



MINUTES OF A MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD IN THE BANQUETING HALL, MALMESBURY ON MONDAY, 14 OCTOBER 2019 AT 15:00

PRESENT:

Executive Mayor, ald T van Essen (chairman)
Deputy Executive Mayor, add M S I Goliath

Members of the Mayor's Committee:

Clr O M Stemele
Ald R F van der Westhuizen
Add M van Zyl

Officials:

Municipal Manager, mr J J Scholtz
Director: Financial Services, mr M Bolton
Director: Civil Engineering Services, mr L D Zikmann
Director: Development Services, ms J S Krieger
Director: Security Services, mr P A C Humphreys
Director: Corporate Services, ms M S Terblanche
Manager: Secretarial and Record Services, ms N Brand

1. OPENING

The Executive Mayor welcomed members and requested ald R F van der Westhuizen to open the meeting with a prayer.

2. APOLOGIES

Apologies received from clr P E Solomons and the Director: Electrical Engineering Services, mr R du Toit.

3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS

None

4. MINUTES

4.1 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 18 SEPTEMBER 2019

RESOLUTION

That the minutes of an Ordinary Executive Mayor's Committee Meeting held on 18 September 2019 are approved and signed by the Mayor.

5. CONSIDERATION OF RECOMMENDATIONS AND MATTERS ARISING FROM THE MINUTES

5.1 MINUTES OF A PORTFOLIOS COMMITTEE MEETING HELD ON 9 OCTOBER 2019

[Corrections held over at the prerogative of the various committees.]

Recommendations submitted for ratification:

5.1.1 MUNICIPAL MANAGER, FINANCES AND ADMINISTRATION

5.1.1/...

RESOLUTION that Executive Mayor ratifies the recommendations in the relevant minutes.

5.1.2 **CIVIL AND ELECTRICAL SERVICES**

RESOLUTION that Executive Mayor ratifies the recommendations in the relevant minutes.

5.1.3 **DEVELOPMENT SERVICES**

RESOLUTION that Executive Mayor ratifies the recommendations in the relevant minutes.

5.1.4 **SECURITY SERVICES**

RESOLUTION that Executive Mayor ratifies the recommendations in the relevant minutes.

6. **MATTERS ARISING FROM THE MINUTES**

None

7. **NEW MATTERS**7.1 **FINAL PAYMENT FOR THE 2017/2018 AUDIT BY THE AUDITOR GENERAL (5/15/1/2)**

The *engagement letter* from the Auditor General (AG) and the associated audit strategy were discussed during the first AG management committee meeting and contains the terms of the audit, responsibilities, focus areas of the audit and relevant costs of the audit.

An agreement was reached with the AG not to exceed the audit costs by more than 7% based on the extra time which was necessitated by the audit of the bulk water infrastructure and mSCOA aspects. It was also agreed (1) that the Municipal Manager would be informed at each AG management committee meeting in respect of any overspending and (2) that approval must be obtained from the Municipal Manager for any overspending with acceptable reasons therefore.

The excessive overspending by the AG only came to light during the second last AG management committee meeting on 7 November 2018.

RESOLUTION

- (a) That cognizance be taken with regards to the time already spent to resolve the payment in respect of the overspending of the agreed budget for the 2017/2018 Auditor-General's audit without finalizing the matter;
- (b) To prevent any further unnecessary and unproductive hours spent by both the municipality and the Auditor-General, to settle the outstanding costs for the 2017/2018 audit of R497 993.59 (incl. VAT) by payment of half the amount exceeding the agreed budget, namely R248 996.79 (incl. VAT);
- (c) That the conflicting explanations by the Auditor-General be noted with concern regarding the overspending as contained in the minutes of the meeting held on 18 September 2019;

(d)/...

- (d) That the payment of R248 996.79 (incl. VAT) be approved and be made from vote number 20-16-27-00-0102, subject to using the base value of the 2017/2018 financial year (R2 659 168.00) for the budget of the 2018/2019 audit, including the CPI (consumer price index) adjustment of the previous year - @ 5% the amount is calculated at R2 792 126.00 (VAT included);
- (e) That the additional expenditure of R248 996.79 (VAT included) be referred to the 2020 adjustment budget.

7.2 COMMUNICATION OF AUDIT RULING 2019: CAPITAL OBLIGATIONS IN RESPECT OF ACCOUNTING POLICY (5/15/1/2)

The Office of the Auditor General pointed out that the declaration of capital obligations in note No 48 in the Annual Financial Statements is contrary to the Municipality's Accounting Policy.

Although the Accounting Policy contains stricter obligations than those prescribed by GRAP, compliance with GRAP principles is required.

Paragraph 1.25 (second bullet) now reads as follows:

“Approved but not yet contracted commitments, where the expenditure has been approved and the contract has not yet been awarded or is awaiting finalisation at the reporting date;”

RESOLUTION

That the second bullet of paragraph 1.25 of the Accounting Policy, as contained in the financial statements, be removed.

7.3 REPORT IN RESPECT OF ARTICLE 15(3) OF THE MUNICIPAL PROPERTY RATES AND TAXES ACT WITH RESPECT TO PROPERTY TAX EXEMPTIONS, DISCOUNTS AND REVENUE FORGONE (5/3/1/3)

In accordance with section 15(3) of the Municipal Property Rates and Taxes Act, 2004 (Act 6 of 2004) the Municipal Manager is obliged to submit a report, annually, to the Council in respect of all tax exemptions, discounts and rebates which have been granted in the previous financial year.

The report for the period 1 July 2018 to 30 June 2019 was circulated with the agenda.

RESOLUTION

That cognisance be taken of the rebates granted insofar as revenue forgone is impacted, as indicated in Annexure A, for purposes of complying with section 15(3) of the Municipal Property Rates Act (Act 6 of 2004) for the 2018/2019 financial year.

7.4 APPOINTMENT OF PERFORMANCE AND RISK AUDIT COMMITTEE MEMBERS (11/1/3/1/7)

In accordance with article 166 of the Local Government Act: Municipal Financial Management, 2003 (Act 56 of 2003) municipalities are obliged to appoint an audit committee which serves as an independent advisory body.

According to MFMA Circular 65 it is also recommended that members of the audit committee are rotated on a regular basis in order to ensure the independence of the audit committee.

RESOLUTION (for recommendation to the Council on 31 October 2019)

- (a) That cognizance be taken with regards to the composition of the current committee in respect of skills, that Mr GN Lawrence be appointed to serve on the Performance and Risk Audit Committee for three (3) years with effect from 1 November 2019. The appointment should be done in accordance with the remuneration tariff approved by the Executive Mayoral Committee of 19 June 2019;
- (b) That the appointments of Ms M Roos and Mr CB de Jager as members of the Performance Audit Committee be extended from 1 January 2020 to 31 August 2020 and 31 December 2020 respectively as prescribed in clause 14(2)(a) of Local Government: Municipal Planning and Performance Management Regulations of 24 August 2001;
- (c) That the appointment of Mr GN Lawrence to serve on the Performance Audit Committee as well, be approved for the period 1 November 2019 to 31 December 2020.

7.5 REPORT IN RESPECT OF THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JULY 2019 TO 30 SEPTEMBER 2019 (8/1/B/2)

A report in respect of the implementation of the Supply Chain Management Policy must be submitted quarterly to the Executive Mayor in accordance with paragraph 6(3) of the Municipal Supply Chain Management Regulations.

The report for the period 1 July 2019 to 30 September 2019 was circulated with the agenda.

RESOLUTION

- (a) That cognizance is taken of the Quarterly Report in respect of the implementation of the Supply Chain Management Policy as envisaged by section 6(3) of the Regulations, as well as reports on the Formal Tenders (Annexure A), Informal Tenders (Annexure B), and the Deviation Report (Annexure C);
- (b) That cognizance is taken of the services rendered for the period 1 July 2019 to 30 September 2019 with reference to the exceptions where it is impractical to test the market and therefore justified a deviation from the procurement processes in terms of paragraph 2(6) of the Supply Chain Management Policy (Annexure D).

7.6 PRESENTATION OF THE DRAFT AMENDMENT TO THE SWARTLAND MUNICIPALITY: REGULATION IN RESPECT OF MUNICIPAL LAND USAGE PLANNING (1/1)

The draft Swartland Municipality: Regulation in respect of Municipal Land Usage Planning was submitted to the Executive Mayor's Committee on 17 July 2019 for recommendation to the Council on 25 July 2019.

The Western Cape Act on Land Usage Planning, 2014 (Act 3 of 2014), better known as LUPA, stipulates that the Minister must deliver comment on the draft scheme regulations (included in the regulation) in accordance with article 13(2) within 60 days. An extension may however be requested with the municipality's consent in accordance with article 13(3).

RESOLUTION

- (a) That note is taken that an extension has been granted to the Provincial Department of Development Planning to give their comments on the draft Regulation in respect of Municipal Land Usage Planning by 16 October 2019 instead of 2 October;

7.6/...

- (b) That it is also noted that the Provincial Department's comments are viewed as important, and that the above mentioned extension has resulted in the fact that the Department of Land Usage Planning cannot submit the regulation to the Executive Mayor's Committee and Council in October as originally planned;
- (c) That approval is given that the regulation is presented at a later stage.

7.7 SWARTLAND MUNICIPALITY: DRAFT REGULATION IN RESPECT OF FILMING (1/1)

The draft Regulation in respect of Filming was submitted to the Executive Mayor's Committee on 17 July 2019 for recommendation to the council on 25 July 2019.

During the public participation process few comments were received, and it was deemed a good idea to send the draft regulation to the "filming industry" for input.

RESOLUTION

- (a) That cognisance be taken that due to the limited comments received during the public participation process which took place from 2 August to 2 September 2019, the "filming industry" was also requested to comment, and their comments were only received on 9 October 2019;
- (b) That cognisance be taken that due to the accommodation of the comments, the regulation could not be tabled in October and that later submission is accordingly approved.

7.8 OUTSTANDING DEBTORS: SEPTEMBER 2019

A complete list of outstanding debtors was circulated with the agenda.

RESOLVED that cognisance be taken of the outstanding debtors of Swartland Municipality for the period September 2019.

7.9 PROGRESS IN RESPECT OF OUTSTANDING INSURANCE CLAIMS: SEPTEMBER 2019 (5/14/3/5)

In accordance with the Asset Management Policy outstanding insurance claims must be reported monthly.

RESOLVED that cognisance be taken of the state of outstanding insurance claims for the period ending September 2019.

7.10 CAPE WEST COAST/SWARTLAND TOURISM ORGANIZATION, 2018/2019 FINANCIAL YEAR: VARIOUS REPORTS (9/1/3/2/1)

The relevant reports from the Cape West Coast/Swartland Tourism Organization were presented to the Executive Mayor's Committee in accordance with the requirements of the Council's Service Level Agreement with the organization for the execution of specified tourism functions.

RESOLUTION

That cognisance be taken of:

- (a) content of the Chairman's report;
- (b) the key performance areas as measured for the period 1 July 2018 to 30 June 2019; and
- (c) content of the financial statements for the 2018/19 financial year.