



(DRAFT- Version as at 9 April 2019)
WARD COMMITTEE PROJECTS FUNDING POLICY

Whereas the municipality has through its Integrated Development Planning (IDP) Process identified key priorities in each ward;

And whereas it is acknowledged that some ward priorities as per the IDP are not always funded through the funding prioritisation due to limited funds and although the ward funds may be used for the benefit of the ward its intention is not to conflate and or exclude the municipal obligation to maintain and deliver services.

And further whereas the municipality has and further plan to, subject to available funding, set aside amounts in its budgets for each ward to implement projects in each ward as identified by the ward councillor in consultation with the ward committee and further in compliance with the rules set out hereunder:

1. POLICY

- 1.1 Each ward will be provided with a specified monetary amount, subject to annual approval by Council through regular budget deliberations, for small financial requests for projects of a capital or operational nature in a ward, and
- 1.2 It is critical to establish hereunder norms and standards to ensure proper expenditure management, transparency, accountability and appropriate lines of responsibility.

2. PURPOSE

- 2.1 To equitably allocate at least a minimum amount for municipal and or community-based service to citizens of each ward;
- 2.2 To better meet specific community needs at the ward level.

3. SCOPE

- 3.1 This policy applies to:

- 3.1.1 Ward Councillors,
- 3.1.2 Ward Committee members,
- 3.1.3 Organisations funded in terms of this policy for ward projects; and
- 3.1.4 Officials and councillors of Breede Valley Municipality.

4. RESPONSIBILITIES

4.1. Ward Councillors' are responsible for:

- 4.1.1. Ensuring that all ward proposals are in compliance with this policy.
- 4.1.2. The ward councillor will decide on the ward projects in consultation with the ward committee.
- 4.1.3. Submitting ward project proposals to the Speaker in writing.
 - 4.1.3.1. The ward project proposals submitted to the speaker must include at least the following documents:
 - a) Signed Ward Project Fund Form;
 - b) Minutes of the ward committee reflecting the decision of the ward project;
 - c) The IDP ward priority list inclusive of the ward small project funding list;
 - d) If ward projects are to be implemented via a section 67 of the Municipal Finance Management Act (MFMA) agreement, an official letter by the duly authorised official of the organisation confirming and attaching proof that:
 - (i) The organisation is duly recognised in terms of South African law (this may include the organisations constitution and founding documents);
 - (ii) The organisation agrees to implement the project/s subject to the conditions of this policy.
- 4.1.4. Ensuring that all proposals reach the Speaker at least five months (31 January) before the start of the financial year for which the proposal are intended.

4.2. Ward councillors' and ward committee members

- 4.2.1 Ward councillors' and or ward committee members their close friends or immediate family members **shall not** under any circumstances receive, use or have in their possession or under their control any moneys, food, clothing, assets, materials or anything associated with the ward project funds.

4.2.2 No ward project funding shall be used to erect, construct or maintain any asset (fixed or movable) on an immovable property owned, leased, used or under the control of any councillor and or ward committee member their close friends or immediate family members.

4.3. The Director Strategic Support Services or designate, is responsible to:

4.3.1. Direct the review and update of this policy, at a minimum, every five years.

4.3.2 Confirm adherence with this Policy.

4.4. The Chief Financial Officer or his designate, is responsible to:

4.4.1. Subject to available funds and council approval, budget for ward funding as per the projects submitted in terms this policy.

4.4.2 Processing and recording requests in accordance with normal accounting procedures of the municipality.

4.3.2. Maintaining a record of used and available ward funds.

4.3.3 Assist with compliant Supply Chain processes for ward expenditure.

4.5 The Accounting Officer or his designate is responsible to approve ward projects subject to compliance with this policy. However, the accounting officer may when, the project present financial, compliance or any other risk that cannot effectively be mitigated, refuse such ward project proposal even where there was full compliance with this policy, which refusal should not be unreasonably be exercised.

4.6 The Speaker is responsible to:

4.6.1 receive ward projects proposals;

4.6.2 Evaluate projects for compliance with this policy;

4.6.3 submit an annual report to Council for adoption four months after the end of the financial year to which the funding used, relate.

5. GOVERNING RULES AND REGULATIONS

5.1. Ward Funds (The Fund) are to be used as follows:

5.1.1. The Fund may be used for the benefit of operational and capital assets owned by the municipality, yet not negating the municipal obligations to maintain and deliver services. Expenditures may include repairs that extend the life of a capital asset and may also be used for the betterment or enhancement of capital assets owned by the municipality; (in this case municipal Supply Chain Processes must be used) and or

5.1.2. The Fund may be used to provide financial assistance to Community Based Groups **from and in that ward** through section 67 of the

Municipal Finance Management Act read with Council's Grant in Aid policy for projects and initiatives that are focused on:

- a) building neighbourhood connections,
- b) address community needs in the ward,
- c) physically improve spaces within the neighbourhood,
- d) serving the poor and vulnerable, and
- e) encouraging positive social behaviour amongst youth by supporting youth and children's sports and social programmes,
- f) creating safe and peaceful wards.

5.1.3 Only projects on as approved by the Ward Councillor in consultation with the ward committee and further subject to this policy, will be funded.

5.2. The Fund **must not** be used to:

- 5.2.1 cover costs whose responsibility would normally rest with private citizens or commercial business groups, except in cases of indigency and vulnerable groups;
- 5.2.2 fund organisations or bodies in cases where a member employed by an organ of state receives any financial or other gain;
- 5.2.3 to fund individuals in their personal capacity;
- 5.2.4 fund organisations that **do not** operate as a legal entity. A non-profit organisation, a non-governmental organisation and or community-based groups must be recognised and registered as such in compliance with South African Legislation;
- 5.2.5 fund projects not physically located in the ward or organisation not doing community work in that ward;
- 5.2.6 fund any political organisations or private businesses;
- 5.2.7 fund organisations to deliver projects that does not fall within the core and primary activities or expertise of that organisation;
- 5.2.8 fund organisations that do not have the competence, skills, resources or ability to implement the projects;
- 5.2.9 fund projects where ward councillors, ward committee members, their immediate family members and or their close friends would benefit directly or indirectly in cash or in kind;
- 5.2.10 fund organisations that did not comply fully with requirements of previous funding from the municipality;

- 5.2.11 fund organisation that is under investigation or whose key members are under investigation by council or any authorised investigating agencies for fraud, corruption or any mal practices;
- 5.2.12 fund organisations who has, or whose still active key members has been found guilty of fraud, corruption or mal practices;
- 5.2.13 Conflict and or supersede an existing policy of Council, in particular it must not be used to conflict with the Supply Chain Regulations and Policy;
- 5.2.14 Fund projects in conflict with the Ward Committee Code of Conduct or Councillor Code of Conduct;
- 5.3 Before transferring funds of the municipality to any organisation in terms of this policy, the accounting officer must be satisfied that the organisation -
 - 5.3.1 has the capacity and has agreed—
 - a) to comply with any agreement with the municipality;
 - b) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - c) to report at interval or timeframe set to the accounting officer on actual expenditure against such transfer;
 - d) to implement internal control systems to guard against fraud, theft and financial mismanagement;
 - 5.3.2 has in respect of previous similar transfers, donation or grants from the municipality complied with all the requirements;
 - 5.3.3 has taken all reasonable steps to ensure that the targeted beneficiaries will receive the benefit of the transferred funds; and
 - 5.3.4 that compliance by the organisation to Section 67(1)(a) is uneconomical or unreasonable.
- 5.4 If funds have been approved and allocated for a project, under the operating or capital budgets, the budgeted funds must be used within that year and unused funds **will not** be carried forward to the following year.
- 5.5. The Fund may be used when the municipality's share of a project is not available, or the project is a lower priority within existing internal municipal allocations.
- 5.6. Two or more Wards may join for Funding purposes where the project directly affects more than one Ward, or where the project has wider municipal impacts.

- 5.7. Use of Ward Funds for a project must not be committed, used and the project must not be publicly announced, in the one-month period immediately prior to a municipal, provincial or national election. The official commitment date shall be deemed to be the date on which the Speaker receives the official Ward Funds use request form duly authorized by signature or attached e-mail request by the requesting councillor. It is understood that the work may be undertaken within the one-month period due to administration's work priorities or climate requirements.
- 5.8. Forms, documents and files created as a result of funding under this program must be retained and filed in accordance with the municipality Archive and Records Policy and as required by the Public Audit Act and Standards issued thereunder.
- 5.9. **Reporting Requirements by Non-Profit Organisation, Non-Governmental Organisation and Community-Based Groups**
- 5.9.1 Non-Profit Organisation, Non-Governmental Organisation and Community-Based Groups shall deliver no later than one month after the finalisation of the project an official letter to the accounting officer confirming and submitting proof including but not limited to invoices and photos that:
- a) funding was used to the benefit of the intended beneficiaries,
 - b) purchase and delivery of goods or assets.

6. POLICY IMPLEMENTATION

- 6.1 This policy takes effect on the date approved by Council.
- 6.2 This policy shall not retrospectively apply to ward projects that has already been approved by the speaker at the date this policy takes effect.
- 6.3 Paragraph 4.1.4 shall not apply to ward projects to be implemented during the 2019/2020 financial year.