



MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[25 JUNIE / JUNE 2026]

RAADSVERGADERING / COUNCIL MEETING

NOTULE / MINUTES

25 JUNIE / JUNE 2026

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY
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ITEM NO	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NO
A.	<u>OPENING: VERWELKOMING /</u> <u>OPENING: WELCOME</u>	1
B.	<u>VERKIESING VAN SPEAKER</u> <i>(indien nodig)</i> <u>ELECTION OF SPEAKER</u> <i>(if necessary)</i>	1
C.	<u>BYWONINGSREGISTER</u> <u>ATTENDANCE REGISTER</u>	1 - 2
C.1	Teenwoordig / Present	
C.2	Aansoek(e) om verlof tot afwesigheid / Application(s) for leave of absence	
C139/2026	Office of the Municipal Manager: Alderman C Wood and Councillor MH Witbooi – New elected Councillors to Theewaterskloof Local Municipality and Replacement Of the African National Congress PR Councillors (Alderman DA Appel and Alderman MR Nongxaza) [3/1/3]	5 - 6
D.	<u>NOTULES EN/OF VERSLAE VAN DIE UBK VIR</u> <u>KENNISNAME AAN DIE RAAD</u> <u>MINUTES AND/OR REPORTS OF THE EMC FOR</u> <u>COUNCIL'S COGNIZANCE</u>	
D.1.	UBK vergadering – 15 April 2026 EMC Meeting – 15 April 2026	3
D.2.	UBK vergadering – 19 Mei 2026 EMC Meeting – 19 May 2026	3

ITEM NO	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NO
E.	<u>BEKRAGTIGING VAN NOTULES EN/OF VERSLAE VAN DIE RAAD</u> <u>CONFIRMATION OF MINUTES AND/OR REPORTS OF COUNCIL</u>	
E.1.	Raadsvergadering – 28 Mei 2026 Council Meeting – 28 May 2026	3
E.2.	Spesiale Raadsvergadering – 28 Mei 2026 Special Council Meeting – 28 May 2026	4
E.3.	Spesiale Raadsvergadering – 12 Junie 2026 Special Council Meeting – 12 June 2026	4
F.	<u>VOORLEGGINGS</u> <u>PRESENTATIONS</u>	
F.1.	MASAKHE SMME BUILDER – Mr Lance Heynes	7 - 8
G.	<u>VERSLAE VOORGELê DEUR DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER</u> <u>REPORTS SUBMITTED BY THE OFFICE OF THE MUNICIPAL MANAGER</u>	
C140/2026	Declared elected African National Congress Representative of Theewaterskloof Municipality to the Overberg District Municipal Council [3/3/6]	9 - 10
H.	<u>VERSLAE VOORGELê DEUR DIE DIREKTORAAT KORPORATIEWE DIENSTE</u> <u>REPORTS SUBMITTED BY THE DIRECTORATE CORPORATE SERVICES</u>	
C141/2026	Administration: Approval of Annual Planner for scheduled meetings of Theewaterskloof Municipality for the period 01 July 2026 – 30 June 2027 [2/1/4]	11 - 12
C142/2026	Administration: Consideration by Council to appoint a Fifth Member to the Municipal Public Accounts Committee (MPAC) [3/2/17/2]	13 - 15
C143/2026	Administration: Appointment of a new Member to the Community Services- and Financial Services Portfolio Committees as part of the Section 80 Committees which assist the Executive Mayor in performing functions and duties to replace Alderman DA Appel and Alderman MR Nongxaza [3/3/6]	16 - 17

ITEM NO	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NO
C144/2026	Administration: Appointment of a new Member on the Statutory Committee – Local Labour Forum to replace Alderman MR Nongxaza [3/3/6]	18 - 19
I.	<u>VERSLAE VOORGELê DEUR DIE DIREKTORAAT GEMEENSKAPSDIENSTE</u> <u>REPORTS SUBMITTED BY THE DIRECTORATE COMMUNITY SERVICES</u>	
C145/2026	Reporting on performance of contractors – 3 rd Quarter Report (January- March 2026) [8/2/3/5/4]	20 - 24
C146/2026	Reporting on performance of three-year tender contractors – 3 rd Quarter Report (January- March 2026) [8/2/3/5/4]	25 - 27
J.	<u>VERSLAE VOORGELê DEUR DIE DIREKTORAAT EKONOMIESE ONTWIKKELING & BEPLANNING</u> <u>REPORTS SUBMITTED BY THE DIRECTORATE ECONOMIC DEVELOPMENT & PLANNING</u>	
C147/2026	Human Settlements: Quarterly contract reporting of performance of contractors [8/2/3/5/6]	28 - 30
C148/2026	Town Planning and Building Control: Quarterly reporting of performance of contractors [8/2/3/5/6]	31 - 32
C149/2026	Directorate Economic Development and Planning: Department Property Management: Disposal of Municipal Immovable Property by way of sale: Caledon Airfield and Industrial Hub- Integrated Master Plan Development [7/2/3/2/1]	33 - 52
K.	<u>VERSLAE VOORGELê DEUR DIE DIREKTORAAT FINANSIES</u> <u>REPORTS SUBMITTED BY THE DIRECTORATE FINANCE</u>	
C150/2026	Progress Report on Audit Action Plan for 2024-2025 [5/14/1/1/1]	53 - 54
C151/2026	Consideration of Overdraft Facility [5/15/2]	55 - 59
C152/2026	SCM Deviation Report for May 2026 [6/3/3/6]	60 - 62
C153/2026	Council Laptops [6/2/3/1]	63 - 66

ITEM NO	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NO
C154/2026	Income forgone, Rebates, Reductions and Redemptions [5/11/R]	67 - 68
L.	<u>VERSLAE VOORGELê DEUR DIE DIREKTORAAT TEGNESE EN INFRASTRUKTUUR IMPLEMENTERINGS- DIENSTE REPORTS SUBMITTED BY THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES</u>	
C155/2026	Reporting on performance of Contractors for April 2026 [8/2/3/5/5]	69 - 71
M.	<u>DRINGENDE AANGELEENTHEDE / URGENT MATTERS</u>	
C156/2026	Corporate Services: Administration: Nomination of two New Members of the Special Committee established In terms of Rule 16(1) of Schedule 7 to replace Alderman DA Appel and Alderman MR Nongxaza [3/3/6]	72 - 74
C157/2026	Office of the Speaker: Alleged breach of the Code of Conduct for Councillors by the Executive Mayor, Alderman LM de Bruyn [3/3/3]	75 - 77
C158/2026	Community Services: Irregular Expenditure – WB Tipper Truck and Plant Hire [6/3/1/5/1] <i>[An Additional Annexure will be send electronically as a separate PDF document with the Agenda]</i>	78 - 84
C159/2026	Community Services – Operations: Irregular Expenditure – Procurement of goods and services without a competitive bidding process resulting in Irregular Expenditure – WB Tipper Truck and Plant Hire [6/3/1/5/1] <i>[An Additional Annexure will be send electronically as a separate PDF document with the Agenda]</i>	85 - 91
C160/2026	Economic Development and Planning: Irregular Expenditure Sibakulu Security Services [6/3/1/5/1]	92 - 95
C161/2026	Economic Development and Planning: Human Settlements: Irregular Expenditure – Randzo Projects [6/3/1/5/1] <i>[An Additional Annexure will be send electronically as a separate PDF document with the Agenda]</i>	96 - 99

ITEM NO	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NO
C162/2026	Finance: Repair of Tyre [6/3/1/5/1]	100 - 101
C163/2026	Finance: Towing of vehicle to the Grabouw Office CAM 30014 - 2024/2025 [6/3/1/5/1]	102 - 104
C164/2026	Finance: Reported on Unauthorised Expenditure for 2024/25 financial year [6/3/1/5/1]	105 - 107
C165/2026	Finance: Unauthorised Expenditure for 2022/23 and 2023/24 financial years [6/3/1/5/1]	108 - 113
C166/2026	Corporate Services: Human Resources: Payment for University of Stellenbosch – Minimum Competency Training [6/3/1/5/1]	114 - 117
N.	<u>ORWEGING VAN KENNISGEWINGS VAN MOSIES /</u> <u>CONSIDERATION OF NOTICES OF MOTIONS</u>	
O.	<u>ORWEGING VAN KENNISGEWINGS EN VRAE /</u> <u>CONSIDERATION OF NOTICES AND QUESTIONS</u>	
P.	<u>ORWEGING VAN DRINGENDE MOSIES /</u> <u>CONSIDERATION OF URGENT MOTIONS</u>	
Q.	<u>IN-KOMITEEVERGADERING AGENDA-ITEMS</u> <u>VIR BESPREKING</u> <u>IN-COMMITTEE MEETING AGENDA-ITEMS</u> <u>FOR DISCUSSION</u>	
R.	<u>VERDAGING /</u> <u>ADJOURNMENT</u>	

THEEWATERSKLOOF MUNISIPALITEIT/ MUNICIPALITY

**NOTULE VAN 'N RAADSVERGADERING GEHOU OP 25 JUNIE 2026 OM 11:00 IN
DIE RAADSAAL MUNISIPALE KANTORE, CALEDON.**

**MINUTES OF A COUNCIL MEETING HELD ON 25 JUNE 2026 AT 11:00, IN THE
COUNCIL CHAMBERS MUNICIPAL OFFICES, CALEDON.**

A. OPENING EN VERWELKOMING

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

OPENING AND WELCOME

The Chairperson, Speaker W.H. Wells, welcomed everyone present and 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 H Linnerts
Raadslid/Councillor TP Lemina
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 P Stander
 Raadslid/Councillor MH Witbooi
 Raadsheer/Alderman C Wood
 Raadslid/Councillor YM van Tonder
 Raadslid/Councillor TB Zimmermann

Amptenare / Officials

Mnr./Mr H Matthee	(Wnde Munisipale Bestuurder) (Acting Municipal Manager)
Mnr./Mr GW Hermanus	(Direkteur: Korporatiewe Dienste / Director: Corporate Services)
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 A Opperman	(Hoof Uitvoerende Ouditeur) (Chief Audit Executive)
Me./Ms. F Ngxowa	(Assistent Vertaler) (Assistant Translator)
Me./Ms T Michel	(Kommunikasiebeampte) (Communications Officer)
Me./Ms D Pheiffer	(Tydelike aanstelling – Intern) (Temporary appointment – Intern)
Me./Ms S Baron	(Sekretariaatsdienste) (Sekretariat Services)

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

Rdsh/Aldm BB Mkhwibiso
 Rdl./Cllr JD Lekhor

Afwesig sonder verskoning
Absent without an apology

Geen / None

C139/2026 Office of the Municipal Manager: Alderman C Wood and Councillor MH Witbooi – New elected Councillors to Theewaterskloof Local Municipality and Replacement of the African National Congress PR Councillors (Alderman DA Appel and Alderman MR Nongxaza)

5

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

D.1 Notule van UBK Vergadering: 15 April 2026

Die Raad neem kennis van die Notule van die vergadering van die Uitvoerende Burgemeester en sy Komitee gehou op 15 April 2026.

Minutes of EMC Meeting: 15 April 2026

Council takes cognizance of the Minutes of a meeting of the Executive Mayor and his Committee held on 15 April 2026.

D.2 Notule van UBK Vergadering: 19 Mei 2026

Die Raad neem kennis van die Notule van die vergadering van die Uitvoerende Burgemeester en sy Komitee gehou op 19 Mei 2026.

Minutes of EMC Meeting: 19 May 2026

Council takes cognizance of the Minutes of a meeting of the Executive Mayor and his Committee held on 19 May 2026.

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

E.1 Raadsvergadering – 28 Mei 2026

BESLUIT :

Om op voorstel van Raadsheer LM de Bruyn gesekondeer deur Raadslid Y van Tonder die Notule van die Raadsvergadering van 28 Mei 2026 hiermee goed te keur, te bekragtig en te laat onderteken as prima facie bewys van die juistheid daarvan.

Council Meeting – 28 May 2026

RESOLVED:

To, on proposal by Alderman LM de Bruyn seconded by Councillor Y van Tonder hereby approve, confirm and have signed the Minutes of the Council Meeting of 28 May 2026 as prima facie evidence of its correctness.

E.2 Spesiale Raadsvergadering – 28 Mei 2026

BESLUIT :

Om op voorstel van Raadsheer LM de Bruyn gesecondeer deur Raadslid C Cloete die Notule van die Spesiale Raadsvergadering van 28 Mei 2026 hiermee goed te keur, te bekragtig en te laat onderteken as prima facie bewys van die juistheid daarvan.

Special Council Meeting – 28 May 2026

RESOLVED:

To, on proposal by Alderman LM de Bruyn seconded by Councillor C Cloete hereby approve, confirm and have signed the Minutes of the Special Council Meeting of 28 May 2026 as prima facie evidence of its correctness.

E.3 Spesiale Raadsvergadering – 12 Junie 2026

BESLUIT :

Om op voorstel van Raadsheer LM de Bruyn gesecondeer deur Raadslid Y van Tonder die Notule van die Spesiale Raadsvergadering van 12 Junie 2026 hiermee goed te keur, te bekragtig en te laat onderteken as prima facie bewys van die juistheid daarvan.

Special Council Meeting – 12 June 2026

RESOLVED:

To, on proposal by Alderman LM de Bruyn seconded by Councillor Y van Tonder hereby approve, confirm and have signed the Minutes of the Special Council Meeting of 12 June 2026 as prima facie evidence of its correctness.

**F. VOORLEGGINGS /
PRESENTATIONS**

Masakhe SMME Builder – Mr Lance Heynes presented the Masakhe SMME Builder to Council, the presentation is attached as an annexure. Mr Heynes further advised that he would send a link to all councillors, providing access to identify 10 different SMMEs and offering a free trial of the platform.

**G. VERSLAE VOORGELê DEUR DIE KANTOOR VAN DIE MUNISIPALE
BESTUURDER
REPORTS SUBMITTED BY THE OFFICE OF THE MUNICIPAL MANAGER**

ITEM TITLE

C139/2026 OFFICE OF THE MUNICIPAL MANAGER: ALDERMAN C WOOD AND COUNCILLOR MH WITBOOI – NEW ELECTED COUNCILLORS TO THEEWATERSKLOOF LOCAL MUNICIPALITY AND REPLACEMENT OF THE AFRICAN NATIONAL CONGRESS PR COUNCILLORS (ALDERMAN DA APPEL AND ALDERMAN MR NONGXAZA)

[English version of the report is the original]

FILE NUMBER

3/1/3

PURPOSE OF THE REPORT

To inform Council of the letter received from the Electoral Commission which declared Alderman Caroline Wood and Councillor Mario Hilton Witbooi from the African National Congress (ANC) as elected as Councillors to Theewaterskloof Local Municipality and the replacement of the ANC PR Councillors – Alderman DA Appel and Alderman MR Nongxaza.

BACKGROUND

The African National Congress officially submitted on 01 June 2026 a notice of cessation of membership of both Alderman DA Appel and Alderman MR Nongxaza to the Municipal Manager, informing the Municipality that both Councillors will no longer serving as representatives of the party in Theewaterskloof Municipality.

DISCUSSION

On 12 June 2026 a letter was received from the Electoral Commission indicating that Alderman Caroline Wood and Councillor Mario Hilton Witbooi, being the candidates at the top of the party list for the African National Congress (ANC), have been declared elected to Theewaterskloof Local Municipality, as prescribed in item 18 of Schedule 1 of the Municipal Structures Act, 1998 (Act No. 117 of 1998).

Alderman Wood and Councillor Witbooi replaces Alderman DA Appel and Alderman MR Nongxaza who ceased to hold office of Councillors in the Theewaterskloof Municipality.

LEGAL RESPONSIBILITIES**Municipal Structures Act 117 of 1998 (Schedule 1):****Item 18 - Filling of vacancies**

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer must, subject to item 20, declare in writing the person whose name is at the top of the applicable party list to be elected in the vacancy.

FINANCIAL IMPLICATIONS

Provision has been made in the 2025/2026 budget for this expenditure.

RISK MANAGEMENT IMPLICATIONS

None

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council takes cognizance of the content of the letter received from the Electoral Commission dated 12 June 2026 and welcomes Alderman C Wood and Councillor MH Witbooi as new PR Councillors in Theewaterskloof Municipality.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council noted the content of the letter received from the Electoral Commission dated 12 June 2026 and welcomes Alderman C Wood and Councillor MH Witbooi as new PR Councillors in Theewaterskloof Municipality.

For finalization by the Acting Municipal Manager, Mr H Matthee.

PRESENTATION BY MR LANCH HEYNES

From: lanceh <lanceh@masakhegroup.co.za>

Date: 01 May 2026 at 11:06

To: wwells <wwells@twk.gov.za>

Cc: speaker <speaker@twk.gov.za>, support <support@masakhegroup.co.za>

Subject: MASAKHE SMME BUILDER

Good morning, Weldon

I trust you are well; I was referred to you by David Jansen of SALGA.

Our Company, Masakhe Tehhnologies (Pty) Ltd, have developed what we believe to be a revolutionary software platform for SMME's that will streamline their businesses and save time and costs, enabling them to grow and create jobs.

The platform is named the **Masakhe SME Builder**.

To view our marketing website, click below:

<https://masakhegroup.co.za/>

To log into our portal for a free trial, click below:

<https://masakheportal.co.za/register>

The platform enables SMME's to:

- * Create their own websites in minutes with a built in "drag & drop" **Website Builder**
- * Create **social media posts** AND Copy to all **Social Media Pages** in minutes
- * Link to other businesses with our **BizConnect** Feature
- * Manage **Income** and **Expenses** with built in tools
- * Manage **Quotes** and **Invoices** with built in tools
- * Manage **Staff** and **Payroll** with built-in tools
- * Manage **Leads** and **Clients** with built in tools
- * Manage **Automated Client and Lead Campaigns (CRM)** with built-in tools
- * Create and Manage **Users** with **Permissions**
- * Potential to integrate with Government Systems (CIPC, Home Affairs, SARS).
- * All in one **AI powered business Platform!**

We request the courtesy of an online meeting, via **Google Meet**, to showcase the programme to yourselves and to illustrate to you how your organisation in its mission to build the capacity of SMEs can help SMME's benefit through an affordable costing model which can be negotiated.

We will provide onboarding Workshops to all SME's who come aboard, as well as quarterly reports to your organisation.

We hope to hear from you soonest.

With Regards

Lance Heynes



Lance Heynes

Managing Director



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260 Uys Krige Drive, Loevenstein, 7530, Western Cape, South Africa

ITEM TITLE

C140/2026 OFFICE OF THE MUNICIPAL MANAGER: DECLARED ELECTED AFRICAN NATIONAL CONGRESS REPRESENTATIVE OF THEEWATERSKLOOF MUNICIPALITY TO THE OVERBERG DISTRICT MUNICIPAL COUNCIL

[English is the original version of the report]

FILE NUMBER

3/3/6

PURPOSE OF REPORT

That Council takes cognizance of the notice from the IEC regarding the declared elected ANC Representative of Theewaterskloof Municipality to the Overberg District Municipal Council to replace Alderman DA Appel, who ceased to hold office as a Theewaterskloof Municipal Councillor and a representative for Theewaterskloof Municipality on the Overberg District Municipal Council.

BACKGROUND

As per Council Resolution C71/2025 of a Council Meeting held on 20 March 2025, Council resolved as follows:

“Council noted that Alderman DA Appel has been declared as elected ANC representative of Theewaterskloof Municipality to the Overberg District Municipal Council.”

DISCUSSION

Alderman DA Appel ceased to hold office as Councillor in the municipality because of his expulsion by the party.

A notice was issued by the IEC declaring Councillor Mario Hilton Witbooi as the elected ANC representative of Theewaterskloof Municipality to the Overberg District Municipal Council. Notice is attached as annexure to the item.

LEGAL RESPONSIBILITIES

None

FINANCIAL IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

Not applicable.

RECOMMENDATION TO COUNCIL:

It is recommended that Council notes that Councillor MH Witbooi has been declared as elected ANC representative of Theewaterskloof Municipality to the Overberg District Municipal Council.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council noted that Councillor MH Witbooi has been declared as elected ANC representative of Theewaterskloof Municipality to the Overberg District Municipal Council.

For finalization by the Acting Municipal Manager, Mr H Matthee.

ITEM TITLE

**C141/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT
ADMINISTRATION: APPROVAL OF ANNUAL PLANNER FOR
SCHEDULED MEETINGS OF THEEWATERSKLOOF MUNICIPALITY
FOR THE PERIOD 01 JULY 2026 – 30 JUNE 2027**

[English version of the report is the original]

FILE NUMBER

2/1/4

PURPOSE OF REPORT

To obtain Council's approval for the schedule setting out the planned meeting dates from July 2026 to June 2027 for scheduled meetings of Theewaterskloof Municipality.

BACKGROUND

A schedule is annually compiled which gives an indication of the dates of the various meetings which are scheduled for the next financial year.

This schedule enables Councillors and Officials to organise their diaries according to this schedule to know exactly on which dates they need to be available to attend the respective meetings.

DISCUSSION

The Schedule is attached as Annexure to the Agenda item.

FINANCIAL IMPLICATIONS

None.

LEGAL RESPONSIBILITIES

None.

RISK MANGEMENT IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council approves the schedule which is setting out the dates of the respective meetings of Theewaterskloof Municipality for the period from 01 July 2026 to 30 June 2027.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council approves the schedule which is setting out the dates of the respective meetings of Theewaterskloof Municipality for the period from 01 July 2026 to 30 June 2027.

RECOMMENDATION TO COUNCIL:

It is recommended that Council approves the schedule which is setting out the dates of the respective meetings of Theewaterskloof Municipality for the period from 01 July 2026 to 30 June 2027.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

- 1. Council approves the schedule which is setting out the dates of the respective meetings of Theewaterskloof Municipality for the period from 01 July 2026 to 30 June 2027.**
- 2. That the Administration make provision in the annual planner for additional MPAC meetings.**

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

ITEM TITLE

13

**C142/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT
ADMINISTRATION: CONSIDERATION BY COUNCIL TO APPOINT A
FIFTH MEMBER TO THE MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE (MPAC)**

[English version of the report is the original]

FILE NUMBER

3/2/17/2

PURPOSE / AIM OF REPORT

The purpose of this report is for Council to consider the appointment of a fifth Member to the Municipal Public Accounts Committee (MPAC).

BACKGROUND

A. The council resolved as follows per agenda-item C215/2024 of 28 November 2024:

2. Council appoints the following Councillors as MPAC Chairperson and Members:

Councillor M Gana	<i>[Chairperson]</i>
Councillor PJ Stander	<i>[Member]</i>
Councillor J Smit	<i>[Member]</i>

Secundi: Councillor M Botes

B. Council resolved as follows per agenda-item C205/2025 of 07 August 2025:

Council resolves to appoint Councillor TB Zimmermann as a fourth Member of the Municipal Public Accounts Committee (MPAC).

C. Council resolved as follows per agenda-item C250/2025 of 23 October 2025:

2. Council resolved to appoint Councillor DA Jacobs as a Member of the Municipal Public Accounts Committee (MPAC) as a replacement for Councillor J Smit.

3. Council resolved to appoint Councillor C Smith as a secundi from the Opposition.

DISCUSSION

During the Council Meeting of 28 May 2028 Council resolves as follows per Council Resolution C117/2026:

Council approves the revised Municipal Public Accounts Committee Terms of Reference.

Section 3.3 of the Terms of Reference reads as follows:

The MPAC shall comprise of five councillors excluding any councillor who is serving as Executive Mayor, Deputy Executive Mayor, Speaker or any other member of the Executive Committee, or any political party Whips or municipal officials.

LEGAL RESPONSIBILITIES

Section 79A of the Municipal Structures Amendment Act 2021

- (1) A municipal council must establish a committee called the municipal public accounts committee.
- (2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.
- (3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:
 - (a) review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;
 - (b) review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;
 - (c) initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;
 - (d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and
 - (e) on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.
- (4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

- (5) (a) For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.
- (b) Each municipality and each municipal entity must establish an audit committee in accordance with that section."

FINANCIAL IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

None.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council resolves to appoint Aldm/Cllr as a fifth Member of the Municipal Public Accounts Committee (MPAC).

RESOLVED BY COUNCIL: 25 JUNE 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor TP Lemina and seconded by Councillor MS Shale it was resolved as follows:

Council resolves to appoint Alderman BB Mkhwibiso as a fifth Member of the Municipal Public Accounts Committee (MPAC).

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

ITEM TITLE

C143/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: APPOINTMENT OF A NEW MEMBER TO THE COMMUNITY SERVICES- AND FINANCIAL SERVICES PORTFOLIO COMMITTEES AS PART OF THE SECTION 80 COMMITTEES WHICH ASSIST THE EXECUTIVE MAYOR IN PERFORMING FUNCTIONS AND DUTIES TO REPLACE ALDERMAN DA APPEL AND ALDERMAN MR NONGXAZA

[English is the original version of the report]

FILE NUMBER

3/3/6

PURPOSE OF REPORT

That Council considers the appointment of a new member of the Community Services Portfolio Committee of Council to replace Alderman MR Nongxaza and a new member of the Financial Services Portfolio Committee of Council to replace Alderman DA Appel.

BACKGROUND

Council appoints the following Councillors as Committee Members of the Community Services Portfolio Committee per Council Resolution C231/2025 during a Council Meeting held on 27 August 2025:

“Councillor Y van Tonder - Chairperson – full-time Councillor

Councillor D Jacobs

Councillor H Linnerts

Alderman MR Nongxaza

Councillor C Smith

Secundi: Councillor M Gana (for the Coalition)

Secundi: Councillor M Shale (for the Opposition)”

Council appoints the following Councillors as Committee Members of the Finance Portfolio Committee per Council Resolution C13/2026 during a Council Meeting held on 22 January 2026:

“Councillor CT Cloete - Chairperson – full-time Councillor

Councillor CA Benjamin

Councillor H Linnerts

Councillor V Papier

Alderman DA Appel

Secundi: Councillor J Smit (for the Coalition)

Secundi: Councillor M Mpambani (for the Opposition)"
DISCUSSION

The IEC informed the Municipal Manager on 12 June 2026 that Alderman DA Appel and Alderman MR Nongxaza ceased to hold office as Councillors of Theewaterskloof Municipality.

A new member must be appointed to the Community Services Portfolio Committee to replaces Alderman MR Nongxaza as well as a new member must be appointed to the Financial Services Portfolio Committee to replaces Alderman DA Appel.

LEGISLATIVE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

Not applicable

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. That Council appoints as a Member of the Community Services Portfolio Committee of Council to replace Alderman MR Nongxaza.
2. That Council appoints as a Member of the Financial Services Portfolio Committee of Council to replace Alderman DA Appel.

RESOLVED BY COUNCIL: 25 JUNE 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MS Shale and seconded by Councillor MH Witbooi it was resolved as follows:

1. Council appoints Alderman C Wood as a Member of the Community Services Portfolio Committee of Council to replace Alderman MR Nongxaza.
2. Council appoints Councillor TP Lemina as a Member of the Financial Services Portfolio Committee of Council to replace Alderman DA Appel.

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

ITEM TITLE

**C144/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT
ADMINISTRATION: APPOINTMENT OF A NEW MEMBER ON THE
STATUTORY COMMITTEE – LOCAL LABOUR FORUM TO
REPLACE ALDERMAN MR NONGXAZA**

[English is the original version of the report]

FILE NUMBER

3/3/6

PURPOSE OF REPORT

That Council considers the appointment of a new member on the Statutory Committee – Local Labour Forum to replace Alderman MR Nongxaza.

BACKGROUND

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

“Statutory Committee - Local Labour Forum (20 members)”**Councillors**

1. Councillor H Linnerts
2. Councillor M Botes
3. Councillor J Smit
4. Councillor TB Zimmermann
5. Alderman MR Nongxaza

Secundi 1: Councillor CA Benjamin (for the Coalition)

Secundi 2: Councillor TP Lemina (for the Opposition)

Management members x 5

Trade Union members x 10”

DISCUSSION

The IEC informed the Municipal Manager on 12 June 2026 that Alderman MR Nongxaza ceased to hold office as Councillors of Theewaterskloof Municipality.

A new member must be appointed to the Statutory Committee – Local Labour Forum to replaces Alderman MR Nongxaza.

LEGISLATIVE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

Not applicable

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council appoints as a Member of the Statutory Committee – Local Labour Forum of Council to replace Alderman MR Nongxaza.

RESOLVED BY COUNCIL: 25 JUNE 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MS Shale and seconded by Councillor MH Witbooi it was resolved as follows:

Council appoints Councillor MH Witbooi as a Member of the Statutory Committee – Local Labour Forum of Council to replace Alderman MR Nongxaza.

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

ITEM TITLE

C145/2026 DIRECTORATE COMMUNITY SERVICES: REPORTING ON PERFORMANCE OF CONTRACTORS – 3rd QUARTER REPORT (JANUARY- MARCH 2026)

[English version of the report is the original]

FILE NUMBER

8/2/3/5/4

PURPOSE OF REPORT

KPI D110 of the SDBIP for the Directorate Community Services determines the following:

1. Compile a report on the performance of service providers applicable to the Directorate and submit to Council Quarterly.
2. To present a report to Council in terms of the contract and performance management of the contractors of Community Services department for the 3rd Quarter (January - March 2026). This serves to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget.

BACKGROUND

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

The accounting officer of a municipality or municipal entity must -

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

DISCUSSION

DEPARTMENTS/ TOWN OFFICES	JANUARY 2026	FEBRUARY 2026	MARCH 2026
GRABOUW TOWN OFFICE	No Contracts to report on for this period	No Contracts to report on for this period	No Contracts to report on for this period
BOTRIVIER TOWN OFFICE	No Contracts to report on for this period	No Contracts to report on for this period	No Contracts to report on for this period
RSE TOWN OFFICE	No Contracts to report on for this period	No Contracts to report on for this period	No Contracts to report on for this period
VILLIERSDORP TOWN OFFICE	Submitted	Submitted	Submitted
CALEDON TOWN OFFICE	Submitted	Submitted	Submitted
GREYTON GENADENDAL	No Contracts to report on for this period	No Contracts to report on for this period	No Contracts to report on for this period
SUSTAINABLE DEVELOPMENT	No Contracts to Report on for this period	No Contracts to Report on for this period	No Contracts to Report on for this period
FLEET MANAGEMENT	Submitted	Submitted	Submitted
PUBLIC SAFETY	Submitted	Submitted	Submitted
ENVIRONMENT AND DISASTER MANAGEMENT	No Contracts to Report on for this period	No Contracts to Report on for this period	No Contracts to Report on for this period

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)

The report is submitted in accordance with Section 116 (2) (b) to the accounting officer (municipal manager) of the Local Government – Municipal Finance Management Act, No. 56 of 2003, to report and monitor on the performance of contracts and contractor/s performance.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

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

LEGAL IMPLICATIONS (ITEM AUTHOR)

Chapter 8 Municipal Finance Management Act. 56 of 2003.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that the Council takes cognizance of the report.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes cognisance of the report.

RECOMMENDATION TO COUNCIL:

It is recommended that the Council takes cognizance of the report.

DISCUSSION DURING THE MEETING

Councillor TP Lemina- It was noted that the information on pages 28, 32, 34, 35 and 37 is incomplete. In particular, the information relating to Sibakulu on page 28 does not adequately address the issues. I recommended that Administration provide a comprehensive explanation and include appropriate recommendations to address the identified concerns.

It was noted that page 32 reflects "None"; however, the Director: Community Services explained that new challenges had arisen. 11 invoices had been submitted, yet the report reflects an amount of R0 paid. Councillor TP Lesesa also raised concern that, in another instance, an amount is reflected as paid, but no corresponding invoices are indicated. Clarification was requested on these discrepancies.

Cleaning Services: the commencement date for the cleaning services, including cemetery cleaning, grass cutting, and street cleaning in Afrika, was reflected as "2". Clarification was requested on the commencement date. why separate contractors had been appointed for different areas instead of appointing one contractor to clean the whole of Villiersdorp.

Page 36 – Kenzi: Delivery of Water Treatment: Councillor TP Lemina requested clarity on how the contractor's performance was rated as "good" despite no invoices being reflected in the report.

Page 37 – Moira Africa Services: Councillor TP Lemina requested clarity on whether the services provided by Moira Africa Services were covered under the Financial Recovery Plan.

Mr WSE Solomons-Johannes – The report represented give a full account of all contracts. Sibakulu this is on the existing tender; those invoices are processed based on actual work in some areas the invoices are not correct the invoices do not meet the actual attendance. Fleet there is now a panel tender in place when vehicles break, we will send it to the approved service provider. Cleaning of Towns this is a comparative process follow meaning we advertised for the request and the appointment of the service providers was of the successful service provider the nature services was different the money lies on different votes.

Councillor TP Lemina request a 15-minute caucus break which were granted by the Speaker.

After the caucus break Councillor TP Lemina proposed the following:

The ANC note that the agenda-item is only for cognisance however we would like to make a recommendation: That all of these items that the chief whip of the day mentioned must be referred to MPAC with guidance of the legal department.

A comment was made that the administration should exercise caution when shifting budget votes, as this is a matter of concern such adjustments may have financial and administrative implications and could negatively impact service delivery.

Proposal was seconded by Councillor MH Witbooi.

Alderman LM de Bruyn submitted the following counter-proposal namely:

- 1. Council takes cognizance of the report.*
- 2. That, in future, a more comprehensive explanation be provided on a separate page regarding the reported blockages and related comments to enable Council to fully understand the matters being reported.*

Counter-proposal was seconded by Councillor Y van Tonder.

The voting process started, and each councillor indicated whether they vote for 1. Proposal by Councillor TP Lemina and seconded by Councillor MH Witbooi or 2. Counter-proposal by Alderman LM de Bruyn seconded by Councillor Y van Tonder.

The result of the voting process is as follows:

Proposal by Councillor TP Lemina and seconded by Councillor MH Witbooi = 7 votes.

Counter-proposal by LM de Bruyn and seconded by Councillor Y van Tonder = 16 votes.

Councillor V Papier and Councillor C Smith abstain from the voting process.

RESOLVED BY COUNCIL: 25 JUNE 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 Councillor Y van Tonder it was resolved as follows:

- 1. Council takes cognizance of the report.**
- 2. That, in future, a more comprehensive explanation be provided on a separate page regarding the reported blockages and related comments to enable Council to fully understand the matters being reported.**

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

ITEM TITLE

C146/2026 DIRECTORATE COMMUNITY SERVICES: REPORTING ON PERFORMANCE OF THREE-YEAR TENDER CONTRACTORS - 3rd QUARTER REPORT (JANUARY- MARCH 2026)

[English version of the report is the original]

FILE NUMBER

8/2/3/5/4

PURPOSE OF REPORT

To present a report to Council in terms of the contract and performance management of the contractors of Community Services department for the 3rd Quarter (January - March 2026). This serves to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget.

BACKGROUND

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

The accounting officer of a municipality or municipal entity must:

1. Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality of municipal entity is properly enforced;
2. Monitor on a monthly basis the performance of the contract under the contract or agreement;
3. Establish capacity in the administration of the municipality or municipal entity:
 - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
 - (ii) to oversee the day-to-day management of the contract or agreement; and
4. Regularly report to Council of the municipality or the board of directors of entity, as may be appropriate, on the management of the contract or agreement and the performance of the contracts

DISCUSSION

JM 01/2025/2026 - Cleaning and clearing of Villiersdorp cemeteries on a quarterly basis from 1 September 2025 until 30 June 2026

	January 2026	February 2026	March 2026
Indalo Yethu Construction & Projects	Submitted	Submitted	Submitted

JM 04/2025/2026 - Cutting of grass and cleaning the areas at various locations in Villiersdorp on a monthly basis from 1 September 2025 to 30 June 2026

	January 2026	February 2026	March 2026
Indalo Yethu Construction & Projects	Submitted	Submitted	Submitted

JM 07/2025/2026 - Supply and delivery of chemicals to Villiersdorp Water treatment works

	January 2026	February 2026	March 202
Kemanzi (Pty)ltd	Submitted	Submitted	Submitted

JM 03/2025/2026 - Cleaning of streets, around toilets illegal dumping areas in informal/formal areas including waterways from 1 September 2025 until 30 June 2026 on a weekly basis in Villiersdorp

	January 2026	February 2026	March 2026
Mora Africa (Pty)ltd	Submitted	Submitted	Submitted

COMM 05/2025/26 - The Provision of Security Services for Theewaterskloof Municipality: Guarding, Alarm Installation, Monitoring and Response from date of Appointment to 30 June 2028.

	January 2026	February 2026	March 2026
SIBAKULU TRADING (PTY) LTD	Submitted	Submitted	Submitted

LC 01/2025/26 - Hosting of Repeater Equipment - Monthly Rental, IP Connectivity Between Sites - Monthly Rental, DMR Radio Equipment Maintenance Requirement for Theewaterskloof Municipality Department Public Safety From 01 July 2025 to 30 June 2026.

	January 2026	February 2026	March 2026
SENTIV (PTY) LTD	Submitted	Submitted	Submitted

COMM 07/2025/26 – Appointment of a panel of service providers for the repair, maintenance and servicing of municipal vehicles in the Theewaterskloof Municipal area for the period from date of appointment until 30 June 2028.

	January 2026	February 2026	March 2026
OVERBERG AUTO ELECTRICAL (PTY) LTD	Submitted	Submitted	Submitted
DONNYS MECHANICAL REPAIR CENTER	Submitted	Submitted	Submitted
PETROL & DIESEL ENJINSENTRUM	Submitted	Submitted	Submitted

Supply, implementation and management of a computerized traffic contravention management system (TCMS) with call centre module for the processing of traffic – and law enforcement offences and the provision of operational support and maintenance from the date of appointment 01 February 2024 to 30 June 2026

	January 2026	February 2026	March 2026
TOTAL COMPUTER SERVICES (PTY) LTD	Submitted	Submitted	Submitted

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

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

LEGAL IMPLICATIONS (ITEM AUTHOR)

Chapter 8 Municipal Finance Management Act. 56 of 2003.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that the Council takes cognizance of the report.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes cognizance of the report.

RECOMMENDATION TO COUNCIL:

It is recommended that the Council takes cognizance of the report.

RESOLVED BY COUNCIL: 25 JUNE 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 Councillor Y van Tonder it was resolved as follows:

Council takes cognizance of the report.

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

ITEM TITLE**C147/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING:
DEPARTMENT HUMAN SETTLEMENTS: QUARTERLY CONTRACT
REPORTING OF PERFORMANCE OF CONTRACTORS**

[English version of the report is the original]

FILE NUMBER

8/2/3/5/6

PURPOSE OF REPORT

To present a report to Council of the contract and performance management of contracts of the Directorate: Economic Development and Planning (Department Human Settlements) for quarter January - March 2026.

BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

1. Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced;
2. Monitor on a monthly basis the performance of the contract under the contract agreement;
3. Establish capacity in the administration of the municipality or municipal entity-
 - (a) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
 - (b) To oversee the day-to-day management of the contract agreement; and
4. Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

DISCUSSION**1. The following reporting templates of contracts are attached to the document:**

- 1.1. Asla Construction – Villiersdorp Berg en Dal
- 1.2. Asla Construction – Villiersdorp Destiny Farm (708)
- 1.3. Asla Construction – Villiersdorp Destiny Fram Phase 2 (Electrification)
- 1.4. Asla Construction - Villiersdorp Destiny Fram Phase 3 (478)
- 1.5. Fanisa VC Construction&Projects – Riviersonderend Construction of 48 units
Joe Slovo

- 1.6. Vstate Holdings/Makhare Construction - Riviersonderend Construction of 48 units Joe Slovo
- 1.7. Siyakhatala Safety CC – Provision of Health and Safety Services
- 1.8. Asla Construction – Villiersdorp Greater Villierdorp
- 1.9. Egeining Advice and Services Western Cape – Caledon Riemvasmaak Planning
- 1.10. Egeining Advice and Services Western Cape – Grabouw Greater Grabouw
- 1.11. Neil Lyners – Grabouw Hillside Civils
- 1.12. Inyameko Trading – Grabouw Hillside
- 1.13. Iliso Construction (pty) Ltd – Grabouw Rooidakke
- 1.14. IX Engineers – Greyton 595
- 1.15. IX Engineers – Beaumont Botrivier
- 1.16. Egeining Advice and Services Western Cape – Beaumont Botrivier TRA
- 1.17. Batsini - Beaumont Botrivier TRA
- 1.18. Bidvest Services (PTY) LTD – Supply of Nun-Flush Chemical Toilets
- 1.19. PHP Building Supplies – Supply and Delivery of Materials
- 1.20. Mashitisho Attorneys Inc. - Conveyancer for Human Settlements Projects
- 1.21. Kruger & Blignaut - Evictions

2. The templates will indicate where blockages (if any) occurred with regards to the above contracts as well as proposed actions associated with these blockages.

January	February	March
Submitted	Submitted	Submitted

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and also create a scenario where the municipality does not get value for money.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Blockages as per attached.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council takes note of the quarterly contract reporting for the Department Human Settlements.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes note of the quarterly contract reporting for the Human Settlements Department.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes note of the quarterly contract reporting for the Department Human Settlements.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council noted the quarterly contract reporting for the Department Human Settlements.

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

ITEM TITLE

**C148/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING:
DEPARTMENT TOWN PLANNING AND BUILDING CONTROL:
QUARTERLY REPORTING OF PERFORMANCE OF CONTRACTORS**

[English version of the report is the original]

FILE NUMBER

8/2/3/5/6

PURPOSE OF REPORT

To present a report to Council in terms of the contract and performance management of contracts of the Directorate: Economic Development and Planning (Town Planning and Building Control) for the quarter: January - March 2026.

BACKGROUND

Section 116(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) states that the accounting officer of a municipality or municipal entity must:

1. Take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management Policy of the municipality or municipal entity is properly enforced;
2. Monitor on a monthly basis the performance of the contract under the contract agreement;
3. Establish capacity in the administration of the municipality or municipal entity-
 - (a) To assist the accounting officer in carrying out the duties set out in paragraphs(a) and (b); and
 - (c) To oversee the day-to-day management of the contract agreement; and
4. Regularly report to Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.

DISCUSSION

1. The following reporting template of a contract is attached to the document:
 - (a) ESRI South Africa
2. The templates will indicate where blockages (if any) occurred with regards to the above contract as well as proposed actions associated with these blockages.

January	February	March
Submitted	Submitted	Submitted

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The ineffective management of contracts can jeopardize the expenditure pattern of the organization and also create a scenario where the municipality does not get value for money.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Not applicable.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council takes note of the quarterly contract reporting of the Department Town Planning and Building Control.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes note of the quarterly contract reporting of the Department Town Planning and Building Control.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes note of the quarterly contract reporting of the Department Town Planning and Building Control.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council noted the quarterly contract reporting of the Department Town Planning and Building Control.

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

ITEM TITLE

35

**C149/2026 DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING:
DEPARTMENT PROPERTY MANAGEMENT: DISPOSAL OF
MUNICIPAL IMMOVABLE PROPERTY BY WAY OF SALE:
CALEDON AIRFIELD AND INDUSTRIAL HUB – INTEGRATED
MASTER PLAN DEVELOPMENT**

[English version of the report is the original]

FILE NUMBER

7/2/3/2/1

PURPOSE OF REPORT

The purpose of this report is to request Council approval, in terms of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Asset Transfer Regulations, 2008 (MATR), for the disposal by way of sale of municipal immovable property forming part of the Caledon Airfield and previously approved Chavonnes Industrial Hub precinct, to enable the implementation of a single integrated master-planned development identified through a formally advertised Call for Proposals (CFP) process.

This report does not seek approval of a purchaser or transaction at this stage, but rather Council's approval in principle for disposal, thereby enabling the Municipality to proceed with the statutory and administrative processes required to implement a compliant and market-related disposal.

BACKGROUND

The Caledon Airfield and Industrial Hub precinct have historically been identified as a strategic municipal landholding capable of supporting significant economic development. Over time, however, development initiatives associated with this precinct became fragmented and increasingly outdated.

The Flight Park Agreement, which had existed for approximately two decades, was formally cancelled on 11 July 2025 due to non-performance by the developer. Thereafter, the Caledon Industrial Tender was cancelled on 30 September 2025 following a recommendation by the Bid Evaluation Committee, based on procedural and statutory considerations.

Both initiatives were premised on historic feasibility studies and market assumptions which no longer reflect current economic conditions, regional growth patterns, or investment demand. Following these cancellations, the Municipality received numerous formal and informal enquiries from developers, investors, and industry stakeholders expressing interest in the future development potential of the precinct.

In response, and in alignment with the Municipality's Investment Portfolio, Investment Marketing Strategy, and the Municipality's support of the Western Cape Government's Growth for Jobs (G4J) strategy, the Municipality initiated a Call for Proposals (CFP).

This process was deliberately structured as a non-monetary market-testing exercise aimed at public participation process by identifying viable development concepts capable of positioning Caledon as a new economic growth node within the Overberg region.

DISCUSSION

Description of the Property and Current Zoning:

The land forming part of the proposed disposal consists of four contiguous portions collectively measuring approximately 300 hectares, comprising:

- i. Portion A: Industrial Hub area of approximately 36.8 hectares
- ii. Portion B: Existing unregistered airfield area of approximately 46.6 hectares
- iii. Portion C1: Vacant land of approximately 80.8 hectares
- iv. Portion C2 & C2.1: Vacant land of approximately 135.8 hectares

The properties are currently zoned primarily Utility Zone and Transport Zone, with portions utilised as an unregistered airfield. The existing zoning does not permit the full range of uses proposed in the development concept, and it is acknowledged that rezoning, township establishment (where applicable), environmental authorisations, and other statutory approvals will be required as part of the development process.

Environmental authorisations were previously obtained for the Flight Park development and the 73 industrial property development, subject to conditions. However, due to the inactivity of the previous developer and the subsequent cancellation of the industrial tender, these authorisations have lapsed.

All required statutory approvals will therefore need to be re-initiated and obtained at the cost and risk of the eventual purchaser.

Strategic Development Importance to Theewaterskloof Municipality:

The Call for Proposals process resulted in a comprehensive market-ready submission proposing the establishment of a single integrated master-planned development across the full Caledon Airfield and Chavonnes Industrial Hub precinct.

This proposal directly addresses the Municipality's strategic objective of avoiding fragmented land disposal and instead creating a consolidated development footprint capable of supporting long-term economic growth, coordinated infrastructure planning, and sustainable spatial development.

The proposed master plan introduces a new industry cluster for Caledon, integrating aviation-related activities, logistics and industrial development, mixed-use commercial opportunities, residential and lifestyle components, renewable energy infrastructure, and supporting bulk infrastructure.

Central to the development concept is the creation of a new access and movement corridor linking Chavonnes Road with Hemel & Aarde Road, enabling efficient freight, passenger, and service movement while positioning the precinct as a strategic regional gateway.

From a broader perspective, the project represents one of the most significant economic development opportunities currently available to the Theewaterskloof Municipality.

Over the past decade, the broader Overberg region, particularly the neighbouring Overstrand municipal area, has experienced significant population growth and investment-driven development. This growth has increased demand for industrial, logistics, and mixed-use development opportunities.

Caledon is strategically positioned to capture a portion of this regional investment spill-over, due to:

- its location along the N2 corridor
- its accessibility to the Overberg region
- the availability of large contiguous municipal landholdings suitable for integrated development.

The proposed development therefore provides a strategic opportunity to position Caledon as a new investment destination within the Western Cape economic landscape.

The concept also aligns with the Municipality's Investment Portfolio and Investment Marketing Strategy and was actively promoted during the Western Cape Government's G-Investment Summit in 2025, where municipalities were encouraged to identify catalytic projects capable of stimulating investment and employment.

The proposed development is expected to generate in excess of 3 000 direct and indirect employment opportunities, representing a significant community upliftment opportunity for the Theewaterskloof municipal area.

Importantly, the integrated development approach avoids the risks associated with single-use development, such as residential expansion without economic activity, which places pressure on municipal infrastructure without generating sustainable economic returns.

Instead, the proposed development promotes a balanced land-use mix, combining employment-generating economic sectors with residential and lifestyle components.

In addition to employment benefits, the development is expected to attract substantial private capital investment, expand the municipal rates base, and strengthen the Municipality's long-term financial sustainability.

For these reasons, the development should be regarded not merely as a land transaction, but as a strategic economic intervention capable of shaping the long-term economic trajectory of Caledon and the broader Theewaterskloof region.

Proposed Disposal Framework and Indicative Valuation:

In terms of Section 14 of the MFMA and the Municipal Asset Transfer Regulations, Council must determine whether the property is required to provide the minimum level of basic municipal services and whether its disposal is justified.

Based on current assessments, the land is not required for the Municipality's minimum level of basic municipal services in its current form. Its strategic value lies in its potential for redevelopment rather than municipal retention.

The developer's submission included an indicative, high-level valuation assumption, referencing a speculative land value of approximately R100 000 per hectare, translating to a value of approximately R25 million for the entire footprint. This valuation is not binding and was submitted for market context purposes only and does not replace the statutory requirement for an independent municipal valuation.

Council is therefore not requested to approve a price at this stage. Any disposal by sale will be subject to a formal valuation process, determination of fair market value, and compliance with all applicable legislative and SCM requirements

Alignment with Previous Council Resolutions:

Council is requested to take note that various portions of the land forming part of the proposed Caledon Airfield and Industrial Hub master-plan development area have historically been the subject of separate Council decisions, where individual portions of land were identified or approved for potential stand-alone development initiatives. These historic approvals were taken at different points in time and were based on the information, feasibility assessments, and development opportunities available to the Municipality at that stage.

These resolutions include:

- Council Resolution No: SC14/2014 dated 27 May 2014 and C149/2021 dated 27 October 2021, which approved the development of a portion of the land for industrial development purposes;
- Council Resolutions which supported the Flight Park development concept and related aviation-related activities;
- Council Resolution No: C25/2023 dated 23 February 2023, which approved the allocation or consideration of certain portions of land for farming or agricultural development initiatives and to explore the potential development of renewable energy infrastructure on portions of the property.

While these decisions were taken in good faith based on the information available at the time, the Call for Proposals process has demonstrated that the most viable and impactful development opportunity lies in the integrated development of the full landholding.

In order to give effect to the proposed integrated development framework and to avoid any procedural or legal uncertainty, it is necessary for Council to formally rescind or amend the historic Council resolutions referred to above, insofar as they relate to the separate development or disposal of portions of the land forming part of the Caledon Airfield and Industrial Hub precinct. This will ensure that the Municipality is able to proceed with the proposed disposal and development process on the basis of a single, consolidated development opportunity.

Council should further note that an existing lease agreement remains in place with the Caledon Flight Club for certain facilities at the airfield. This lease was concluded on a conditional basis linked to potential airfield development.

Should Council approve the proposed development framework, the Municipality will manage the implementation in accordance with the provisions of the existing lease agreement.

Proposed Disposal Framework, Development Conditions and Safeguards:

Based on the background provided above, together with the strategic considerations and development proposal received through the Call for Proposals process, Council approval is sought for the disposal in principle of approximately 250–300 hectares forming part of the Caledon Airfield and Industrial Hub precinct as a single integrated development opportunity.

The disposal will be implemented through a competitive bidding process in accordance with the MFMA, MATR, and the Municipality's Supply Chain Management Policy.

The development concept must incorporate an integrated development framework which may include the establishment of the following:

- i. an airport hub supporting cargo and potential passenger operations
- ii. an industrial and logistics hub
- iii. mixed-use commercial and lifestyle residential development
- iv. renewable energy infrastructure.

In addition, the successful developer will be required to submit a Corporate Social Investment (CSI) implementation plan providing for the phased installation of renewable energy infrastructure at strategic municipal facilities over an approximate two-year period, aimed at reducing municipal electricity consumption and operational costs.

The successful bidder will further assume full financial responsibility for obtaining all statutory authorisations required for the implementation of the development, including municipal planning approvals, rezoning and subdivision processes where applicable, environmental impact authorisations, aviation-related approvals, infrastructure agreements, and any other statutory approvals required in terms of applicable legislation.

Upon completion of the competitive bidding process and the formal award of the development opportunity, the successful bidder will be required to conclude a Deed of Sale with the Municipality within fourteen (14) days from the date on which the formal award letter is issued.

The purchaser will further be required to pay a non-refundable deposit equivalent to ten percent (10%) of the purchase price upon signature of the Deed of Sale, with the remaining balance of the purchase price payable on or before the date of registration of transfer in the Deeds Office.

In order to ensure that the development proceeds within a reasonable timeframe and to prevent speculative land holding, the purchaser will be required to commence with the relevant statutory authorisation processes within six (6) months from the date of signature of the Deed of Sale.

Furthermore, the sale agreement will include a development milestone schedule requiring the purchaser to demonstrate measurable progress in implementing the development in accordance with an agreed development programme. These milestones may include, amongst others, the submission of statutory planning applications, the securing of environmental authorisations, the commencement of infrastructure works, and the initiation of construction activities for the first phase of development.

For purposes of interpretation, it is acknowledged that the registration of transfer will generally occur only once the necessary town planning and statutory approval processes have been completed, and therefore the commencement of development activities will be linked to the completion of these regulatory processes.

The agreement of sale will also include reversionary safeguards in favour of the Municipality. Should the purchaser fail to comply with the agreed development milestones, or should the development not commence within the prescribed timeframe after registration of transfer, the Municipality will reserve the right to cancel the transaction and reclaim ownership of the property, subject to the contractual provisions contained in the agreement of sale.

The inclusion of these safeguards is intended to ensure that the property is utilised for its intended development purpose and that the Municipality is protected against speculative land acquisition or land banking practices that could delay the economic development objectives associated with the project.

Bulk Infrastructure Provision and Development Contributions:

The scale and integrated nature of the proposed Caledon Airfield and Industrial Hub development will require the provision of bulk municipal infrastructure, including water supply, sewerage systems, stormwater management, electricity networks, and road infrastructure necessary to support the proposed land uses.

In accordance with the Theewaterskloof Municipality Development Contribution Policy, developers are required to contribute towards the cost of bulk municipal infrastructure required to support new development. The extent of such infrastructure requirements will be determined by the Department: Technical Services, based on the anticipated service demand generated by the development.

Feasible mechanisms for the provision of the required bulk infrastructure.

The first option would require the developer to pay development contributions as determined by the Municipality in accordance with the Development Contribution Policy, whereafter the Municipality would assume responsibility for the installation of the required bulk infrastructure. Given the scale of the proposed development, this option would require significant municipal capital expenditure which would need to be incorporated into future municipal budgeting and infrastructure planning processes. As the integrated development concept was not previously included in the Municipality's capital budgeting framework, this option could result in substantial delays in the implementation of the project.

The second option, which is provided for in the Development Contribution Policy, allows a developer to install bulk engineering services in lieu of development contributions, subject to the approval of the Municipality and the conclusion of a formal services agreement. Under this mechanism, the developer would assume responsibility for the design, installation, and delivery of the required bulk infrastructure in accordance with municipal engineering standards. The cost of such infrastructure may then be offset against the calculated development contribution liability associated with the development.

Where infrastructure is installed in lieu of development contributions, the Development Contribution Policy requires that a formal Services Agreement be concluded between the Municipality and the developer, which must define the infrastructure to be provided, the applicable engineering standards, the implementation programme, the cost of the infrastructure, and the transfer of the completed assets to the Municipality.

Given the scale and complexity of the proposed development, the installation of bulk infrastructure by the developer in lieu of development contributions is considered the most practical and financially responsible implementation mechanism. This approach enables the provision of bulk services to be aligned with the phased implementation of the development while avoiding significant upfront municipal capital expenditure.

In the context of the Municipality's current financial position and the ongoing implementation of the Financial Recovery Plan (FRP), this model represents the preferred option as it ensures that the required infrastructure can be delivered without placing additional financial pressure on the Municipality's capital budget.

COMMENTS FROM THE DIRECTORATE FINANCE

Recommendations are supported; property is not required to provide the minimum level of basic municipal service delivery.

COMMENTS FROM THE DIRECTORATE ECONOMIC DEVELOPMENT AND PLANNING

The integrated development as proposed is supported, as it will improve the socio-economic conditions in Caledon.

COMMENTS FROM THE DIRECTORATE COMMUNITY SERVICES (OPERATIONAL)

Support the recommendations to Council as this proposed development will support economic growth in the region, create jobs opportunities and position Caledon as a new economic growth node in the Overberg.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

There are no immediate financial implications arising from the approval sought. Costs may include statutory valuation, advertising, and professional advisory services where required. The proposed development is expected to generate long-term financial benefits, including capital revenue from land disposal; increased municipal rates and service revenue; reduced municipal energy costs through renewable energy CSI initiatives.

LEGAL IMPLICATIONS (ITEM AUTHOR)

The proposed disposal is governed by section 14 of the MFMA, the Municipal Asset Transfer Regulations (MATR), 2008, the Supply Chain Management Regulations, the Spatial Planning and Land Use Management Act (SPLUMA), and the Municipality's Administration of Immovable Property Policy.

Legislative Provision	Legislative Requirement	Application in this Report
MFMA Section 14(2)(a)	Municipal Council must determine that the asset is not required to provide the minimum level of basic municipal services before it may be disposed of.	Council is requested in this report to confirm that the land is not required for the minimum level of basic municipal services and that its strategic value lies in supporting economic development.

MFMA Section 14(2)(b)	Council must approve the transfer of the capital assets after considering fair market value and the economic value to be received.	Council approval is sought in principle to allow the Municipality to proceed with the legislative disposal process and valuation determination.
MATR Regulations – Reg 5	Transfer of municipal capital assets must be conducted in accordance with Section 14 of the MFMA and the prescribed regulatory framework.	The report requests Council approval in principle and confirms that the disposal will follow the full statutory process prescribed by MATR.
MATR Regulations – Reg 6	Disposal of municipal assets must occur through a fair, equitable, transparent and competitive process.	The proposed disposal will be implemented through a competitive bidding process in compliance with the Municipality's SCM Policy and applicable legislation.
MATR Regulations – Reg 7	Council must consider fair market value, economic benefit, and community impact before approving disposal.	The report outlines the economic development potential, job creation, and the requirement for an independent market valuation before any transaction is concluded.
MATR Regulation 7(a)	Whether the capital asset may be required for the municipality's own use at a later date.	The Municipality has assessed that the land is not required for future municipal service delivery, and its highest value lies in facilitating economic development.
MATR Regulation 7(b)	The expected loss or gain resulting from the proposed transfer or disposal.	The disposal is expected to generate capital revenue from the land sale, together with long-term economic and financial benefits through private investment and expanded municipal revenue streams.
MATR Regulation 7(c)	The extent to which compensation is received will result in significant economic or financial cost or benefit to the municipality.	The proposed development is expected to generate significant economic benefits, including investment inflows, employment opportunities, and expansion of the municipal rates base.
MATR Regulation 7(d)	The risks and rewards are associated with the operation or control of the capital asset in relation to the municipality's interests.	The Municipality currently derives limited benefit from the undeveloped land. The proposed development introduces substantial economic rewards while mitigating municipal financial risk through private sector investment.

MATR Regulation 7(e)	The effect the transfer or disposal will have on the municipality's credit rating, borrowing capacity, financial position and cash flow.	The disposal is expected to strengthen the Municipality's long-term financial sustainability through increased economic activity, rates revenue and reduced infrastructure burden on the Municipality.
MATR Regulation 7(f)	Any limitations or conditions attached to the asset or its transfer and consequences of non-compliance.	The development will be subject to statutory approvals, development conditions, milestone obligations and reversionary safeguards to ensure compliance with the intended development objectives.
MATR Regulation 7(g)	The estimated cost of the proposed transfer or disposal.	Costs associated with the disposal will be limited to valuation, advertising and administrative processes, which will be managed within operational budgets.
MATR Regulation 7(h)	The transfer of any liabilities and reserve funds associated with the capital asset.	The successful developer will assume full responsibility for development costs, statutory approvals and infrastructure obligations, thereby limiting municipal financial exposure.
MATR Regulation 7(i)	Any comments or representations received from the local community or interested persons.	The project responds to market interest and investor enquiries, while the broader development concept promotes employment and economic development within the local community.
MATR Regulation 7(j)	Any written views and recommendations from National Treasury and the relevant Provincial Treasury.	The disposal process will comply with all legislative requirements and oversight frameworks, including those applicable under the MFMA and MATR.
MATR Regulation 7(k)	The interests of any affected organ of state, the municipality's own strategic, legal and economic interests, and the interests of the local community.	The development aligns with the Municipality's Investment Portfolio Strategy, the Growth for Jobs (G4J) strategy, and broader economic development objectives within the region.
MATR Regulation 7(l)	Compliance with the legislative regime applicable to the proposed transfer or disposal.	The disposal will be implemented in compliance with the MFMA, Municipal Asset Transfer Regulations, Supply Chain Management Regulations, SPLUMA and the Municipality's Administration of Immovable Property Policy.

SCM Regulations	Municipal procurement and disposal processes must comply with the SCM framework to ensure transparency and fairness.	The disposal process will be implemented through the Municipality's SCM procedures and competitive bidding framework.
SPLUMA and Municipal Planning Legislation	Development may proceed only once all planning approvals and statutory authorisations are obtained.	The successful developer will be responsible for rezoning, environmental approvals, aviation approvals and other statutory authorisations at its own cost and risk.

COMMENTS FROM INTERNAL AUDIT

Supported.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

The primary risks associated with the proposed disposal relate to procedural non-compliance, market failure, infrastructure constraints, and reputational exposure. These risks will be mitigated through strict adherence to MFMA and MATR requirements, the inclusion of appropriate development conditions in the sale agreement, and ongoing Council oversight throughout the disposal and implementation phases.

Environmental, planning, and infrastructure risks will be mitigated by placing full responsibility for statutory approvals and bulk service contributions on the purchaser, in accordance with applicable legislation and municipal policy.

COMMENTS FROM LEGAL SERVICES

I support the integrated master-planned development approach, which aligns with the Municipality's investment strategy and the Western Cape's Growth for Jobs framework.

The consolidated disposal framework is appropriate and avoids fragmented land-use planning. The projected 3 000+ employment opportunities further strengthen the development case.

The proposed competitive bidding process, development milestones, and reversionary safeguards adequately address compliance and reduce risk of speculative land holding.

I support the recommendation that the developer install bulk infrastructure in lieu of development contributions, given the Municipality's financial constraints and the scale of required services.

Rescinding past Council resolutions is appropriate to ensure a single, legally sound development process.

Overall, I support the in-principal disposal as it presents strong economic, spatial, and governance merits for the Municipality.

COMMENTS FROM RISK MANAGEMENT

Noted the content of the item.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council resolve as follows:

1. Council take note of all applicable legislative processes and legal compliance as provided for in the report.
2. Approves in principle, in terms of Section 14 of the MFMA and the Municipal Asset Transfer Regulations, the disposal by way of sale of land approximately between 250- and 300-hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity as illustrated on the attached locality plan.
3. Confirms, in accordance with Section 14(2)(a) of the Municipal Finance Management Act, that the said municipal property is not required to provide the minimum level of basic municipal services, and that the strategic value of the property lies in its potential to support long-term economic development and investment within the Theewaterskloof municipal area.
4. Council further recognises the strategic importance of the proposed development in positioning Caledon as a regional economic growth node within the Overberg District and supporting the Western Cape Government's Growth for Jobs strategy
5. Rescinds or amends previous Council resolutions where necessary as provided for in the above discussion.
6. Authorises the Accounting Officer to initiate the required statutory and SCM processes required to give effect to the disposal of the property, including;
 - 6.1. placement of a public notice as part of a public and transparent process to request comments or reviews from the general public for consideration.
 - 6.2. the procurement of an independent valuation
 - 6.3. the implementation of a competitive disposal process as provided for in applicable legislation.
 - 6.4. the preparation of the necessary transaction and development documentation, including appropriate development conditions, milestone obligations, and reversionary safeguards

- 6.5. that all application processes can be conducted to obtain appropriate legislative authorisations which would include Town Planning and Building Control
7. Notes that the proposed disposal process will incorporate appropriate development obligations and implementation milestones in order to ensure that the property is developed in accordance with the intended master-planned development concept and that the Municipality is protected against speculative land acquisition or land banking.
8. Notes that the final transaction will be submitted for approval by the Delegated Authority.
9. That the bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of the payment of development contributions, in accordance with the Municipality's Development Contribution Policy, and subject to the conclusion of a Services Agreement with the Municipality, which agreement will regulate the design standards, implementation, ownership transfer, and integration of such infrastructure into the municipal engineering services network.

RESOLVED BY MANAGEMENT: 23 MARCH 2026

It is resolved:

1. That the agenda-item be referred back.
 2. That all Council Resolutions which need to be rescinded, be included under point 5.
 3. It was further noted that this matter relates to a municipal airport, and that the Director: Economic Development and Planning, Ms N Baliso, is requested to verify all the details in this regard and include it in the agenda-item.
 4. That the amended agenda-item be presented at a Management Meeting before it is submitted to the Economic Development Portfolio Committee for discussion.
1. *Agenda-item referred back.*
 2. *For finalization by the Director: Economic Development and Planning, Ms N Baliso.*

RESOLVED BY MANAGEMENT: 07 MAY 2026

1. Management resolved that the agenda-item be referred back to be amended.

2. That the amendments to the agenda-item must include the following:

2.1 That no amendments must be made to the original agenda-item and recommendation which serves at the Management Meeting of 23 March 2026. That the amendments which were made, be corrected.

2.2 That all amended/new information in the agenda-item be included under the heading "Additional information by item Author".

2.3 That a new "Recommendation by Item Author" be included directly below the amended/new information.

2.4 That the amended agenda-item be represented to Management for consideration.

1. Agenda-item referred back.

2. For finalization by the Manager: Property Management, Mr E Wessels.

COMMENTS FROM DIRECTORATE

Item was corrected and all amendments made on the Item following 23 March 2026 Management meeting was changed back to the original content. New amended recommendations were added to the additional comments by Item Author Section.

ADDITIONAL COMMENTS FROM ITEM AUTHOR

It was recommended by Management on 23 March 2026 that:

a. That all Council Resolutions which need to be rescinded, be included under point 5.

Answer: This comment is noted and acted upon.

b. That this matter relates to a municipal airport, and that the Director: Economic Development and Planning, Ms N Baliso, is requested to verify all the details in this regard and include it in the agenda-Item.

Answer: Comments is noted and the following must be added to the report: The existing Caledon Airfield is presently reflected in the records of the South African Civil Aviation Authority as Caledon (FACG) under Aerodrome Registration No. R394 for general aviation purposes. The available information indicates that the facility is a registered Category Z aerodrome, being an unlicensed aerodrome recognised by SACAA, rather than a licensed public airport.

The Municipality further notes that the Caledon Flight Club, which operates from the premises, appears to function as the current local aviation body and practical custodian associated with the continued occupation, use, and administrative maintenance of the registered aerodrome.

Following additional information required the following amended recommendations as proposed to the Item:

AMENDED RECOMMENDATION BY ITEM AUTHOR:

It is accordingly recommended that Council:

1. take note of the legislative and governance framework as provided for in this report;
2. approve in principle the disposal by way of sale of approximately 300 hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity;
3. confirm that the said property is not required for the minimum level of basic municipal services and that its strategic value lies in its redevelopment and economic development potential;
4. Rescinds previous Council resolutions insofar as they relate to the separate development or disposal of portion of land included in this proposed disposal. These resolutions include the following:
 - 4.1. SC14/2014 and C149/2021, which approved the development of a portion of land for industrial development purposes
 - 4.2. Resolutions which supported the Flight Park development concept and related aviation-related activities
 - 4.3. C25/2023, which approved a portion of Erf 1 Caledon for farming or agricultural development initiatives as well to explore the potential development of renewable energy infrastructure
5. authorise the Accounting Officer to initiate the required statutory, valuation, public participation and competitive disposal processes;
6. authorise that the successful bidder may proceed with obtaining all appropriate legislative authorisations which would include amongst others, Town Planning and Building Control approvals.
7. note that the eventual disposal documentation will incorporate development obligations, milestone requirements and reversionary safeguards; and
8. approve that the required bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of development contributions, subject to a Services Agreement with the Municipality.

9. notes that the final transaction will be submitted for approval to the Delegated Authority.

RECOMMENDATION BY MANAGEMENT TO THE EMC: 04 JUNE 2026

It is accordingly recommended that Council:

1. take note of the legislative and governance framework as provided for in this report;
2. approve in principle the disposal by way of sale of approximately 300 hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity;
3. confirm that the said property is not required for the minimum level of basic municipal services and that its strategic value lies in its redevelopment and economic development potential;
4. Rescinds previous Council resolutions insofar as they relate to the separate development or disposal of portion of land included in this proposed disposal. These resolutions include the following:
 - 4.1. SC14/2014 and C149/2021, which approved the development of a portion of land for industrial development purposes
 - 4.2. Resolutions which supported the Flight Park development concept and related aviation-related activities
 - 4.3. C25/2023, which approved a portion of Erf 1 Caledon for farming or agricultural development initiatives as well to explore the potential development of renewable energy infrastructure
5. authorise the Accounting Officer to initiate the required statutory, valuation, public participation and competitive disposal processes;
6. authorise that the successful bidder may proceed with obtaining all appropriate legislative authorisations which would include amongst others, Town Planning and Building Control approvals.
7. note that the eventual disposal documentation will incorporate development obligations, milestone requirements and reversionary safeguards; and
8. approve that the required bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of development contributions, subject to a Services Agreement with the Municipality.

9. notes that the final transaction will be submitted for approval to the Delegated Authority.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

1. That Council take note of the legislative and governance framework as provided for in this report;
2. That Council approve in principle the disposal by way of sale of approximately 300 hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity;
3. That Council confirm that the said property is not required for the minimum level of basic municipal services and that its strategic value lies in its redevelopment and economic development potential;
4. That Council rescinds previous Council resolutions insofar as they relate to the separate development or disposal of portion of land included in this proposed disposal. These resolutions include the following:
 - 4.1. SC14/2014 and C149/2021, which approved the development of a portion of land for industrial development purposes
 - 4.2. Resolutions which supported the Flight Park development concept and related aviation-related activities
 - 4.3. C25/2023, which approved a portion of Erf 1 Caledon for farming or agricultural development initiatives as well to explore the potential development of renewable energy infrastructure
5. That Council authorise the Accounting Officer to initiate the required statutory, valuation, public participation and competitive disposal processes;
6. That Council authorise that the successful bidder may proceed with obtaining all appropriate legislative authorisations which would include amongst others, Town Planning and Building Control approvals.
7. That Council note that the eventual disposal documentation will incorporate development obligations, milestone requirements and reversionary safeguards; and

8. That Council approves that the required bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of development contributions, subject to a Services Agreement with the Municipality.
9. That notes that the final transaction will be submitted for approval to the Delegated Authority.

RECOMMENDATION TO COUNCIL:

It is recommended:

1. That Council take note of the legislative and governance framework as provided for in this report;
2. That Council approve in principle the disposal by way of sale of approximately 300 hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity;
3. That Council confirm that the said property is not required for the minimum level of basic municipal services and that its strategic value lies in its redevelopment and economic development potential;
4. That Council rescinds previous Council resolutions insofar as they relate to the separate development or disposal of portion of land included in this proposed disposal. These resolutions include the following:
 - 4.1. SC14/2014 and C149/2021, which approved the development of a portion of land for industrial development purposes
 - 4.2. Resolutions which supported the Flight Park development concept and related aviation-related activities
 - 4.3. C25/2023, which approved a portion of Erf 1 Caledon for farming or agricultural development initiatives as well to explore the potential development of renewable energy infrastructure
5. That Council authorise the Accounting Officer to initiate the required statutory, valuation, public participation and competitive disposal processes;
6. That Council authorise that the successful bidder may proceed with obtaining all appropriate legislative authorisations which would include amongst others, Town Planning and Building Control approvals.
7. That Council note that the eventual disposal documentation will incorporate development obligations, milestone requirements and reversionary safeguards; and

8. That Council approves that the required bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of development contributions, subject to a Services Agreement with the Municipality.
9. That notes that the final transaction will be submitted for approval to the Delegated Authority.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

1. Council noted the legislative and governance framework as provided for in this report;
2. Council approved in principle the disposal by way of sale of approximately 300 hectares forming part of the Caledon Airfield and Chavonnes Industrial Hub precinct as a single integrated development opportunity;
3. Council confirm that the said property is not required for the minimum level of basic municipal services and that its strategic value lies in its redevelopment and economic development potential;
4. Council rescinds previous Council resolutions insofar as they relate to the separate development or disposal of portion of land included in this proposed disposal. These resolutions include the following:
 - 4.1. SC14/2014 and C149/2021, which approved the development of a portion of land for industrial development purposes
 - 4.2. Resolutions which supported the Flight Park development concept and related aviation-related activities
 - 4.3. C25/2023, which approved a portion of Erf 1 Caledon for farming or agricultural development initiatives as well to explore the potential development of renewable energy infrastructure
5. Council authorise the Accounting Officer to initiate the required statutory, valuation, public participation and competitive disposal processes;
6. Council authorise that the successful bidder may proceed with obtaining all appropriate legislative authorisations which would include amongst others, Town Planning and Building Control approvals.
7. Council note that the eventual disposal documentation will incorporate development obligations, milestone requirements and reversionary safeguards; and

8. Council approves that the required bulk municipal infrastructure required to support the proposed development be designed, funded and installed by the developer in lieu of development contributions, subject to a Services Agreement with the Municipality.
9. That notes that the final transaction will be submitted for approval to the Delegated Authority.

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

ITEM TITLE

C150/2026 DIRECTORATE FINANCE: PROGRESS REPORT ON AUDIT ACTION PLAN FOR 2024-2025

[English version of the report is the original]

FILE NUMBER

5/14/1/1/1

PURPOSE OF REPORT

To inform Council of the progress made on the Audit Action Plan for the 2024-2025 financial year.

BACKGROUND

An Audit Action Plan was compiled to address the audit findings in the Auditor General's final Management Report for the 2024-2025 financial year. The aim is to strengthen the internal control environment and prevent recurring audit findings.

DISCUSSION

The updated 2024-2025 Audit Action Plan is attached. The updates on the Audit Action Plan were confirmed by Internal Audit in June 2026.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 131(1) of the MFMA states: A municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection."

Section 165 and 166 of the MFMA as per the assurance function.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council takes cognizance of the Progress of the 2024/2025 Audit Action Plan.

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 JUNE 2026

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

That Council takes cognizance of the Progress of the 2024/2025 Audit Action Plan.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes cognizance of the Progress of the 2024/2025 Audit Action Plan.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes cognizance of the Progress of the 2024/2025 Audit Action Plan.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council noted the Progress of the 2024/2025 Audit Action Plan.

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

ITEM TITLE

55

C151/2026 DIRECTORATE FINANCE: CONSIDERATION OF OVERDRAFT FACILITY

[English version of the report is the original]

FILE NUMBER

5/15/2

PURPOSE OF REPORT

To obtain approval from Council for an Overdraft Facility of R20 million effective for the period 01 July 2026 till 30 June 2027.

BACKGROUND

Due to the ongoing financial challenges experienced by the municipality, it once again necessitates the municipality to take up an overdraft facility with the municipality's primary banker, Standard Bank. The proposed action was presented at the cash flow committee meeting on Wednesday 10 June 2026 which is represented by both Provincial- and National Treasury officials.

The purpose of the overdraft is to supplement funds to honor current commitments for creditors and salary related expenses due to current financial constraints.

DISCUSSION

Indicative pricing was requested from the municipality's primary banker Standard Bank:

- Interest rate: Prime + 1%
- Initiation fee: 1.26% of the facility (i.e. R20 000 000 @ 1.26% = R252,000)

Requirements:

- Bank obtaining internal credit approval
- Certified council resolution signed by the mayor
- Signing of a Banking Facilities Agreement ("BFA") by the Municipal Manager
- Compliance with the Municipal Finance Management Act ("MFMA")
- Other related pre-conditions to be confirmed

As per cash flow projections this repayment is reliant on an improved collection rate and receiving full, complete allocations of external funding timeously.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

Estimated Costs:

Initiation fee of 1.26% of facility – R 252 000.00

Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00

(R16 000 000.00 to be used for unutilized fee not to be applicable)

Indicative interest rate Prime +1 charge on take-on amount. – (S.A prime rate – 10.25% - 10 June 2026)

01/1510/9/5523/0 - R 300 000.00

LEGAL IMPLICATIONS (ITEM AUTHOR)

- Chapter 6 section 45 (Short term Debt) of the Municipal Finance Management Act No 56 of 2003
- Division of Revenue Act – (2026/2027)

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Will be addressed in risk register.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council in terms of section 45 of the MFMA, take note of the following and in principle approve the proposed application for an overdraft facility as set out below.

1. Overdraft facility of R20 million with the following estimated costs:

1.1. Initiation fee of 1.26% of facility – R 252 000.00

**1.2. Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00
(R16 000 000.00 to be used for unutilized fee not to be applicable)**

1.3. interest rate Prime +1 charge on take-on amount.

2. Overdraft Facility of R20 million be effective from 01 July 2026 to 30 June 2027 to be utilized during this period, for the honoring of salary- and creditors related expenses should the need arise.

3. That the Acting Municipal Manager be mandated to sign all relevant documents with Standard Bank for the facility.

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 JUNE 2026

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

That Council, in terms of section 45 of the MFMA, take note of the following and in principle approve the proposed application for an overdraft facility as set out below.

- 1. Overdraft facility of R20 million with the following estimated costs:**
 - 1.1. Initiation fee of 1.26% of facility – R 252 000.00**
 - 1.2. Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00
(R16 000 000.00 to be used for unutilized fee not to be applicable)**
 - 1.3. Interest rate Prime +1 charge on take-on amount.**
- 2. Overdraft Facility of R20 million be effective from 01 July 2026 to 30 June 2027 to be utilized during this period, for the honoring of salary- and creditors related expenses should the need arise.**
- 3. That the Acting Municipal Manager be mandated to sign all relevant documents with Standard Bank for the facility.**
- 4. The Finance Portfolio Committee requested that a monthly status report on the municipality's overdraft facility be submitted to the Committee for monitoring and oversight purposes.**

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council, in terms of section 45 of the MFMA, take note of the following and in principle approve the proposed application for an overdraft facility as set out below.

- 1. Overdraft facility of R20 million with the following estimated costs:**
 - 1.1. Initiation fee of 1.26% of facility – R 252 000.00**
 - 1.2. Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00
(R16 000 000.00 to be used for unutilized fee not to be applicable)**
 - 1.3. Interest rate Prime +1 charge on take-on amount.**

2. Overdraft Facility of R20 million be effective from 01 July 2026 to 30 June 2027 to be utilized during this period, for the honoring of salary- and creditors related expenses should the need arise.
3. That the Acting Municipal Manager be mandated to sign all relevant documents with Standard Bank for the facility.

RECOMMENDATION TO COUNCIL:

It is recommended that Council in terms of section 45 of the MFMA, take note of the following and in principle approve the proposed application for an overdraft facility as set out below.

1. Overdraft facility of R20 million with the following estimated costs:
 - 1.1. Initiation fee of 1.26% of facility – R 252 000.00
 - 1.2. Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00 (R16 000 000.00 to be used for unutilized fee not to be applicable)
 - 1.3. interest rate Prime +1 charge on take-on amount.
2. Overdraft Facility of R20 million be effective from 01 July 2026 to 30 June 2027 to be utilized during this period, for the honoring of salary- and creditors related expenses should the need arise.
3. That the Acting Municipal Manager be mandated to sign all relevant documents with Standard Bank for the facility.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council approved the proposed application for an overdraft facility as set out below in terms of section 45 of the MFMA, take note of the following and in principle

1. Overdraft facility of R20 million with the following estimated costs:
 - 1.1. Initiation fee of 1.26% of facility – R 252 000.00
 - 1.2. Unutilized facility fee of 1.26% if facility is less than 80% utilized – R252 000.00 (R16 000 000.00 to be used for unutilized fee not to be applicable)

1.3. interest rate Prime +1 charge on take-on amount.

59

- 2. Overdraft Facility of R20 million be effective from 01 July 2026 to 30 June 2027 to be utilized during this period, for the honoring of salary- and creditors related expenses should the need arise.**
- 3. That the Acting Municipal Manager be mandated to sign all relevant documents with Standard Bank for the facility.**
- 4. The Finance Portfolio Committee and Council requested that a monthly status report on the municipality's overdraft facility be submitted for monitoring and oversight purposes.**

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

ITEM TITLE

**C152/2026 DIRECTORATE FINANCE: DEPARTMENT: SUPPLY CHAIN
MANAGEMENT DEVIATION REPORT FOR MAY 2026**

[English version of the report is the original]

FILE NUMBER

6/3/3/6

PURPOSE OF REPORT

To present a report to Council consisting of the reasons for deviating in terms of subparagraphs 36(1)(a) and (b) of the SCM Policy for the month of May 2026.

Please note that there were no deviations for the month of May 2026.

BACKGROUND

(1) The Accounting Officer may –

- a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation, includes but are not limited to –

- a) the possibility of human injury or death,
- b) the prevalence of human suffering or deprivation of rights,
- c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,
- d) the possibility that failure to take necessary action may result in the municipality not being able to render essential community service,
- e) the possibility that the security of the state could be compromised.

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

- (i) if such goods or services are produced or available from a single source or sole provider only (as per definition);
 - (ii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iii) acquisition of animals for zoos and/or nature and game reserves; or
 - (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
 - (v) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids; and
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

DISCUSSION

The report in terms of subparagraph 36(1)(a) can be found attached. Also note that the Accounting Officer did not ratify minor breaches of the procurement process in terms of subparagraph 36(1)(b).

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Regulation 36 of the Supply Chain Management Policy.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council takes cognisance of the report.

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 JUNE 2026

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

That Council takes cognisance of the report.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That Council takes cognisance of the report.

RECOMMENDATION TO COUNCIL:

It is recommended that Council takes cognisance of the report.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council takes cognisance of the report.

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

ITEM HEADING**C153/2026 DIRECTORATE FINANCE: COUNCIL LAPTOPS***[English version of the report is the original]***FILE NUMBER**

6/2/3/1

PURPOSE / AIM OF REPORT

For Council to determine an appropriate market-related selling value for laptops allocated to councillors and to consider the financial and legislative implications associated with the disposal of these assets.

BACKGROUND

Council approved the Policy for Tools of Trade for Councillors on 25 February 2025. Sections 6.2 and 6.3 of the policy provide as follows:

- "6.2 Councillors will be provided an opportunity to buy to the laptop or tablet as allocated to him/her at the end of his/her term as Councillor.*
- 6.3 The selling price of the laptop or tablet will be based on the market value of the laptop/tablet at the end of the Councillor's term.*
- i) 12 months before the end of the term of office of a Councillor he/she can apply to start paying off (monthly) the laptop based on the latest market value.*
 - ii.) The balance, if any at the end of their term of office, is payable/ deductible from his/her last salary."*

A physical verification of Council laptops allocated to councillors was conducted on 27 February 2026 to confirm the existence of the assets, identify the specific devices assigned to councillors, and determine the estimated carrying value of the laptops as at the end of October 2026.

The depreciation calculations were performed using the straight-line depreciation method, considering the acquisition date and original purchase price of each laptop.

Refer to annexure A attached.

DISCUSSION

The carrying value of each laptop was determined individually based on the asset register information and the remaining useful life of the device. The assessment identified several concerns and potential risks to the Municipality should the laptops be disposed of below fair market-related value.

The following key concerns have been identified:

1. High-value nature of the assets

Most of the laptops are Dell business-class models which are recognised for their durability, reliability, and higher market value compared to entry-level or lower-quality brands. As such, these devices retain value for a longer period and should not be equated to cheaper alternatives available in the general market. Selling the laptops at a low or fixed price may not reflect their true market value.

2. Risk of financial loss to the Municipality

Should the laptops be sold below the calculated carrying value, the Municipality may be required to recognise a financial loss on disposal of assets. This may negatively impact on the Municipality's financial statements and could raise audit concerns regarding whether assets were disposed of in an economical and responsible manner.

3. Legislative compliance regarding disposal of capital assets

In terms of section 14 of the Municipal Finance Management Act (MFMA), capital assets may only be disposed of after Council has considered the fair value of the asset and the economic and community value to be received in exchange for the asset. Furthermore, section 14(5) requires that transfer or disposal of assets must be fair, equitable, transparent, competitive, and consistent with the Municipality's Supply Chain Management Policy.

4. Reduction in future replacement funding

Income received from the sale of the laptops can contribute toward the replacement cost of laptops for the incoming Council term. Selling the laptops at significantly reduced values will result in less revenue being available to offset future procurement costs, thereby increasing the financial burden on the Municipality which is currently under FRP.

5. Audit and governance risks

The disposal of municipal assets below market-related value may expose the Municipality to audit findings and inadequate asset management practices. Laptops retain measurable financial value despite depreciation having been applied using the straight-line depreciation method. Due consideration must therefore be given to the carrying value of laptops.

Council should ensure that the disposal process complies with the requirements of the MFMA and the Municipality's Supply Chain Management Policy to mitigate financial, audit, and governance risks to the Municipality.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

If the laptops are sold below their carrying value or fair market-related value, the Municipality may incur a loss on disposal. However, disposal may also reduce future maintenance, support, and insurance costs associated with retaining the assets.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 14 of the Municipal Finance Management Act 56 of 2003.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council determine and approves a market-related selling price for the laptops allocated to councillors, considering the carrying value of each asset, the applicable legislative requirements, and the financial implications for the Municipality.

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 JUNE 2026

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

That the laptops currently allocated to Councillors be sold to the Councillors at a purchase price of R500 per laptop.

RECOMMENDATION BY THE EMC TO COUNCIL: 17 JUNE 2026

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

That the laptops currently allocated to Councillors be sold to the Councillors at a purchase price of R500 per laptop.

RECOMMENDATION TO COUNCIL:

It is recommended that the laptops currently allocated to Councillors be sold to the Councillors at a purchase price of R500 per laptop.

RESOLVED BY COUNCIL: 25 JUNE 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 TP Lemina it was resolved as follows:

That the laptops currently allocated to Councillors be sold to the Councillors at a purchase price of R500 per laptop.

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

ITEM HEADING**C154/2026 DIRECTORATE FINANCE: INCOME FORGONE, REBATES, REDUCTIONS AND REDEMPTIONS**

[English version of the report is the original]

FILE NUMBER

5/11/R

PURPOSE / AIM OF REPORT

That Council takes cognisance of the report of the statement of income forgone together with a list for the financial year 2024/2025.

BACKGROUND

In terms of section 15(3)(a) and section 15(3)(b) of the municipal property rates Act 6 of 2004 the municipal manager must annually table in the council of the municipality a list of all exemptions, rebates and reductions during a financial year and as well as a statement reflecting the forgone income.

DISCUSSION

Revenue forgone for the financial year 2024/2025 is reflected in the municipality's annual budget for the 2024/2025 year in terms of legislation. The list of exemptions, rebates and reductions during the year 2024/2025 should be tabled in terms of legislation. Therefore, a summary statement together with the list should be tabled to be compliant.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

None. The income foregone was already tabled in the 2024/2025 financial year.

LEGAL IMPLICATIONS (ITEM AUTHOR)

In terms of Section 15(3)(a) and Section 15(3)(b) of the Local Government: Municipal Property Rates, Act 6 of 2004, a list of all exemptions, rebates and reductions during a financial year and as well as a statement reflecting the income forgone must be tabled in the council of the municipality.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council takes cognisance of the report of the list of rebates, exemptions and reductions together with a statement for the financial year 2024/2025 which was already being tabled in the budget of the 2024/2025 financial year. This information can be obtained from the Directorate Finance.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council takes cognisance of the report of the list of rebates, exemptions and reductions together with a statement for the financial year 2024/2025 which was already being tabled in the budget of the 2024/2025 financial year. This information can be obtained from the Directorate Finance.

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

ITEM HEADING

69

C155/2026 DIRECTORATE TECHNICAL- AND INFRASTRUCTURE IMPLEMENTATION SERVICES: REPORTING ON PERFORMANCE OF CONTRACTORS FOR APRIL 2026

[English version of the report is the original]

FILE NUMBER

8/2/3/5/5

PURPOSE / AIM OF REPORT

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

1. Compile a report on the performance of service providers applicable to the Directorate and submit to Council monthly.
2. To present a report to Council in terms of the contract and performance management of the Technical Departments contractors for March 2026 to ensure the municipality receives value for money and the contracts are completed on time and within the approved budget.

BACKGROUND

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

The accounting officer of a municipality or municipal entity must -

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

DISCUSSION

Reporting pattern of Technical Services

Department	April 2026
Technical Services	Submitted

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

Tender no	Service Provider	Blockages	Reason
		No Blockages	

COMMENTS FROM THE DIRECTORATE TECHNICAL AND INFRASTRUCTURE IMPLEMENTATION SERVICES

Recommendation supported.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

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

LEGAL IMPLICATIONS (ITEM AUTHOR)

Chapter 8 Municipal Finance Management Act. 56 of 2003.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council takes cognisance of the report regarding the performance of service providers for the month of April 2026 for the Directorate Technical- and infrastructure Implementation Services.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

Council takes cognisance of the report regarding the performance of service providers for the month of April 2026 for the Directorate Technical- and infrastructure Implementation Services.

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

ITEM TITLE

C156/2026 DIRECTORATE CORPORATE SERVICES: DEPARTMENT ADMINISTRATION: NOMINATION OF TWO NEW MEMBER OF THE SPECIAL COMMITTEE ESTABLISHED IN TERMS OF RULE 16(1) OF SCHEDULE 7 TO REPLACE ALDERMAN DA APPEL AND ALDERMAN MR NONGXAZA

[English is the original version of the report]

FILE NUMBER

3/3/6

PURPOSE OF REPORT

That Council considers the nomination of two new Members to the Special Committee established in terms of Rule 16(1) of Schedule 7 to replace Alderman DA Appel and Alderman MR Nongxaza.

BACKGROUND**FEEDBACK BY THE SPEAKER – COUNCIL MEETING OF 25 FEBRUARY 2025:**

The Special Committee must consist out of 5 Councillors as per the Portfolio Committee representation.

The membership representation on the Special Committee will be 3 Members from the Coalition side and 2 Members from the Opposition side.

The 5 Members will elect the Chairperson during their first meeting.

Council nominates the following Councillors as Members of the Special Committee established in terms of Rule 16(1) of Schedule 7 per Council Resolution CIC13/2025 during a Council Meeting held on 25 February 2025:

Members of the Coalition:

**Councillor P Stander
Councillor H Linnerts
Councillor M Botes**

Members of the Opposition:

**Alderman DA Appel
Alderman MR Nongxaza**

During the Council Meeting of 27 August 2025, as per Council Resolution C233/2025, Council resolved as follows:

Council nominates the following Councillor as a Member of the Special Committee established in terms of Rule 16(1) of Schedule 7 to replace Councillor M Botes:

Members of the Coalition:

**Councillor P Stander
Councillor H Linnerts
Councillor J Smit**

Members of the Opposition:

**Alderman DA Appel
Alderman MR Nongxaza**

DISCUSSION

The African National Congress officially submitted on 01 June 2026 a notice of cessation of membership of both Alderman DA Appel and Alderman MR Nongxaza to the Municipal Manager, informing the Municipality that both Councillors will no longer serving as representatives of the party in Theewaterskloof Municipality.

LEGISLATIVE IMPLICATIONS

Code of Conduct for Councillors – Schedule 7

FINANCIAL IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

Not applicable

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council nominates the following Councillors as Members of the Special Committee established in terms of Rule 16(1) of Schedule 7 to replace Alderman DA Appel and Alderman MR Nongxaza:

Members of the Coalition:

**Councillor P Stander
Councillor H Linnerts
Councillor J Smit**

Members of the Opposition:

Alderman/Councillor

Alderman/Councillor

RESOLVED BY COUNCIL: 25 JUNE 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor TP Lemina and seconded by Councillor MA Nomkoko it was resolved as follows:

Council nominates the following Councillors as Members of the Special Committee established in terms of Rule 16(1) of Schedule 7 to replace Alderman DA Appel and Alderman MR Nongxaza:

Members of the Coalition:

Councillor P Stander
Councillor H Linnerts
Councillor J Smit

Members of the Opposition:

Alderman BB Mkhwibiso

Councillor MH Witbooi

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

Alderman LM de Bruyn leaves the Council Chambers.

ITEM HEADING

C157/2026 OFFICE OF THE SPEAKER: ALLEGED BREACH OF CODE OF CONDUCT FOR COUNCILLORS BY THE EXECUTIVE MAYOR, ALDERMAN LM DE BRUYN

[English version of the report is the original]

FILE NUMBER

3/3/3

PURPOSE OF REPORT

The aim of the report is to inform Council of the withdrawal of the complaints regarding the allegations of a breach of the Code of Conduct for Councillors by the Executive Mayor, Alderman LM De Bruyn.

BACKGROUND

Addition of Schedule 7 to Act 117 of 1998 (Local Government: Municipal Structures Act, 1998) as per Local Government: Municipal Structures Amendment Act, 2021 (the Code of Conduct for Councilors) stipulates as follows:

“ 2. General conduct of councilors

A Councillor must –

- (a) perform the functions of office in good faith, honestly and in a transparent manner; and*
- (b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.”*

The duty of the Speaker of the Council in so far as the Code of Conduct of Councillors is concerned, is embedded in Item 15 of Schedule 7 to Act 117 of 1998 (Local Government: Municipal Structures Act, 1998) as per Local Government: Municipal Structures Amendment Act, 2021 and reads as follows:

15. Breaches of Code –

- (1)** If the speaker of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the speaker must -
 - (a)** authorise an investigation of the facts and circumstances of the alleged breach;
 - (b)** give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and

- (c) report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.
- (2) A report in terms of subitem (1)(c) is open to the public.
- (3) The speaker must report the outcome of the investigation to the MEC of local government in the province concerned.

The allegations by the Director: Corporate Services, Mr GW Hermanus, indicate that the Executive Mayor, Alderman LM De Bruyn, disregarded the Code of Conduct for Councillors.

DISCUSSION

On 4 June 2026, the Speaker received a letter regarding the withdrawal of the complaints against the Executive Mayor, Alderman LM De Bruyn, by Mr GW Hermanus. The letter is hereto attached as Annexure A.

Mr Hermanus withdrew the following complaints which were referred to the Special Committee by Council on 27 February 2026:

- (d) Serious Misconduct and Transgression of the Code of Conduct for Councillors and failure/ negligence to perform the statutory duties of the Executive Mayor, Alderman LM De Bruyn dated 9 January 2026 (Council Resolution C54/2026) – Hereto attached as Annexure B.
- (e) Complaint: Interference in Administration: Alderman LM De Bruyn dated 28 November 2025 (Council Resolution C55/2026) – Hereto attached as Annexure C.

The Speaker hereby considers the aforementioned investigations as concluded, taking into account the withdrawal of the charges.

FINANCIAL RESPONSIBILITY

None

LEGAL RESPONSIBILITY

Municipal Systems Amendment Act, Act 3 of 2021 (Schedule 7 – Code of Conduct for Councillors)

RISK MANAGEMENT IMPLICATION

None

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

- 1. That Council takes cognizance of the content of the report.**

2. That Council considers Council Resolutions C54/2026 and C55/2026 as concluded and that no further investigations will be conducted in terms of the aforementioned complaints.
3. That the Speaker reports the outcome of the investigation to the MEC of Local Government.

RESOLVED BY COUNCIL: 25 JUNE 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:

1. Council takes cognizance of the content of the report.
2. Council considers Council Resolutions C54/2026 and C55/2026 as concluded and that no further investigations will be conducted in terms of the aforementioned complaints.
3. That the Speaker reports the outcome of the investigation to the MEC of Local Government.

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

ITEM TITLE

**C158/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES: IRREGULAR EXPENDITURE - WB TIPPER
TRUCK AND PLANT HIRE**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

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

The Committee can in terms of its mandate:

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

BACKGROUND

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

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

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

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

Irregular expenditure – Hiring of water tanker trucks:

A report was submitted to MPAC on 22 June 2023, to inform the committee of possible irregular expenses that incurred during the 2022/2023 year for the provision of water tanker trucks by WB Tipper Trucks and Plant Hire to the amount of R995 394,00. The reasons for this were problems of water provision in various towns that were unable to supply water to communities, caused by continuous power failures up to stage 6 by ESKOM. Additional water tanker trucks were needed to keep up with the water supply demand and to supply water to those towns who were running out of water supply. The report was presented to Council on 29 June 2023, and the irregular expenditure were resolved.

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

"RESOLVED BY COUNCIL: 29 JUNE 2023

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

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

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

The explanation for the irregular expenditure was a continuation of services delivered by WB Tipper Trucks and Plant Hire for the hiring of water tanker trucks and other plant, as explained in the report of 29 June 2023, that served before Council and has been resolved.

The amount of R 15 112 891.80 was for additional payments that was not included at the time when the report was submitted to Council and was already found as irregular by the AG.

DISCUSSION

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

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

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

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

LEGAL IMPLICATIONS (ITEM AUTHOR)

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

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

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

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

RECOMMENDATION BY ITEM AUTHOR:

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

RECOMMENDATION BY MANAGEMENT TO MPAC: 21 MAY 2024

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

RECOMMENDATION BY MPAC TO COUNCIL: 15 JANUARY 2025

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

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

RESOLVED BY COUNCIL: 25 FEBRUARY 2025

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

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

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

RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025

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

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

RESOLVED BY COUNCIL: 27 JUNE 2025

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

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

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

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

For finalization by the Municipal Manager, Mr W Hendricks.

Agenda-item referred to MPAC meeting of 20 November 2025 for discussion.

RESOLVED BY MPAC: 25 NOVEMBER 2025

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

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

COMMENTS BY MUNICIPAL MANAGER:

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

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

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

RECOMMENDATION TO COUNCIL:

It is recommended:

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

RESOLVED BY COUNCIL: 22 JANUARY 2026

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

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

RESOLVED BY MPAC: 05 FEBRUARY 2026

As Mr WSE Solomons-Johannes is currently on sick leave, this agenda item will not be discussed and will be referred to the MPAC Meeting scheduled for the 18th of February 2026 for discussion.

Refer to next MPAC Meeting.

RESOLVED BY MPAC: 18 FEBRUARY 2026

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

That the agenda-item be referred back to be rewritten to include all the correct information after a proper reconciliation of all the amounts of WB Tipper Truck and Plant Hire were done by the SCM Department.

- 1. Agenda-item referred back.*
- 2. For finalization by the Acting Director: Finance, Mr A Riddles.*

RESOLVED BY MANAGEMENT: 21 MAY 2026

Management discussed the matter regarding the compilation of one agenda-item as per the resolution of MPAC of 18 February 2026 and it was resolved that all the agenda-items be resubmitted as is to MPAC for consideration as the items are for different financial years and different services rendered and therefore the items cannot be combined as one item.

RECOMMENDATION BY ITEM AUTHOR:

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

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. That the irregular expenditure in the amount of R6 369499.25 and R1 523 957 not be written off at this stage.
2. That the matter be referred to the Disciplinary Board for investigation to determine whether liability, negligence, financial loss and possible disciplinary action.
3. That the report be submitted to Council as soon as possible.

RESOLVED BY COUNCIL: 25 JUNE 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 Councillor PJ Stander it was resolved as follows:

1. That the irregular expenditure in the amount of R6 369499.25 and R1 523 957 not be written off at this stage.
2. That the matter be referred to the Disciplinary Board for investigation to determine whether liability, negligence, financial loss and possible disciplinary action.
2. That the report be submitted to Council as soon as possible.

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

ITEM TITLE

**C159/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
COMMUNITY SERVICES – OPERATIONS: IRREGULAR EXPENDITURE
– PROCUREMENT OF GOODS AND SERVICES WITHOUT A
COMPETITIVE BIDDING PROCESS RESULTING IN IRREGULAR
EXPENDITURE – WB TIPPER TRUCK AND PLANT HIRE**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform MPAC of the non-compliance with Regulation 19(a) of the SCM Regulations as goods and services were procured without following a competitive bidding process that constitutes irregular expenditure of R 2 929 073.00.

BACKGROUND

The municipality deviated from the SCM process to appoint a service provider (WB Tipper Truck and Plant Hire (Pty) Ltd) for the amount of R 2 929 073.00 for the cleaning of towns (labour intensive) in TWK. The deviation was justified on the basis of staffing shortages and the urgent need to maintain service delivery. However, the deviation was found unjustifiable by the Auditor General, as it was due to inadequate planning on the municipality's part to meet the operational needs in a timely manner. This result in non-compliance with Regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the Accounting Officer even though it was not impractical to obtain price quotations in contravention with Regulation 36(1). This constitutes irregular expenditure of R2 929 073,00. The non-compliance was material and was included in the Audit Report of the Auditor General.

DISCUSSION**Unjustified deviations from normal Supply Chain processes:**

In terms of Section 2(1)(b) of the Supply Chain Management (SCM) Regulations, *“each municipality and municipal entity must in terms of Section 111 of the Act have and implement a Supply Chain Management Policy that –*

(b) is fair, equitable, transparent, competitive and cost effective;”

Section 19 of the Municipal Supply Chain Management Regulations on Competitive bids states

“A supply chain management policy must specify—

- a. *that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2); and*
- b. *that no requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process."*

Section 36 of the Municipal Supply Chain Management Regulations states that;

"A supply chain management policy may allow the Accounting Officer –

- a) *to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - i. ***In the case of an emergency;***
 - ii. ***If such goods or services are produced or available from a single provider only;***
 - iii. ***For the acquisition of special works of art or historical objects where specifications are difficult to compile;***
 - iv. ***Acquisition of animals for zoos; or***
 - v. ***In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and***
- b) *to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical.*
 - i. *The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements*
 - ii. *In terms of the Supply Chain Management (SCM) regulations 5: "An accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of regulation 4(1), but any such sub delegation must be consistent with sub regulation (2) and regulation 4".*

Furthermore, Paragraph 37 of the municipality's Supply Chain Policy states that:

"37. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES:

1. The Accounting Officer may -

- a) *dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - (i) *in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)*

Circumstances that warrant emergency dispensation, includes but are not limited to –

- a. the possibility of human injury or death,*
 - b. the prevalence of human suffering or deprivation of rights,*
 - c. the possibility of damage to property, or suffering and death of livestock and animals, the*
 - d. interruption of essential services, including transportation and communication facilities or*
 - e. support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,*
 - f. the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,*
 - g. the possibility that the security of the state could be compromised.*
- 1. The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.*
 - 2. Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy."*

During the testing of this deviation, the Auditor General identified several instances where the justification for the deviation was inadequate.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The irregular expenditure of R 2 929 073.00 has been recorded in the 2023/2024 financial statements. Management should ensure that the recurrence of the same is prevented.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Failing to manage irregular expenses in accordance with the MFMA could result in Council losing money and not receiving value for money.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.

RECOMMENDATION BY MANAGEMENT TO MPAC: 23 MAY 2025

It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.

RECOMMENDATION FROM MPAC TO COUNCIL: 11 JUNE 2025

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

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

RESOLVED BY COUNCIL: 27 JUNE 2025

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

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

The following Councillors requested that their names be minuted in terms of Rule 19(c) of the By-law on Rules of Order for Meetings of Council and Committees of Theewaterskloof Municipality – applicable to agenda-item C183/2025:

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

COMMENTS BY MUNICIPAL MANAGER:

Council resolution C183/2025 was not presented to Council, for rescindment of the Section 106 referral, on 24 November 2025.

The item was, however, presented to the Municipal Public Accounts Committee on 04 December 2025, and the Municipal Public Accounts Committee referred the agenda-item back.

As Council resolution C183/2025 was not rescinded, the agenda-item needs to be presented to Council to rescind Council resolution C183/2025 of 27 June 2025 and to refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "the resolution" taken on 04 December 2025 to refer the agenda-item back.

RECOMMENDATION TO COUNCIL:

It is recommended:

1. That Council rescind Council resolution C183/2025 of 27 June 2025.
2. That Council refer the agenda-item to the Municipal Public Accounts Committee to reconfirm the "recommendation to Council" taken on 04 December 2025 whereafter the agenda-item will be resubmitted to Council for consideration.

For finalization by the Municipal Manager, Mr W Hendricks.

Agenda-item referred to MPAC meeting of 04 December 2025 for discussion.

RESOLVED BY MPAC: 04 DECEMBER 2025

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

That the agenda item be referred back in order for the former Municipal Manager, Mr. W.S.E. Solomons-Johannes, to provide an explanation.

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

ADDITIONAL COMMENTS BY ITEM AUTHOR:

Additional supplementary documentation and portfolio of evidence provided.

RESOLVED BY COUNCIL: 22 JANUARY 2026

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

1. **Council rescind Council resolution C183/2025 of 27 June 2025.**
2. **Council approves the recommendation from the Municipal Public Accounts Committee of 04 December 2025 that the agenda-item be referred back.**
 1. *Agenda-item referred back.*
 2. *For finalization by the Director: Community Services, Mr WSE Solomons-Johannes.*

RESOLVED BY MPAC: 05 FEBRUARY 2026

As Mr WSE Solomons-Johannes is currently on sick leave, this agenda item will not be discussed and will be referred to the MPAC Meeting scheduled for the 18th of February 2026 for discussion.

Refer to next MPAC Meeting.

RESOLVED BY MPAC: 18 FEBRUARY 2026

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

That the agenda-item be referred back to be rewritten to include all the correct information after a proper reconciliation of all the amounts of WB Tipper Truck and Plant Hire were done by the SCM Department.

1. *Agenda-item referred back.*
2. *For finalization by the Acting Director: Finance, Mr A Riddles.*

RESOLVED BY MANAGEMENT: 21 MAY 2026

Management discussed the matter regarding the compilation of one agenda-item as per the resolution of MPAC of 18 February 2026 and it was resolved that all the agenda-items be resubmitted as is to MPAC for consideration as the items are for different financial years and different services rendered and therefore the items cannot be combined as one item.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended and to report to MPAC the non-compliance of Regulation 19(a) of the SCM Regulations regarding the procurement of goods and services without following a competitive bidding process that resulted in irregular expenditure to the amount of R 2 929 073.00.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. **That Council notes the finding of the AG regarding the unjustified expenditure of R 2 929 073.00.**
2. **That Council confirms that the procurement was not compliant with the SCM regulation 19A and SCM regulation 36.**
3. **That Council refers the matter to the Disciplinary Board to determine whether any officials acted negligence, whether financial misconduct occurs and whether any losses suffered by the municipality.**
4. **That Council require management to implement the AG recommendation and report back within 90 days with corrective actions taken.**

RESOLVED BY COUNCIL: 25 JUNE 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 Councillor PJ Stander it was resolved as follows:

- 1. Council notes the finding of the AG regarding the unjustified expenditure of R 2 929 073.00.**
- 2. Council confirms that the procurement was not compliant with the SCM regulation 19A and SCM regulation 36.**
- 3. Council refers the matter to the Disciplinary Board to determine whether any officials acted negligence, whether financial misconduct occurs and whether any losses suffered by the municipality.**
- 4. Council require management to implement the AG recommendation and report back within 90 days with corrective actions taken.**

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

ITEM TITLE

**C160/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: IRREGULAR
EXPENDITURE SIBAKULU SECURITY SERVICES**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee on the irregular expenditure incurred with regards to the Security Services (Sibakulu) appointed for the safeguarding of the TRA units Erf 8078.

BACKGROUND

The Gypsy Queen land, forms part of the Greater Grabouw project which was approved by the Department of Infrastructure for pre-feasibility studies. The municipality is in the process of implementing the Waterworks Emergency Housing project on a portion of Erf 8078, in providing permanent TRA structures for 67 families affected by a fire disaster. The municipality appointed a contractor to construct the TRA units who have since vacated the site due to non-payment for works completed. The funding for the project is co-funded by the Provincial and National Department of Human Settlements however the project is delayed to the non-payment of the second tranche to the municipality resulting in the contractor abandoning site.

The structures remained vacant and vulnerable to being illegally occupied as there was no (previous appointment terminated) security on site. Members of the Waterworks Informal Settlement indicated that they would illegally occupy the incomplete units should the contractor not return to site.

The municipality re-advertised tender DEV 04/2023/24 and awarded it to a new contractor on the 27th of June 2024. The work was envisaged to commence on the 1st of August 2024, of which security becomes the liability of the contractor. The municipality proceeded to appoint security company on an emergency basis to protect the incomplete structures as an interim measure to secure erf 8078 while the contractor is yet to establish site. The request to deviate from the normal SCM procedures was granted by the Accounting Officer in line with Regulation 36 (1)(a)(i).

Approval was granted for 1-month period, but the service was extended by 3 additional months.

DISCUSSION

As per the Auditor General's communication of findings identified during the audit of compliance with legislation for the year ended 30 June 2025, stated the following:

"The municipality justified this deviation by procuring security services for one month prior to commencement of a construction contract to prevent community members from illegally occupying vacant structures. However, this deviation does not meet the criteria for any other exceptional case where it is impractical or impossible to follow the official procurement processes. The situation could have been managed through a formal quotation process, and failure to plan adequately for PPE needs led to the unjustifiable deviation"

The municipality responded as follows:

"The imminent threat of illegal invasion and vandalism of the TRU units in the absence of security prompted immediate emergency action to secure the units. The request was for a month to allow for security to be on site before the new contractor could establish site. The formal quotation process also takes more than 1 month before an award is made considering 2-week advertisement and the evaluation of the offers"

The AG, however, maintains that although the deviation was approved by the Accounting Officer it was not impractical to obtain price quotations in contravention with regulation 36(1)(a), which lead to irregular expenditure of R 3 546 433.26

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

R 3 546 433 .26 irregular expenditure.

LEGAL IMPLICATIONS (ITEM AUTHOR)

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

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Non-Conformance to Auditor General Findings impacting the Annual Financial Statements.

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 3 546 433.26 be written off as irrecoverable.

RECOMMENDATION BY MANAGEMENT TO MPAC: 29 JANUARY 2026

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 3 546 433.26 be written off as irrecoverable.

RESOLVED BY MPAC: 18 FEBRUARY 2026

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

That the agenda-item be referred back to be rewritten to include all the correct information after a proper reconciliation of all the amounts of Sibakulu Security Services were done by the SCM Department.

1. *Agenda-item referred back.*
2. *For finalization by the Acting Director: Finance, Mr A Riddles.*

RESOLVED BY MANAGEMENT: 21 MAY 2025

Management discussed the matter regarding the compilation of one agenda-item as per the resolution of MPAC of 18 February 2026 and it was resolved that all the agenda-items be resubmitted as is to MPAC for consideration as the items are for different financial years and different services rendered and therefore the items cannot be combined as one 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 3 546 433.26 be written off as irrecoverable.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. **That Council does not write off the irregular expenditure at this stage and refers to the Disciplinary Board to conduct a full investigation into the circumstances surrounding the deviation approval process and possible negligence by officials.**
2. **That the internal Auditor, Mr A Opperman, review all documentation of Sibakulu Services of appointment and extension and report back to MPAC.**

RESOLVED BY COUNCIL: 25 JUNE 2026

95

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

Council does not write off the irregular expenditure at this stage and refers to the Disciplinary Board to conduct a full investigation into the circumstances surrounding the deviation approval process and possible negligence by officials.

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

ITEM HEADING

**C161/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
ECONOMIC DEVELOPMENT AND PLANNING: DEPARTMENT HUMAN
SETTLEMENTS: IRREGULAR EXPENDITURE – RANDZO PROJECTS**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure incurred with regards to the implementation of the Grabouw Hillside housing project, as the deviation appointment of Randzo Projects was deemed unjustifiable by the Auditor General.

BACKGROUND

The Hillside Housing Project is divided into 2 projects with one contract for the top structures and one contract for the civil engineering services installation. The Top structures component of the project was approved and was implemented by the then Western Cape: Department of Human Settlement now Western Cape: Department of Infrastructure: Branch Human Settlement (DOI). Due to numerous delays with the project which included non-performance of the contractor that was appointed by DOI the project over three (3) years (2017-2020) only managed to produce 93 units. The units were constructed in phase 1 which consists of 125 units, leaving 32 units outstanding.

The civil engineering component of the project was implemented by Theewaterskloof Municipality, the municipality has completed the installation of water and sewer services for phase 1, still to complete the stormwater and road infrastructure of phase 1.

DISCUSSION

In June 2023, in the municipality's attempt to resurrect all the stagnant housing projects applied to DOI for the revision of the financial details of the civil engineering component of the project to be in line with the latest subsidy quantum. This was approved and granted by DOI. Upon planning for implementation of the project, it was discovered that the location is where old hostels are situated and that they need to be demolished. This delayed the project as the municipality had difficulties in finding relocation land to relocate the occupants of these hostels to be able to commence with the installation of the civil engineering services.

After numerous engagements with the community and affected stakeholders, the municipality discovered that the occupants of the hostels are also beneficiaries of the housing projects in Hillside.

The municipality, therefore engaged with DOI to get the top structure component of the project to the municipality for accelerated implementation and use it to relocate the occupants of the hostels and simultaneously unlock the implementation of civil engineering component of phase 2. DOI requested commitment from TWK to commit in terms of accelerating the projects prior granting approval which the municipality did. DOI finally approved the top structure component being assumed over by the municipality and approved it on the latest subsidy quantum in January 2024.

The AG gave the following opinion in the 2024/25 audit:

"The municipality deviated from SCM processes to procure construction services for constructing 32 housing units. The municipality, while the tender process was underway, should have planned and initiated the request for tenders and thus made an award to the supplier on the basis that the conditions on the ground for the occupants of hostels were worsening thus the municipality had to act urgently to protect the community. The municipality should have continued to evaluate with the normal procurement processes process swiftly to enable the prompt awarding of the tender and timely commencement of the construction project. This deviation, therefore, stems from inadequate planning.

Impact:

This results in non-compliance with regulation 19(a) as goods were procured without following a competitive bidding process. Deviations were approved by the accounting officer even though it was not impractical to obtain price quotations in contravention with regulation 36(1)(a)(v). This results in irregular expenditure of R2 260 982.00 (expenditure current year). All future expenditure on these services should also be regarded as irregular expenditure. The non-compliance is material (recurring) and will be included in the audit report"

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

R 2 260 982.00 irregular expenditure

LEGAL IMPLICATIONS (ITEM AUTHOR)

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

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Non-Conformance to Auditor General Findings impacting the Annual Financial Statements

RECOMMENDATION BY ITEM AUTHOR:

28

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 260 982.00 be written off as irrecoverable.

RECOMMENDATION BY MANAGEMENT TO MPAC: 22 APRIL 2026

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud and negligence, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 2 260 982.00 be written off as irrecoverable.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

- 1. That Council note the AG Finding of the irregular expenditure of the amount of R 2 260 982.00.**
- 2. Council notes that the housing units were delivered and that no evidence of fraud, theft, corruption or personal benefit was identified.**
- 3. That Council satisfies the irregular expenditure as irrecoverable in terms of section 32 of the MFMA.**
- 4. That Council write off the irregular expenditure from the irregular expenditure register.**
- 5. That management must implement corrective measures to prevent future occurrence.**

RESOLVED BY COUNCIL: 25 JUNE 2026

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

- 1. Council notes the AG Finding of the irregular expenditure of the amount of R 2 260 982.00.**
- 2. Council notes that the housing units were delivered and that no evidence of fraud, theft, corruption or personal benefit was identified.**
- 3. Council satisfies the irregular expenditure as irrecoverable in terms of section 32 of the MFMA.**

4. **Council write off the irregular expenditure from the irregular expenditure register.**
5. **That management must implement corrective measures to prevent future occurrence.**

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

ITEM HEADING**C162/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
FINANCE: REPAIR OF TYRE**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure occurred for repairing of one (1) tyre of a vehicle in Grabouw.

BACKGROUND

On 18 December 2024, the same vehicle had a slow puncture and was operating on its spare wheel, leaving it without a backup tyre. Staff were instructed by SCM to obtain a quotation from Saskia's for the tyre repair and to upload it onto Collaborator. Our staff followed this instruction and took the vehicle to Saskia's solely to obtain a quote.

However, Saskia's holds an existing standing order (TWK1 Order H0000310) for tyre repairs on other municipal vehicles. The service provider erroneously assumed that our vehicle was also covered under this standing order and proceeded to repair the tyre without first verifying that CAM 30014 was in fact not listed on the order. At no point did our staff authorise or instruct Saskia's to carry out the repair — the service provider acted on its own incorrect assumption based on its existing relationship with the municipality.

The municipality's internal processes were followed correctly: approval was sought from SCM, and the intention was to obtain a quotation only. The irregular classification arose solely from the service provider's failure to verify vehicle coverage before commencing the work.

DISCUSSION

As per attachment.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The irregular expenditure of R 74.75 has been recorded in 2024/25 financial statements. Management should ensure that reoccurrence is prevented.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 74.75 be written off for the financial year 2024/2025.

RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026

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 74.75 be written off for the financial year 2024/2025.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

- 1. That Council note the irregular expenditure in the amount of R 74.75 note there is no evidence of fraud, corruption of financial loss note that Theewaterskloof Municipality receive value for money and recommend the write off the irregular expenditure section 32 of the MFMA.**
- 2. Direct the accounting officer to strengthen the measures to prevent future occurrence.**

RESOLVED BY COUNCIL: 25 JUNE 2026

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

- 1. Council notes the irregular expenditure in the amount of R 74.75 note there is no evidence of fraud, corruption of financial loss note that Theewaterskloof Municipality receive value for money and recommend the write off the irregular expenditure section 32 of the MFMA.**
- 2. Direct the accounting officer to strengthen the measures to prevent future occurrence.**

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

ITEM HEADING

**C163/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
FINANCE: TOWING OF VEHICLE TO THE GRABOUW OFFICE CAM
30014 - 2024/2025**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee of the irregular expenditure which occurred for towing of vehicle CAM 30014 to the Grabouw Office.

BACKGROUND

The vehicle broke down in a residential area in Grabouw where it was unsafe to leave the vehicle overnight. The meter reader stayed at the vehicle to safeguard.

The vehicle cannot be towed as the lower control arm broke. Econo Tyres (Point S) in Caledon, who will be doing the repairs as per the quote obtained, does not have a flatbed vehicle and does not have the space to store the vehicle currently.

The vehicle needs to be moved from where it has broken down to the Grabouw Town office which is about 2km away.

DISCUSSION

As per attachment.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The irregular expenditure of R 1 092.50 has been recorded in 2024/25 financial statements. Management should ensure that reoccurrence is prevented.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

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

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that, in the view of the fact that there is no reason to suspect fraud, Council has received value for money, Council did not suffer any loss and as there are no grounds for a claim against any official, the irregular expenditure in the amount of R 1 092.50 be written off for the financial year 2024/2025.

RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026

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 1 092.50 be written off for the financial year 2024/2025.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. That Council note the irregular expenditure in the amount of R 1 092.50 constitutes the irregular expenditure due to SCM non- compliance.
2. Note that the expenditure across from the unforeseen breakdown.
3. Note that no evidence of fraud, corruption or financial loss was identified accept that Theewaterskloof Municipality receives value for money.
4. Approve the write off the irregular expenditure section 32 of the MFMA.
5. Recommend that SCM establish a database or panel of approved towing service providers.

RESOLVED BY COUNCIL: 25 JUNE 2026

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

- 1. Council notes the irregular expenditure in the amount of R 1 092.50 constitutes the irregular expenditure due to SCM non- compliance.**
- 2. Note that the expenditure across from the unforeseen breakdown.**
- 3. Note that no evidence of fraud, corruption or financial loss was identified accept that Theewaterskloof Municipality receives value for money.**
- 4. Approve the write off the irregular expenditure section 32 of the MFMA.**
- 5. Recommend that SCM establish a database or panel of approved towing service providers.**

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

ITEM HEADING**C164/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: FINANCE: REPORTED ON UNAUTHORISED EXPENDITURE FOR 2024/25 FINANCIAL YEAR**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this report is to inform the Municipal Public Accounts Committee of Unauthorised Expenditure for 2024/25 financial year.

BACKGROUND

Unauthorised Expenditure in the amount of R 178 512 as disclosed by note 55.1 of the audited Annual Financial Statements.

DISCUSSION

Unauthorised expenditure is defined in section 1 of the MFMA as follows: "unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with this Act.

Section 32 of the Municipal Finance Management Act (MFMA), No. 56 of 2003 states the following:

"(1) Without limiting liability in terms of the common law or other legislation

- (g) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*
- (h) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);*

- (i) *any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or*
 - (j) *any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.*
- (2) *A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—*
3. *in the case of unauthorised expenditure, is—*
- (i) *authorised in an adjustments budget; or*
 - (ii) *certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council;*

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The unauthorised expenditure of R 178 512 has been recorded in the financial statements.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

Failing to manage unauthorised 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 unauthorised expenditure in the amount of R 178 512 be written off for the financial year 2024/25.

RECOMMENDATION FROM MANAGEMENT TO MPAC: 20 MAY 2026

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 unauthorized expenditure in the amount of R 178 512 be written off for the financial year 2024/25.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. **Note the investigation of the unauthorized R 178 512 accept the finding that the expenditure resulted from a noncash GRAP 17 impairment adjustment note that no evidence of corruption fraud negligence or financial loss to Theewaterskloof Municipality was identified.**
2. **Write off the expenditure amount of R 178 512.**
3. **That the Acting Director Finance, Mr. A Riddles strengthen budget monitor controls to prevent future unauthorized expenditure.**

RESOLVED BY COUNCIL: 25 JUNE 2026

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

1. **Note the investigation of the unauthorized R 178 512 accept the finding that the expenditure resulted from a noncash GRAP 17 impairment adjustment note that no evidence of corruption fraud negligence or financial loss to Theewaterskloof Municipality was identified.**
2. **Write off the expenditure amount of R 178 512.**
3. **That the Acting Director Finance, Mr. A Riddles strengthen budget monitor controls to prevent future unauthorized expenditure.**

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

ITEM HEADING

108

C165/2026 DIRECTORATE FINANCE: UNAUTHORISED EXPENDITURE FOR 2022/23 AND 2023/24 FINANCIAL YEARS

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this item is to place before Council the formal assessment by the Western Cape Provincial Treasury (PT) regarding the write-off of unauthorised expenditure for the 2022/23 and 2023/24 financial years, as resolved under Resolution C74/2026 on 27 February 2026, and to enable Council to formally deliberate on and record its position in relation thereto, in compliance with the requirements of Section 32 of the Municipal Finance Management Act, 2003 (MFMA).

BACKGROUND

At its ordinary meeting held on 27 February 2026, Council resolved under Council Resolution C74/2026 to write off unauthorised expenditure amounting to:

2022/23 Financial Year: R 104 357 068

2023/24 Financial Year: R 49 370 445

TOTAL: R 153 727 513

This resolution followed a recommendation from the Municipal Public Accounts Committee (MPAC) arising from its meeting held on 5 February 2026, in which MPAC deliberated on information presented by the municipal administration in terms of Section 32(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The matter has since been the subject of a series of formal correspondence exchanges between the Provincial Treasury and the Municipality, which are presented to Council in the trailing documents forming **Annexures A to F** hereto.

DISCUSSION

Council is directed to note and consider the trailing correspondence (Annexures A – F) summarised as follows:

Annexure A – Council Resolution (27 February 2026)

Annexure B – PT Allegation Letter (February 2026, Ref: PTR 12/2/15/11):

The MEC for Finance, Deidré Baartman, raised allegations of financial misconduct and potential non-compliance with MFMA Section 32, and requested the Municipality to submit supporting documentation within seven (7) days, including the MPAC report, signed MPAC minutes of 5 February 2026, the MPAC report signed by the MPAC Chairperson, and the Council minutes of 27 February 2026.

Annexure C – Municipality's Response (19 February 2026):

The Acting Municipal Manager, Mr G.W. Hermanus, and the Speaker, Cllr W.H. Wells, responded confirming that the identification, reporting, and processing of the unauthorised expenditure was conducted diligently and transparently. The response provided context on the misallocations arising from the absence of an acceptable adjustment budget, proper recording in the Annual Financial Statements (AFS), an unqualified audit opinion for 2022/23 (notwithstanding full disclosure of unauthorised expenditure), and the significant improvement in financial controls evidenced by near-zero unauthorised expenditure in 2024/25. The Municipality asserted that no misrepresentation was conducted.

Annexure D – PT Assessment (24 April 2026):

Following receipt of the Municipality's documentation, the PT conducted a formal assessment under its oversight mandate. The assessment identified material deficiencies in the timeliness, completeness, and quality of information underpinning MPAC's recommendations and Council's decision-making. Key findings include:

- (a) The information presented to MPAC and, subsequently, to Council was materially limited and did not adequately address the requirements of Section 32 of the MFMA, specifically the absence of: a factual background and root-cause analysis of the unauthorised expenditure; identification of all officials potentially liable; consideration of negligent or deliberate conduct; a recovery assessment as contemplated in Regulation 74 of the Municipal Budget and Reporting Regulations (MBRR); details of corrective measures; and documentary consideration of disciplinary, civil or criminal processes.
- (b) Council's resolution to write off the unauthorised expenditure appears to have been taken without the benefit of sufficiently detailed and differentiated oversight reporting from MPAC, thereby undermining the robustness, transparency, and legislative compliance of the decision-making process.
- (c) The absence of documented consideration of consequence management, including referral to the Disciplinary Board as required by Section 32(5) of the MFMA, represents a significant gap in both MPAC's recommendations and Council's resolution.
- (d) The MPAC minutes of 5 February 2026 were signed and approved by the Acting MPAC Chairperson only on 5 March 2026 – after Council had already resolved on the matter on 27 February 2026 – raising governance concerns regarding the integrity and audit defensibility of MPAC records.

The PT recommended that Council engage MPAC to confirm the accuracy of the approved minutes and evaluate whether resolution C74/2026 should be reconsidered, rescinded, or amended, particularly in relation to recoverability determinations and consequence management considerations.

Annexure E – Municipality's Response to PT Assessment (30 April 2026):

The Municipality, through the Speaker, acknowledged the PT's findings and recommendations and advised that, after careful consideration of the assessment and an internal review, no amendments or rescissions to the Council resolution of 27 February 2026 are proposed. The Municipality committed to implementing enhanced reporting requirements with effect from 29 April 2026, including detailed root-cause analyses, identification of responsible officials, assessment of recoverability, consequence management considerations, and formal confirmation of the accuracy and completeness of reports. The Municipality affirmed that the decisions taken were reasonable within the context and constraints at the time.

Annexure F– Subsequent PT Correspondence (May 2026):

Notwithstanding the Municipality's response of 30 April 2026, the MEC for Finance noted outstanding procedural and governance matters and formally required the following of Council:

- (i) The PT assessment should be formally communicated to Council for consideration, and Council should formally indicate whether it confirms or revises resolution C74/2026.
- (ii) Council should address the absence of consequence management measures in terms of Section 32(5) of the MFMA, including formally indicating whether the matter has been referred to the Disciplinary Board and, if not, providing reasons.
- (iii) MPAC should communicate its position regarding the accuracy of the minutes of the meeting held on 5 February 2026.

The present item is brought before Council to give formal effect to the PT's requirement and to enable Council, as the decision-making authority, to formally deliberate on the matter and determine whether to reaffirm, reconsider, or rescind resolution C74/2026, having due regard to the full body of correspondence and the PT's assessment.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

The financial implications of this matter relate directly to the write-off of unauthorised expenditure as resolved under resolution C74/2026, comprising:

Financial Year	Amount
2022/23 Financial Year	R 104 357 068
2023/24 Financial Year	R 49 370 445
TOTAL	R 153 727 513

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 32 of the MFMA governs the treatment of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE). It places a clear obligation on municipalities to respond promptly and decisively to the incurrence of UIFWE, including the timely investigation of such expenditure, appropriate reporting to oversight structures, and the implementation of corrective and remedial measures.

Section 32(2) of the MFMA provides that unauthorised expenditure may be written off following investigation by MPAC and a subsequent Council resolution, subject to compliance with applicable procedural and substantive requirements. The write-off process must be underpinned by complete, well-substantiated, and adequately documented information.

Section 32(5) of the MFMA requires that, where a person is alleged to have been responsible for UIFWE, disciplinary, civil, or criminal proceedings must be considered and, where applicable, instituted. The write-off of such expenditure does not, itself, absolve the Municipality of its obligation to consider and implement consequence management processes.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council resolve as follows:

- 1. Council notes the trailing correspondence and related documents set out in Annexures A to F.**
- 2. Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.**

Or

- 3. Council reaffirms its decision taken on 27 February 2026 under Resolution C74/2026 to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year, totaling R153 727 513.**

DISCUSSION DURING MEETING:

Alderman DA Appel proposed the following recommendation:

- 1. Council notes the trailing correspondence and related documents set out in Annexures A to F.*
- 2. Council reaffirms its decision taken on 27 February 2026 under Resolution C74/2026 to write off unauthorised expenditure amounting to R104 357 068 for*

the 2022/23 financial year and R49 370 445 for the 2023/24 financial year, totaling R153 727 513.

Proposal was seconded by Alderman MR Nongxaza.

The following counter-proposal was submitted by Councillor P Stander:

- 1. Council notes the trailing correspondence and related documents set out in Annexures A to F.*
- 2. Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorised expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.*
- 3. That the agenda-item be referred back to MPAC to reconsider the letter of the Minister of Finance.*

Counter-proposal was seconded by Alderman S Fredericks.

The voting process started, and each councillor indicated whether they vote for 1. Proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza or 2. Counter-proposal by Councillor P Stander seconded by Alderman S Fredericks.

The result of the voting process is as follows:

Proposal by Alderman DA Appel and seconded by Alderman MR Nongxaza = 10 votes.

Counter-proposal by Councillor P Stander and seconded by Alderman S Fredericks = 14 votes.

Councillor TB Zimmermann and Councillor D Lekhori abstain from the voting process.

RESOLVED BY COUNCIL: 28 MAY 2026

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

- 1. Council notes the trailing correspondence and related documents set out in Annexures A to F.**
- 2. Council reconsiders and rescinds resolution C74/2026 taken at the Council meeting of 27 February 2026, to write off unauthorized expenditure amounting to R104 357 068 for the 2022/23 financial year and R49 370 445 for the 2023/24 financial year.**
- 3. That the agenda-item be referred back to MPAC to reconsider the letter of the Minister of Finance.**

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

1. **Note the findings of Provincial Treasury and Minister Baartman.**
2. **Refer the matter to the Disciplinary board to investigate and determine root causes of the unauthorized expenditure, officials responsible whether negligence, misconduct or deliberate actions occurred.**
3. **Actions taken to prevent re-occurrence whether any disciplinary civil or criminal processes are required.**
4. **That the report be submitted to Council as soon as possible.**

RESOLVED BY COUNCIL: 25 JUNE 2026

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

1. **Note the findings of Provincial Treasury and Minister Baartman.**
2. **Refer the matter to the Disciplinary board to investigate and determine root causes of the unauthorized expenditure, officials responsible whether negligence, misconduct or deliberate actions occurred.**
3. **Actions taken to prevent re-occurrence whether any disciplinary civil or criminal processes are required.**
4. **That the report be submitted to Council as soon as possible.**

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

ITEM TITLE

114

**C166/2026 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: DIRECTORATE
CORPORATE SERVICES: DEPARTMENT HUMAN RESOURCES:
PAYMENT FOR UNIVERSITY OF STELLENBOSCH – MINIMUM
COMPETENCY TRAINING**

[English version of the report is the original]

FILE NUMBER

6/3/1/5/1

PURPOSE / AIM OF REPORT

The purpose of the report is to inform MPAC of the reasons why a SLA were entered into with the University of Stellenbosch, but no SCM process were followed. The amount of R 208 035 is for MMC training services rendered.

The Committee can in terms of its mandate;

- a. Investigate the irregular expenditure
- b. Make recommendations to Council as to who, if any is liable for the irregular expenditure
- c. Recommend to 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

University of Stellenbosch was appointed by Overberg District Municipality in terms of their SCM processes, to train staff nominated by all municipalities within the Overberg District in respect of MMC.

All five municipalities nominated staff to be part of their intake to the divide cost and to fill the class.

In terms of the agreement with SPL, each participating municipality will enter into an SLA and be billed separately.

Theewaterskloof entered into a supplementary agreement (SLA) with SPL, which was attached to the main Overberg District agreement.

DISCUSSION

Theewaterskloof Municipality nominated seven (7) learners to take part in this programme. In terms of the main agreement with Overberg District Municipality, Theewaterskloof Municipality entered into an SLA in order to be billed separately as the municipality could not afford to fill a class alone.

The cost of training was R3350.00 per unit standard as quoted in the main agreement with Overberg District Municipality.

The service provider rendered the service and issued an interim report to Theewaterskloof Municipality.

Stellenbosch University	2024/2025	Payment - MMC	Human Resource	604437	2024/06/05	32317	2024/11/29	R52 008,75
Stellenbosch University	2024/2025	Payment - MMC	Human Resource	604437	2024/06/05	32409	2024/12/13	R52 008,75
Stellenbosch University	2024/2025	Payment - MMC	Human Resource	604437	2024/06/05	32950	2025/01/25	R52 008,75
Stellenbosch University	2024/2025	Payment - MMC	Human Resource	604437	2024/06/05	35136	2025/02/28	R52 008,75

R208 035.00

It should be noted that Council received value for money and that there is no reason to suspect that fraud occurred or that grounds for a claim against any official exists.

The sharing of training programmes is normal practice with all Municipalities within a district. This enables municipalities who cannot afford to run programmes on their own to share costs and take part.

It must furthermore be noted that no deviation was done and the payment made was done based on the Overberg District agreement and SLA with the municipality.

FINANCIAL RESPONSIBILITIES

Amounts written off as irrecoverable should be included in the annual financial statements.

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.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 208 035.00 be written off as irrecoverable.

RECOMMENDATION BY MANAGEMENT TO MPAC: 04 JUNE 2026

It is therefore recommended that in the view of the fact that no reason to suspect fraud, Council has received value for money and did not suffer any loss. As there are no grounds for a claim against any official, it is recommended that the irregular amount of R 208 035.00 be written off as irrecoverable.

RECOMMENDATION FROM MPAC TO COUNCIL: 23 JUNE 2026

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

- 1. That Council notes the finding of the irregular expenditure in the amount of R 208 035. 00 relating to the minimum competency training program.**
- 2. That Council accepts the finding that Theewaterskloof Municipality receive value for money and suffer no financial loss.**
- 3. That Council write off the irregular amount of R 208 035.00 as irrecoverable as there is no evidence of fraud, corruption, bad faith or financial loss.**
- 4. That a copy of the contract signed by the students be attached to the report as an annexure for Council's information and consideration.**

RESOLVED BY COUNCIL: 25 JUNE 2026

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

1. **Council notes the finding of the irregular expenditure in the amount of R 208 035. 00 relating to the minimum competency training program.**
2. **Council accepts the finding that Theewaterskloof Municipality receive value for money and suffer no financial loss.**
3. **Council write off the irregular amount of R 208 035.00 as irrecoverable as there is no evidence of fraud, corruption, bad faith or financial loss.**
4. **That a copy of the contract signed by the students be attached to the report as an annexure for Council's information and consideration.**

For finalization by the Director: Corporate Services, Mr GW Hermanus.

N. OORWEGING VAN KENNISGEWINGS VAN MOSIES
CONSIDERATION OF NOTICES OF MOTIONS

O. OORWEGING VAN KENNISGEWINGS EN VRAE
CONSIDERATION OF NOTICES AND QUESTIONS

P. OORWEGING VAN DRINGENDE MOSIES /
CONSIDERATION OF NOTICES AND QUESTIONS

Q. IN-KOMITEEVERGADERING AGENDA-ITEMS VIR BESPREKING
IN-COMMITTEE MEETING AGENDA-ITEMS FOR DISCUSSION

Minuted and distributed as a separate Minutes of the Meeting.

R. VERDAGING / ADJOURNMENT

Die vergadering verdaag om 17:00.
The meeting adjourned at 17:00.

NOTULE BEKRAGTIG OP DIE DAG VAN
..... AS PRIMA FACIE BEWYS VAN DIE
JUISTHEID DAARVAN.

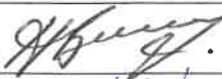
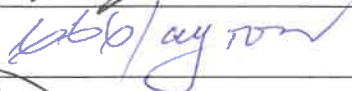
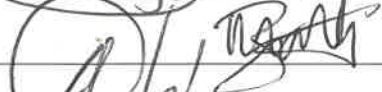
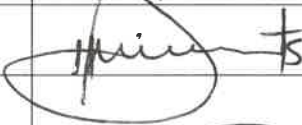
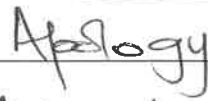
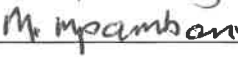
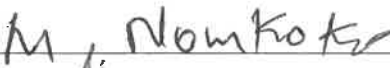
MINUTES CONFIRMED ON THE DAY OF
..... AS PRIMA FACIE EVIDENCE OF
IT'S CORRECTNESS.

.....
SPEAKER

.....
DATUM/DATE

OPGESTEL EN BYGEHOUD DEUR:
COMPILED AND RECORDED BY:


.....
S BARON
SEKRETARIAATDIENSTE
SECRETARIAT SERVICES

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	

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	
Raadsheer/Alderman C Wood	
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	
Mnr./Mr WSE Solomons-Johannes	
Mnr./Mr A Opperman	
Mnr/Mr H Gxoyiya	
Me./Ms M Faul	
Me./Ms S Baron	



RAADSVERGADERING /
COUNCIL MEETING
25 JUNIE / JUNE 2026

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