2. *For finalization by the Acting Director: Corporate Services, Mr J Amansure.*

COMMENTS BY ITEM AUTHOR:

Agenda-item amended. Signed template and invoices attached.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss of damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 08 MAY 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss of damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss of damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss of damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 5 400.00 for the financial year 2022/2023 be approved and accepted.

For finalization by the Manager: ICT, Mr B Ellman.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Manager: ICT, Mr J Rasekgala.

ITEM TITLE

**SC23/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT
HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – RHULA
NATIONAL SECURITY**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure that could be incurred with regard to the rendering of security services in Botrivier for the protection of relocation of relocation materials.

BACKGROUND

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 on the 1st of February 2021 and works relating to TRA's were suspended on the 15th of March 2021 as EIA, LUA and SDP approvals remained pending. Construction works then resumed on the 1st of October 2021 and were completed and handed over in May 2022

DISCUSSION

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 were delivered to the municipal store in Botrivier. The municipal does not have security, and material was stolen on more than one occasion prompting the department to urgently appoint a security company for the safeguarding of municipal assets. The municipality telephonically requested quotations from security companies registered in its supplier's database and only Rhula National Security responded timeously (Quotation Attached). 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.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

The financial obligations for rendering the service amount to R 1 014 300.00

CLIENT CARE IMPLICATIONS

Not applicable

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 014 300.00 be condoned.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

- 1. That the Department Human Settlements comment on how it came about that Rhula National Security has been appointed. That proof of the emails requesting quotes be attached.**
- 2. That the outstanding invoice to the amount of R289 800 be attached.**
- 3. That when the comments are included and the outstanding documentation been attached, the agenda-item be referred to MPAC for consideration.**

COMMENTS BY ITEM AUTHOR:

Additional comments as per point 1 of the Resolution of Management on 26 April 2023 is included under "Discussion" in the Agenda-item. Outstanding invoice is also attached as part of the attachments to the agenda-item.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 014 300.00 be condoned.

DISCUSSION DURING MPAC MEETING:

Permission was granted by MPAC that the amount of R289 800.00 be added to the irregular expenditure amount of R 1 014 300.00 for payments made on 28/04/2023. Proof of invoice attached as annexure.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 304 100.00 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 304 100.00 be condoned.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 1 304 100.00 be approved and accepted.

For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC24/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT
HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – K2C
CONSTRUCTION (PTY) LTD**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

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

BACKGROUND

The 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 week 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 were allocated to the Kgutsong. Both the mentioned informal settlement was established in 2014/15 with approximately more than 2000 informal structures both with limited and 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.

DISCUSSION

The appointment of K2C was extended via a deviation from June to August 2022 to allow for a competitive bidding process to be followed by the end of September 2022. (WM 03/2022/23) Upon the receipt of the offers it was found that no bidder was deemed responsive, and no award made hence the expense incurred for September 2022 was deemed irregular. Deviation approval was granted from November 2022 to February 2023 to allow the department again to advertise a formal 3-year tender. 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 provision of sanitation services must continue uninterrupted because the community would not allow the service provider to remove the toilets unless they are replaced.

The tender was awarded to Moreki Distributors, and the 21 period has commenced.

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

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

R 48 944.00

CLIENT CARE IMPLICATIONS

Not applicable

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RESOLVED BY MANAGEMENT: 26 APRIL 2023

Management resolves as follows:

- 1. That the amount on the template "point 3 – Initial Contract Value and if uncertain please explain", be corrected to R48,944.00.**

2. That the template be signed off by all the relevant officials and be uploaded as a new attachment to the item.
 3. That when the template was corrected, signed off and uploaded, the item be presented to MPAC for consideration.
1. *Agenda-item referred back.*
 2. *For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.*

COMMENTS BY ITEM AUTHOR:

Amount on template was corrected, and the signed template was uploaded as an attachment to the item.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 48 944.00 be approved and accepted.

For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC25/2026 MUNICIPAL PUBLIC ACCOUNT COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT & PLANNING: IRREGULAR
EXPENDITURE – FESTIVAL OF LIGHTS**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible/alleged irregular expenses occurred to an amount of R 179 458.53 funded by the Municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

- Caledon Informal Traders Association (CITA) – R 179 458.53

DISCUSSION

The Christmas Lights Festival is an annual event hosted by the Theewaterskloof Municipality as a gesture for announcing the start of the festive season. It provides an opportunity to the local communities of Theewaterskloof to come together in celebrating the festive season, where all the local people can come together. The event will offer the opportunity to showcase local artists to perform and create a platform for local businesses to showcase their local products. The last event was successfully hosted in 2017/2018.

3. The Executive Mayor, Alderman Papier, being inspired by the success of the previous one, made a commitment to host the Christmas Lights Festival on 16 December 2022, where local artists, community groups and businesses would participate all together collectively. It is against this backdrop the administration was then tasked to commence with planning and organising the event of the Christmas Lights Festival to be hosted on Thursday, 16 December 2022 at Donkin Plein, Caledon.

As part of the planning phase, an interim committee was established consisting of the relevant internal line departments such as LED & Tourism, Traffic Services, Town Management, Electricity Department, Health and Safety Officer and Supply Chain Management. Several planning meetings that took place to discuss the logistics of the event. Caledon Informal Traders Association (CITA) formed part of the interim planning committee representing the local traders. They have been instrumental in the planning phase, as they have sourced local donations for the event, as well as being responsible for the submission of the event application for the festival. Caledon Informal Traders Association (CITA) is a formally registered institution, focusing on informal markets and hosting festival events. The services provided by CITA was seen as exceptional beneficial to the Municipality and had exceptional cost advantages due to:

- It is the only registered traders' association / body in Caledon whom local traders associate with, and part of their mandate/constitution is hosting events for locals to participate as part of upliftment of local informal businesses.
- CITA being able to solicit sponsorships for the event, which enable them to cut down on costs and save money to an amount of R7 525.00 which was paid back to the Municipality after the event.

A formal service level agreement was signed between CITA and the Municipality, to do the acquisition of goods for the event, as well as sourcing sponsorships to cut costs. As mentioned previously, they have already started lobbying local businesses for support and solicited sponsorship for the event. The total projected budget for the event was R250 420.00.

The unspent amount of R70 525 was paid back to the Municipality by CITA as per the service level agreement. The latter meaning that due to the sponsorships and lobbying by CITA, that the Municipality saved on the expenditure.

There was no problem with the performance of the service provider, and Council did receive value for money. Given the circumstances and the request, the supply chain management process could not be followed. Section 32 of the MFMA states that any official of a municipality who deliberately or negligently committed, made or authorized an irregular expenditure is liable for that expenditure. A municipality must recover such expenditure from the person liable for that expenditure, unless the irregular expenditure is certified by Council as irrecoverable, after the Section 32 Committee has investigated and recommended it.

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

LEGAL RESPONSIBILITY

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

FINANCIAL IMPLICATIONS

In order to rectify this, the accounting officer can motivate them to rectify this during the adjustment budget process.

CLIENT CARE IMPLICATIONS

None

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. That the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages.
2. That the irregular expense in the amount of R179 458.53 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY MANAGEMENT: 14 APRIL 2023

1. Management resolves that the Agenda-item be referred back.
2. That the following question be answered under "Discussion" in this agenda-item:

Why was CITA specifically been appointed as no binding partnership agreement exists between Theewaterskloof Municipality and CITA before this event and the SCM formal processes was not followed?

3. That the following documentation be attached to the item:
 - Minutes of Management Meetings where this item was discussed.
 - Copy of the signed agreement.
 - Invoice(s) for services rendered.

For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.

COMMENTS BY ITEM AUTHOR:

Supporting documents attached:

- ANNEXURE A: Invoice(s) for services and payment motivation
- ANNEXURE B: Copy of the signed agreement
- ANNEXURE C: Minutes of Economic Development and Planning Committee Meeting held on 02 November 2022
- ANNEXURE D: Minutes of the Management Meetings held on 07 November 2022.
- ANNEXURE E: Correspondence of wrt Budget for Festival of Lights
- ANNEXURE F: Proof of repayment of unspent funds

NOTE: Management resolves during its Extended Management Meeting of 26 April 2023 that if all the documentation is attached and the question 2 of the previous Management Resolution was adhered to, the agenda-item be referred to MPAC.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. That the expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages.
2. That the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages, that the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages, that the irregular expense in the amount of R 179 458.53 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 179 458.53 be approved and accepted.

For finalization by the Acting Director: Economic Development and Planning, Mr HM Gxoyiya.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC26/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE
DEPARTMENT: IRREGULAR EXPENDITURE – ELEC 01/2022/23 –
SUPPLY, DELIVERY AND INSTALLATION OF NEW HIGH MAST
LIGHTING IN GRABOUW, THEEWATERSKLOOF MUNICIPAL
AREA**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure that could be incurred with regards to the tender, ELEC 01/2022/23 Supply, Delivery and Installation of New Mast Lighting in Grabouw, Theewaterskloof Municipal Area.

BACKGROUND

The tender ELEC 01/2022/23 Supply, Delivery and Installation of New Mast Lighting in Grabouw, Theewaterskloof Municipal Area was advertised on 27 May 2022 in the Newspaper, Municipal Website and E-Tender. The tender closed on 01 July 2022 and 14 tenders were received.

The tender was evaluated by the Supply Chain Management and End user. The correct process was followed. The item was referred to Bid Adjudication Committee for final approval and the meeting was held on 19 August 2022.

DISCUSSION

The tender ELEC 01/2022/23 was served at Bid Adjudication Committee on 19 August 2022. On the day of the Bid Adjudication a constituted meeting was held at 09:00 with all the members present. The meeting was not recorded for the morning reason being for clarification regarding certain issues and was adjourn till the afternoon at 14:00. The SCM Practitioner fell ill and went home.

The following members were present: Mr A Riddles, Mr H Gxoyiya, Mr W Solomons-Johannes and Mr J Amansure.

The following observers were present: Mr S Francis, Mr M Redelinghuys and Mr Z Baron.

The meeting was held in the afternoon and the SCM Practitioner was not present.

86 The SCM policy and the MFMA state the following:

Regulation 29 (b): BID ADJUDICATION COMMITTEES

- (a) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include – a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
- c) a technical expert in the relevant field who is an official, if such an expert exists.

The Adjudication Committee confirms that the tender complies with the tender conditions and criteria, and recommends to the Adjudication that:

The award was given to MDL Engineering Company (Pty) Ltd. for the amount of R 8 182 769.13 (Eight Million One Hundred Eighty-Two Thousand Seven Hundred Sixty-Nine Rand and Thirteen Cents) Vat incl.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

Not applicable.

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 8 182 769.13 be condoned.

RECOMMENDATION BY MANAGEMENT TO MPAC: 24 APRIL 2023

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 8 182 769.13 be condoned.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 8 182 769.13 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 8 182 769.13 be condoned.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 8 182 769.13 be approved and accepted.

For finalization by the Acting Director: Finance, Mr A Riddles.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM TITLE

**SC27/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE
DEPARTMENT: IRREGULAR EXPENDITURE – FIN 03/2022/23 –
PROVISION AND ADMINISTRATION OF ELECTRICITY
PREPAYMENT UNIFORM VENDING SYSTEM FOR THE PERIOD
FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure that could be incurred with regards to the tender, FIN 03/2022/23 – Provision and Administration of Electricity prepayment uniform vending system for the period from date of appointment until 30 June 2025.

BACKGROUND

The tender FIN 03/2022/23 – Provision and Administration of Electricity prepayment uniform vending system for the period from date of appointment until 30 June 2025 was advertised on Friday 08 April 2022 in the Newspaper, Municipal Website and E-Tender. The tender closed on 29 April 2022, and seven (7) tenders were received.

The tender was evaluated by the Supply Chain Management and End user on 22 September 2022. The competitive bidding process was followed. The item was referred to Bid Adjudication Committee for final approval and the meeting was held on 23 September 2022.

DISCUSSION

The tender FIN 03/2022/23 – Provision and Administration of Electricity prepayment uniform vending system for the period from date of appointment until 30 June 2025 was served at Bid Adjudication Committee on 23 September 2022. On the day of the Bid Adjudication a constituted meeting was held virtually at 14:00 with the members as stated below. The SCM Practitioner was at work on that day but was not invited to attend the meeting.

The following members were present: Mr A Riddles, Mr H Gxoyiya, Mr W Solomons-Johannes and Mr J Amansure.

The following observers were present: Mr S Francis and Mrs J van Niekerk

The SCM policy and MFMA state the following:

Regulation 29 (b): BID ADJUDICATION COMMITTEES

- a) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include – a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
- c) a technical expert in the relevant field who is an official, if such an expert exists.

The Adjudication Committee confirms that the tender complies with the tender conditions and criteria, and recommends to the Adjudication that:

The award was made to Utilities World (Pty) Ltd. in the estimated amount of R 3 646 500.00 (Three Million Six Hundred Forty-Six Thousand Five Hundred Rand Only) Vat Incl.

LEGAL RESPONSIBILITY

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

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

FINANCIAL IMPLICATIONS

Not applicable

CLIENT CARE IMPLICATIONS

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 646 500.00 be condoned.

RECOMMENDATION BY MANAGEMENT TO MPAC: 24 APRIL 2023

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 646 500.00 be condoned.

RECOMMENDATION BY MPAC TO COUNCIL: 11 MAY 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 646 500.00 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 3 646 500.00 be condoned.

RESOLVED BY COUNCIL: 30 MAY 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 3 646 500.00 be approved and accepted.

For finalization by the Acting Director: Finance, Mr A Riddles.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM TITLE

**SC28/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – WB
TIPPER TRUCK AND PLANT HIRE**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payment of an amount of R995 394,00 to WB Tipper Truck and Plant Hire for the provision of water tankers to Riviersonderend as and when the need arose during March 2023, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. In order to comply with the obligation to provide sustainable access to clean and safe drinking imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor. The approval of this memorandum allowed the municipality to secure the provision of water tankers as and when the need arose for the distribution of water to the communities in towns that experienced difficulties with the provision of water.

During the month of March, extreme stages of loadshedding were rolled out, which affected the ability of the Riviersonderend Town Office to produce water during their loadshedding slot. WB Tipper Truck and Plant Hire was contracted to fill up water directly into the reservoirs, which was critically low as well as providing water to the residents of Riviersonderend.

DISCUSSION

The water crisis challenged the ability of the municipality to provide access to sustainable and safe drinking water during a time when ESKOM rolled out loadshedding on a daily basis. The municipality, with the approval of the Executive Mayor sourced the services of WB Tipper Truck and Plant Hire to provide water tankers to the municipality as and when it was necessary to do so.

A total of two (2) invoices were submitted for payment. The total amount paid by the municipality to service provider was R 995 394,00.

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

The Supply Chain Management (SCM) processes were not followed.

The incurring of emergency expenditure was authorised by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL IMPLICATIONS

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

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

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

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

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

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

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

RECOMMENDATION TO COUNCIL:

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

RESOLVED BY COUNCIL: 29 JUNE 2023

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

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

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC29/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – ZWH
PROJECTS AND DEVELOPMENT**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R1 842 913,70 to ZWH Projects and Development for the lease of generators and cost associated therewith in various towns in the municipal area, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

ESKOM rolled out stage 6 loadshedding in the month of October 2022. Stage entails three four-hour loadshedding slots daily, until such time ESKOM downgrades loadshedding to a lower stage. This has major implications on the water and wastewater treatment works in the municipal area. Without electricity the pumps and associated treatment process was unable to fill up reservoirs to an optimal level to distribute water to communities. In order to comply with the obligation to provide sustainable access to clean and safe drinking water imposed on the municipality by the Constitution, the Municipal Manager to write a memorandum titled "request for approval for unseen and unavoidable expenditure: lease of generators, purchase of pump, security, automatic switch over changes, hiring of water tankers and diesel for generators" to the Executive Mayor.

The approval of this memorandum allowed the municipality to start looking at medium-and long-term solutions to the crisis. ZWH Projects and Development was approached by the municipality to lease generators to be stationed at strategic locations in Grabouw include the Town Office and Water Treatment Works Plants. This ensured that water was able to be pumped during loadshedding and that services can be rendered uninterruptedly during the Grabouw loadshedding. Provision in the memorandum is made for diesel as well. Generators guzzle diesel at a high tempo. As the loadshedding levels increased and became more regular, the demand for generators increased as other towns in the municipal area started to experience issues with the provision of water.

DISCUSSION

The sustainability of service delivery was under threat without the interventions undertaken by the management of the municipality. The generators leased from ZWH Projects and Development ensures that the provision of water continues uninterrupted during loadshedding slots in the various towns where these generators are utilised. A total of 14 generators is leased for the Theewaterskloof municipal area.

Two invoices for April and May 2023 for the generators in Grabouw was received and paid. The amount paid was R1 842 913,70. The attached invoices indicate the line items associated with the leasing of the generators, which include weekly inspections, security services, etc.

If a competitive bidding process was to be followed, it would have meant that the lease of these generators would have to be cancelled and this in turn would have disrupted service delivery operations as there is no timeframe attached to such a process.

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

The Supply Chain Management (SCM) processes were not followed.

The incurring of emergency expenditure was authorised by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

LEGAL RESPONSIBILITIES

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

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

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

The Supply Chain Management (SCM) processes were not followed.

The incurring of emergency expenditure was authorised by the Executive Mayor in accordance with Section 29 of the MFMA, whereafter the matter was reported to Council in terms of Section 29 of the MFMA and consequently Section 28 Adjustment Budget approval vide Council Resolution C181/2022 dated 27 October 2022 in light of the unforeseen and unavoidable expenditure.

FINANCIAL RESPONSIBILITIES

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

CLIENT CARE IMPLICATION

Not applicable.

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 842 913,70 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 842 913,70 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 842 913,70 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1 842 913,70 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1 842 913,70 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 JULY 2026

101

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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC30/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT
PROPERTY MANAGEMENT: IRREGULAR EXPENDITURE -
MEDIA 24 - PLACEMENT OF ADVERTISEMENT MOTOR SPORT
DEVELOPMENT**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expense occurred with the advertisement that was placed in the Hermanus Times regarding a possible development of a motor sport facility on a portion of Erf 2830, Caledon. The Committee can in terms of Section 32 of the MFMA:

1. Investigate the irregular expenditure;
2. Make recommendations to the Council as to who, if any, is liable for the irregular expenditure;
3. Recommend to the Council whether the irregular expenditure must be certified as irrecoverable and be written off;
4. Make recommendations if necessary for the implementation of measures to prevent future irregular expenditure; and
5. To report to Council on the effective functioning of processes and procedures/controls surrounding the prevention of unauthorised, irregular, fruitless and wasteful expenditure currently.

BACKGROUND

In the draft 2023/2024 IDP of the municipality, a possible motor sport facility was identified as a project, to be developed on a portion of Erf 2830, Caledon. The Mayor requested that public participation be conducted to determine public sentiment on the proposed development.

The officials that formed part of the preliminary studies regarding the proposed development were not sure what type of public participation to complete as:

1. Council did not decide on whether or not the portion of land may be utilized for the proposed use and therefore public participation in terms of the MFMA could not be completed; and
2. The proposed land use does not require any land use approvals, as the zoning of the property allows for sport development on the property and therefore public

participation in terms of the Theewaterskloof Municipality Bylaw on Municipal Land Use Planning could not be done.

The officials determined that the best option was to conduct a round of public participation, along with the public participation of the 2023/2023 IDP, to gather comments on the proposal. In hindsight this was not the correct decision and should the matter first have been referred to Senior Management for guidance.

In light of the above, a quotation was obtained from the News24 to place an advertisement in the Hermanus Times, which was loaded onto the Collaborator system for processing (refer Annexure A). Unfortunately, there was a miscommunication between the Property Management Office and the offices of News24, and the advertisement was placed before an order could be generated.

As a result of the last-mentioned, the item is referred to the Municipal Public Accounts Committee.

DISCUSSION

As mentioned above, a motor sport development was identified within the draft 2023/2024 IDP as a possible project. This was as a result of a preliminary scan that was completed by the Town Planning Section (refer Annexure B). It must however be stressed that this was a preliminary scan, and further studies will be required, should a final decision be made on the proposal.

Following the closing of the public participation process, a number of objections were received against the development proposal. These objections can be submitted to Council, should the project on the IDP be approved for further investigation. From the objections it is clear that the proposed development site may not be as favourable for the development as initially thought. It may well be that an alternative development area must be identified should the motor sport facility be developed in future. It is therefore maintained that this preliminary public participation process provided an initial indication to Council regarding how the public views the proposed development, eliminating the need for further and future studies that may need to be conducted for the proposed development.

LEGAL RESPONSIBILITIES

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

In light of the above report, it is therefore evident that the expenditure that was incurred can be defined as irregular expenditure.

FINANCIAL IMPLICATIONS

An amount of R 2 280.00 (VAT Inclusive) was paid to the service provider for the placement of the advertisement

CLIENT CARE IMPLICATIONS

No client care implications have been identified at this point in time. The above process did however ensure that an additional round of public participation was conducted on the proposed development.

RISK MANAGEMENT IMPLICATIONS

The risks that were identified within the context of the item is possible ignorance and non-compliance with the MFMA and the approved SCM Regulations and Policy.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 2 280.00 (VAT Inclusive) for the financial year 2022/2023 be approved and accepted.

COMMENTS BY CHIEF AUDIT EXECUTIVE:

Not supported – "Draft" 2023-2024 IDP.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

1. It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 2 280.00 (VAT Inclusive) for the financial year 2022/2023 be approved and accepted.
2. Management resolves that the Acting Municipal Manager, Mr. WSE Solomons-Johannes, will issue a directive for publications/placements of advertisements and will the categories be in line with the delegations for each Director as per the approved delegations of Council.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 2 280.00 (VAT Inclusive) for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 2 280.00 (VAT Inclusive) for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 2 280.00 (VAT Inclusive) for the financial year 2022/2023 be approved and accepted.

For finalization by the Deputy Director: Economic Development and Planning, Mr KE Nontshiza.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC31/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT
HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – K2C
CONSTRUCTION (PTY) LTD**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

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

BACKGROUND

The Theewaterskloof 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 a total amounting to R67 896.00 inclusive of VAT.

The toilets were dispatched to the informal settlements of Lost City with 5 and the remaining 13 were allocated to the Kgutsong. Both the mentioned informal settlement was established in 2014/15 with approximately more than 2000 informal structures both with limited and no sanitation services. A new contract was entered into to increase the number of sanitation services to 32 chemical toilets in both settlements to improve the level of service in the mentioned areas.

DISCUSSION

Deviation approval was granted from November 2022 to February 2023 to allow the department again to advertise a formal 3-year tender as no further deviations will be supported (Approved Deviation 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 Distributors was only made on the 24th of March 2023 (Appointment Letter Attached) hence the toilets had to remain on site for the month of March. The new service provider indicated that it needed the 14-days lead time for the delivery of its toilets and logistical arrangement between the 2 services providers had to be 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 March 2023 and the remaining 14 days in April 2023. (Invoice attached.)

The provision of sanitation services must continue uninterrupted because the community would not allow the service provider to remove the toilets unless they are replaced.

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 so that they would embark on mass protest action. This would result in the possible closure of the N2 which will again result in the damaging of private, municipal property and infrastructure.

LEGAL RESPONSIBILITIES

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

FINANCIAL IMPLICATIONS

R 67 896.00

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 67 896.00 be condoned.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 67 896.00 be condoned.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 67 896.00 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 67 896.00 be condoned.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, It is resolved the irregular expenditure in the amount of R 67 896.00 be approved and accepted.

For finalization by the Acting Deputy Director: Human Settlements, Mr S Tebele.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC32/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE –
SPECIALIZED AGRI PROTECTION SERVICES**

[English version of the report is the original.]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses occurred during services delivered by Specialized Agri Protection Services, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

Specialized Agri Protection Services - R 21 340.00

DISCUSSION

It was common practice in the past years that each town, at the start of each financial year, appointed a service provider through a TWK2 SCM process (between R30 000.00 and R 200 000.00) for the delivery of security services and armed response on a one-year contract for the monitoring and response of municipal properties. For the current financial year, the towns did start their SCM processes to appoint service providers, but the total amount of all these services in total exceeded the amount of R 200 000.00. For this reason, it was decided to follow a tender process to appoint service providers for the delivery of security services (monitoring and response) over a 3-year contract period.

After consultation with the Acting CFO and Manager SCM, it was decided that while the tender process for security services will be underway, no other SCM process can proceed as it will be in conflict with the same services requested through a tender process. It was collectively decided that the same service providers that were appointed the previous financial year for security services need to proceed on a month-to-month basis with monitoring and response services to mitigate the safety risk of municipal properties and assets.

Because of the circumstances at the time and as explained, no procurement process could be followed to appoint any new service providers to safeguard municipal properties. The best way to secure and safeguard municipal properties was to proceed with the same service providers on a month-to-month basis until the tender process is completed and awarded and a service provider be appointed.

The Council did not suffer any losses or any damage and did receive value for money.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL IMPLICATIONS

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

Note needs to be taken that the rates since the previous TWK2 appointment have not changed.

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, because there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R 21 340.00 for the 2022/2023 financial year be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

It is therefore recommended that the following expenditure, because there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R 21 340.00 for the 2022/2023 financial year be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In the view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R 21 340.00 for the 2022/2023 financial year be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, because there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is recommended that the irregular expense in the amount of R 21 340.00 for the 2022/2023 financial year be approved and accepted.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect any possible fraud, and that Council has received value for money and did not suffer any financial losses or damages. As there are no grounds for a claim against any official for any possible fraud, it is resolved that the irregular expense in the amount of R21 340.00 for the 2022/2023 financial year be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC33/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: GRABOUW TOWN OFFICE:
IRREGULAR EXPENDITURE – MACHAIRA PROJECTS**

[English version of the report is the original.]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses that occurred during services delivered by Machaira Projects, and that the Committee considers the report with the explanatory template for the irregular expenditure in terms of Section 32 of the MFMA. The Committee can in terms of its mandate:

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

BACKGROUND

The following transaction was deemed as an irregular expenditure in terms of the Supply Chain Management Policy:

Machaira Projects – R 80 290.82

DISCUSSION

Critical municipal buildings such as pump stations urgently required protection in Grabouw especially after loadshedding was implemented nationally, and alarms and CCTV cameras were not functioning during load shedding periods and were insufficient to protect the infrastructure. The situation was worsened by the ongoing water crises which led to further fears of water pump stations and sewer pump stations being targeted. A request for quotation (TWK2) was advertised (AM10/2021/22) for security guards at high-risk areas whereby Machaira Projects was appointed to protect the Council properties and assets.

The water- and sewer pump stations that were targeted caused either major sewer spillages into the adjacent rivers or a lack of water in the community.

High-risk sites in Grabouw include:

- Lower Steenbras Reservoir
- Palmiet Sewer pump station
- Pineview pump station
- Grabouw Depo

The contract period was initially valid until 30 June 2022 as per AM10/2021/22 however it was decided to extend all guarding services up to until 30 September 2022. It was decided to follow a tender process for the appointment of service providers for security services. While the tender process was in process, no other SCM process for the same services could proceed due to the threshold value.

The security tender OPE09/2022/23 was prepared however took longer than expected thus Machaira Projects was requested to continue with the service on a month-to-month basis until 07 November when Machaira Projects ended the service with the municipality. Council already approved August to November (C 101/2023) however July still needs approval.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES

Emergency and essential repair works required to safeguard and protect municipal facility/(ies) due to theft, damages, criminal activities, vandalism and acts of criminality. The prevailing situation results in impractical and impossible to follow the established and approved SCM processes, ad-hoc repairs relates to damage to property, impacting on service delivery. The process is underway to advertise a tender/s for a framework contract of panels for the provision of security services.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

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

CLIENT CARE IMPLICATION

Not applicable.

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 80 290.82 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 80 290.82 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 80 290.82 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 80 290.82 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 80 290.82 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC34/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – TERM
GROUP**

[English version of the report is the original.]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during payments of the value of R 1.00 to Term Group for the rental of 100KVA and 500KVA generators and cost associated therewith in various towns in the municipal area, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

The item relating to the possible irregular expenses incurred during a payment of R5 990 925,50 to Term Group for the leasing of generators, served before the Municipal Public Accounts Committee (MPAC) and at the Council meeting of 30 May 2023. MPAC granted permission that the amount of R 1 094 146.44 be added to the irregular expenditure amount of R4 896 779.06, and the total irregular amount of R5 990 925.50 be approved and accepted for the 2022/2023 financial year. However, the amount of R 5 990 925.50 has now resulted in a shortfall of R1.00 as the quotation amount from Term Group was R 5 990 926.50.

DISCUSSION

The sustainability of service delivery was under threat without the interventions undertaken by the management of the municipality.

The generators leased from Term Group ensures that the provision of water continues uninterrupted during loadshedding slots in the various towns where these generators are utilised.

The item for the approval and acceptance of the irregular expenses incurred during the payments made to Term Group was adopted by Council at its meeting of 30 May 2023. This item is now to report to the committee on the R1.00 shortfall.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL IMPLICATIONS

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

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MANAGEMENT TO MPAC: 12 JUNE 2023

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman BB Mkhwibiso, and seconded by Councillor MA Nomkoko it was recommended as follows:

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1.00 for the financial year 2022/2023 be approved and accepted.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that the following expenditure, in view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is recommended that the irregular expense in the amount of R 1.00 for the financial year 2022/2023 be approved and accepted.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In view of the fact that there is no reason to suspect fraud, and that Council has received value for money and did not suffer any financial loss or damages. As there are no grounds for a claim against any official, it is resolved that the irregular expense in the amount of R 1.00 for the financial year 2022/2023 be approved and accepted.

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM TITLE

**SC35/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
FINANCE: IRREGULAR EXPENDITURE – ELEC 03/2022/23 –
MEDIUM AND LOW VOLTAGE ELECTRICAL UPGRADING IN
CALEDON, VILLIERSDORP, RIVIERSONDEREND AND
GREYTON**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure that could be incurred with regards to the tender, ELEC 03/2022/23 – Medium And Low Voltage Electrical Upgrading In Caledon, Villiersdorp, Riviersonderend And Greyton.

BACKGROUND

The tender ELEC 03/2022/23 – Medium and Low Voltage Electrical Upgrading In Caledon, Villiersdorp, Riviersonderend and Greyton was advertised on Wednesday 24 August 2022 in the Newspaper, Municipal Website and E-Tender. The tender closed on 23 September 2022 and (11) eleven tenders were received.

The tender was evaluated by the Supply Chain Management and End user on 28 March 2023. The competitive bidding process was followed. The item was referred to Bid Adjudication Committee for final approval and the meeting was held on 31 March 2023.

DISCUSSION

The tender ELEC 03/2022/23 – Medium and Low Voltage Electrical Upgrading In Caledon, Villiersdorp, Riviersonderend and Greyton was served at Bid Adjudication Committee on 31 March 2023. On the day of the Bid Adjudication a constituted meeting was held at 09:00 with the members as stated below.

The following members were present: Mr A Riddles, Mr J Amansure, Ms N Baliso and Ms A Martin.

The following observer were present: Mr M Redelinghuys

There were only (3) three Senior Managers at the meeting and (1) one Senior SCM Practitioner and not stated as in the SCM policy.

The SCM policy and MFMA state the following:

Regulation 29 (b): BID ADJUDICATION COMMITTEES

1. a) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include – a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
- c) a technical expert in the relevant field who is an official, if such an expert exists.

The Adjudication Committee confirms that the tender complies with the tender conditions and criteria, and recommends to the Adjudication that:

The award was made to JT Maritz Electrical cc in the estimated amount of R 4 794 000.44 (Four Million Seven Hundred Ninety-Four Thousand Rand Forty-Four Cents) Vat Incl.

LEGAL RESPONSIBILITY

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

FINANCIAL IMPLICATIONS

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

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 4 794 000.44 be condoned for the financial year 2022/2023.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MA Nomkoko, and seconded by Alderman BB Mkhwibiso it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 4 794 000.44 be condoned for the financial year 2022/2023.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 4 794 000.44 be condoned for the financial year 2022/2023.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 4 794 000.44 be condoned for the financial year 2022/2023.

For finalization by the Acting Director: Finance, Mr A Riddles.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 JULY 2026

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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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM TITLE

**SC36/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE
DEPARTMENT: IRREGULAR EXPENDITURE – OPE 10/2022/23 –
SUPPLY & DELIVERY OF PRECAST TOILET CUBICLES TO
THEEWATERKLOOF MUNICIPALITY**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure that could be incurred with regards to the tender, OPE 10/2022/23 – Supply & Delivery of Precast Toilet Cubicles to Theewaterskloof Municipality

BACKGROUND

The tender OPE 10/2022/23 – Supply & Delivery of Precast Toilet Cubicles to Theewaterskloof Municipality was advertised on Friday 30 September 2022 in the Newspaper, Municipal Website and E-Tender. The tender closed on 21 October 2022 and (11) eleven tenders were received.

The tender was evaluated by the Supply Chain Management and End user on 28 March 2023. The competitive bidding process was followed. The item was referred to Bid Adjudication Committee for final approval and the meeting was held on 31 March 2023.

DISCUSSION

The tender OPE 10/2022/23 Supply & Delivery of Precast Toilet Cubicles to Theewaterskloof Municipality was served at Bid Adjudication Committee on 31 March 2023. On the day of the Bid Adjudication a constituted meeting was held at 09:00 with the members as stated below.

The following members were present: Mr A Riddles, Mr J Amansure, Ms N Baliso and Ms A Martin.

The following observer were present: Mr A Meyer

There were only (3) three Senior Managers at the meeting and (1) one Senior SCM Practitioner and not stated as in the SCM policy.

The SCM policy and MFMA state the following:

Regulation 29 (b): BID ADJUDICATION COMMITTEES

1. a) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include – a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
- c) a technical expert in the relevant field who is an official, if such an expert exists.

The Adjudication Committee confirms that the tender complies with the tender conditions and criteria, and recommends to the Adjudication that:

The award was made to ABH Logistics (Pty) Ltd. in the amount of R 384 000.00 (Three Hundred Eighty-Four Thousand Rand Only) Vat Incl.

LEGAL RESPONSIBILITY

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

FINANCIAL IMPLICATIONS

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

CLIENT CARE IMPLICATIONS

Not applicable

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

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It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 384 000.00 be condoned for the financial year 2022/2023.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MA Nomkoko, and seconded by Alderman BB Mkhwibiso it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 384 000.00 be condoned for the financial year 2022/2023.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 384 000.00 be condoned for the financial year 2022/2023.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 384 000.00 be condoned for the financial year 2022/2023.

For finalization by the Director: Finance, Mr. A Riddles.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM TITLE

**SC37/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
FINANCE: IRREGULAR EXPENDITURE – COR 05/2022/23 –
GROUP LIFE INSURANCE SCHEME FOR THE PERIOD FROM 01
JULY 2023 TO 30 JUNE 2026**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure that could be incurred with regards to the tender, COR 05/2022/23 – Group Life Insurance Scheme for the Period From 01 July 2023 to 30 June 2026.

BACKGROUND

The tender COR 05/2022/23 – Group Life Insurance Scheme for the period from 01 July 2023 to 30 June 2026 was advertised on Friday 17 March 2023 in the Newspaper, Municipal Website and E-Tender. The tender closed on 21 April 2022 and (4) four tenders were received.

The tender was evaluated by the Supply Chain Management and End user on 01 June 2023. The competitive bidding process was followed. The item was referred to Bid Adjudication Committee for final approval and the meeting was held on 09 June 2023

DISCUSSION

The tender COR 05/2022/23 – Group Life Insurance Scheme for the period from 01 July 2023 to 30 June 2026 was served at Bid Adjudication Committee on 09 June 2023. On the day of the Bid Adjudication a constituted meeting was held at 09:00 with the members as stated below.

The following members were present: Mr A Riddles, Mr J Barnard, Ms N Baliso and Ms A Martin.

The following observer were present: Mr N La Grange and Mr J Amansure

There were only (3) three Senior Managers and (1) one Senior SCM Practitioner at the meeting and not stated as in the SCM policy.

The SCM policy and MFMA state the following:

Regulation 29 (b): BID ADJUDICATION COMMITTEES

1. a) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include – a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
- c) a technical expert in the relevant field who is an official, if such an expert exists.

The Adjudication Committee confirms that the tender complies with the tender conditions and criteria, and recommends to the Adjudication that:

The award was made to Verso Financial Services (Pty) Ltd., in the estimated amount of R 10 667 411.16 (Ten Million Six Hundred Sixty-Seven Thousand Four Hundred Eleven Rand Sixteen Cents) Vat Incl.

LEGAL RESPONSIBILITY

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

FINANCIAL IMPLICATIONS

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

CLIENT CARE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 10 667 411.16 be condoned for the financial year 2022/2023.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MA Nomkoko, and seconded by Alderman BB Mkhwibiso it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 10 667 411.16 be condoned for the financial year 2022/2023.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 10 667 411.16 be condoned for the financial year 2022/2023.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 10 667 411.16 be condoned for the financial year 2022/2023.

For finalization by the Director: Finance, Mr. A Riddles.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM HEADING

**SC38/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE – TRAIL'S
END BIKE HOTEL**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform the Municipal Public Accounts Committee of the possible irregular expenses incurred during a payment to the value R 8 250.00 made to Trail's End Bike Hotel for the provision of conference facilities to the municipality, and that the Committee consider the report with explanatory template for the irregular expenditure in terms of Section 32 of the MFMA.

The Committee can in terms of its mandate:

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

BACKGROUND

The Knoflookskraal community is situated on the N2 between Grabouw and Botrivier. The community is ruled by traditional kings coming from various tribes. The community came about through the occupation of various portions of farms belonging to the national government. After the current council was inaugurated in November of 2021, national and regional offices of the Department of Public Works and Infrastructure as well as the South African Police Services (SAPS) and Infrastructure South Africa (ISA), which is located in the Presidency have been working hand in hand with the Overberg District Municipality and Theewaterskloof Municipality to address the issues raised by this community.

A number of high-level engagements have been held as well as community forum meetings with this community.

On 8 February 2023, at the behest of the Department of Public Works and Infrastructure another engagement was held at Trail's End Bike Hotel in Grabouw. The municipality was responsible for providing a conference facility.

DISCUSSION

In the spirit of cooperative governance, which the Constitution enjoins the different spheres of government to do, Theewaterskloof Municipality hosted the engagement with other government stakeholders and enlisted the services of Trail's End Bike Hotel to provide a conference facility.

One invoice was received and paid to the value of R 8 250.00.

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

COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER

Supported and approved for payment.

LEGAL RESPONSIBILITIES

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

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

FINANCIAL RESPONSIBILITIES

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

CLIENT CARE IMPLICATION

Not applicable.

RISK MANAGEMENT IMPLICATION

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

RECOMMENDATION BY ITEM AUTHOR:

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

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MA Nomkoko, and seconded by Alderman BB Mkhwibiso it was recommended as follows:

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

RECOMMENDATION TO COUNCIL:

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

RESOLVED BY COUNCIL: 29 JUNE 2023

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

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

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

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING

**SC39/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT
HUMAN SETTLEMENTS: IRREGULAR EXPENDITURE – K2C
CONSTRUCTION (PTY) LTD (OCTOBER 2022)**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

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

BACKGROUND

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 week with the total amounting to R 48 944.00 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 2000 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.

DISCUSSION

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

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.

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.

COMMENTS FROM THE OFFICE OF THE MUNICIPAL MANAGER

Supported and approved based on recommendation.

LEGAL RESPONSIBILITIES

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

FINANCIAL RESPONSIBILITIES

R 48 944.00

CLIENT CARE IMPLICATION

Not applicable.

RISK MANAGEMENT IMPLICATION

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.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RECOMMENDATION BY MPAC TO COUNCIL: 22 JUNE 2023

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MA Nomkoko, and seconded by Alderman BB Mkhwibiso it was recommended as follows:

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RECOMMENDATION TO COUNCIL:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 48 944.00 be condoned.

RESOLVED BY COUNCIL: 29 JUNE 2023

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

In the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, it is resolved that the irregular expenditure in the amount of R 48 944.00 be condoned.

For finalization by the Acting Deputy Director: Human Settlements, Mr S Tebele.

RECOMMENDATION TO COUNCIL:

Reconsideration of agenda-item as per National Treasury outcome assessment which stipulated Section 32 non-compliance for agenda-item tabled.

RESOLVED BY COUNCIL: 23 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 CT Cloete, it was resolved as follows:

That Council rescinds the previous decision in order for the item Author/Department to follow a Section 32 compliant process/format from the Management Committee to MPAC again.

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

ITEM HEADING**SC40/2026 OFFICE OF THE MUNICIPAL MANAGER: ESTABLISHMENT OF A DISCIPLINARY BOARD IN TERMS OF REGULATION 4 OF THE MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS**

[English version of the report is the original]

FILE NUMBER

3/2/14/1;3/2/14/3;

PURPOSE OF THE REPORT

The purpose of this report is to amend the Council resolution of 29 May 2025 regarding the appointment of the Disciplinary Board in terms of Regulation 4 of the Municipal Regulations on Financial Misconduct and Criminal Proceedings.

BACKGROUND

Council resolved on 29 May 2025:

RESOLVED BY COUNCIL: 29 MAY 2025

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

Council approves:

- 1. The establishment of a Disciplinary Board in terms of Regulation 4 of the Municipal Regulations on Financial Misconduct and Criminal Proceedings for a period not exceeding three years after date of approval.**
- 2. The terms of reference for the Disciplinary Board**
- 3. The appointment of two permanent Disciplinary Board members consisting of:**
 - 3.1 The Chief Audit Executive for Internal Audit purposes, and**
 - 3.2 The Senior Manager: Legal Services for legal purposes.**
- 4. The appointment of non- permanent Disciplinary Board members consisting of:**
 - 4.1 The Chairperson of the Audit committee (for a period of three years or three months after the next Municipal elections whichever comes first).**
 - 4.2 A member of National or Provincial Treasury.**

4.3 A person as may be determined by the Council.

- 5. The secundi's as indicated in the Terms of Reference.**
- 6. That non-permanent members of the Board, excluding the member from National or Provincial Treasury, may be remunerated for expenses and as recommended by National Treasury.**
- 7. That if Council has approved a full scale investigation, at least three members on the Disciplinary Board should be assigned, but not more than five as prescribed depending on the nature and extent of the investigation.**
- 8. That the Chairperson of the Audit Committee be appointed as Chairperson for the Disciplinary Board.**
- 9. The Human Resources Department to provide secretarial support to the Disciplinary Board as and when required.**

DISCUSSION

In terms of the Municipal Regulations on Financial Misconduct and Criminal Proceedings Section 4(3): "A Disciplinary Board must consist of a maximum of five members appointed on a part-time basis by the council or board of directors for a period not exceeding three years, in accordance with a process as determined by the municipal council or board of directors"

Section 4(4) states:

A member of the board must:

1. Be a natural person;
2. Be a RSA citizen or be permanently resident in the RSA and be resident within the province where the municipality is situated.
3. Not be disqualified in terms of Regulation 4(5)

Section 4(5) states:

Persons disqualified from membership:

- A person convicted of an offence in terms of these regulations or other legislation.
- A person who, in the RSA or elsewhere has been convicted of theft, fraud, forgery, the uttering of a forged document or any offence of which dishonesty is an element.
- A person who has at any time been removed from office of trust on account of misconduct or dishonesty.
- An Accounting Officer of a municipality.
- A political Office Bearer or a member of a Board of Directors.
- A person who is an Office Bearer in a political party.

Section 4(6) states:

A Disciplinary Board may consist of:

1. The Chief Audit Executive within the municipality or representative of an organization performing internal audit functions for the municipality, if it is outsourced.
2. One member of the Audit Committee of the municipality.
3. A senior manager from the legal division of the municipality.
4. A representative of the National Treasury or the Provincial Treasury.
5. Any other person as may be determined by the Council.

FINANCIAL IMPLICATIONS

Any expenditure incurred will be covered within the current budget.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Local Government: Municipal Finance Management Act, 2003

Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council approves:

1. The establishment of a Disciplinary Board in terms of Regulation 4 of the Municipal Regulations on Financial Misconduct and Criminal Proceedings for a period not exceeding three years after date of approval.
2. The terms of reference for the Disciplinary Board
3. The appointment of permanent Disciplinary Board members consisting of:
 - 3.1 The Chief Audit Executive, Mr A Opperman and the secondi Senior Internal Auditor, Ms J Uys for Internal Audit purposes, and
 - 3.2 The Senior Manager: Legal Services, Mr H Gxoxiya,
 - 3.3 The Senior Legal Advisor, Ms A Jonkers for legal purposes and the secondi, Ms G Arendse for legal purposes.
 - 3.4 The Chairperson of the Audit committee, Mr E Lakey and any member of the performance and Audit committee as a secondi (for a period of three years or three months after the next Municipal elections whichever comes first).
 - 3.5 A member of National or Provincial Treasury, M van Niekerk

4. If any of the members are unavailable or is implicated in the financial misconduct, the Municipal Manager may co-opt another person whom has the same skills set.
5. The Board, excluding the member from National or Provincial Treasury and Theewaterskloof Municipal Officials, may be remunerated for expenses and as recommended by National Treasury.
6. That if Council has approved a full scale investigation, at least three members on the Disciplinary Board should be assigned, but not more than five as prescribed depending on the nature and extent of the investigation.
7. That the Chairperson of the Audit Committee, or secondi of the Chairperson, be appointed as Chairperson for the Disciplinary Board.
8. The Human Resources Department to provide secretarial support to the Disciplinary Board as and when required.

RESOLVED BY COUNCIL: 23 JULY 2026

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

Council approves:

1. The establishment of a Disciplinary Board in terms of Regulation 4 of the Municipal Regulations on Financial Misconduct and Criminal Proceedings for a period not exceeding three years after date of approval.
2. The terms of reference for the Disciplinary Board
3. The appointment of permanent Disciplinary Board members consisting of:
 - 3.1 The Chief Audit Executive, Mr A Opperman and the secondi Senior Internal Auditor, Ms J Uys for Internal Audit purposes, and
 - 3.2 The Senior Manager: Legal Services, Mr H Gxoxiya,
 - 3.3 The Senior Legal Advisor, Ms A Jonkers for legal purposes and the secondi, Ms G Arendse for legal purposes.
 - 3.4 The Chairperson of the Audit committee, Mr E Lakey and any member of the performance and Audit committee as a secondi (for a period of three years or three months after the next Municipal elections whichever comes first).
 - 3.5 A member of National or Provincial Treasury, M van Niekerk

4. If any of the members are unavailable or is implicated in the financial misconduct, the Municipal Manager may co-opt another person whom has the same skills set.
5. The Board, excluding the member from National or Provincial Treasury and Theewaterskloof Municipal Officials, may be remunerated for expenses and as recommended by National Treasury.
6. That if Council has approved a full scale investigation, at least three members on the Disciplinary Board should be assigned, but not more than five as prescribed depending on the nature and extent of the investigation.
7. That the Chairperson of the Audit Committee, or secondi of the Chairperson, be appointed as Chairperson for the Disciplinary Board.
8. The Human Resources Department to provide secretarial support to the Disciplinary Board as and when required.

For finalization by the Retired Professional, Mr. J Amansure.

F. VERDAGING / ADJOURNMENT

Die vergadering verdaag om 12:45.
The meeting adjourned at 12:45.

NOTULE BEKRAGTIG OP DIE DAG VAN
..... AS PRIMA FACIE BEWYS VAN DIE
JUISTHEID DAARVAN.

MINUTES CONFIRMED ON THE DAY OF
..... AS PRIMA FACIE EVIDENCE OF
IT'S CORRECTNESS.

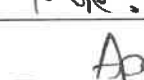
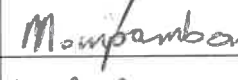
.....
SPEAKER

.....
DATUM/DATE

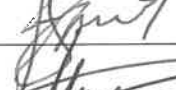
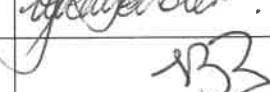
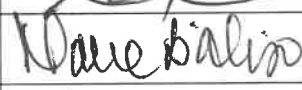
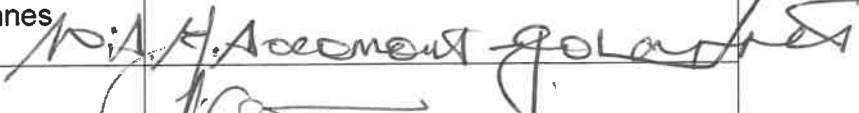
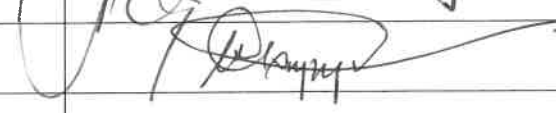
OPGESTEL EN BYGEHOU DEUR:
COMPILED AND RECORDED BY:


.....
S. BARON
SEKRETARIAATDIENSTE
SECRETARIAT SERVICES

SPESIALE
RAADSVERGADERING /
SPECIAL COUNCIL MEETING
23 JULIE / JULY 2026

NAAM EN VAN / NAME AND SURNAME	HANDTEKENING / SIGNATURE
<u>Raadslede / Councillors:</u>	
Raadsheer/Alderman LM de Bruyn	
Raadsheer/Alderman CC Clayton	
Raadsheer/Alderman WH Wells	
Raadslid/Councillor CA Benjamin	
Raadslid/Councillor M Botes	
Raadslid/Councillor CT Cloete	
Raadsheer/Alderman S Fredericks	
Raadslid/Councillor M Gana	
Raadslid/Councillor DA Jacobs	
Raadslid/Councillor D Jooste	
Raadslid/Councillor H Linnerts	
Raadslid/Councillor JD Lekhori	
Raadslid/Councillor TP Lemina	
Raadsheer/Alderman BB Mkhwibiso	
Raadslid/Councillor M Mpambani	
Raadslid/Councillor MA Nomkoko	
Raadslid/Councillor FO Ntantiso	
Raadslid/Councillor V Papier	

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Raadsheer/Alderman M Plato-Mentoor	
Raadslid/Councillor MS Shale	
Raadslid/Councillor J Smit	
Raadslid/Councillor C Smith	
Raadslid/Councillor PJ Stander	
Raadslid/Councillor MH Witbooi	 Apology
Raadsheer/Alderman C Wood	 ood.
Raadslid/Councillor YM van Tonder	
Raadslid/Councillor TB Zimmermann	
<u>Amptenare/Officials:</u>	
Mnr/Mr W Hendricks	
Mnr/Mr H Matthee	
Mnr/Mr GW Hermanus	
Mnr/Mr P Mabhena	
Mnr./Mr A Riddles	
Me./Ms N Baliso	 Name Baliso
Mnr./Mr WSE Solomons-Johannes	 WSE Solomons-Johannes
Mnr./Mr A Opperman	
Mnr/Mr H Gxoyiya	
Me./Ms M Faul	
Me./Ms S Baron	



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