

# NOTICE

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

2022-01-25

**NOTICE OF 7<sup>th</sup> MEETING OF THE 2021/2022 FINANCIAL YEAR OF  
THE COUNCIL OF BREEDE VALLEY MUNICIPALITY  
TUESDAY, 2022-01-25 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	N.Nel
W.M. Blom	C.T. Nyithana
M.N. Bushwana	J. Pieters
G.L. Daames	A. Pietersen
Alderman R. Farao	O. Ralehoko
M.A. Goedeman	P.C. Ramokhabi
E.N. Isaacs	Alderman M. Sampson
Alderman C. Ismail	T.P. Sibozo
J.R. Jack	S.S.T. Steenberg
R.T. Johnson	M. Swartz
I.J. Joseph	H.C. Titus
D. Judge	E. Van der Westhuizen
J.P. Kritzinger	F. Vaughan
S.K. Madlolo	L. Willemse
Z.M. Mangali	M.T. Williams
T. S. Manuel	C.F. Wilskut
P.H. Marais	N.J. Wullschleger
S.J. Mei	L.R. Yayi
Alderman W.R. Meiring	
J.M. Mokgosi	

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 **7<sup>th</sup> MEETING** of the **2021/2022 FINANCIAL YEAR** of the **COUNCIL of BREEDE VALLEY MUNICIPALITY** will be held by means of a virtual platform on **TUESDAY, 2022-01-25** 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.

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**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.
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**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**

Cllr M.A. Goedeman	17 January 2022
Cllr I.J. Joseph	17 January 2022
Cllr E.N. Isaacs	23 January 2022
Cllr J.J. Von Willingh	2 February 2022
Cllr M.T. Williams	15 February 2022
Cllr L. Willemse	15 February 2022
Cllr D. Judge	19 February 2022

**3.3 PERSONALIA****3.4 STATEMENTS BY THE SPEAKER****3.5 STATEMENTS BY THE EXECUTIVE MAYOR**

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**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 Council Meeting held on 24 August 2021 (Copy enclosed)****RECOMMENDATION****That in respect of****CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING****discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Council Meeting held on 24 August 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 24 August 2021 be taken as read and confirmed.

#### **4.3 Special Council Meeting held on 28 September 2021 (Copy enclosed)**

##### **RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Special Council Meeting held on 28 September 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Special Council meeting held 28 September 2021 be taken as read and confirmed.

#### **4.4 Special Council Meeting held on 25 October 2021 (Copy enclosed)**

##### **RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Special Council Meeting held on 25 October 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Special Council meeting held 25 October 2021 be taken as read and confirmed.

#### **4.5 Council Meeting held on 17 November 2021 (Copy enclosed)**

##### **RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Council Meeting held on 17 November 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 17 November 2021 be taken as read and confirmed.

#### **4.6 Special Council Meeting held on 25 November 2021 (Copy enclosed)**

##### **RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Special Council Meeting held on 25 November 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 25 November 2021 be taken as read and confirmed.

**4.7 Special Council Meeting held on 1 December 2021 (Copy enclosed)****RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Council Meeting held on 01 December 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 01 December 2021 be taken as read and confirmed.

**4.8 Special Council Meeting held on 09 December 2021 (Copy enclosed)****RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING  
discussed by Council at the Council Meeting held on 25 January 2022:**

1. As the Minutes of the Council Meeting held on 09 December 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 09 December 2021 be taken as read and confirmed.
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**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**

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**5.1 The Deputy Executive Mayor: Cllr J.J. Von Willingh**

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**5.2 MMC1: Alderman W.R. Meiring**

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**5.3 MMC 2: Cllr. P.C. Ramokhabi**

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**5.4 MMC 3: Cllr. N. Nel**

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**5.5 MMC 4: Cllr. E. Van der Westhuizen**

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**5.6 MMC 5: Cllr J.R. Jack**

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**5.7 MMC 6: Cllr. V.A. Bedworth**

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**5.8 MMC 7: Cllr. J.P. Kritzinger**

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**5.9 MMC 8: VACANT**

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**6. CONSIDERATION OF AGENDA ITEMS****6.1 ADDITIONAL / AMENDMENT ALLOCATIONS - ADJUSTMENTS BUDGET****2021/22 – 25 JANUARY 2022****File No. /s:** 3/2/2/19**Responsible Official:** A Crotz**Directorate:** Financial Services**Portfolio:** Financial Services

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**1. Purpose**

To submit an Adjustments budget for the 2021/22 financial year because of amendments / adjustments to allocations from Provincial Government during the 2021/22 financial year.

**2. Background**

In terms of the MFMA (Section 28) the approved budget may be revised through an adjustments budget.

A. Section 28(2) further provides that; An Adjustments budget -

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;

- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

**B. Timeframes for tabling of adjustment budgets**

- An adjustment budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustment budget referred to in sub regulations (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or provincial adjustment budget allocates or transfer additional revenue to a Municipality, the Mayor of the Municipality must, at the next available council meeting, but within 60 days of the approval of the relevant National or Provincial adjustment budget, table an adjustment budget referred to in section 28(2) (b) of the Act in the Municipal council to appropriate these additional.

### **3. Financial Implications**

Financial implications are contained in the detail in this report.

### **4. Applicable Legislation / Council Policy**

1. The MFMA Section 28, 30 and 16(3)
2. Municipal Budget and Reporting Regulations
3. Council Budget related Policies

**ADJUSTMENTS BUDGET:  
SCHEDULE B REPORT 2021/22  
25 JANUARY 2022**



**BREEDE VALLEY**  
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**Adjustments Budget of the Municipality**

Prepared in terms of Section 28 of the Local Government: Municipal Finance Management Act (56/2003) and Municipal Budget and Reporting Regulations

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## 1. Glossary

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments.

**DORA** – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**IDP** – Integrated Development Plan. The main strategic planning document of a Municipality.

**KPI** – Key Performance Indicators. Measures of service output and/or outcome.

**LM** – Breede Valley Municipality.

**MFMA** - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property.

**TMA** – Total Municipal Account

**SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

### **Abbreviations and Acronyms**

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor

FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators

OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

## 2. Mayors Report

The allocations made to the Breede Valley Municipality were amended from the allocations as published and approved with the compilation of the 2021/22 Original Budget. Provincial Government had the following amendments to the allocations of Breede Valley Municipality:

- Informal Settlements Upgrading Partnership Grant: R2 000 000.00
- Municipal Library Support Grant: R2 129 000.00
- Municipal Service Delivery and Capacity Building Grant: R694 000.00
- Local Government Public Employment Support Grant: R1 700 000.00

All conditional grants / funds allocated and transferred to the Breede Valley Municipality has specific conditions in terms of the timeframes and the type of spending to be incurred by the municipality during the 2021/22 financial year.

We as a municipality will continuously strive to successfully implement all projects, especially the projects funded from external sources such as grants. These projects add great value given the challenging economic environment faced by municipalities to ultimately deliver better services within the Breede Valley Municipality.

**3. Resolutions**

That council approves the following:

- (a) To approve the adjustments budget as tabled in terms of section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (b) The recommendations with regard to resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

**4. Executive Summary**

The 2021/22 budget of Breede Valley Municipality is adjusted to accommodate the amendments as per the amendments from Provincial Government.

The additional / amended allocations relate to the following grants:

NAME OF GRANT	Amount
<b>INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT:</b> Funds allocated for research and advisory (contracted services) services to be implemented.	<b>R2 000 000.00</b>
<b>MUNICIPAL LIBRARY SUPPORT GRANT:</b> Contribution towards the employee related costs of Breede Valley Municipality and maintenance of equipment.	<b>R2 129 000.00</b>
<b>MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING GRANT:</b> To strengthen and improve municipal service delivery and capacity building.	<b>R694 000.00</b>
<b>LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT GRANT:</b> To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified	<b>R1 700 000.00</b>

as being in distress, through conditional transfers to local and district municipalities and the Metro in the Western Cape.	
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The 2021/22 Adjustments Budget was compiled in accordance with section 28 of the Municipal Finance Management Act and regulation 23 of the Municipal Budget and Reporting Regulations.

In compiling the 2021/22 Adjustments Budget, the importance of credibility, sustainability, responsiveness, and affordability remains integral in striving to achieve the desired outcome of effective and efficient service delivery.

### **1. Adjustments Budget Tables – refer to Annexure A**

#### **B1 Consolidated Adjustments Budget Summary**

The table above is a budget summary and provides a concise overview of Breede Valley Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

#### **B2 Consolidated Adjustments Budget Financial Performance by Standard Classification**

Table B2 above is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

#### **B3 Consolidated Adjustments Budget Financial Performance by Municipal Vote**

Table B3 above is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)**

Table B4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

**B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding**

Table B5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

**B6 Consolidated Adjustments Budget Financial Position**

Table B6 is consistent with international standards of good financial management practice and assist stakeholders in understanding the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

**B7 Consolidated Adjustments Budget Cash Flows**

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation**

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

**B9 Consolidated Asset Management**

Please refer to table B9

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

**B10 Consolidated Basic Service Delivery Measurement**

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

**SECTION A – Part 2****1. Adjustments to Budget Inputs and assumptions**

The 2021/22 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2021/22 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

The operational budget is adjusted in order to accommodate the amendments to allocations mentioned in this report. Please refer to table B4 and SB8 for all related amendments

**2. Adjustments to Budget Funding**

Budget funding in terms of operating and capital expenditure is set out on table B4.

**3. Adjustments to Expenditure on Allocations and Grant**

Detailed particulars of budgeted allocations and grants can be found on SB8.

Please refer to table SB8

**4. Adjustment to Allocations or Grants made by the Municipality**

None.

**5. Adjustment to Councillor Allowances and Employees**

The changes to councillor allowances and employee related cost is provided on table B4.

**6. Adjustment to Service Delivery and Budget**

The monthly targets for revenue, expenditure and cash flows are provided in B10 - Section B Supporting Tables.

**7. Adjustment to Capital Spending Detail**

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget, read with B5, B5B, SB16, SB17, SB18a, SB18b, SB18e and SB19.

**8. Other Supporting Documents**

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**
- Provincial Gazette Extraordinary 8531 Wednesday, 15 December 2021 as **Annexure C**.

**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: Public Services (Acting):	Recommendation Supported

**RECOMMENDATION**

That in respect of

**ADJUSTMENTS BUDGET FOR 2021/22 – JANUARY 2022**

discussed by Council at the Council meeting held on 25 January 2022 that:

1. **Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2021/22 be adjusted and approved with amendments as set out in the following.**
  - a. **Municipal Budget tables B1- B10**
  - b. **Municipal Budget supporting documentation SB1 - SB19**

**To Action:**

A. Crotz

**6.2 SUBMISSION OF THE MID-YEAR PERFORMANCE ASSESSMENT AND  
IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED  
31 DECEMBER 2021.  
MFMA SECTION 71, 52 (d) & 72 Report**

**File No. /s:** 3/15/1

**Responsible Officials:** R. Esau/R. Ontong

**Directorate:** Strategic Support  
Services/ Financial  
Services

**Portfolio:** Performance Management/  
Financial Services

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### **1. Purpose**

To submit to council the mid-year performance assessment and in-year financial management report to council 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.

**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.

**In terms of the Municipal Finance Management Act, 56 of 2003, section 72.**

- (1) The accounting officer of a municipality must by 25 January of each year—
- (a) assess the performance of the municipality during the first half of the financial year, taking into account—
- (i) the monthly statements referred to in section 71 for the first half of the financial year;
  - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
  - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) submit a report on such assessment to—
- (i) the mayor of the municipality;
  - (ii) the National Treasury; and
  - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must, as part of the review—

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

**In terms of the Municipal Finance Management Act, 56 of 2003, section 54.**

(1) The mayor must, on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 and 72—

- (a) consider the statement or report;
- (b) check whether the municipality’s approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following of and adjustment budget;
- (d) issue any appropriate instructions to the accounting officer to ensure—
  - (i) that the budget is implemented in accordance with service delivery and budget implementation plan; and
  - (ii) that spending of funds and revenue collection proceed in accordance with the budget.

**3. Financial Implications**

None

**4. Applicable Legislation/ Council Policy**

Municipal Finance Management Act, 56 of 2003 (Section 52(d), 54, 71, 72 & 168);  
Municipal Budget and Reporting Regulations, 2009

**Comment of Directorates/ Departments concerned**

<b>Municipal Manager:</b>	Recommendation supported
<b>Director: Strategic Support Services:</b>	Recommendation supported
<b>Director: Financial Services:</b>	Recommendation supported
<b>Director: Community Services:</b>	Recommendation supported
<b>Director: Engineering Services:</b>	Recommendation supported
<b>Acting Director: Public Services:</b>	Recommendation supported

**RECOMMENDATION**

That in respect of

**SUBMISSION OF MID-YEAR PERFORMANCE  
ASSESSMENT AND IN-YEAR FINANCIAL MANAGEMENT REPORT 2021/2022**

discussed by council at the council meeting held on the 25 January 2022:

- 1. That council takes note of the mid-year performance assessment and in-year financial management report for the 2021/2022 financial year.**

**To Action:**

R. Esau / R. Ontong

**6.3 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: SEPTEMBER 2021**

**File No./s:** 2/1/1/1  
**Directorate:** Financial Services

**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

**1. 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 September 2021.

**2. 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 September 2021, are attached as **Annexure A**.

**3. Financial Implications**

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

**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

**Comment of Directorates / Departments**

<b>Municipal Manager:</b>	Noted
<b>Director: Strategic Support Services</b>	Noted
<b>Director: Financial Services</b>	Noted

Director: Engineering Services	Noted
Director: Community Services	Noted
Acting Director: Public Services	Noted
Senior Manager: Legal Services:	Noted

**RECOMMENDATION**

That in respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: SEPTEMBER 2021**

Discussed by Council at the Council Meeting held on 25 January 2022:

1. **That the deviations from the procurement processes, approved in terms of the delegated authority for the month of September 2021, be noted.**

**To Action:**

K. Moteetee

**6.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: OCTOBER 2021**

**File No./s:** 2/1/1/1  
**Directorate:** Financial Services

**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

**1. 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 October 2021.

**2. 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 October 2021, are attached as **Annexure A**.

**3. Financial Implications**

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

**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

**Comment of Directorates / Departments**

<b>Municipal Manager</b>	Noted
<b>Director: Strategic Support Services</b>	Noted
<b>Director: Financial Services</b>	Noted
<b>Director: Engineering Services</b>	Noted
<b>Director: Community Services</b>	Noted
<b>Acting Director: Public Services</b>	Noted

Senior Manager: Legal Services

Noted

**RECOMMENDATION**

In respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: OCTOBER 2021**

discussed by Council at the Council Meeting held on 25 January 2022:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of October 2021, be noted.

**To Action**

K. Moteetee

**6.5 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: NOVEMBER 2021**

**File No./s:** 2/1/1/1  
**Directorate:** Financial Services

**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

**1. 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 November 2021.

**2. 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 November 2021, are attached as **Annexure A**.

**3. Financial Implications**

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

**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

**Comment of Directorates / Departments**

<b>Municipal Manager</b>	Noted
<b>Director: Strategic Support Services</b>	Noted
<b>Director: Financial Services</b>	Noted
<b>Director: Engineering Services</b>	Noted
<b>Director: Community Services</b>	Noted
<b>Acting Director: Public Services</b>	Noted

Senior Manager: Legal Services

Noted

**RECOMMENDATION**

In respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: NOVEMBER 2021**

Discussed by Council at the Council Meeting held on 25 January 2022:

1. **That the deviations from the procurement processes, approved in terms of the delegated authority for the month of November 2021, be noted.**

**To Action**

K. Moteetee

**6.6 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: DECEMBER 2021**

**File No./s:** 2/1/1/1  
**Directorate:** Financial Services

**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

**1. 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 December 2021.

**2. 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 December 2021, are attached as **Annexure A**.

**3. Financial Implications**

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

**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

**Comment of Directorates / Departments**

<b>Municipal Manager</b>	Noted
<b>Director: Strategic Support Services</b>	Noted
<b>Director: Financial Services</b>	Noted
<b>Director: Engineering Services</b>	Noted
<b>Director: Community Services</b>	Noted

Acting Director: Public Services  
Senior Manager: Legal Services

Noted  
Noted

**RECOMMENDATION**

In respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: DECEMBER 2021**

Discussed by Council at the Council Meeting held on 25 January 2022:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of December 2021, be noted.

**To Action:**

K. Moteetee

**6.7 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 1<sup>st</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR****File No./s:** 2/1/1/1  
**Directorate:** Financial Services**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

---

**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 and is in accordance to Section 21A of the Systems Act.** 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 1<sup>st</sup> quarter of the 2021/22 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

Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)  
The Competitions Act 1998 (Act No. 89 of 1998)  
Construction Industry Development Board Act, 2000 (Act No.38 of 2000)  
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)  
Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)  
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)

Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004)  
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

### **5. Annexures**

Annexure A: SCM quarterly implementation report (1<sup>st</sup> quarter ending 30 September 2021) approved in terms of paragraph 6.3

### **RECOMMENDATION**

In respect of

### **QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 1<sup>st</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR**

Discussed by Council at the Council Meeting held on 25 January 2022:

**1. That the approved SCM quarterly implementation report for the 1<sup>st</sup> quarter of the 2021/22 financial year, be noted.**

### **To Action**

K. Moteetee

**6.8 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT  
FOR THE 2<sup>nd</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR****File No./s:** 2/1/1/1  
**Directorate:** Financial Services**Responsible Official:** R. Ontong  
**Portfolio:** Supply Chain Management

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**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 and is in accordance with Section 21A of the Systems Act.** 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 2<sup>nd</sup> quarter of the 2021/22 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

Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)  
The Competitions Act 1998 (Act No. 89 of 1998)  
Construction Industry Development Board Act, 2000 (Act No.38 of 2000)  
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)  
Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)  
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)

Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004)  
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

## **5. Annexures**

Annexure A: SCM quarterly implementation report (2<sup>nd</sup> quarter ending 31 December 2021) approved in terms of paragraph 6.3

## **RECOMMENDATION**

In respect of

### **QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 1<sup>st</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR**

Discussed by Council at the Council Meeting held on 25 January 2022:

**1. That the approved SCM quarterly implementation report for the 2<sup>nd</sup> quarter of the 2021/22 financial year, be noted.**

## **To Action**

K. Moteetee

**6.9 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) PROCESS PLAN (2022 – 2027)****File No./s:**10/3/8**Directorate:** Strategic Support Services**Responsible Official:** C. Malgas**Portfolio:** IDP/PMS/SDBIP

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**1. PURPOSE**

To table the 5<sup>th</sup> Generation IDP Process Plan (2022 – 2027) (hereafter referred to as the Process Plan), to Council for consideration and adoption.

**2. BACKGROUND**

In terms of section 28 (1) of the Municipal Systems Act (32 of 2000) (hereafter referred to as the MSA), each municipal council must, within a prescribed period after the start of its elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. Section 28 (2) and (3) of the MSA, further states that the municipality must:

- through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the MSA, consult the community before the adopting the process;
- give notice to the local community of particulars of the process it intends to follow.

In addition, section 29 (1) of the MSA prescribes that the process followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must (amongst others)-

- (a) be in accordance with a predetermined programme specifying timeframes for the different steps;
- (b) through appropriate mechanisms, processes and procedures allow for –
  - (i) the local community to be consulted on its development needs and priorities;
  - (ii) the local community to participate in the drafting of the IDP;
  - (iii) organs of state and other role-players to be identified and consulted on the drafting of the IDP

Council should note that the Process Plan is regarded as a “living document” earmarked to inform and guide the IDP process throughout the term of Council. As a result, certain provisions within the Process Plan may be amended due to unforeseen circumstances, developments and/or realities. It is however important to note that any amendment(s) of the Process Plan, will be duly communicated to all applicable stakeholders & role-players in order to ensure transparency throughout the process.

**3. COMMENT**

A copy of the Process Plan is attached as Annexure “A”.

#### 4. FINANCIAL IMPLICATIONS

Operational expenditure will, in accordance with legislative prescripts, be budgeted to give effect to the core activities relating to the planning & facilitation of public & stakeholder consultations, as part of the IDP & Budget compilation processes. Expenditure will predominantly be assigned to the following service categories (amongst others):

- transport services;
- hire charges (venues)
- printing costs (pamphlets, newspaper publications and printed copies of the legislated documents)
- temporary labour (pamphlet distributors and loud hailer)
- ad hoc costs as informed by the applicable need at the time

#### 5. APPLICABLE LEGISLATION

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

#### COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

**Municipal Manager:** Supported

**Acting Director: Strategic Support Services:** Supported

**Director: Financial Services:** Supported

**Director: Engineering Services:** Supported

**Director: Community Services:** Supported

**Acting Director: Public Services:** Supported

**Senior Legal Manager:** Supported

#### RECOMMENDATION

That in respect of –

#### **The 5<sup>th</sup> Generation IDP Process Plan (2022 – 2027)**

discussed by Council at the Council meeting held on 25 January 2022:

1. That Council considers and adopts the 5<sup>th</sup> Generation IDP Process Plan (2022 – 2027) in accordance with section 28 of the MSA.
2. That a public notice, informing the local community and relevant stakeholders of the adopted process, be published and circulated.

#### **To Action**

C. Malgas

**6.10 APPROVAL OF THE EXTENSION OF CURRENT AUDIT AND PERFORMANCE  
AUDIT COMMITTEE MEMBERS' CONTRACTS****File No. /s:** 2/1/1/3/2**Responsible Official:** W du Plessis**Directorate:** Municipal Manager**Portfolio:** Internal Audit

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**1. Purpose**

To obtain Council's approval for:

The extension of the current Audit & Performance Audit Committee members' (J. Williams & S. Allie) contracts for a second term of 3 years as prescribed by the Audit & Performance Audit Committee Charter.

**2. Background**

In terms of Section 166 of the Municipal Finance Management Act(MFMA), Act 56 of 2003, each municipality must have an Audit and Performance Audit Committee. The Audit and Performance Audit Committee is an independent advisory body which must advise Council, the political office bearers, the accounting officer and the management staff of the municipality on various matters as mentioned in the Act.

The current members' first term contract expires on 28 February 2022 and was willing to avail themselves for another term of 3 years, as prescribed in terms of the Audit- & Performance Audit Committee Charter.

**3. Functioning of the Audit and Performance Audit Committee**

The Committee must consist of at least 3 members with appropriate experience who must be appointed by Council. The Audit and Performance Audit Committee must meet as often as is required to perform its functions, but at least four times per year. No councillor may be a member of the Audit and Performance Audit Committee.

The Audit and Performance Audit Committee must according to the Municipal Planning and Performance Management Regulations, 2001 include at least one (1) performance management expert, as the Committee of Breede Valley Municipality performs a dual role as Audit and Performance Audit Committee.

The approved Audit & Performance Audit Committee Charter prescribes the following with regards the term of office of committee members (see attached APAC Charter):

- (i) *“The chairperson should be appointed for a minimum of three years to ensure that he/she contributes most effectively and provides stability to the audit & performance audit committee.*
- (ii) *Audit & performance audit committee members should serve at least a minimum of three years with an option to renew for another three years, based on performance.*
- (iii) *Recruitment of members should be staggered to prevent a loss of knowledge and skills in the committee.*
- (iv) *Members of the audit & performance audit committee should not be contracted continuously for a period exceeding six years.*
- (v) *After serving consecutively for six years, a cooling off period of two years should be provided for, before appointing the same member to the same audit & performance audit committee.”*

#### 4. Financial Implications

Meeting rate as determined by Council approved Audit Committee Charter.

#### 5. Applicable Legislation / Council Policy

Section 166 of the Municipal Finance Management Act (No. 56 of 2003)

BVM Audit- & Performance Audit Committee Charter

National Treasury Internal Audit Framework 2<sup>nd</sup> Edition (March 2009)

MFMA Circular No. 65(November 2012)

Section 14 of the Local Government: Municipal Planning and Performance Management Regulations, 2001

#### Comment of Directorates / Departments concerned:

<b>Municipal Manager:</b>	Supported
<b>Director: Community Services:</b>	Support
<b>Director: Strategic Support Services:</b>	Supported

<b>Director: Financial Services:</b>	Supported
<b>Director: Engineering Services:</b>	Supported
<b>Acting Director: Public Services:</b>	Support
<b>Senior Manager: Legal Services:</b>	Supported

**RECOMMENDATION**

That in respect of

**APPROVAL OF THE EXTENSION OF CURRENT AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS' CONTRACTS**

discussed by Council at the Council meeting held on 25 January 2022:

1. Council approves the extension of the current Audit & Performance Audit Committee members' (J. Williams & S. Allie) contracts for a second term of 3 years from 1 March 2022 – 28 February 2025.

**To Action**

W. Du Plessis

**6.11 WATER SERVICES AUDIT REPORT FOR 2020/2021****File No./s:** 11/1/R**Responsible Official:** J. D. Pekeur**Directorate:** Public Services**Portfolio:** Water Services

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**1. Purpose**

To obtain Council's approval of the Water Services Audit Report for 2020/2021.

**2. Background**

Section 62 of the Water Services Act requires the Minister to monitor every WSA in order to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a water services audit every year.

The water services audit is designed to monitor the compliance of the WSA and other WSIs with these regulations. It allows the water services audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their WSDP. It also assists local communities and DWS to assess how well WSAs are performing relative to their stated intentions and their capacity.

The Water Services Audit Report will give an overview of the implementation of the previous years' WSDP of Breede Valley Municipality and can be seen as an annexure to Breede Valley Municipality's Annual Report. The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121).

Methodology followed: The Service Delivery Budget Implementation Plan (SDBIP) of Breede Valley Municipality for 2020/2021 was used to report on the KPIs for water and sewerage services. The previous WSDP was further used as basis to compile the report. The latest water usage figures and WWTWs flows up to June 2021 were obtained from Breede Valley Municipality, analysed and included under the various sections of the Water Services Audit Report.

Availability of the Water Services Audit Report: The Water Services Audit Report is a public document and must be made available within four months after the end of each financial year and must be available for inspection at the offices of the Municipality. It is also recommended that the document be placed on the Municipality's website and that copies of the document be placed at the public libraries. The Water Services Audit Report must also be made available to DWS for their comments as required by legislation.

### 3. Financial Implications

No financial implications.

### 4. Applicable Legislation / Council Policy

#### Water Services Act:

Section 18 of the Water Services Act stipulates the following with regard to the water services audit on the implementation of the WSDP.

- (1) A water services authority must report on the implementation of its development plan during each financial year,
- (2) The report-
  - a) must be made available within four months after the end of each financial year; and
  - b) must be given to the Minister, the Minister for Provincial and Local Government, the Member of the Executive Council responsible for local government in the relevant province and all the organisations representing municipalities having jurisdiction in the area of the water services authority.
- (3) The water services authority must publicise a summary of its report.
- (4) A copy of the report and of its summary must be-
  - a) Available for inspection at the offices of the water services authority; and
  - b) Obtainable against payment of a nominal fee.

Regulations under Section 9 of the Water Services Act, which include the water services audit as Section 10 of the Guidelines for Compulsory National Standards stipulates the following:

- (10) (2) A water services audit must contain details for the previous financial year and, if available, comparative figures for the preceding two financial years of-
  - (a) the quantity of water services provided, including at least –
    - (i) the quantity of water used by each sector;
    - (ii) the quantity of water provided to the water services institution by another water services institution;
    - (iii) the quantity of effluent received at sewage treatment plants; and
    - (iv) the quantity of effluent not discharged to sewage treatment plants and approved for use by the water services institution;
  - (b) the levels of services rendered, including at least –
    - (i) the number of user connections in each user sector;

- (ii) the number of households provided with water through communal water services works;
  - (iii) the number of consumers connected to a water reticulation system where pressures rise above 900 kPa at the consumer connection;
  - (iv) the number of households provided with sanitation services through consumer installations connected to the sewerage system;
  - (v) the number of households with access to basic sanitation services;
  - (vi) the number of new water supply connections made; and
  - (vii) the number of new sanitation connections made;
- (c) the numbers provided in compliance with paragraph (b) expressed as a percentage of the total number of connections or households;
- (d) cost recovery, including at least –
- (i) the tariff structures for each user sector;
  - (ii) the income collected expressed as a percentage of total costs for water services provided; and
  - (iii) un-recovered charges expressed as a percentage of total costs for water services provided;
- (e) meter installation and meter testing, including at least –
- (i) the number of new meters installed at consumer installations; and
  - (ii) the number of meters tested and the number of meters replaced expressed as a percentage of the total number of meters installed at consumer connections;
- (f) the water quality sampling programme contemplated in regulation 5(1), the results of the comparison set out in regulation 5(3) and any occurrence reported in compliance with regulation 5(4);

*Guidelines for Compulsory National Standards and Norms and Standards for Water Services Tariffs: Sections 5(1), 5(3) and 5(4) stipulates the following:*

*5 (1) Within two years of the promulgation of these Regulations, a WSA must include a suitable programme for sampling the quality of potable water provided by it to consumers in its WSDP.*

*5(2) The water quality sampling programme contemplated in sub regulation (1) must specify the points at which potable water provided to consumers will be sampled, the frequency of sampling and for which substances and determinants the water will be tested.*

5 (3) *A water services institution must compare the results obtained from the testing of the samples with SABS241: Specifications for Drinking Water, or the South African Water Quality Guidelines published by the Department of Water Affairs and Forestry.*

5 (4) *Should the comparison of the results as contemplated in sub regulation (3) indicate that the water supplied poses a health risk, the water services institution must inform the Director-General of the Department of Water Affairs and Forestry and the head of the relevant Provincial Department of Health and it must take steps to inform its consumers-*

*(a) that the quality of the water that is supplied poses a health risk;*

*(b) of the reasons for the health risk;*

*(c) of any precautions to be taken by the consumers; and*

*(d) of the time frame, if any, within which it may be expected that water of a safe quality will be provided.*

(g) water conservation and demand management, including at least –

(i) the results of the water balance as set out in regulation 11;

(ii) the total quantity of water unaccounted for;

(iii) the demand management activities undertaken; and

(iv) the progress made in the installation of water efficient devices.

*Guidelines for Compulsory National Standards and Norms and Standards for Water Services Tariffs: Section 11 stipulates the following:*

11 (1) *Within two years of the promulgation of these Regulations, a water services institution must every month-*

*(a) Measure the quantity of water provided to each supply zone within its supply area;*

*(b) Determine the quantity of unaccounted for water by comparing the measured quantity of water provided to each supply zone with the total measured quantity of water provided to all user connections within that supply zone;*

*(c) Measure the quantity of effluent received at each sewage treatment plant; and*

*(d) Determine the quantity of water supplied but not discharged to sewage treatment plants by comparing the measured quantity of effluent received at all sewage treatment plants with the total measured quantity of water provided to all user connections.*

11 (2) *A water services institution must-*

*(a) Take steps to reduce the quantity of water unaccounted for; and*

*(b) Keep record of the quantities of water measured and of the calculations made.*

Strategic Framework for Water Services (September 2003):

“A WSA must report annually and in a public way on progress in implementing the plan.” The requirement that WSAs regularly update their plans and report annually on progress against their plans will assist local communities and DWA to assess how well WSAs are performing relative to their stated intentions and their capacity.

**Comment of Directorates / Departments concerned**

**Municipal Manager:** The item and recommendation are supported.

**Director: Community Services:** The item and recommendation are supported.

**Director: Strategic Support Services:** The item and recommendation are supported.

**Senior Manager: Legal Services:** The item and recommendation are supported.

**Manager: IDP:** The item and recommendation are supported.

**Director: Financial Services:** The item and recommendation are supported.

**Director: Engineering Services:** The item and recommendation are supported.

**Acting Director Public Services:** The item and recommendation are supported.

**RECOMMENDATION**

That in respect of

**THE WATER SERVICES AUDIT REPORT FOR 2020 / 2021 FINANCIAL YEAR**

discussed by the Council at Council meeting held on 25 January 2022 that:

- 1. Council approves The Water Services Audit Report for 2020/2021.**

**To Action**

J. Pekeur

**6.12 PERFORMANCE AGREEMENT OF THE MUNICIPAL MANAGER FOR THE PERIOD 1 DECEMBER 2021 – 30 JUNE 2022****File No./s:** 3/15/1**Responsible Official:** C Malgas**Directorate:** Strategic Support Services**Portfolio:** Performance Management

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**1. PURPOSE**

To inform Council of the Performance Agreement entered into with the Municipal Manager for the period 1 December 2021 – 30 June 2022.

**2. BACKGROUND**

During a Council meeting held on 27 July 2021, Council was informed that the position of Municipal Manager would be vacant as from 1 December 2021, and subsequently requested to endorse the commencement of a formal recruitment and selection (R&S) process to appoint an Municipal Manager. Council subsequently endorsed the recommendation, after which the R&S process was initiated. The R&S process concluded in September 2021, after which an item served before a Special Council meeting, recommending that (amongst others):

- (1) Mr. David McThomas be appointed as Municipal Manager for a fixed term contract of employment not exceeding one (1) year after the election of the next Council of the Municipality;
- (2) that the commencement date of the contract be 1 December 2021

Council subsequently endorsed the recommendation, and Mr McThomas was duly appointed as Municipal Manager for the period stipulated.

On this backdrop, the need to formulate a Performance Agreement, in terms of section 57 (1) (b) and (2), read together with sub-regulation 4 and 23 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), has been triggered and is subsequently serving before Council.

However, as Mr. McThomas has effectively been reappointed as Municipal Manager without a break in service from a performance monitoring & reporting perspective, Council should read the

Performance Agreement tabled today, with the corresponding agreement entered into on the 9<sup>th</sup> of July 2021 (Council Resolution C66/2021). On this premise, Council should note that the KPI's contained in the aforementioned Agreement (Annexure A thereof), is only applicable and measurable until 30 November 2021. The KPI's listed in Annexure A of the Performance Agreement serving today, will be monitored and measured until 30 June 2022. For ease of reference, Council should note that no material and/or substantive amendment have been made to the KPI's due to the Municipal Manager's effective continuation of service (from a performance management perspective) within the applicable financial period.

Lastly, Council should note that all legislative prescripts and principles; regarding the drafting, conclusion and publication of the Performance Agreement of the Municipal Manager, entered into for the period 1 December 2021 – 30 June 2022; have been taken into account.

### 3. COMMENT

A copy of the signed Performance Agreement entered into with the Municipal Manager, for the period 1 December 2021 – 30 June 2022, is attached as Annexure "1"

### 4. FINANCIAL IMPLICATIONS

None

### 5. APPLICABLE LEGISLATION

Chapter 7 of the Local Government: Municipal Systems Act 32 of 2000

Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, Notice 805 of 2006

Local Government Municipal Systems Amendment Bill, No 7 of 2011

Local Government: Municipal Finance Management Act 56 of 2003

### COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

**Municipal Manager:** Recommendation Supported

**Acting Director: Strategic Support Services:** Recommendation Supported

**Senior Manager: Legal Services:** Recommendation Supported

**RECOMMENDATION**

That in respect of -

**The signed Performance Agreement entered into with the Municipal Manager (for the period 1 December 2021 – 30 June 2022)**

as discussed by Council at the Council meeting held on 25 January 2022:

1. That Council takes note of the signed Performance Agreement of the Municipal Manager for the period 1 December 2021 – 30 June 2022;
2. That the Performance Agreement, mentioned in recommendation 1, be read together with the corresponding Performance Agreement entered into with the Municipal Manager on the 9<sup>th</sup> of July 2021 (C66/2021), particularly noting that the KPI's contained in Annexure A hereof, will be monitored and measured from 1 July 2021 – 30 November 2021;
3. That the Performance Agreement, mentioned in recommendation 1, be publicised as legislatively prescribed.

**To Action**

C. Malgas

**6.13 MUNICIPAL (ADDITIONAL) COURT OPERATIONS****File no.:****Responsible Official:** S Schroeder**Directorate:** Community Services**Portfolio:** Traffic Services

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**1. PURPOSE**

The purpose of the item is to inform the council of the operations of the Municipal (Additional) Court.

**2. BACKGROUND / DISCUSSION**

The council gave approval for the establishment of a Municipal (Additional) Court for the Breede Valley Magisterial District during 2016.

The principle/goal of the Municipal Court has a direct link with the vision of the Breede Valley Municipality. The Municipal Court, through effective and efficient prosecuting of transgressors of Traffic offences, By-laws, National Building Regulations and others, can fulfil the ultimate goal to empower the Breede Valley community to prosper in a safe and healthy environment.

The Municipal Court commenced with operations during July 2021. The Department of Justice appointed a Magistrate designated for the Municipal Court on 1 October 2021.

The Municipal Court is fully operational and is sitting on a full-time basis.

**WORKFLOW TRAFFIC FINES**

Municipal Traffic Officer issues the fine. The traffic notice is in book form which is printed in triplicate. The first page is issued to the offender, second page (control document) is kept at court and the third page remains in the book.

The clerk of the Municipal Court enters all the information as it appears on the control document on the system, namely TCS.

All payments done without representations directly into the bank account and at the is processed by the cashier/clerk on the TCS system.

All representations received are processed by the clerk and handed to the Prosecutor for consideration. After consideration the Prosecutor will amend the control document and hand all representations back to the clerk. The clerk informs the applicant of the outcome. Representations will only be considered before the court date.

The court roll is printed, and all control documents are submitted to the court from the traffic department.

The clerk removes all control documents that have been paid and affix the relevant proof of payment thereto. These payments are handed to the Magistrate who signs it off and allocate it to the admission of guilt register. This admission of guilt register is kept up to date by the clerk.

A printout of the daily payments are handed to the clerk for processing, the clerk hands all proof of payments together with the control documents to the Magistrate for checking.

Should the accused fail to appear in court as warned on the summons, the Magistrate will authorise a warrant of arrest for the contempt of court.

If after 14 days of such authorisation, the fine amount reflecting on the summons is not yet paid, the warrant of arrest will be printed.

Once the warrants are printed, the court register together with the warrants and warrant register is handed to the Magistrate to sign all the warrants and note same on the court register.

The warrants are handed to the clerk to place the administration mark on the ENatis system.

Should the person then subsequently transact at any traffic department the administration mark will prevent them from doing so, unless all the outstanding fines for which they have warrants are paid in full.

The warrants are handed to the law enforcement and traffic officers to execute.

Matters that proceed to trial's witnesses are subpoenaed by the Prosecutor in order to testify in court on the trial date.

The day after court proceedings, the court register is processed by the clerk of the court. All the case results as noted by the Magistrate is entered onto the TCS system.

## **RECOMMENDATION**

In respect of

### **MUNICIPAL (ADDITIONAL) COURT OPERATIONS**

Discussed by Council at the Council Meeting held on 25 January 2022:

- 1. That Council take cognisance of the operations of the Municipal Court.**

### **To Action**

S. Schroeder

**7. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS DEALING WITH MATTERS OF URGENCY SUBMITTED BY THE MUNICIPAL MANAGER**

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**8. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL**

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**9. 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**

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**10. CONSIDERATION OF MOTIONS OF EXIGENCY**

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**11. CLOSURE**

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