

NOTICE

Ref no. 2/1/4/4/2

Date distributed: 23/07/2024.

**NOTICE OF THE 1st COUNCIL MEETING OF 2024/2025
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY
TUESDAY, 2024-07-30 AT 10:00**

TO The Speaker, Alderman J.F. Van Zyl [Chairperson]
The Executive Mayor, Alderman A. Steyn (Ms)
The Deputy Executive Mayor, Cllr J.J. von Willingh

COUNCILLORS

V.A. Bedworth
W.M. Blom
M.N. Bushwana
G.L. Daames
Alderman R. Farao
M.A. Goedeman
E.N. Isaacs
Alderman C. Ismail
J.R. Jack
R.T. Johnson
I.J. Joseph
D. Judge
J.P. Kritzinger
S.K. Madlolo
Z.M. Mangali
T. S. Manuel
P.H. Marais
S.J. Mei
Alderman W.R. Meiring
J.M. Mokgosi

N. Nel
C.T. Nyithana
J. Pieters
A. Pietersen
O. Ralehoko
P.C. Ramokhabi
Alderman M. Sampson
T.P. Sibozo
S.S.T. Steenberg
M. Swartz
H.C. Titus
E. Botha
F. Vaughan
M. Jacobs
M.T. Williams
C.F. Wilskut
N.J. Wullschleger
L.R. Yayi

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that the **1st COUNCIL MEETING** of the **2024/2025 FINANCIAL YEAR of the COUNCIL of BREEDE VALLEY MUNICIPALITY** will be held at **CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPE STREET WORCESTER** on **TUESDAY, 2024-07-30** at **10:00** to consider the items on the agenda.



SPEAKER: ALDERMAN J.F. VAN ZYL



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1. OPENING AND WELCOME

In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended) the chairperson must take the chair at the time stated in the notice of the meeting or as soon thereafter as is reasonably possible: provided that the meeting does not commence later than 30 (thirty) minutes after the time stated in the notice of the meeting and must proceed immediately with the business of the meeting.

2. OFFICIAL NOTICES**2.1 Disclosure of Interests**

Item 6 of Schedule 7 of the Municipal Structures Amendment Act 3 of 2021 states:

A councillor must –

- (a) disclose to the council, or any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and
- (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee unless the council or committee decides that the councillors' direct or indirect interest in the matter is trivial or irrelevant.

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.

2.2.2 A Councillor must attend each meeting except when –

- (a) Leave of absence is granted in terms of Clause 10; or
- (b) The Councillor is required to withdraw in terms of law.

2.2.3 The Attendance Registers will be available at the meeting.

2.2.4 A blank Application for Leave of Absence form is enclosed.

3. COMMUNICATION**3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS**

In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

"A deputation seeking an interview with Council must give the Municipal Manager 6 (six) days written notice of its intention and furnish details of the representations to be made and the source of the deputation. The Municipal Manager must submit a request by a deputation for an interview with Council to the Speaker, who may decide to grant or refuse an interview and under what conditions"

3.2 BIRTHDAYS OF COUNCILLORS

J.F VAN ZYL	04/06/2024
M. N BUSHWANA	21/06/2024
S. K MADLOLO	07/07/2024
A. PIETERSEN	09/07/2024
J. R JACK	24/07/2024

3.3 STATEMENTS BY THE SPEAKER**3.4 STATEMENTS BY THE EXECUTIVE MAYOR**

4. CONFIRMATION OF MINUTES**4.1** In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

- (a) Minutes of the proceedings of meetings must be compiled in printed form and be confirmed by the Council at the next meeting and signed by the Speaker.
- (b) The minutes shall be taken as read, for the purpose of confirmation, if a copy thereof was sent to each Councillor within forty-eight hours before the next meeting, subject to the provisions of sub-Clause (4).
- (c) No motion or discussion shall be allowed on the minutes, except in connection with the correctness thereof.
- (d) The minutes formulated and screened during meetings, shall constitute a resolution for purposes of implementation of decisions.

4.2 Minutes of Council Meeting held on 21 May 2024. (Copy enclosed)**RECOMMENDATION**

That in respect of

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS

discussed by Council at the Council Meeting held on 30 July 2024:

- 1. As the Minutes of the Council Meeting held on 21 May 2024 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 21 May 2024 be taken as read and confirmed.

5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE**5.1 THE DEPUTY EXECUTIVE MAYOR: CLLR J.J. Von Willingh****5.1.1 LIBRARY SERVICES QUARTERLY UPDATE: THE PROGRESS OF THE LIBRARY SERVICES OUTREACH PROGRAMS PLANNED AND COMPLETED (April 2024 – June 2024)****RESOLVED:**

That in respect of –

LIBRARY SERVICES QUARTERLY UPDATE: THE PROGRESS OF THE LIBRARY SERVICES OUTREACH PROGRAMS PLANNED AND COMPLETED (April 2024 – June 2024)

discussed by Mayco at the meeting held on 23 July 2024 with **resolution number EX50/2024**:

The following recommendation be made to Mayco:

That Mayco take cognisance of the progress update and statistics of the outreach programs of the Library Service.

5.2 MMC1: Alderman W.R. Meiring.

5.2.1 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 4th QUARTER OF THE 2023/24 FINANCIAL YEAR

RESOLVED:

That in respect of

QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 4th QUARTER OF THE 2023/24 FINANCIAL YEAR

Discussed at the Mayco meeting held on 23 July 2024 with **resolution number EX40/2024**:

That the approved SCM quarterly implementation report for the 4th quarter of the 2023/24 financial year, **be noted**.

5.2.2 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2024

RESOLVED:

That in respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2024

Discussed at the Mayco meeting held on 23 July 2024 with **resolution number EX41/2024**:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2024, **be noted**.
-

5.2.3 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF MAY 2024

RESOLVED:

That in respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF MAY 2024

Discussed at the Mayco meeting held on 23 July 2024 with **resolution number EX42/2024**:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of May 2024, **be noted**.
-

5.2.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JUNE 2024

RESOLVED:

That in respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JUNE 2024

Discussed at the Mayco meeting held on 23 July 2024 with **resolution number EX43/2024**:

-
1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of June 2024, **be noted**.
-

5.2.5 ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2023 TO 30 JUNE 2024

RESOLVED:

In respect of

ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2023 TO 30 JUNE 2024

Discussed at the Mayco meeting held on 23 July 2024 with **resolution number EX44/2024**:

That the approved SCM annual implementation report for the 2023/2024 financial year, **be noted**.

5.2.6 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2024.

RESOLVED:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2024.

discussed at the Mayco meeting held on the 23 July 2024 with **resolution number EX45/2024**:

1. That the committee take note of the in-year financial management report for the period ended 30 April 2024.
-

5.2.7 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MAY 2024.

RESOLVED:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MAY 2024.

discussed at the Mayco meeting held on the 23 July 2024 with **resolution number EX46/2024**:

1. That the committee take note of the in-year financial management report for the period ended 31 May 2024.
-

5.2.8 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2024

RESOLVED:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2024

discussed by Mayco at the meeting held on 23 July 2024 with **resolution number EX47/2024**:

1. That council take note of the in-year financial management report for the period ended 30 June 2024.

5.2.9 VARIOUS POLICIES

RESOLVED:

That in respect of

VARIOUS POLICIES

discussed by Mayco at the meeting held on 23 July 2024 with **resolution number EX48/2024**:

- That Council approves the Enterprise Risk Management Policy.
- That Council approves the Enterprise Risk Management Strategy.
- That Council approves the Fraud and Corruption Prevention Policy.
- That Council approves the Fraud and Corruption Prevention Strategy and Response Plan.
- That Council approves the Whistle Blowing Policy.
- That Council approves the Code of Ethics Policy.
- That Council approves the Risk, fraud and corruption management committee terms of reference.

5.2.10 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2024-2025 FINANCIAL YEAR

RESOLVED:

That in respect of

PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2024-2025 FINANCIAL YEAR

discussed by Mayco at the I meeting held on 23 July 2024 with **resolution number EX49/2024**:

1. That Mayco takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2024-2025.
2. That Mayco approve the Strategic Risk Management Report for the period financial period 2024-2025.

5.3 MMC 2: Cllr. P.C. Ramokhabi

5.4 MMC 3: Cllr. N. Nel

5.5 MMC 4: Cllr. E. Botha

5.6 MMC 5: Cllr J.R. Jack

5.7 MMC 6: Cllr. V.A. Bedworth

5.8 MMC 7: Cllr. J.P. Kritzinger

5.9 MMC 8: Cllr F. Vaughan

6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT**COMMUNITY SERVICES**

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
172625	SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY	<p>RESOLVED C41/2015</p> <p>That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015:</p> <p>1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality;</p> <p>2. That the administration advertises said draft By-Law for public comments;</p> <p>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</p> <p>4. That the draft By-Law be workshopped with all the Councillors.</p>	2015-06-25	GMAYEKI	96	<p>The draft bylaw has been amended and reflects the most recent legislative changes. The modified draft document has been circulated throughout internal departments for comments the amended document will be discussed in the next workshop.</p> <p>The workshop date has not been decided, but it will be included alongside other policy discussions. The process will be finished by June 30, 2024.</p>

STRATEGIC SUPPORT SERVICES

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1352782	2023 CUSTOMER SERVICE CHARTER	<p>RESOLVED: That in respect of - The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023 with resolution number C37/2023:</p> <p>1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions: a. The Customer Service Charter be referred to a Council Workshop to be held on 8 June 2023; b. The Customer Service Charter be made public in terms of section 21 of the MSA; c. That such public comments (if any) be tabled at Council for consideration; and d. The Customer Service Charter be resubmitted to Council for final consideration and approval.</p>	2023-05-30	CMALGAS	85	Due to internal capacity challenges, delays were experienced in the completion of the revised Customer Services Charter. In addition, the department decided to purposefully postpone the revision and submission due date to the end of Q2 of the 2024/25 financial period to allow the newly appointed directors to participate and provide strategic input on the applicable service standards.
1352783	2022/2023 COMMUNICATION STRATEGY	<p>RESOLVED: That in respect of - The 2022/2023 Communication Strategy tabled before Council at the Council meeting held on 30 May 2023 with resolution number C38/2023:</p> <p>1. That Council, having noted the content of the 2022/23 Communications Strategy, provides in principle approval thereof subject to the following conditions: a. The strategy be referred to a Council Workshop to be held on 8 June 2023 ; b. The strategy be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National & Provincial Government Departments as well as the Cape Winelands District Municipality) for input; c. That such public comments (if any) be tabled at Council for consideration; and d. The strategy be resubmitted to Council for final consideration and approval.</p>	2023-05-30	CMALGAS	85	<p>The revised Communications Strategy has not yet been completed. The department anticipates to submit the revised strategy to Council before the end of Q2 of the 2024/25 financial period.</p> <p>In the interim, the initially approved Communications Strategy is being used as the departmental framework for executing municipal communications actions.</p>
1507598	IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL	<p>RESOLVED That in respect of – IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL PROPERTY:</p>	2024-03-26	HPOTGIETER	75	28/03/2024: E-mail sent instructing resolution to be communicated with the applicant. 04/04/2024: Meeting

	<p>PROPERTY: A PORTION OF ERF 17411 SITUATED AT PELIKAAN STREET, WORCESTER</p>	<p>A PORTION OF ERF 17411 SITUATED AT PELIKAAN STREET, WORCESTER. as discussed by Council at the Council meeting held on 26 March 2024, resolution number C33/2024, Council decided:</p> <p>1. that a direct lease at a market related rental as determined by HCB Property Valuations as set out in the valuation report attached hereto and marked "Annexure B", of Municipal Property, being a portion of erf 17411, situated at Pelikaan Street, Worcester in, for a period of nine (9) years and eleven (11) months, be approved in principle in favor of The Grace Trust (NPO 930-050-826), for the purposes of utilizing the subject property for sports and recreations and other relating purposes as permitted under a non-conforming use as directed by Town Planning;</p> <p>2. the Applicant to submit an application for rezoning should the applicant wish to implement its future plans of establishing an ECD facility on the subject property;</p> <p>3. that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;</p> <p>4. the Applicant is a registered social care organization/institution; thus, the monthly lease amount be fixed at a minimum of 50% of the fair market value;</p> <p>5. That the lease amount annually increases on the 1st of July by a percentage equal to the prevailing consumer price index (all items);</p> <p>6. that the following of a public participation process, be approved;</p> <p>7. that an item will only be resubmitted to Council should any representations / objections be received during the public participation process;</p> <p>8. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Applicant;</p> <p>9. that the Applicant be</p>			<p>scheduled with applicant for 04/04/2024. 16/04/2024: Meeting duly held with applicant. Awaiting written acceptance of resolution for the public participation process to commence. 02/05/2024: Draft advertisement compiled, quotation to be requested from the Worcester Standard for provision to applicant for payment and subsequent placement. 10/05/2024: Notice placed in the Worcester Standard on 09/05/2024 - closing date for comments is 20/06/2024. 22/07/2024: No comments / objections received during the public participation process, and Applicant was duly informed in writing. Awaiting requested details from Applicant in order to draft the long-term lease agreement.</p>
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		<p>responsible for the payment of all municipal services including rates and taxes in respect of the property;</p> <p>10. that the Applicant comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments; and</p> <p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith leased is not required for the municipality's own use in terms of Regulation 36 of the Asset Transfer Regulations.</p>				
1526278	RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND	<p>RESOLVED</p> <p>That in respect of – RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND as discussed by Council at the Council meeting held on 23 April 2024, resolution number C41/2024, Council decided:</p> <p>1. That the administration be mandated to investigate and enter into negotiations with private landowners in Rawsonville, for the possible purchase of property suitable for housing purposes; and</p> <p>2. That a progress report be submitted to Council at the Council Meeting scheduled for July 2024.</p> <p>3. That following the investigation in item 1, a comprehensive item be resubmitted to council at the Council Meeting scheduled for August 2024.</p>	2024-04-23	HPOTGIETER	50	<p>09/05/2024: Council resolution duly communicated with the SAHRC. Investigation and negotiations with private landowners in Rawsonville in process.</p> <p>13/06/2024: E-mail sent to legal representative of "Owner A" requesting meeting dates.</p> <p>19/06/2024: Meeting held with "Owner B": Awaiting Power Point presentation and written communication.</p> <p>21/06/2024: Letter e-mailed to the SAHRC.</p> <p>22/07/2024: Council item compiled to be tabled during 30 July 2024 meeting.</p>

7. CONSIDERATION OF AGENDA ITEMS**7.1 2024/2025 SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN
(SDBIP)****File No./s:** 3/15/1**Responsible Official:** C Malgas**Directorate:** Strategic Support Services**Portfolio:** Performance Management

1. PURPOSE:

To notify Council of the approval of the 2024/2025 Service Delivery Budget and Implementation Plan (SDBIP).

2. BACKGROUND:

In terms of Section 1 of the Municipal Finance Management Act, Act no. 56 of 2003, the “service delivery and budget implementation plan” means a detailed plan approved by the mayor of a municipality in terms of Section 53 (1)(c)(ii) for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate—

(a) projections for each month of—

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed,

and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

The municipality’s SDBIP is approved by the mayor within 28 days after the approval of the budget. According to Section 53 (3), the mayor must ensure—

(a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and

(b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality’s service delivery and budget implementation plan.

According to MFMA Circular 13 of National Treasury, the SDBIP provides the **vital link** between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP serves as a **management, implementation and monitoring tool** that will assist the mayor, councillors, municipal manager, senior managers and community to monitor in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

Council should note that the compilation of the 2024/2025 SDBIP was based on the premise of due consultation amongst the executive management team, KPI custodians (i.e. senior & general management teams) and the Mayoral Committee (i.e. portfolio Councillors). The consultation process commenced in February 2024 and concluded in June 2024.

3. COMMENT

A copy of the approved 2024/2025 SDBIP is attached as Annexure "A"

4. FINANCIAL IMPLICATIONS:

None

5. APPLICABLE LEGISLATION / COUNCIL POLICY:

Local government: Municipal Finance Management Act, Act no.56 of 2003

MFMA Circular 13 dealing with the SDBIP

6. COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:

Municipal Manager: Recommendation supported

Director: Strategic Support Services: Recommendation supported

Director: Financial Services: Recommendation supported

Director: Engineering Services: Recommendation supported

Director: Community Services: Recommendation supported

Director: Planning, Development & Integrated Services: Recommendation supported

Senior Manager: Legal Services: Recommendation supported

RECOMMENDATION:

That in respect of -

The 2024/2025 SDBIP as discussed by the Council at the Council meeting held on 30 July 2024:

1. That Council takes note of the approved 2024/2025 SDBIP as attached in the annexed schedule.

7.2 QUARTERLY PERFORMANCE REPORTS PERTAINING TO THE FOURTH QUARTER (1 APRIL 2024 – 30 JUNE 2024)

File No./s: 3/15/1

Responsible Official: C Malgas

Directorate: Strategic Support Services

Portfolio: Performance Management

1. PURPOSE:

To inform Council on the implementation of the budget and the financial state of affairs of the Municipality and assess performance against the performance indicators set in the approved 2023/2024 Top-Layer SDBIP.

2. BACKGROUND:

According to Section 52(d) of the MFMA, the Mayor must, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Effective in-year reporting provides municipal management with an opportunity to analyse performance and address shortcomings and improve internal controls and service delivery.

All quarterly reports tabled in the Council in terms of section 52(d) must be placed on the website not later than five days after its tabling in the Council or on the date on which it must be made public, whichever occurs first. Council should note that the performance depicted in this report is preliminary and subject to change in accordance with the performance reporting year-end procedures. The final performance overview for the 2023/24 financial year will be encapsulated in the 2023/24 Annual Report.

3. COMMENT:

A copy of the Quarter 4 SDBIP Performance Report and Top-Layer KPI Report is attached as Annexures "A" and "B" respectively.

4. FINANCIAL IMPLICATIONS:

None

5. APPLICABLE LEGISLATION / COUNCIL POLICY:

- Municipal Finance Management Act, no. 56 of 2003

6. COMMENTS OF DIRECTORATES CONCERNED:

Municipal Manager: Recommendation supported

Director: Strategic Support Services: Recommendation supported

Director: Financial Services: Recommendation supported

Director: Engineering Services: Recommendation supported

Director: Community Services: Recommendation supported

Director: Planning, Development & Integrated Services: Recommendation supported

Senior Manager: Legal Services: Recommendation supported

RECOMMENDATION:

That in respect of -

The Quarterly Performance Report for the Fourth Quarter (1 April 2024 – 30 June 2024), as discussed by Council at the Council meeting held on 30 July 2024:

1. That Council takes note of the Quarter 4 SDBIP Performance Report and the Top-Layer KPI Report for the period 1 April 2024 – 30 June 2024.

7.3 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 4th QUARTER OF THE 2023/24 FINANCIAL YEAR

File No./s: 2/1/1/1

Responsible Official: R. Ontong

Directorate: Financial Services

1. PURPOSE

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

2. BACKGROUND

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **paragraph 6.3** requires that the Accounting Officer must **"within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality."** In addition, **paragraph 6.4** requires that the report referred to in paragraph 6.3 above **also to be tabled to council on a quarterly basis**. The report may be included as part of any other report to serve before council.

The SCM quarterly implementation report approved in terms of paragraph 6.3 for the 4th quarter of the 2023/24 financial year, is attached as **Annexure A**.

3. FINANCIAL IMPLICATIONS

None

4. APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Breede Valley Supply Chain Management Policy, as amended.
Supply Chain Management Regulations

ANNEXURE

Annexures A: SCM quarterly implementation report (4th quarter ending 30 June 2024) approved in terms of paragraph 6.3.

RECOMMENDATION:

That in respect of

**QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT
FOR THE 4th QUARTER OF THE 2023/24 FINANCIAL YEAR**

Discussed by Council at the Council meeting held on 30 July 2024:

That the approved SCM quarterly implementation report for the 4th quarter of the 2023/24 financial year, **be noted**.

**7.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL
2024, MAY 2024, JUNE 2024****File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

PURPOSE

To report to Council on all deviations and their reasons, approved by the delegated authority in terms of paragraph 36(2) of the Supply Chain Management Policy, for the month of April 2024, May 2024 and June 2024.

BACKGROUND

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy. In terms of paragraph 36(2) of the said policy, the Accounting Officer must record the reasons for any deviations in terms of paragraph 36(1)(a) of the policy and report them to Council. However, it must be noted that these deviations also serve on the **monthly Section 71** (MFMA) report/s to Mayco and **quarterly Section 52** (MFMA) report/s to Council.

Deviations approved in terms of paragraph 36(1)(a) for the month of April 2024, May 2024 and June 2024, are attached as **Annexure A, B, C**

FINANCIAL IMPLICATIONS

Reference can be made to the total approved amount as reflected in annexure "A; B; C"

APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Breede Valley Supply Chain Management Policy, as amended.
Supply Chain Management Regulations

COMMENT OF DIRECTORATES / DEPARTMENTS

Municipal Manager	Noted
Director: Strategic Support Services	Noted
Director: Financial Services	Noted
Director: Engineering Services	Noted
Acting Director: Community Services	Noted
Senior Manager: Legal Services	Noted

RECOMMENDATION:

That in respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2024, MAY 2024 and JUNE 2024

Discussed by Council at the Council meeting held on 30 July 2024:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2024, May 2024 and June 2024, **be noted**.

7.5 ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2023 TO 30 JUNE 2024

File No./s: 2/1/1/1

Responsible Official: R. Ontong

Directorate: Finance

Portfolio: Finance

1. PURPOSE

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

Although the MFMA prohibits a Councilor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **Paragraph 6.2(a)(i)** requires that the Accounting Officer must **"Within 30 calendar days of the end of each financial year, submit a report on the implementation of the policy to Council."**

2. BACKGROUND

Although the MFMA prohibits a Councilor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **paragraph 6.2(a)(i)** requires that the Accounting Officer must **"within 30 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality."** In addition, **paragraph 6.4** requires that the report referred to in paragraph 6.2 above **also to be tabled to council on a quarterly basis**. The report may be included as part of any other report to serve before council.

The SCM annual implementation report approved in terms of paragraph 6.2(a)(i) for the financial year 2023/2024, is attached as **Annexure A**.

3. FINANCIAL IMPLICATIONS

None

4. APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Breede Valley Supply Chain Management Policy, as amended.
Supply Chain Management Regulations

5. ANNEXURE

Annexures A: SCM annual implementation report (1 July 2023 to 30 June 2024) approved in terms of paragraph 6.2 (a)(i).

RECOMMENDATION:

In respect of

**ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1
JULY 2023 TO 30 JUNE 2024**

Discussed by Council at the Council meeting held on 30 July 2024:

That the approved SCM annual implementation report for the 2023/2024 financial year, **be noted.**

**7.6 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR
THE PERIOD ENDED 30 APRIL 2024 and 31 MAY 2024
MFMA SECTION 71 Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

1. PURPOSE

To submit to Council the in-year financial management reports for adoption.

2. BACKGROUND

In terms of the Municipal Finance Management Act, 56 of 2003, section 71.

(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include-

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the

allocation.

- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

3. FINANCIAL IMPLICATIONS

None

4. APPLICABLE LEGISLATION/ COUNCIL POLICY

Municipal Finance Management Act, 56 of 2003 (Section 71);

Municipal Budget and Reporting Regulations, 2009

COMMENT OF DIRECTORATES/ DEPARTMENTS CONCERNED:

Municipal Manager:	Recommendation supported
Director: Strategic Support Services:	Recommendation supported
Director: Financial Services:	Recommendation supported
Acting Director: Community Services:	Recommendation supported
Director: Engineering Services:	Recommendation supported

ANNEXURES

Annexure A: Report ending 30 April 2024

Annexure B: Report ending 31 May 2024

RECOMMENDATION:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2024 and 31 May 2024.

discussed by Council at the Council meeting held on the 30 July 2024:

1. That Council take note of the in-year financial management report for the period ended 30 April 2024 and 31 May 2024.

**7.7 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2024.
MFMA SECTION 71 & 52 (d) Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

Purpose

To submit to Council the In-year financial management report for adoption.

Background:**In terms of the Municipal Finance Management Act, 56 of 2003, section 71.**

- (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:
- (a) Actual revenue, per revenue source;
 - (b) actual borrowings;
 - (c) actual expenditure, per vote;
 - (d) actual capital expenditure, per vote;
 - (e) the amount of any allocations received;
 - (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
 - (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include-
- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the

allocation.

- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

In terms of the Municipal Finance Management Act, 56 of 2003, section 52(d).

The mayor of a municipality—

- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

Financial Implications:

None

Applicable Legislation/ Council Policy:

Municipal Finance Management Act, 56 of 2003 (Section 52(d) & 71);
Municipal Budget and Reporting Regulations, 2009

Comment of Directorates/ Departments concerned:

Municipal Manager: Recommendation supported.

Director: Strategic Support Services: The item and recommendation is noted

Director: Financial Services: Recommendation supported

Acting Director: Community Services: Recommendation supported

Director: Engineering Services: Recommendation supported

Director: Planning, Development and Integrated Services: Recommendation supported

RECOMMENDATION:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 JUNE 2024

discussed by Council at the Council meeting held on 30 July 2024:

1. That council take note of the in-year financial management report for the period ended 30 June 2024

7.8 REPORT TO COUNCIL ON 2023/2024 REVENUE ENHANCEMENT IMPLEMENTATION PLAN

File No./s: 2/1/1/1

Responsible Official: R. Ontong

Directorate: Financial Services

Portfolio: Revenue Division

PURPOSE

To report to Council on progress made with the 2023/2024 Revenue Enhancement Implementation Plan approved by Council in May 2023.

BACKGROUND

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Revenue Enhancement Implementation Plan.

The municipality is constantly striving to find ways to improve financial sustainability by enhancing its revenue streams. Breede Valley developed a revenue enhancement strategy to ensure its financial sustainability and to identify new prospective revenue streams while simultaneously protecting and enhancing existing streams. In May 2023 Council approved the Revenue Enhancement Implementation Plan for the 2023/2024 financial year.

This was done to ensure that the strategy keeps up with the current challenges and updated to protect current revenue streams whilst also striving to find any new revenue sources. An implementation plan with deadlines was developed. The aim of this item is to report on the progress made to implement the plan. The progress is attached as **Annexure A**.

Challenges or areas needing attention

During the year under review the following challenges were identified and need intervention:

- User departments highlighted the issue of budgetary constraints as a challenge towards the implementation of some of the action plans.
- The lack of an action plan monitoring tool made it difficult to keep track of some of the action plans.
- Lack of Regular Meetings.
- Non-attendance of meeting.
- There were challenges with the implementation of action plans in the solid waste management department.

RECOMMENDATIONS

The following recommendations are made:

- Departments should table budgetary needs for the implementation of the action plans in the budget steering committee.
- Departments should make use of available resources to implement some of the action plans.
- Regular feedback and monitoring meetings should be held with the different stakeholders.

- Investigate the use of a cost effective and efficient action plan monitoring tool where departments will need to take ownership of the action plans allocated to them.

FINANCIAL IMPLICATIONS

None

APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Credit Control, Debt Collection and Indigent Policy,
Property Rates Policy,
Tariff Policy, and
Writing Off of Irrecoverable Debt Policy

COMMENT OF DIRECTORATES / DEPARTMENTS

Municipal Manager	Noted
Director: Strategic Support Services	Noted
Director: Financial Services	Noted
Director: Engineering Services	Item noted
Director: Planning, Development and Integrated Services:	Noted
Director: Community Services	Supported
Senior Manager: Legal Services	Noted

RECOMMENDATION

That in respect of

THE REVENUE ENHANCEMENT IMPLEMENTATION PLAN

discussed by Council at the Council meeting held on 30 July 2024

1. That the progress report on the 2023/2024 revenue enhancement implementation plan approved by council in May 2023, **be noted**.

7.9 VARIOUS POLICIES 2024

File No. /s: 3/15/1

Responsible Official: E Cloete

Directorate: Municipal Manager

Portfolio: ERM

1. Purpose

To report to Council that the Risk, Fraud and Corruption Committee (RiskCom) support and recommend to Council for the approval of the various policies and strategies as reviewed.

2. Background

The policies and strategy documents were approved by Council on 30 May 2023, Council Resolution C43/2023 and need to be reviewed.

Risk Management in the Municipality provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions. Effective Risk Management affects everyone in the Municipality. To ensure a widespread understanding, Management and all operational/business units should be familiar with, and all staff and councillors are aware of, the principles set out in this document.

The Fraud and Corruption Prevention policy provides guidance to all Staff Members, Councillors of the Municipality, and all external stakeholders to prevent and combat fraud and other acts of theft and maladministration. Breede Valley Municipality is committed to its Fraud Prevention Policy and Response Plan, and its Code of Ethics and to promote a high standard of honesty, openness and accountability.

Ethics is about distinguishing between what is morally right and wrong with the purpose of doing what is right. In an ethical organisation employee will do the right thing for the right reason – not just because the rule says so. Rules and procedures influence individuals' behaviour, but values are what change the culture within the Municipality. The policies were approved by Council on 30 May 2023, and now they are up for review with minor changes. Previous Council Resolution-

RESOLVED: That in respect of the VARIOUS POLICIES discussed by Council at the Council meeting held on 30 May 2023 with resolution number C43/2023: • That Council approves the Enterprise Risk Management Policy. • That Council approves the Enterprise Risk Management Strategy. • That Council approves the Fraud and Corruption Prevention Policy.

-
- That Council approves the Fraud and Corruption Prevention Strategy and Response Plan.
 - That Council approves the Whistle Blowing Policy.
 - That Council approves the Code of Ethics Policy.
 - That Council approves the Risk, fraud, and corruption management committee terms of reference.

These policies served before the Risk, Fraud and Corruption Management Committee on 08 May 2024. The Committee supports the recommendations for approval by Council. The Annexures are compiled with track changes and will be corrected after approval by Council.

Annexure A – ENTERPRISE RISK MANAGEMENT POLICY

Annexure B – ENTERPRISE RISK MANAGEMENT STRATEGY

Annexure C – FRAUD AND CORRUPTION PREVENTION POLICY

Annexure D – FRAUD AND CORRUPTION PREVENTION STRATEGY AND
RESPONSE PLAN

Annexure E – CODE OF ETHICS POLICY

Annexure F – WHISTLE BLOWING POLICY

Annexure G – RISK, FRAUD AND CORRUPTION MANAGEMENT COMMITTEE TERMS OF
REFERENCE

Financial Implications:

Sitting fees and logistical arrangements.

Applicable Legislation / Council Policy:

- The Constitution of the Republic of South Africa, No.108 of 1996;
- Municipal Finance Management Act no. 56 of 2003;
- Municipal Systems Act, No. 32 of 2000 ("MSA").

Comment of Directorates / Departments concerned:

Risk, Fraud and Corruption Management Committee-

Municipal Manager: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Community Services: Vacant / Acting Director Supported

Director: Engineering Services: Supported

Director: Planning, Development and Integrated Services: Supported

RECOMMENDATION

That in respect of

VARIOUS POLICIES

discussed by Council at the council meeting held on 30 July 2024:

- That Council approves the Enterprise Risk Management Policy.
- That Council approves the Enterprise Risk Management Strategy.
- That Council approves the Fraud and Corruption Prevention Policy.
- That Council approves the Fraud and Corruption Prevention Strategy and Response Plan.
- That Council approves the Whistle Blowing Policy.
- That Council approves the Code of Ethics Policy.
- That Council approves the Risk, fraud and corruption management committee terms of reference.

7.10 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2024-2025 FINANCIAL YEAR

File No. /s: 3/15/1

Responsible Official: E Cloete

Directorate: Municipal Manager

Portfolio: ERM

1. Purpose

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2023-2024 financial year for the Presumed Strategic Risk Register; the result of which is the BVM Presumed Strategic Risk Management Report for the period 2024-2025 Financial Year; as well as that the Risk, Fraud and Corruption Management Committee (RiskCom) members support and recommend to Council for the approval of the Strategic Risk Management Report for the period 2024-2025 Financial Year.

2. Background

The implementation of the Risk Management system is prescribed by legislation which the municipality must comply with. These policies served before the Risk, Fraud and Corruption Management Committee on 08 May 2024. The Committee supports the recommendations for approval by Council.

Enterprise risk management (ERM) in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. The ERM in Breede Valley Municipality provides the framework for Risk Management, which typically involves identifying particular events or circumstances relevant to the municipality's objectives (risks and contributing factors), assessing them in terms of likelihood and impact, determining a response strategy (action plans), and monitoring progress.

The management response strategy for the specific risks identified and analyzed, fall within the following four categories as well as the appetite of 9 as approved by Council:

Avoid – Action is taken to exit the activities giving rise to risk. Risk avoidance may involve exiting a product line, declining expansion to a new geographical market, or selling a division.

Reduce – Action is taken to reduce the risk likelihood or impact, or both. This may involve any of a myriad of everyday business decisions.

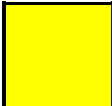
Share – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

Accept – No action is taken to affect likelihood or impact.

The Risk assessment process was conducted in consultation with the various directorates. The Risk, Fraud and Corruption Management Committee (RiskCom) supports the strategic risk management report for the period 2024-2025.

The following tables provide the risk ratings:

LIKELIHOOD	5	LOW	MEDIUM	HIGH	EXTREME	EXTREME
	4	LOW	MEDIUM	HIGH	HIGH	EXTREME
	3	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	2	LOW	LOW	MEDIUM	MEDIUM	MEDIUM
	1	LOW	LOW	LOW	LOW	LOW
Risk Matrix		1	2	3	4	5
		IMPACT/ CONSEQUENCE				

 Risk Appetite Level
3 X 3 = 9 Level

Annexure: A copy of the BVM Presumed Strategic Risk Management Report for the 2024-2025 Financial Year.

Deliberation:

Definition of Risk Management:

Risk management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity.

Risk management is a management discipline with its own techniques and principles. It is a recognised management science and has been formalized by international and national codes of practice, standards, regulations and legislation.

Risk management forms part of management's core responsibilities and is an integral part of the internal processes of the municipality.

When properly executed risk management provides reasonable, but not absolute assurance, that the municipality will be successful in achieving its goals and objectives.

Definition of Risk Identification:

Risk identification is a deliberate and systematic effort to identify and document the municipality's key risks.

The objective of risk identification is to understand what is at risk within the context of the municipality's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives.

Definition of Risk Assessment:

Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Institution.

The main purpose of risk assessment is to help the municipality to prioritise the most important risks as the municipality is not expected to have the capacity to deal with all risks in an equal manner.

Risks should be formally reviewed concurrently with changes in strategy, or at least once a year to consider new and emerging risks.

Definition of Risk Register:

Risk register is the outcome of the annual risk assessment process which is a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives of the municipality.

i. The Executive Authority/ Council:

- The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.
- Responsibilities of the Executive Authority in risk management should include:
 - ensuring that the Institutional strategies are aligned to the government mandate;
 - obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;
 - obtaining assurance that key risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;
 - assisting the Accounting Officer / Authority to deal with fiscal, intergovernmental, political and other risks beyond their direct control and influence; and
 - insisting on the achievement of objectives, effective performance management and value for money.
 - In case of a municipality or municipal entity, in addition to the responsibilities outlined in 21(2), the Executive Authority should also: (a) approve the risk management policy, strategy, and implementation plan; and
(b) approve the fraud prevention policy, strategy and implementation plan.

Council is responsible for providing oversight and direction to the Accounting Officer on the risk management related strategy and policies; which also include an interest in the effectiveness of the process of risk management within the municipality.

Risk Management Oversight (Risk, Fraud and Corruption Management Committee)

The committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks.

ii. The Accounting Officer/ Municipal Manager:

Sections 62(1)(c)(i) and 95(c)(i) of the MFMA, requires the Accounting Officer to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management

The **Municipal Manager** is ultimately responsible for risk management within the municipality. This includes ensuring that the responsibility for risk management vests at all levels of

management. The Municipal Manager sets the tone at the top by promoting accountability, integrity and other factors that will create a positive control environment.

iii. Management, Other Personnel, Risk Manager:

Section 78 of the Municipal Finance Management Act (Act 56 of 2003):

The extension of general responsibilities in terms of Section 78 of the MFMA to all senior managers and other officials of municipalities imply that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

Risk Management Implementers (Management)

All other levels of management, support the municipality's risk management philosophy, promote compliance with the risk appetite and manage risks within their areas of responsibility. Management takes ownership for managing the municipality's risks within their areas of responsibility and is accountable to the Municipal Manager for designing, implementing, monitoring and integrating ERM into their day-to-day activities of the municipality. This should be done in a manner that ensures that risk management becomes a valuable strategic management tool.

Risk Management Implementers (Other Officials)

Other officials are responsible for integrating risk management into their day-to-day activities i.e. by ensuring conformance with controls and compliance to procedures.

Risk Management Support (Chief Risk Officer / Manager: Governance, Risk and compliance)

The Chief Risk Officer / Manager: Governance, Risk and Compliance is the custodian of the Risk Management Strategy and Implementation Plan and the coordinator of Enterprise Risk Management activities throughout Breede Valley Municipality.

Risk Management Support (Risk Champions)

A Risk Champion would generally hold a senior position within the municipality and possess the skills, knowledge and leadership qualities required to champion an aspect of risk management.

The Risk Champion assists the Chief Risk Officer to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. Their primary responsibilities are advising on, formulating, overseeing and managing all aspects of a municipality's entire risk profile, ensuring that major risks are identified and reported upwards.

iv. Internal Auditors:

Section 165(2)(a), (b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) requires that: *"(2) The internal audit unit of a municipality or municipal entity must - (a) prepare a risk based audit plan and an internal audit program for each financial year; (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:*

- *(iv) risk and risk management."*

IIA Standard 2110 - Risk Management of the International Standards for the Professional Practice of Internal Auditing states:

"The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of risk management and control systems.

Risk Management Assurance Providers (Internal Audit)

The core role of Internal Audit in risk management is to provide an independent, objective assurance to council and the Audit Committee on the effectiveness of risk management.

Internal Audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

Risk Management Assurance Providers (External Audit)

External Audit (Auditor-General) provides an independent opinion on the effectiveness of Enterprise Risk Management.

v. Audit Committee:

Section 166 (2)(a)(ii) of the Municipal Finance Management Act (Act 56 of 2003) states:

"(2) An audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and management staff of the municipal entity, on matters relating to - (ii) risk management."

The **Audit Committee** is an independent committee, responsible to oversee the municipality's control, governance and risk management. This committee is vital to, among other things, ensure that financial, IT and fraud risk related to financial reporting are identified and managed.

The Audit Committee's primary responsibility is providing an independent and objective view of the effectiveness of the municipality's risk management process to council and to provide recommendations to the Municipal Manager for continuous improvement and management of risks. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter.

Financial Implications:

None

Applicable Legislation / Council Policy:

- The Municipal Finance Management Act (Act 56 of 2003) (MFMA);
- Municipal Structures Act (Act 117 of 1998);
- Municipal Systems Act (Act 32 of 2000); and
- Public Sector Risk Management Framework (NT) published 1 April 2010.

Comment of Directorates / Departments concerned:**Risk, Fraud and Corruption Management Committee-**

Municipal Manager: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director Community Services: Supported

Director: Engineering Services: Supported

Director: Planning, Development and Integrated Services: Supported

RECOMMENDATION:

That in respect of

**PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2024-2025
FINANCIAL YEAR**

discussed by Council at the council meeting held on 30 July 2024:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2024-2025.
2. That Council approve the Strategic Risk Management Report for the period financial period 2024-2025.

7.11 LIBRARY SERVICE: LIBRARY OUTREACH ACTIVITIES PLANNED AND COMPLETED: (April 2024 – June 2024)**File nr:** 14/14/2/3**Responsible Official:** C Gerber**Directorate:** Community Services**Portfolio:** Library Service

PURPOSE

The purpose of the item is to:

- a) Provide an update on progress made re outreach activities planned and completed at Library Services.
- b) Statistics of the outreach activities for the period April 2024 to June 2024.

BACKGROUND

The principle/goal of the Library Service in our communities is to provide essential information (written and electronic), reading material (written and electronic) to patrons to assist with the increase in literacy levels and social development enhancement.

The Library Service, on local municipal level, is executed via a signed implementation protocol with the Western Cape Department of Cultural Affairs and Sport (Library Service) in respect of the intergovernmental co-operation regarding the operation of public libraries in the Western Cape.

The municipality is regarded as a B 2 municipality and is therefore only partially funded by a conditional grant from the Provincial Library Service.

The municipality currently operates 13 libraries on a fulltime basis.

The municipality has 50 permanently employed library staff members. The Library Service forms part of a YearBeyond program – organised between the Western Cape Government and several partner organisations. The program aims to provide unemployed youth (18 – 25 years) with a meaningful work experience and a pathway to further studies or work, while at the same time encouraging a culture of service to your community. All libraries were included to take part in this program again during 2024. Candidates applied online and the interviews were held, during March 2024, to choose candidates to be Reading Champions or ICT Champions. Candidates were recommended by Librarians and these candidates registered at libraries during the second week of April 2024. Candidates had orientation via the provincial

department from 23 – 26 April 2024 and started with duties at libraries on 29 April 2024. Candidates will serve the community and take part in library outreach activities until 13 December 2024. They receive a daily stipend from the Western Cape Government.

PROGRESS OF OUTREACH LIBRARY ACTIVITIES FROM APRIL 2024 – JUNE 2024:

The Library Service continuously organise educational outreach programs at the libraries, in co-operation with other government departments, NGO's and NPO's and other individual organisations/members of the community.

The Library Service does not have a special budget for outreach programs and only make use of limited budget to cover costs for outreach programs/reading competitions.

Month	Nr of awareness programmes from July 2022 to June 2023	Nr. of awareness programmes from July 2023 to June 2024
April	23	43
May	58	60
June	45	49

STATISTICS AND HIGHLIGHTS OF THE CURRENT PERIOD:

April 2024	May 2024	June 2024
43 activities	60 activities	49 activities
World Book Day was celebrated on 23 April 2024. All libraries took part in activities. Puppet shows with educational themes were held and storytelling and reading outreach campaigns were organised throughout the month.	Africa Month and Africa Day on 25 May 2024 were celebrated. Esselen Library organised a very special session with the Iziko Museum. The goal was to celebrate all that makes us Africans and raise awareness of our diversity. The presentation included a variety of sea and land creatures, preserved in formalin. Steenvliet Library	All libraries were involved in Youth month and Youth Day activities. Worcester Library participated in a Child Protection Awareness outreach activity on 6 June 2024. Touwsrivier and Steenvliet Libraries, especially students from the YearBeyond program

	celebrated Africa Day with a feast of African Food.	Touwsrivier participated in the Soccer and Netball Tournament held as part of the Winter holiday program. Forty educators from the Angels Lovers ECD Forum received Basic Computer Skills training during June and a certificate handover ceremony concluded the training on 14 June 2024.
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COMMENTS

Municipal Manager : Supported.

Director Community Services : Noted.

Director: Engineering : No comments.

Director Financial Services : Noted.

Director Strategic Support Services : Recommendation noted.

Director: Planning, Development and Integrated Services: The content of the report is noted.

RECOMMENDATION

That in respect of –

LIBRARY SERVICES QUARTERLY UPDATE: THE PROGRESS OF THE LIBRARY SERVICES OUTREACH PROGRAMS PLANNED AND COMPLETED (April 2024 – June 2024)

discussed by Council at the council meeting held on 30 July 2024:

The following recommendation be made to Council:

That Council take cognisance of the progress update and statistics of the outreach programs of the Library Service.

7.12 UPDATE ON THE DRAFT STAFF ESTABLISHMENT**File No./s** 2/3/3/1**Responsible Official:** N Monyela**Directorate:** Strategic Support Services**Portfolio:** Human Resources

PURPOSE

The purpose of this item is to provide an update Council on the draft Staff Establishment for Breede Valley Municipality in terms of the Local Government: Municipal System Act, 2000 read in conjunction with Local Government: Municipal Staff Regulations No. 890 of 2021.

BACKGROUND

In terms of the Local Government: Municipal Staff Regulations (“**MSR**”) a municipal council must determine the municipality’s Staff Establishment, which will provide the basis for each directorate’s strategic workforce and human resource planning.

The MSR requires the municipal manager to review the municipality’s staff establishment within 12 months in any of the following instances:

- a) The election of a new municipal council; or
- b) the adoption of the integrated development plan of the municipality as contemplated in section 25 of the Local Government: Municipal System Act, 2000;
- c) material changes to the functions of the municipality; and
- d) the determination of new municipal boundaries.

The staff establishment was reviewed having regard to the integrated development plan and is aligned to the powers and functions of the municipality. The staff establishment was consulted with key stakeholders within the municipality, organised labour, including Councillors.

In reviewing the staff establishment, the municipal manager has ensured that the administration of the municipality is organised—

- a) according to the powers and functions of a municipality;
- b) in such a manner that the municipality —
 - (i) is responsive to the needs of the local communities;

-
- (ii) facilitate a culture of performance and accountability amongst its employees; and
 - (iii) perform its functions with operationally effective and efficient administrative directorates and departments.

After following due processes, the Municipal Manager, on 20 June 2023, 22 August 2023, 31 October 2023 and 14 December 2023 respectively, tabled the proposed Staff Establishment (**Annexure A**) and report before the municipal council. The proposed Staff Establishment was submitted to the MEC for local government (MEC) on 4 July 2023, accompanied by further detailed submission of information on 7 August 2023 and 13 October 2023. In response, MEC indicated that BVM is not compliant with the organisational design metrics and that the Municipal Staff Regulations in its current form does not provide for deviation. Taking into consideration the MEC's response, Council on 14 December 2023 –

“RESOLVED

That in respect of –

STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 MARCH 2024

as discussed by the Council at the Council Meeting held on 14 December 2023, resolution number C115/2023:

1. *that Council note the input of the MEC on the draft Staff Establishment as per Annexure A .*
2. *that the Municipal Manager refer the MEC's input to the Minister of Local Government for her consideration and reply; and*
3. *That the response from the Minister of Local Government be tabled at the next Council meeting following the reply for consideration”.*

DISCUSSION

On 10 January 2024, a letter was sent to the National Minister (**Annexure B**), requesting that the Minister advise on mechanisms that could be explored to ensure that the Municipality can be exempted from complying with the prescribed design metrics as explained in the letter to the MEC due to financial constraints. Despite numerous calls and emails with National CoGTA, BVM has yet to obtain a response (**Annexure C**). HR eventually received an email

containing a "approved draft letter" on May 10, 2024, indicating that the letter is awaiting the Minister's signature (**Annexure D**). However, the draft letter does not specify whether Council should adopt and implement the staff establishment.

The staff establishment was reviewed within the Municipality's administrative and financial capacity in an attempt to adhere to the organisational design metrics as prescribed in the MSR. Adhering to the prescribed requirements, especially the span of control at the managers and supervisor level, including the threshold on structural shape, would leave the municipality in an undesired financial state.

Circular No.71, issued in terms of the Municipal Financial Management Act, 2003, provides a set of uniform financial ratios and norms for municipalities to foster sustainable fiscal management. The ratio provided for the employee-related costs and councillors' remuneration as a percentage of the total operating expenditure of the municipalities should range between 25% and 40%. If exceeded, this ratio could indicate the following inefficiencies: overstaffing and/or incorrect focus on non-core functions. The salary and wage bill of the Breede Valley Municipality is currently at 31.16% and would most likely exceed the threshold if the sub-regulation 6(2) of the MSR is implemented to the latter.

In considering the item, Council should bear in mind that BVM is not compliant with the following organisational design metrics:

- a) Structural depth: Office of the Municipal Manager (5-7 layers).
- b) Structural shape: Managerial/Specialist and Operational level (5 – 6 subordinates).
- c) Span of control: Managerial and Supervisory level (9 – 15 subordinates).
- d) The number of support staff for the office of the public office bearers.

APPLICABLE LEGISLATION / COUNCIL POLICY

1. The Constitution of the Republic of South Africa
2. Local Government: Municipal Systems Act (No. 32 of 2000)
3. Local Government: Municipal Staff Regulations (No. 890 of 2021)
4. Local Government: Municipal Finance Management Act (No. 56 of 2003)

ANNEXURES

Annexure A: Staff Establishment**COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:**

Municipal Manager:	Supported
Director: Strategic Support Services:	Author of the item
Director: Financial Services:	Supported
Director: Engineering Services:	Noted
Director: Community Services:	Noted
Director: Planning, Development and Integrated Services:	Noted
Senior Manager Legal Services:	Noted

RECOMMENDATION

That in respect of –

UPDATE ON THE DRAFT STAFF ESTABLISHMENT

as discussed by the Council at the Council Meeting held on 30 July 2024:

1. that Council note the feedback on the draft staff establishment.

7.13 RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND**File no.:** 9/2/5/R**Responsible Officials:** H C Potgieter**Directorate:** SSS**Portfolio:** Legal Services

1. PURPOSE

The purpose of this item is to provide a progress report to council in respect of the possible purchase of privately owned land in Rawsonville.

2. BACKGROUND / DISCUSSION

During the council meeting held on 23 April 2024 it was resolved as follows:

“RESOLVED

That in respect of –

RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND

as discussed by Council at the Council meeting held on 23 April 2024, resolution number C41/2024, Council decided:

- 1. That the administration be mandated to investigate and enter into negotiations with private landowners in Rawsonville, for the possible purchase of property suitable for housing purposes; and*
- 2. That a progress report be submitted to Council at the Council Meeting scheduled for July 2024.*
- 3. That following the investigation in item 1, a comprehensive item be resubmitted to council at the Council Meeting scheduled for August 2024”.*

Following the above resolution, the administration engaged with two (2) potential sellers to investigate the suitability of privately owned land in Rawsonville for housing purposes.

In summary, a formal meeting was held with one (1) landowner during June 2024. A power point presentation was tabled, and the administration currently await a written offer in this regard.

The other landowner already provided a draft offer to purchase. Electronic communication was subsequently exchanged, particularly to verify the size of the subject property.

Further meetings will be scheduled with the respective potential sellers, which the relevant internal departments will be requested to attend.

3. COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Noted

DIRECTOR: ENGINEERING SERVICES: Item noted

CHIEF FINANCIAL OFFICER: Noted

DIRECTOR: STRATEGIC SUPPORT SERVICES: Co-author of the item and the recommendation

DIRECTOR: PLANNING, DEVELOPMENT AND INTEGRATED SERVICES: Noted

DIRECTOR: COMMUNITY SERVICES: Noted

SENIOR MANAGER: LEGAL SERVICES: Author of the item

RECOMMENDATION

That in respect of –

RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND

as discussed by Council at the Council meeting held on 30 July 2024:

1. *That Council note the progress made in respect of the negotiations with private landowners in Rawsonville; and*
2. *that Directorate: Community Services resubmit a comprehensive item at the Council Meeting scheduled for August 2024.*

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- 8. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS DEALING WITH MATTERS OF URGENCY SUBMITTED BY THE MUNICIPAL MANAGER**
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- 9. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL**
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- 10. CONSIDERATION OF NOTICES OF MOTION AND NOTICES OF QUESTIONS WHICH SHALL APPEAR ON THE AGENDA IN THE ORDER IN WHICH THEY HAVE BEEN RECEIVED BY THE MUNICIPAL MANAGER**
-

- 11. CONSIDERATION OF MOTIONS OF EXIGENCY**
-

- 12. CLOSURE**
-