

A56 of 2018

REVIEWED AUDIT COMMITTEE CHARTER (SPEAKER) (6/12/3/2)

PURPOSE

To submit the reviewed Audit Committee Charter for 2018/19 financial year to Council for approval.

BACKGROUND

Circular 65 of Municipal Finance Management Act directs that Audit Committee must have Audit Committee Charter; a professional document which serves as written terms of reference. It outlines the nature, responsibility and the role of Audit Committee. It also serves as a guide for activities of Audit committee on an ongoing basis.

The role of the Committee is to provide independent assurance and assistance to the Accounting Officer and Municipal Council on control, governance and risk management. The Committee does not replace established management responsibilities and delegations. The Committee will provide the Accounting Officer and Municipal Council with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Municipality. During the Audit committee meeting dated the 23rd of August 2018, the Audit Committee reviewed and resolved to recommend approval of approved the Audit Committee Charter to Council.

*** Attached as **SEPARATE COVER 1** is the reviewed Audit Committee Charter.

FINANCIAL IMPLICATIONS

In terms of the section 9 of the Reviewed Audit Committee Charter titled (***Remuneration of Members***), Remuneration of Audit Committee members is in accordance with National Treasury Regulations 20.2.2 as adjusted annually, effected 1st April each year. In addition to the above, members are paid a preparation fee equal to the sitting allowance of ordinary member or chairperson per meeting attended.

In terms of the above provision, committee members are paid as follows:

	Sitting Allowance	Preparation Allowance
Chairperson	R 4 092 per meeting	R 4 092 per meeting
Members	R 2 483 per meeting	R 2 483 per meeting

LEGAL IMPLICATIONS

Regulation 20.2.2 of National Treasury

Circular 65 of Municipal Finance Management Act of 2003

RECOMMENDATION

1. That Council approves the Audit Committee Charter for 2018/19 financial year.

A57 of 2018

THREE YEAR INTERNAL AUDIT PLAN - 2018-2021 (SPEAKER) (6/12/1)

PURPOSE

To submit a three year Internal Audit Plan to Council for noting.

BACKGROUND

In terms of Section 165 of the Municipal Finance Management Act, (2) (a) the Internal audit division of the municipality must prepare a risk based Audit Plan and an Internal Audit Program for each financial year and advise the Accounting officer and report to the Audit Committee on matters relating to:

- Internal Audit;
- Internal controls
- Accounting procedure and practice
- Risk and risk management
- Performance management.
- Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

DISCUSSION

The Internal Audit Plan is designed to provide an independent, objective assurance and advisory service, in an efficient and effective manner, to the following key stakeholders:

- The Municipal Council through the Audit Committee of the Municipality
- Municipal Manager;
- Local line management;
- Audit Committee.

The objective of the three year Audit Plan is to align the activities of the Internal Audit with the objectives of the Municipality by:

- Identifying the priorities of Internal Audit, consistent with the objectives of the Municipality and Internal Audit Charter;
- Identifying the priorities of Internal Audit based on an assessment and potential exposure that may affect the Municipality in the achievement of its objectives;
- Setting out the audit universe for the Municipality and timeframe needed for the provision of opinion on risk management, control and governance processes; and
- Presenting Internal Audit Plans and resource requirements to the Audit Committee and the Chief Executive Officer for review and approval.

It should be noted that the Plan was not approved but noted by the Audit Committee because it was not Risk-based because Municipality did not conduct Risk assessment.

*** **Attached as SEPARATE COVER 2** is the three-year Audit Plan.

FINANCIAL IMPLICATION

None

LEGAL IMPLICATION

Section 165 of Municipal Finance Management Act.

RECOMMENDATION

1. That the Council notes the three year Internal Audit Plan.

A58 of 2018

INAUGURATION OF PR COUNCILLOR OF EFF (SPEAKER) (3/7/1/1)

PURPOSE

To inform the Council about the new Councillor of EFF, Councillor Akhona Dyantyi who is replacing former Councillor ME Senxezi who resigned.

BACKGROUND

There has been a vacancy in the PR Representation of EFF which occurred as a result of the resignation of an EFF Councillor from the Municipality, Cllr ME Senxezi.

The process of IEC was followed and the IEC communicated back to the Municipality to confirm Cllr Akhona Dyantyi as duly elected. Cllr Akhona Dyantyi will be sworn in during Council Sitting of August 2018.

*** **Attached on page 1 of the Annexures** is the IEC Memo for ease of reference.

RECOMMENDATION

1. That Council takes note of the new Councillor from EFF.

A59 of 2018

PUBLIC PARTICIPATION ENHANCEMENT (OFFICE OF THE SPEAKER) (3/8/1/1)

PURPOSE

To highlight the gaps and shortfalls within the system of the Public Participation in our Communities.

BACKGROUND

The Municipalities are constituted by the Politicians at local levels, Administration and communities in a particular Municipal jurisdiction. According to Systems Act, a Municipality must develop a culture of Municipal Governance that complements formal representative Government with a system of participatory governance and must for this purpose encourage and create conditions for the local community to participate in the affairs of the municipality.

The Speaker therefore having considered the above, realised that the only time where the community gets involved in the affairs of the Municipality is when the municipality is dealing with the budget and the IDP. Yes there are also Imbizos and Constituency meetings but the above is not enough. In terms of the Section 17(4) of Systems Act, a municipality may establish one or more advisory Committee consisting of persons who are not Councillors to advise the Council on any matter within the Council's Competence. On the same vein the municipality has to communicate to its community information concerning the available mechanism, processes and procedures to encourage and facilitate community participation.

The Office of the Speaker has received numerous complaints from the Human Rights commission. Some complaints from Human Rights Commission have been raised by Councillors on several occasions on their monthly reports. The only logic conclusion is that challenges of service delivery are reported to various departments without success. We can conclude that this happens because there is no Consequence Management, people are at liberty as they do not see the urgency of dealing with sewer spillages and water pipe bursts on an urgent basis.

It is against this background that the Speaker is suggesting that to comply with Systems Act, there is a need to navigate through our communities, identifying organised community formations like Community Based Organisations, NGO's, Rate Payers, Business Chamber and others. Having identified these organisations, then the Council will give them a chance to make input under deputations in terms of Rule 48 of Standard Rules and Orders.

LEGAL IMPLICATIONS

Standard Rules and Orders.
Municipal Systems Act No32 of 2000

FINANCIAL IMPLICATIONS

None

RECOMMENDATIONS

1. That Council allow CBOs, NGOs and other Community Based Organisations to present their issues to Council.
2. That Issues raised be referred to relevant Portfolio Committees if they cannot be resolved immediately.
3. That Council be the final arbiter on the issues raised by Community based organisations.

A60 of 2018

**ESTABLISHMENT OF WOMEN MULTI PARTY CAUCUS IN MATJHABENG
(SPEAKER) (3/8/1/3)**

PURPOSE

To report back to Council on the election of the Women Multi-Party Caucus Committee and its Chairperson.

BACKGROUND

The above item was brought to Council as A33 of 2018 on the 30 May 2018. The Speaker was tasked to preside over the establishment of the Committee and report back to Council.

On the 25 July 2018 that Committee was established. The Multi-Party Women elected the following Women Councillors to serve in the Committee.

- | | | | |
|----|-------------------------------------|---|--------------------|
| 1. | Cllr Kabotsa Sarah Vinolia Moipatle | - | Chairperson |
| 2. | Cllr Coreen Malherbe | - | Deputy Chairperson |
| 3. | Cllr Alice Jaqueline Jacobs | - | Additional Member |
| 4. | Cllr Xolile Nompumelelo Masina | - | Additional Member |
| 5. | Cllr Nkadimeng Thelingoane | - | Additional Member |

*** The guidelines of SALGA are attached on page 2 to page 3 of the Annexures.

*** The attendance register is attached on page 4 to page 5 of the Annexures.

POLICY

This is a SALGA Policy

FINANCIAL IMPLICATION

This is a Section 79 Committee therefore costs will be there as it operates.

RECOMMENDATION

1. That Council takes note of the item.

A61 of 2018

COUNCILLOR WELFARE AND EMPOWERMENT SUPPORT (SPEAKER) (3/1/4/3)

PURPOSE

To update Councillors on the key developments with regard to Councillor Welfare and Empowerment Support.

BACKGROUND

The Speaker as a member of the National Executive Committee of SALGA thought that it would be prevalent that he should share some information with the fellow Councillors on issues pertaining to the Welfare and Empowerment Support of Councillors.

The working Group meeting of 13 March 2018 received a detailed progress report made on the following matters.

- Upper Limits Notice for the 2017/18 financial year;
- Review of the System of Remuneration for Councillors, and
- Developments within the Municipal Councillors Pension Fund (MCPF)

This report will detail further progress made since the last Working Group meeting.

DISCUSSION

Upper Limits Notice for 2017/18 financial year

1. Problem Statements

In comparing the Upper Limits Notice issued on 15 December 2017 with previous Notices, whilst a number of improvements have been introduced a number of short comings resulting in implementation challenges have been identified. These challenges as highlighted Municipalities include the following:

2. Capacity Building

Background: In 2013 SALGA in partnership with COGTA initiated a drive to ensure capacity building of Councillors, similar to public office bearers at other spheres of government, is introduced for Councillors. The intention was to ensure that the capacity of Councillors are developed to development of Municipalities. Capacity building for Councillors was introduced with the January with the January 2014 Upper Limits Notice.

Problem Statement: The 15 Dec 2017 Notice, has retained capacity building but has specifically excluded tertiary education. This exclusion introduced challenges for a number of capacity building programmes initiated by SETA, national government departments and SALGA include very important programmes with tertiary institutions across the country.

3. MEC Concurrence

Background: Having regard to the annual Upper Limits notice the remuneration of Councillors is determined by a Municipal Council, in consultation with the MEC responsible for Local Government in each province.

Problem Statement: There is no uniform approach followed by MECs in exercising their concurrency responsibility. A number of MECs have, **over the last couple of years refused to provide concurrence for either the cost of living adjustment or tools of trade** where Municipalities either did not submit financial statements or received adverse and/or disclaimer audit opinions. These requirements are not provided for in the Remuneration of Public Office Bearers Act and **has been detrimental to Councillors.**

Engagement with COGTA

The SALGA Presidency held a meeting with the Minister of COGTA on 8 May 2018, followed by a further meeting on 5 July 2018. The following specific recommendations were made to the Minister:-

1. The current provisions on capacity building in the Upper Limits Notice should be amended by removing the reference to “but excludes tertiary education” and
2. The concurrence process by MEC must be harmonized across all provinces through the development of Regulations and/or guidelines.

In response to the aforementioned recommendations, the meeting agreed to the following:-

1. SALGA to conduct an analysis of the impact of the changes in the remuneration regime (annual Upper Limits changes) on Councillors and Municipalities;
2. SALGA and COGTA jointly finalise the standardisation of the concurrency process across all provinces;
3. The package of concerns from the 15 December 2017 Upper Limits notice be referred to the SALGA-COGTA technical team for consideration with the development of the 2018/19 Notice
 - 3.1 Review of the Upper Limits Notice, the SALGA Presidency held a meeting with Minister of COGTA on 8 May 2018, followed by a further meeting on 5 July 2018. The following specific recommendations were made to the Minister:-
 - 3.2 SALGA and COGTA jointly engage the Independent Commission on the contents of the report with a view of improving/amplifying certain components of its report prior to publishing.

LEGAL IMPLICATION

None

FINANCIAL IMPLICATION

None

RECOMMENDATION

1. That Council takes note of the item.

A62 of 2018

**KILLING OF COUNCILLORS AND LOCAL GOVERNMENT ADMINISTRATION
(SPEAKER) (3/1/1)**

PURPOSE

The Speaker thought that it is important to share the information in regard to the killings of Councillors and Local Government Administrators which is being debated by SALGA at national level.

BACKGROUND

As this problem of killing Councillors and Administrators in Local Government, SALGA national decided to have a debate on this issue in an attempt to put a stop to these killings. In 2016, SALGA conducted research into the killings, harm and threats experienced by Councillors and Municipal Managers in the conduct.

In 2016, SALGA conducted research into the killings, harm and threats experienced by councillors and municipal managers in the conduct of their duties. The sample of the survey was limited in terms of the size relative to the total number of municipalities in South Africa. Based on this limited sample, it was discovered that 46% of councillors were repeatedly threatened by other politicians and community members with physical harm, rape and harm to family, it was also found that, there were threats to destroy and in many instances councillor and municipal properties were damaged.

The level of reported threats received by municipal managers were high; estimated at approximately 60% of those who participated in the survey. As representatives of municipal administration, the threats received by Municipal Managers differed from councillors in the sense that the persons making the threats were from employees, Community members, contractors and Union members. Around two thirds of Municipal Managers and Councillors reported that the level of intimidation and threatening behaviour they encountered led them to consider resignation and many believed their ability to perform their duties were adversely affected as a result thereof.

The prevailing situation, prompted SALGA, to look for a solution to track these threats, harm, damaging of property and killings of both councillors and municipal administrators. We since then, embarked on a process of securing a smart mobile solution which its main aim is to enable SALGA to collect real time data on incidences of intimidation, threats, killings, community protests as well as damage to property.

The solution should enable SALGA to access such information in terms of basic data as reported, automatically extrapolate and plot the data into graphs and spatial illustration in terms of province, metro, district, local municipality, ward, village and/or township.

Even here at Matjhabeng we had instances where a Ward Councillor life was threatened with burning tyres in demand of electricity in that Ward. Recently there were some road blockages in the same Ward. Communities start by demanding service delivery and end up killing Councillors.

LEGAL IMPLICATIONS

Constitution of South Africa

FINANCIAL IMPLICATIONS

None

RECOMMENDATION

1. That Council takes note of the item

A63 of 2018

REPORT ABOUT MUNICIPAL CONCILLORS PENSION FUND (SPEAKER) (3/1/4/5)

PURPOSE

To brief the Council on the issue of the Municipal Councillors Pension Fund. The meeting took place on the 13 June 2018.

BACKGROUND

Since the Council took a resolution that Councillors should no longer belong to MCPF, there have been some interactions and meetings regarding this matter. Central to the discussions was the issue of transferring benefits that are still with MCPF to the other Pension Funds per their choice of the individual members. The other matter was about how would the members benefit from the monies that are recovered from the overpayment of SARS by ABSA by the time ABSA was the Administrator of the fund. So far SARS have paid R14m. AKANI paid R13m. The issue of the land that was bought from Matlosana was discussed in the meeting of the MCPF and the delegation of Matjhabeng Councillors and the report of that meeting **is attached on page 6 to page 7 of the Annexures.**

*** An Update on Municipal Councillors Pension Fund **is attached on page 8 to page 12 of the Annexures.**

MCPF agrees that transfers can happen but they highlighted that that could take six to two years due to the process that will have to be followed.

LEGAL IMPLICATIONS

Rules of the Fund
Pension Fund Act No 24 of 1956

RECOMMENDATIONS

SUBMITTED FOR CONSIDERATION

A64 of 2018

LAND GRAB ACTIVITIES IN MATJHABENG (SPEAKER) (6/9/2)

PURPOSE

To inform the Council about land grab activities that are taking place in Matjhabeng.

BACKGROUND

As a Municipality, we are faced with issues of land grabs in our Wards. This problem also escalated into the private land. In some case we are told that some Councillors of Matjhabeng are also involved in these sporadic land grabs. The information goes further to say some Councillors got arrested being embarking on this unlawful activity.

These activities pose a danger to the development and the Economic Growth of the Municipality and the area as a whole as there will be no investors who will be interested to invest in an area where there is no rule of law prevailing. This can also cause disinvestment in the area.

LEGAL IMPLICATION

Delegation of powers doesn't allow anyone to adjudicate a land except the Council.
Municipal Finance Management Act No 56 of 2003

SUBMITTED FOR CONSIDERATION

A65 of 2018

REPORT BACK ON THE MATTER PERTAINING TO FORMER COUNCILLOR M.E. SENXEZI (SPEAKER) (3/1/4/2)

PURPOSE

To apprise Council in respect of whether any part of Cllr Senxezi's allowance could be legally recoverable from him for absconding.

BACKGROUND

Councillor M.E. Senxezi has not been attending Council meetings consistently since January 2018 including the workshop of the 13th April 2018. Efforts to communicate with him failed as he was not answering his calls. Efforts to check him from the address he gave to the Municipality did not yield any positive results. The only logic conclusion to this case is that Councillor M.E. Senxezi absconded and abandoned any Municipal or Council duties. For all this period he had not been doing any work for the Municipality, he was being remunerated accordingly.

Eventually Councillor M.E. Senxezi submitted his resignation letter dated 16 May 2018 with effect from 28 May 2018 to the Office of the Municipal Manager.

In a Council Sitting that was held on 30 May 2018, it was resolved as follows:

1. *That the Council **ACCEPTS** the resignation of Cllr M.E. Senxezi.*
2. *That the Municipal Manager should **DECLARE** a vacancy to the IEC.*
3. *That the Speaker must **INVESTIGATE** whether any part of Cllr Senxezi's allowance could be legally recovered from him for absconding.*

Council Administration having looked at the Rules picked up the following:

In terms of Section 13(6) of the Standard Rules and Orders, "A Councillor contemplated in sub-rule (6) must pay to the Council a fine equal to 10 per cent of the Councillor's monthly salary, which fine must be deducted from the first next payment due to the Councillor by the Municipality unless that the councillor had paid the fine in cash before such payment is made. A fine in terms of this sub-rule escalates at a rate of 5 per cent for every subsequent absence without leave of absence. The Municipal Manager must inform the Councillor concerned in writing of the imposition of such fine."

FINANCIAL IMPLICATION

For the duration of his abscondment, Cllr Senxezi was remunerated as follows:

January 2018	:	R 17 706.13
February 2018	:	R 17 706.13
March 2018	:	R 17 706.13
April 2018	:	R 17 706.13
May 2018	:	R 17 706.13

POLICY FRAMEWORK

Matjhabeng Standard Rules and Orders

January 2018 : R 17 706.13 – 10% = R1 770.61
February 2018 : R 17 706.13 - 5% = R 885.30
March 2018 : R 17 706.13 - 5% = R 885.30
April 2018 : R 17 706.13 - 5% = R 885.30
May 2018 : R 17 706.13 - 5% = R 885.30
TOTAL AMOUNT OWED = R 5 311.84

PROBLEM STATEMENT

1. Cllr M.E. Senxezi has already resigned.
2. According to the records, he was not a member of the Pension Fund.

SUBMITTED FOR CONSIDERATION

A66 of 2018

MPAC RESOLUTION OF T16 1300 SANITATION AND NYAKALLONG WASTE WATER PROJECTS (MPAC CHAIRPERSON) (19/8/6)

PURPOSE

To inform Council of the Committee's resolution on T16 1300 sanitation and Nyakallong Waste Water Treatment Plant projects reported as Irregular expenditure during the 2016/17 financial year.

BACKGROUND

- (a) During the 2016/17 financial year the following projects amongst others, were reported as irregular and investigations were done by MPAC,
- T16 1300 sanitation; and
 - Nyakallong waste water treatment plant.

DISCUSSIONS

As previously reported to Council, the Committee is not satisfied with these projects and has concluded as follows:

T16 1300 sanitation

- All issues be corrected at the Contractor's costs to ensure that the project is fully functional and fulfills the service delivery intention of the project;
- No further monies are to be spent by the Municipality on this project;
- Retention monies withheld for the project should not be paid over to the Contractor; and
- Should the project not be functional by 30 December 2018, a criminal case should be opened and all punitive measures as per contractual terms be enforced.

Nyakallong waste water treatment plant

It was found that the contract of the first Consultant appointed for the project was cancelled as the Municipality was not satisfied with the drawings submitted by the Consultant. The contract was thus terminated. The Consultant was however paid approximately R6,9 million.

It is our resolution as the Committee that the money should be recovered from this Consultant due unsatisfactory and sub-standard work.

LEGAL AND FINANCIAL IMPLICATIONS

- 1) The Municipality should not make any further payments towards T16 1300 sanitation project including the retention monies withheld;

- 2) A Criminal case must be opened by 2 January 2019 if the fully functioning and operational T16 projected is not handed over to the Municipality; and
- 3) Monies paid to the Consultant with regard to the Nyakallong Waste Water Treatment Plant whose contract was terminated due to unsatisfactory work must be recovered.

RECOMMENDATION

1. That Council takes note of the resolutions of MPAC on the two projects.

A67 of 2018

MPAC COMMITTEE REPORT ON THE IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE INCURRED FOR THE PERIOD ENDED 30 JUNE 2018 (MPAC CHAIRPERSON) (6/1/2/2)

PURPOSE

To submit to Council the MPAC report on Irregular and Fruitless and Wasteful Expenditure incurred for the financial periods ended 30 June 2018 as mandated by council.

BACKGROUND

The Municipality is required to disclosed particulars of Unauthorised, Irregular or Fruitless and Wasteful expenditure as part of the notes to the Annual Financial Statements in terms of the requirements of Section 125(2)(d) of the Municipal Finance Management Act.

As part of the process to correct the audit exceptions, we submitted to Council a request for an investigation as per Section 32 of the Municipal Finance Management Act. Consequently, Council appointed the Committee to perform investigations as guided by National Treasury MFMA circular no. 68 and Section 32 of the Municipal Finance Management Act and to submit a report to Council with recommendations for consideration by Council.

Section 32(2) and (4) of the Municipal Finance Management Act states the following:

- (2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—
 - (a) in the case of unauthorised expenditure, is—
 - (i) authorised in an adjustments budget; or
 - (ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and
 - (b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.
- (4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—
 - (a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;
 - (b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
 - (c) the steps that have been taken—
 - (i) to recover or rectify such expenditure; and
 - (ii) to prevent a recurrence of such expenditure.

Definition of Fruitless and Wasteful Expenditure

The *Municipal Finance Management Act No.56 of 2003* under paragraph 1 defines; **“fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

(1) The following are examples of fruitless and wasteful expenditure:

- Expenditure due to negligence, e.g. cancellation fees incurred for missing a flight or claims for damages to vehicles of road-users due to potholes.
- Interest on overdue accounts, e.g. Eskom
- Penalties Paid e.g. Incorrect PAYE or VAT calculations resulting in penalties payable from SARS
- Procuring of goods and services that are not beneficial to the municipality
- Costs of goods and services are in excess of what would have been the case have proper procedures been followed (quotes etc.)
- Renting of property when sufficient and appropriate unoccupied property is owned by the entity
- Exuberant costs on parties, entertainment, subsistence and travel etc.
- Back Pay as a result of unfair dismissal or suspensions.

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. This type of expenditure is incurred where no value for money is received for expenditure or the use of resources. No particular expenditure is explicitly identified by the MFMA as fruitless and wasteful.

IRREGULAR EXPENDITURE

The *Municipal Finance Management Act No.56 of 2003* under paragraph 1 defines; “Irregular expenditure “, in relation to a municipality or municipal entity, as-

- a) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- b) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of Municipal Systems Act, and which has not been condoned in terms of the MFMA;
- c) Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office- Bearers Act 1998 (Act no.20 of 1998); or
- d) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law.

But excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”

DISCUSSIONS

*** The MPAC Committee report on the investigation of Irregular and Fruitless and Wasteful expenditure **is attached on page 13 to page 25 of the Annexures.**

FINANCIAL IMPLICATIONS

The Municipality is required to disclose particulars of the Irregular and Fruitless and Wasteful Expenditures as part of the notes to the Annual Financial Statements in terms of the requirements of section 125(2)(d) of the Municipal Finance Management Act.

LEGAL IMPLICATIONS

The report on the investigation of Irregular and Fruitless and Wasteful expenditure and the recommendations for write-off is in compliance with Section 32(2) of the Municipal Finance Management Act.

RECOMMENDATIONS

Irregular expenditure

1. That Council takes note of the MPAC committee report;
2. That Council certifies an amount of **R131 743 864,71 (R110 144 656,48 excl. vat)** detailed below as irrecoverable and be write-off;
3. That the appropriate disclosure note be made to the financial statements for the year ending 30 June 2018;
4. That the Accounting Officer must establish controls to detect and prevent these types of expenditures and on a quarterly basis submit a report for consideration to Council; and
5. That the Accounting Officer must in writing communicate the Council resolutions to the office of the Auditor General, COGTA and Provincial Treasury in terms of section 32, subsection 4 of the Municipal Finance Management Act.

Fruitless and Wasteful expenditure

6. That Council takes note of the MPAC committee report;
7. That Council certifies an amount of **R167 497 846,03** detailed below as irrecoverable and be write-off;
8. That the appropriate disclosure note be made to the financial statements for the year ending 30 June 2018;
9. That the Accounting Officer must establish controls to detect and prevent these types of expenditures and on a quarterly basis submit a report for consideration to Council; and
10. That the Accounting Officer must in writing communicate the Council resolutions to the office of the Auditor General, COGTA and Provincial Treasury in terms of section 32, subsection 4 of the Municipal Finance Management Act.

A68 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR P.F. BOTHA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr P.F. Botha and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 11 June 2018 received from Cllr P.F. Botha, containing certain questions is **attached on page 26 to page 27 of the Annexures.**
- *** The Municipal Manager's response is **attached on page 28 to page 35 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A69 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR P.F. BOTHA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr P.F. Botha and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 13 June 2018 received from Cllr P.F. Botha, containing certain questions is **attached on page 36 to page 38 of the Annexures.**
- *** The Municipal Manager's response is **attached on page 39 to page 48 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A70 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR P.F. BOTHA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr P.F. Botha and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 10 July 2018 received from Cllr P.F. Botha, containing certain questions is **attached on page 49 to page 52 of the Annexures.**
- *** The Municipal Manager's response is **attached on page 53 to page 64 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A71 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.P.KOPELA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr M.P. Kopela and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 17 July 2018 received from Cllr M.P. Kopela, containing certain questions is **attached on page 65 to page 66 of the Annexures.**
- *** The Municipal Manager's response **is attached on page 67 to page 68 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A72 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.J. BADENHORST (MM)
(3/1/3/2)

PURPOSE

To submit the questions raised by Cllr M.J. Badenhorst and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 19 July 2018 received from Cllr M.J. Badenhorst, containing certain questions is **attached on page 69 to page 71 of the Annexures.**
- *** The Municipal Manager's response **is attached on page 72 to page 74 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A73 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR B.L. JAMA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr B.L. Jama and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 02 August 2018 received from Cllr B.L. Jama containing certain questions is **attached on page 75 to page 76 of the Annexures.**
- *** The Municipal Manager's response is **attached on page 77 to page 78 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A74 of 2018

QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR B.L. JAMA (MM) (3/1/3/2)

PURPOSE

To submit the questions raised by Cllr B.L. Jama and the response thereon by the Municipal Manager.

BACKGROUND

- *** A letter dated 02 August 2018 received from Cllr B.L. Jama containing certain questions is **attached on page 79 of the Annexures.**
- *** The Municipal Manager's response **is attached on page 80 of the Annexures.**

SUBMITTED FOR NOTIFICATION

A75 of 2018

MONTHLY FINANCE REPORT – APRIL 2018 (EXECUTIVE MAYOR) (6/4/1)

PURPOSE

To submit to Council the Monthly Finance Report for April 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a 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:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

DISCUSSIONS

*** The finance report for April 2018 is attached on page 81 to page 94 of the Annexures.

FINANCIAL IMPLICATIONS

TABLE 1	Actual for the Month (April 2018)	For Year to date (2017/2018)
All Grants Received	-	561 992 000
Actual Revenue Received	74 182 870	851 224 301
Actual Expenditure	87 732 193	1 377 167 484
Salaries	57 373 814	568 295 599
Water	1 000 000	187 326 926
Electricity	3 497 618	156 960 564
Other Expenditure	25 860 761	464 584 395
Sub-Total	-13 549 323	36 048 817
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-13 549 323	36 048 817
MIG Payments	1 470 710	93 886 432
INEG Payments	-	882 659
WSIG Payments	-	5 805 936
Capital Assets procured - Equitable Share	-	2 878 080
Fleet & Equipment	-	27 300
Office convention/ Furniture	-	2 850 780
Net Surplus/(Deficit) after Capital payments	-15 020 033	

Table 1: The municipality had a deficit of R15 020 033 for the month of April after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month.

TABLE 2	Actual for the Month (April 2018)	For Year to date (2017/2018)
Total Billings	140 257 427	1 465 324 346
Less: Indigent Billings	3 777 782	35 057 212
Actual Billings	136 479 645	1 430 267 134
Actual Revenue Received	73 088 361	824 223 257
Consumer Revenue	66 986 371	740 968 894
Other	6 101 990	83 254 363
Grants & Subsidies	-	561 992 000

Pay rate for April 2018 (Total Billings)	54%
Total income percentage - April 2018	54%
Total income percentage – YTD	60%

The pay rate for April 2018 was 54%
The total income percentage April 2018 was 54%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

RECOMMENDATIONS

1. That the Finance Report for April 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for April 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

A76 of 2018

MONTHLY FINANCE REPORT – MAY 2018 (EXECUTIVE MAYOR) (6/4/1)

PURPOSE

To submit to Council the Monthly Finance Report for May 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a 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:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

DISCUSSIONS

*** The finance report for May 2018 is attached on page 95 to page 112 of the Annexures.

FINANCIAL IMPLICATIONS

TABLE 1	Actual for the Month (May 2018)	For Year to date (2017/2018)
All Grants Received	-	561 992 000
Actual Revenue Received	107 773 758	958 998 059
Actual Expenditure	112 437 460	1 489 604 944
Salaries	46 405 071	614 700 670
Water	2 000 000	189 326 926
Electricity	40 654 142	197 614 706
Other Expenditure	23 378 247	487 962 642
Sub-Total	-4 663 702	31 385 115
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-4 663 702	31 385 115
MIG Payments	9 101 981	102 988 413
INEG Payments	-	882 659
WSIG Payments	-	5 805 936
Capital Assets procured - Equitable Share	96 892	2 974 972
Fleet & Equipment	-	27 300
Office convention/ Furniture	96 892	2 947 672
Net Surplus/(Deficit) after Capital payments	- 13 862 575	

Table 1: The municipality had a deficit of R13 862 575 for the month of May after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month.

TABLE 2	Actual for the Month (May 2018)	For Year to date (2017/2018)
Total Billings	146 874 102	1 612 198 448
Less: Indigent Billings	3 840 638	38 897 850
Actual Billings	143 033 464	1 573 300 598
Actual Revenue Received	106 617 846	930 841 103
Consumer Revenue	98 977 073	839 945 967
Other	7 640 773	90 895 136
Grants & Subsidies	-	561 992 000

Pay rate for May 2018 (Total Billings)	75%
Total income percentage - May 2018	75%
Total income percentage – YTD	61%

The pay rate for May 2018 was 75%

The total income percentage May 2018 was 75%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

RECOMMENDATIONS

1. That the Finance Report for May 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for May 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

A77 of 2018

MONTHLY FINANCE REPORT – JUNE 2018 (EXECUTIVE MAYOR) (6/4/1)

PURPOSE

To submit to Council the Monthly Finance Report for June 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a 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:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

DISCUSSIONS

*** The finance report for June 2018 is attached on page 113 to page 126 of the Annexures.

FINANCIAL IMPLICATIONS

TABLE 1	Actual for the Month (June 2018)	For Year to date (2017/2018)
All Grants Received	-	561 992 000
Actual Revenue Received	78 456 368	1 037 454 427
Actual Expenditure	375 856 977	1 865 461 921
Salaries	71 523 596	686 224 266
Water	-	189 326 926
Electricity	13 089 171	210 703 877
Other Expenditure	291 244 210	779 206 852
Sub-Total	-297 400 609	-266 015 494
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-297 400 609	-266 015 494
MIG Payments	42 815 666	145 804 079
INEG Payments	-	882 659
WSIG Payments	-	5 805 936
Capital Assets procured - Equitable Share	67 951	3 042 923
Fleet & Equipment	-	27 300
Office convention/ Furniture	67 951	3 015 623
Net Surplus/(Deficit) after Capital payments	- 340 284 226	

Table 1: The municipality had a deficit of R340 284 226 for the month of June after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month. This deficit is due to bad debts written off for the month of **R262 470 191**. Operating Expenditure incurred for the month less bad debts written off amounts to **R113 386 786**.

TABLE 2	Actual for the Month (June 2018)	For Year to date (2017/2018)
Total Billings	115 182 824	1 727 381 272
Less: Indigent Billings	3 837 824	42 735 674
Actual Billings	111 345 000	1 684 645 598
Actual Revenue Received	77 273 256	1 000 473 586
Consumer Revenue	70 140 604	910 086 571
Other	7 132 652	90 387 015
Grants & Subsidies	-	561 992 000

Pay rate for June 2018 (Total Billings)	69%
Total income percentage - June 2018	70%
Total income percentage – YTD	62%

The pay rate for June 2018 was 69%

The total income percentage June 2018 was 70%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

RECOMMENDATIONS

1. That the Finance Report for June 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for June 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

A78 of 2018

THREE MONTHS FINANCE REPORT – APRIL - JUNE 2018 (EXECUTIVE MAYOR)
(6/4/1)

PURPOSE

To submit to Council the three Months Finance Report for April – June 2018 in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 52(d) of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that quarter and for the financial year up to the end of that quarter:

1. Actual revenue per revenue source
2. Actual borrowings
3. Actual expenditure per vote
4. Actual capital expenditure per vote
5. The amount of any allocations received
6. Actual expenditure on allocations received

The compilation of the Section 52 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
2. After month end the Information Communication Technology Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 52(d) report is then compiled with all the information received from other sections and extracted from the Solar System

DISCUSSIONS

*** The finance reports for April – June 2018 are attached on **page 127 to page 137 of the Annexures.**

FINANCIAL IMPLICATIONS

TABLE 1	Budget for three months	Actual for three months (2017/2018)
Actual Revenue Received	479 349 340	260 412 996
All Grants Received	140 748 000	-
Total Income	620 097 340	260 412 996
Actual Expenditure	580 705 415	576 026 630
Salaries	176 727 823	175 302 481
Water	109 856 301	3 000 000
Electricity	103 016 971	57 240 931
Other Expenditure	191 104 320	340 483 218
Net Surplus/(Deficit) before Capital payments	39 391 925	-315 613 634
MIG Payments		53 388 357
INEG Payments		-
WSIG Payments		-
Capital Assets procured - Equitable Share		164 843
Fleet & Equipment		-
Office convention/ Furniture		164 843
Net Surplus/(Deficit) after Capital payments		-369 166 834

Table 1: The municipality had a deficit of R369 166 834 for the quarter after capital payments, this indicates that the expenditure incurred is more than the revenue received for quarter.

TABLE 2	Actual for three months (2017/2018)
Total Billings	402 314 353
Less: Indigent Billings	11 456 244
Actual Billings	390 858 109
Actual Revenue Received	323 965 834
Consumer Revenue	236 104 048
Other	87 861 786
Grants & Subsidies	-
Pay rate for fourth quarter (Total Billings)	83%
Total income percentage - fourth quarter	67%
Total income percentage – YTD	62%

The pay rate for the fourth quarter was 83%

The total income percentage for the fourth quarter was 67%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The budget report is submitted in compliance with Section 52(d) of the MFMA no 56 of 2003. Section 52(d) stipulates that the mayor of the Municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of the Municipality.

RECOMMENDATIONS

1. That the Finance Report for the Quarter (April - June 2018) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for the Quarter (April - June 2018) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

A79 of 2018

CURRENT STATUS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG) CAPITAL PROJECTS IN MATJHABENG LOCAL MUNICIPALITY FOR THE MONTH OF JUNE 2018 (EXECUTIVE MAYOR) (6/4/1)

PURPOSE

To provide information on the Current Status of Capital Projects and related MIG expenditure progress for the month of **June 2018**.

BACKGROUND

The PMU Department is currently in the Infrastructure Directorate, while working closely with the office of the Chief Financial Officer for the purpose of expediting the Municipal Infrastructure Grant (MIG) funding expenditure.

The operational costs is funded from the MIG allocation and has been approved for **R 6 060 800.00** for the current financial year.

The Municipality was allocated with an additional **R15 000 000.00** in March 2018, thus increasing the 2017/18 financial allocation to **R136 216 000.00**.

DISCUSSION

There are various projects currently being implemented and are on various stages summarized as follows:

STAGE	NUMBER OF PROJECTS
Planning Stage	0
Design Stage	7
Tender Stage	3
Evaluation/ Adjudication Stage	0
Construction Stage	10
Retention Stage	8
Complete beyond DLP/ Retention	8
TOTAL NUMBER OF PROJECTS	32

*** Please refer to the attached implementation plan on page 138 to page 143 of the Annexures for the status / progress of projects.

LEGAL IMPLICATIONS

Municipal Finance Management Act (MFMA) 56 of 2003
Division of Revenue Act (DORA) 3 of 2016

FINANCIAL IMPLICATION**Initial Allocation:**

Summary of Expenditure To Date	
Initial allocation	R 121 216 000.00 (100%)
Planned/ Target Cumulative Expenditure (Initial allocation)	R 121 216 000.00 (100%)
Current Cumulative Expenditure (Reported)	R 121 216 000.00 (100%)
Invoices @ hand	R 0.00 (0%)
Balance to be spent (<i>incl. Invoices @ hand</i>)	<u>R0.00</u> (0%)

Adjusted Allocation:

Summary of Expenditure To Date	
Initial allocation	R 121 216 000, 00 (100%)
Additional allocation	R15 000 000,00
Total new allocation	R136 216 000, 00
Planned/ Target Cumulative Expenditure	R 136 216 000, 00 (100%)
Current Cumulative Expenditure (Reported)	R 136 216 000, 00 (100%)
Invoices @ hand	R 0.00 (0%)
Balance to be spent	<u>R0.00</u> (0%)

CHALLENGES AND PROPOSED REMEDY FOR UNDER EXPENDITURE

None at this stage.

RECOMMENDATION

1. That Council takes note of the report.

A80 of 2018

APPROVAL OF THE BANKING FACILITIES AND OVERDRAFT OFFERED BY ABSA BANK LIMITED FOR THE 2018/19 FINANCIAL YEAR (EXECUTIVE MAYOR)
(6/3/1/2)

PURPOSE

To request approval for the Banking Facilities and overdraft offered by ABSA Bank Limited for the 2018/19 financial year.

BACKGROUND

In terms of Section 7 of the Municipal Finance Management Act 56 of 2003, must every municipality open and maintain at least one bank account in the name of the municipality. All the money received by the municipality must be paid into its bank account or accounts, and this must be done promptly and in accordance with Chapter 3 of the aforementioned act and any requirements that may be prescribed. Section 8 of the Municipal Finance Management Act 56 of 2003 indicates all the moneys that must be paid into a municipality's primary bank account.

The volume of the banking transactions that the municipality performs daily is a great number which result in too excessive banking costs, the municipality should therefore manage and reduce the banking cost by implementing a banking facility that will assist and perform the aforementioned.

Every year the Council of the municipality is responsible for approving the banking facilities offered. ABSA Bank Limited has approved banking facilities in favour of the municipality.

Council resolved previously that:

1. The client opens/operates bank accounts with ABSA Bank Limited ("the bank") from time to time.
2. The client negotiates and accepts banking facilities and/or other banking services/products, including but not limited to electronic banking products and foreign exchange products, with the bank.
3. The municipality be entitled to:

Request the Bank to open new or close existing bank accounts;

Negotiate and settle the terms and conditions of the banking facilities/services/products on behalf of the client;

Sign all documentation relating to 3.1 and 3.2 including but not limited to application forms, agreements, facilities letters, security documents including but not limited to indemnities, surety ships, cessions, undertakings and mortgages;

Authorize individuals to give instructions to the bank, whether verbal, written, faxed or electronic, that may be necessary for the utilization of the banking facilities/services/products;

For purpose of electronic banking services, appoint system managers who will be responsible for registration of operations; registration of modules and authorizations per operator; linking accounts to operators; changing operator detail;

Authorize individuals to sign cheques, bills of exchange, promissory notes, other negotiable instruments, documentation relating to deposit and withdrawal of funds in any bank account;

4. The Mayor be authorized to supply the bank with the names and specimen signatures of the persons authorized pursuant to 3 above.

DISCUSSIONS

None

POLICY POSITION

Liability, Investment and Cash Management Policy.

LEGAL IMPLICATIONS

Municipal Finance Management Act 56 of 2003 Section 7.

FINANCIAL IMPLICATIONS

ABSA Bank Limited will assist Council in reducing and effectively managing Council's banking cost.

Overdraft facility of R 20 000 000.

RECOMMENDATION

1. That Council approves the Banking Facilities and overdraft facilities of **R20 000 000** for the 2018/19 financial year.

A81 of 2018

REPORT ON PROPOSAL FOR LAND EXCHANGE (A PORTION OF FARM GELUCKSPAN 394 RD MEASURING 37 HA AND A PORTION OF FARM ONVERWAG 728 RD MEASURING 25 HA SITUATED IN THE DISTRICT OF VIRGINIA (EXECUTIVE MAYOR) (8/3/3/5)

PURPOSE

The purpose of the report is to inform Council about the proposal for land exchange (A Portion of Farm Geluckspan 394 RD measuring 37 ha and a Portion of Farm Onverwag 728 RD measuring 25 ha situated in the district of Virginia).

BACKGROUND

The Matjhabeng Municipality Local Economic Development Directorate has allocated land (Farm Geluckspan 394 RD measuring 257 ha to three emerging farmers for purposes of Crop production. Upon site visit at the farm (Geluckspan 394 RD), it emerged that part of the farm measuring 37 ha is being utilised by another small scale farmer due to the fact that he was misled by the previous owner in terms of boundaries of the farm he leased from Rural Development and Land Reform (Farm Onverwag 728 RD) which is next to the Municipal Farm.

*** See the letter of proposal for land exchange from Department of Rural Development and Land Reform **on page 144 to page 145 of the Annexures.**

DISCUSSION

The lessee has since constructed a two roomed house on the portion that belongs to the Municipality and the he will be provided with 30 years lease agreement as he is approved for Recapitalisation Development Funding to plant cash crops on the farm.

Rural Development and Land Reform therefore approached the Municipality regarding this portion which is being utilised by their lessee due to the fact that he was misled by the previous owner in terms of boundaries of the farm. A site visit to the farm was conducted between the officials of the Municipality and Rural Development to verify the invasion by the lessee where the lessee has constructed a house. The Surveyor General has since shown the Municipality and Rural Development the correct boundaries and the Department of Rural Development and Land Reform committed to incur all cost of exchange processes.

*** See the copy of maps for farms Geluckspan 394 and RD Onverwag 728 RD **on page 146 to page 148 of the Annexures.**

POLICY POSITION

Chapter three -Cooperative Governance

The relationship between the national and provincial governments is governed by the principle of cooperative government, set out in Chapter three of the South African Constitution. This principle demands that the relationship between the spheres of government be one of close cooperation, within a larger framework that recognizes the individuality of every component, as well as their

interrelatedness and interdependence. The relationship should also include consultation, coordination and mutual support.

40. (1) In the Republic, government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.

(2) All spheres of government must observe and adhere to the principles in this Chapter and must conduct their activities within the parameters that the Chapter provides.

Principles of co-operative government and intergovernmental relations

41. (1) all spheres of government and all organs of state within each sphere must:-
- i fostering friendly relations;
 - ii assisting and supporting one another;
 - iii **informing one another of, and consulting one another on, matters of common interest;**
 - iv coordinating their actions and legislation with one another;
 - v adhering to agreed procedures; and
 - vi avoiding legal proceedings against one another.

LEGAL IMPLICATIONS

Exchanging Contract to be entered into between the Municipality and the Department of Rural Development and Land Reform

FINANCIAL IMPLICATIONS

To be incurred by Rural Development and Land Reform

RECOMMENDATIONS

1. That the proposal for land exchange with the Department of Rural Development and Land Reform be approved.
2. That Rural Development and Land Reform be responsible for all sub-divisions and any other costs that will arise from this transaction.

A82 of 2018

**ACQUISITION OF EDUCATIONAL ERVEN IN WARD 23 THABONG AND
FORMALISATION FOR RESIDENTIAL PURPOSES (EXECUTIVE MAYOR) (11/3)**

PURPOSE

The purpose of this item is to submit to Council for consideration, an application by the community of Ward 23 for the rezoning of Erven 32704, 35429 and 29839 Thabong for formalization for residential purposes.

BACKGROUND

APPLICATION

The Community of Ward 23 have requested through the Office of the Municipal Manager that erven 32704, 35429 and 29839 Thabong be rezoned and a request be submitted to the Department of Education for development of residential erven.

It is important to give brief background as to the process of Township Establishment. In the past, when Township Establishment applications were processed, the requirement was that a township application could only be approved following prescribed guidelines, standards and norms. Educational sites formed part of this guideline and it was agreed that erven earmarked for educational sites became the departments' sites. It is however, impossible to develop educational sites for whatever reason, without prior consultation and agreement with the Department of Education.

The practice has been that if the Municipality needs to develop sites which were earmarked for educational purposes, the Department of Education must be engaged and thereafter alternative sites be identified for educational sites. One of the challenges facing local Municipalities and the Department of Education is that there are undeveloped educational sites that are being occupied illegally. In the case of Ward 23, these sites have been occupied for more than ten (10) years and to date no development has been made.

There are processes and procedures that need to be followed in order for the Municipality to formalize the current situation and these processes normally take more than 2 years to be finalized.

PROPERTY LOCATION

*** The location of the target properties is depicted on the locality plan **attached on page 149 to page 151 of the Annexures.**

2.3 OWNERSHIP AND PROPERTY INFORMATION

The property information is as follows:

ERF	OWNERSHIP	AREA IN M ²	ZONING	NO. HOUSEHOLDS
1. 32704	Municipality		“Educational”	+/- 112
2. 35429	Municipality		“Educational”	+/- 96
3. 29839	Municipality		“Educational”	+/- 124

LEGAL IMPLICATIONS

Sections 14 read with Section 90 of the Local Government: Municipal Finance Management Act No. 56 of 2003 (“the MFMA”) prescribes that:

14 Disposal of capital assets:

- (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
 - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- (3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
- (4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2) (a) and (b) in respect of movable capital assets below a value determined by the council.
- (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

FINANCIAL IMPLICATIONS

The development of residential erven on the proposed educational sites by the municipality will contribute towards the expansion of the economic base, social upliftment of the area and job creation. Direct financial benefit for Council will be from the selling of the land, normal rates as well as the income derived from the selling of services.

The cost for amendment, re-layout and rezoning of the General Plan will be incurred by the municipality through the bidding process.

POLICY/LEGISLATIVE POSITION

- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Spatial Planning and Land Use Management Act (Act No.16 of 2013);
- Matjhabeng Integrated Development Plan (IDP) 2015-2016
- Matjhabeng Spatial Development Framework (SDF) 2013
- Matjhabeng Municipal Land Use Planning By Law, 2015
- Annexure “F” of the Township Establishment and Land Use Regulations, 1986.

RECOMMENDATIONS

1. That Council takes note of the request made by the Community of Ward 23, Thabong.
2. That the relevant Stakeholders be consulted before the acquisition and formalization of educational erven.
3. That a progress report be submitted in the next Council meeting.

A83 of 2018

REQUEST FOR COUNCIL TO WRITE-OFF OBSOLETE MOVABLE ASSETS FOR THE 2017/2018 FINANCIAL YEAR END (EXECUTIVE MAYOR) (7/2/1/1)

PURPOSE

To submit a request to Council for write-off of movable assets.

BACKGROUND

In an attempt to clean up our fixed assets register, the Municipality requests a write off of assets which were found to be obsolete during physical verification. Consequently, no future economic or service delivery benefits can be derived from continued use.

DISCUSSIONS

*** Assets to be written off are attached hereto as **SEPARATE COVER 3**.

LEGAL IMPLICATIONS

MFMA Section 14(2) (a) and (2) (b) which outlines the procedures to be followed by the municipality.

FINANCIAL IMPLICATIONS

The assets to be written off have a carrying value of R827,952.10.

RECOMMENDATION

1. That Council grants approval to write off the obsolete movable assets in terms of Section 14 (2) (a) of MFMA.

A84 of 2018

FRAUD INVESTIGATIONS 2017/18 FINANCIAL PERIOD (EXECUTIVE MAYOR)
(5/6/2)

PURPOSE

To bring to attention the fraudulent activities that have taken place in the municipality during the 2017/18 financial period.

BACKGROUND

Section 61(1) of the Municipal Finance Management Act, number 56 of 2003 indicates that the accounting officer of a municipality must-

- (b) act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;
- (c) disclose to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the mayor.

DISCUSSIONS

Kindly be informed that the municipality conducted the following fraud investigation for 2017/18 financial year:

- Case number: 527/05/2016
- Case number: 451/02/2016
- Case number : CAS 116/08/2017

As at 30 June 2018 the cases were still under investigations.

Brief description of the cases is as follows:

Case number: 451/02/2016 – Fraud by service provider:

The service provider by the name of Tiro Ya Nnete Trading and projects was given official orders no. 0001047515 and 0001047593 on the 9th and 19th November 2015 for supply and delivery of tar for an amount of R154 080.58 respectively, however the services were never rendered to the municipality despite having received payment on the 11th of November 2015 for order no. 0001047515. After a thorough investigation it was found that the service provider forged the signature of Mr. Ewan Eloff on the invoice he submitted at Supply Chain in order to receive payment fraudulently. He later came clear with his actions admitting to the fraud he had committed. The case was reported to Mr. Bokvel Pieterse to investigate and open a criminal case where necessary. It was recommended that all orders issued to this service provider be cancelled and any fraudulent payment done to be recovered from him. The Department of Public Safety and Transport would investigate the matter and open possible criminal cases. It was also recommended that the supplier be permanently removed from the Service Providers database of Matjhabeng.

Case number: 527/05/2016 – Banking details amendments

Usually when a payment is captured the following steps are followed:

- Invoice is captured on Solar
- Payment goes through for authorization
- An IF80 report is ran which is the output of what was captured
- Automatically the above report will be displayed on the Solar drive Z
- The batch is retrieved from Solar drive into ABSA cash focus
- Automatically the output on the IF80 must be the same as one from ABSA cash focus

On the 13th of May 2016 payments were made to suppliers - Circle Tooling, Free State Sun and Ricmisa Trading for a total of R787 779.91. Contrary to the above mentioned payment process, the final report pulls through different banking details although the payments were captured correctly on the system (Solar). After a thorough investigation it was found that there is not audit trail on cash focus to show that the banking details were changed or amended on ABSA cash focus. Correct banking details also appear on the IF80 report derived from Solar. It was therefore concluded that the changes could have occurred on the Z drive. Therefore, it seems the payments were directed to the incorrect payees. The IT department was contacted for investigation, but no information could be obtained. This case is still under investigation with the Thabong SAPS branch.

Case number CAS 116/08/2017 – Illegal sale of Erven

On or around 2017 the Housing department discovered that there was a growing number of individual alleging to have purchased the site from the Municipality, with concern of this the Housing department engaged the finance department in memo dated 21st April 2017, the clearance department was requested to refrain from issuing clearance certificate without consulting the Housing department on Erven registered as belong to the Municipality, however despite the above, the illegal sale of land proceeded.

The following are cases which came to the attention of the Housing department. These are but a few, we believe there is more which we might not have been aware of, the common thing with all this is that the signatures of the previous Municipal Managers were used, namely; Mr. Lepheana and Mr. Ramathebane.

A criminal case was subsequently opened under CAS 116/08/2017 an Investigation is ongoing.

The following cases were discovered.

SITES WHERE CLEARANCE FIGURES WAS REQUESTED.

NO	ERF NO	SURBURB	ILLEGAL BUYER	COMMENT
1.	Erf 8702/2	Welkom	Tankiso Martin Coetzee	
2.	Erf 1659	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
3.	Erf 1660	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
4.	Erf 5285	Riebeeckstad	Nellie Ratsiu	
5.	Erf 5286	Riebeeckstad	Nellie Ratsiu	

6.	Erf 863	Naudeville	Francina Motete	
7.	Erf 864	Naudeville	Francina Motete	
8.	Erf 5809/7	Riebeeckstad	Sello & Eunice Mokhosi	
9.	Erf 1008	Flamingo	Mankoe Sarah Mokau	This sites are part of site availed to Mkhonza Holding for development of Gap Market
10.	Erf 1654	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
11.	Erf 1657	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
12.	Erf 5520	Riebeeckstad	David Mphuthi & Ernestinah Motseki	This site was part of 2016/2017 land sales
13.	Erf 5521	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
14.	Erf 5522	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
15.	Erf 5523	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
16.	Erf 5524	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
17.	Erf 5525	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
18.	Erf 1012	Flamingo	Englishman Mashia	This sites are part of site availed to Mkhonza Holding for development of Gap Market
19.	Erf 5437	Riebeeckstad	Johannes & Meriam Koppie	
20.	Erf 7817	Welkom Ext 11	Alinah Moletsane	
21.	Erf 1284	Virginia	Paseka Japi Annastatia Kotleli	
22.	Erf 1285	Virginia	Paseka Japi Annastatia Kotleli	
23.	Erf 1286	Virginia	Paseka Japi Annastatia Kotleli	
24.	Erf 1287	Virginia	Paseka Japi Annastatia Kotleli	
25.	Erf 1288	Virginia	Paseka Japi Annastatia Kotleli	
26.	Erf 1289	Virginia	Paseka Japi Annastatia Kotleli	
27.	Erf 5307	Riebeeckstad	Mosebetsi & Likeleli Mabaso	
28.	Erf 5308	Riebeeckstad	Mosebetsi & Likeleli Mabaso	

The following are cases where transfer has already been done in favour of the alleged buyer, some of this cases were discovered when buyer came forth to request to be shown site pegs, other cases were discovered through deed search investigation on site previously advertised.

NO	ERF NO		ILLEGAL BUYER	COMMENT
1.	Erf 1661	Flamingo	Phillip & Ivy Mthombeni	This site was part of 2016/2017 land sales
2.	Erf 1662	Flamingo	Phillip & Ivy Mthombeni	This site was part of 2016/2017 land sales
3.	Erf 13516	Thabong	Morakane Ann Segaetsho	
4.	Erf 13517	Thabong	Morakane Ann Segaetsho	
5.	Erf 1006	Flamingo	Tjodi & Alina Tamane	This sites are part of site availed to Mkhonza Holding for development of Gap Market
6.	Erf 1007	Flamingo	Tjodi & Alina Tamane	This sites are part of site availed to Mkhonza Holding for development of Gap Market
7.	Erf 20353	Thabong	Tshepo Stanley Litlhakanyane	
8.	Erf 21972	Thabong	Solomon & Susan Nyapele	This site was part of 2016/2017 land sales
9.	Erf 21973	Thabong	Solomon & Susan Nyapele	This site was part of 2016/2017 land sales
10.	Erf 658	Flamingo Park	Mphatsoe Mellita	This site was part of 2012 land sales
11.	Erf 662	Flamingo Park	Tseisi Semetse John	This site was part of 2012 land sales
12.	Erf 1597	Riebeeckstad	Mokoena Tsolo & Eunice	This site was part of 2012 land sales
13.	Erf 5321	Riebeeckstad Ext 1	Alexina Lecheko	This site was part of 2012 land sales
14.	Erf 5809/2	Riebeeckstad Ext 1	Innocent & Palesa Pheko	This site was part of 2012 land sales
15.	Erf 5809/4	Riebeeckstad Ext 1	Tseisi Mpho Gift	This site was part of 2012 land sales
16.	Erf 5259	Riebeeckstad Ext 1	Petrus & Alina Tlali	This site was part of 2012 land sales
17.	Erf 5805/9	Riebeeckstad Ext 1	Eddie & Alleta Sithole	This site was part of 2012 land sales
18.	Erf 21968	Thabong	Piet & Eunice Mokhosi	This site was part of 2012 land sales
19.	Erf 21969	Thabong	Piet & Eunice Mokhosi	This site was part of 2012 land sales
20.	Erf 5520	Riebeeckstad Ext 1	Simon & Eva Kwanya	This site was part of the 2014 land sales

NO	ERF NO		ILLEGAL BUYER	COMMENT
21.	Erf 5405	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
22.	Erf 5316	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
23.	Erf 5314	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
24.	Erf 5302	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
25.	Erf 5306	Riebeeckstad Ext 1	Ngubeni joyce & Mokobe Petrus	This site was part of the 2014 land sales
26.	Erf 1538	Riebeeckstad	Abraham & Emily Makhoba	This site was part of the 2014 land sales
27.	Erf 21971	Thabong	Tshidiso & Eva Kwanya	This site was part of 2016/2017 land sales

The investigating Officer handling this matter from SAPS advised that his wrapping up his investigation and will be submitting the docket to National Prosecuting Authority for a decision.

LEGAL AND FINANCIAL IMPLICATIONS

There are no legal and financial implications as the cases are still under investigation. The legal and financial implications will therefore be determined by the results of the investigations.

RECOMMENDATION

1. That Council takes note of the fraudulent activities reported to SAPS.

A85 of 2018

RELATED PARTIES (EXECUTIVE MAYOR) (3/1/1)

PURPOSE

To bring to the attention of Council the related parties transaction that occurred during the 2017/18 financial period.

BACKGROUND

Section 61(1) of the Municipal Finance Management Act, number 56 of 2003 indicates that the accounting officer of a municipality must-

- (a) act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;
- (b) disclose to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the mayor.

DEFINITION OF RELATED PARTIES

Who are related parties?

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity') [IAS 24.9]

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. *is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint ventures of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - v. The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

What are related party transactions?

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. [IAS 24.9]

Disclosure

Relationships between parents and subsidiaries – Regardless of whether there have been transactions between a parent and a subsidiary, an entity must disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate party produces financial statements available for public use, the name of the next most senior parent that does so must also be disclosed. [IAS 24.16]

Management compensation – Disclose key management personnel compensation in total and for each of the following categories: [IAS 24.17]

- *short-term employee benefits*
- *post-employment benefits*
- *other long-term benefits*
- *termination benefits*
- *share-based payment benefits*

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity. [IAS 24.17A, 18A]

During the 17/18 financial year the municipality has the following related parties:

- MBV Security – the owner of MBV is married to a municipal employee by the name of Connie Dingani who holds the position of Senior Manager: Treasury in the Municipality.
- Councillors and Executive Management's Remuneration

A disclosure letter of Connie Dingani has been received.

LEGAL IMPLICATIONS

Disclosure of related party.

FINANCIAL IMPLICATIONS

- An amount paid to MBV Security for financial period 17/18 of R14 309 196,15; and
- An amount paid to councilors and executive management as remuneration.

RECOMMENDATION

1. That Council to take note of the 2017/18 related parties reported.

A86 of 2018

DRAFT UNAUDITED ANNUAL PERFORMANCE REPORT 2017/2018: MATJHABENG LOCAL MUNICIPALITY (EXECUTIVE MAYOR) (5/6/2/7)

PURPOSE

The purpose of the item is to table the draft unaudited Annual Performance Report for the financial year 2017/2018 to Council for noting.

BACKGROUND

The Municipality is required to provide progress report in relations to the draft quarterly performance reports. The basis for providing the report is to show proof on implementation of projects and programmes that have been budgeted by council. The consolidated draft annual performance report is required to be submitted to Office of the Auditor General by the end of August of that year. The Municipality makes public a record of performance for the past financial year and in the report we indicate areas that were challenges and how we anticipate solving such challenges going forward.

Essentially, the draft annual performance report is intended to influence budget adjustments when the mid-year performance report is tabled in council in relations to challenges that were experienced in the last financial year. This process enables council to have seamless planning in relations to projects that were not implemented in the previous financial year.

*** Attached as **SEPARATE COVER 4** is the draft 2017/ 18 Annual Performance Report.

LEGAL IMPLICATIONS

Local Government: Municipal Systems Act 2000 (Act No 32 of 2000):

Section 46 (1) “A municipality must prepare for each financial year a performance report reflecting-

- (a) *The performance of the municipality and of each external service providers during the financial year;*
- (2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

FINANCIAL IMPLICATIONS

None.

RECOMMENDATIONS

1. That Council notes the draft unaudited Annual Performance report for the financial year 2017/18.

2. That the draft unaudited annual performance report 2017/2018 be submitted to Provincial and National Treasuries as well as Provincial COGTA after Council has noted the report.
3. That the draft unaudited annual performance report 2017/2018 be submitted to office of the Auditor General by the 31st August 2018 for auditing purpose.

A87 of 2018

DRAFT UNAUDITED ANNUAL REPORT 2017/2018: MATJHABENG LOCAL MUNICIPALITY (EXECUTIVE MAYOR) (12/1/1)

PURPOSE

The purpose of the item is to table the draft unaudited annual report for the financial year 2017/2018 to Council for noting.

BACKGROUND

After the end of each financial year, the law requires Municipalities to develop draft unaudited annual reports for submission to Office of the Auditor General by the end of August of that year. The purpose of drafting an annual performance report is to provide evidence of planned tasks and the actual achievements for work that was planned. In other words, the Municipality makes public a record of performance for the past financial year and in the report we indicate areas that were challenges and how we anticipate solving such challenges going forward.

According to the Municipal Financial Management Act, Act 56 of 2003: the draft annual report should include:

- The Annual Financial Statements of the Municipality, and consolidated Annual Financial statements as submitted to the Auditor-General for auditing in terms of section 126(1) of the MFMA;
- The Auditor General's Audit Report in terms of Section 126(3) of the MFMA on the financial statements in (a) above;
- **The Annual performance report of the Municipality as prepared by the Matjhabeng Local Municipality in terms of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 (MSA);**
- An assessment of the Municipality's performance against the measurable objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year 2016/2017.

The Municipality intends submitting the draft unaudited annual report to office of the Auditor General by the 31st August 2018 after council has noted it.

*** **Attached as SEPARATE COVER 5** is the 2017/ 18 draft Annual Report.

LEGAL IMPLICATIONS

Local Government: Municipal Systems Act 2000 (Act No 32 of 2000):

Section 46 (1) "A municipality must prepare for each financial year a performance report reflecting-

- (a) *The performance of the municipality and of each external service providers during the financial year;*

- (b) A comparison of the performance referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- (c) Measures taken to improve performance.*

FINANCIAL IMPLICATIONS

None

RECOMMENDATIONS

1. That Council notes the draft unaudited annual report for the Financial Year 2017/18.
2. That the draft unaudited annual performance report 2017/2018 be submitted to Office of the Auditor General for audit purpose.
3. That the draft unaudited report be submitted to the Provincial and National Departments of Cooperative Governance and Traditional Affairs as well as the Provincial and National Treasuries.

A88 of 2018

POLICY FRAMEWORK: RULES AND PROCEDURES REGARDING WATER DISTRIBUTION AND METERING IN THE MATJHABENG MUNICIPALITY AREA OF SUPPLY (EXECUTIVE MAYOR) (19/2/3)

PURPOSE

To submit to Council for Technical Services, a Policy Framework: Rules and Procedures regarding the distribution and metering of water in the Matjhabeng Municipality area of supply, for consideration.

BACKGROUND

The Municipality currently does not have policy framework for the distribution and metering of water in the Municipality, as mandated by Section 4 of the Water Services Act 108 of 1997, which state as follows:

“Conditions for provision of water services

4. (1) Water services must be provided in terms of conditions set by the water services provider.
- (2) These conditions must -
 - (a) Be accessible to the public;
 - (b) accord with conditions for the provision of water services contained in the bylaws made by the water services authority having jurisdiction in the area in question; and
 - (c) Provide for -
 - (i) the technical conditions of existing or proposed extensions of supply;
 - (ii) the determination and structure of tariffs;
 - (iii) the conditions for payment;
 - (iv) the circumstances under which water services may be limited or discontinued;
 - (v) procedures for limiting or discontinuing water services; and
 - (vi) measures to promote water conservation and demand management.... “

DISCUSSION

The Policy Framework aims to:

- Provide guidance with regard to the execution of actions that needs to be undertaken in implementing the Water Services By-law;
- Provide a framework as to the manner in which actions must are to be executed;
- Promote efficiency by ensuring consistency in the performance of activities;
- Ensure compliance with legal and other requirements for the provision of water services;
- Provide a tool for quality improvement and service delivery.

The implementation of the Policy Framework will assist the Municipality to promote water use efficiency through the implementation of revenue protection activities as prescribed in the Municipality’s Water Services By-law.

*** A copy of the Policy Framework: Rules and Procedures regarding the distribution and metering of water in the Matjhabeng Municipality area of supply **is attached as SEPARATE COVER 6.**

LEGAL AND POLICY POSITION

1.1 The Constitution of the Republic of South Africa of 1996 as amended

The right to have access to sufficient water is provided in section 27(1)(b) of the South African Constitution. Section 27(1)(b) read in conjunction with section 27 (2) provides that the state must take reasonable legislative and other measures to respect, protect, promote and fulfil the progressive realization of the right to access of water within its available resources.

1.2 Municipal Systems Act

Section 11(3) specifically states that a municipality exercises its executive or legislative authority by, inter alia, “developing and adopting policies, strategies and programmes, including setting targets for service delivery...”

1.3 Water Services Act

Section 4(2) states that water services must be provided in terms of conditions set by the water services provider, which such conditions must, inter alia, provide for “the circumstances under which water services may be limited or discontinued and procedures for limiting or discontinuing water services...”

1.4 Matjhabeng Municipality Water Services By-law

FINANCIAL IMPLICATIONS

The financial implication of the provision of water services, is determined annually through the budget process. The implementation of the Policy Framework will have no additional financial implication to the Municipality.

Effective implementation of the Water Services By-law and the Policy Framework is aimed at contributing to a cost-effective delivery of water services.

RECOMMENDATION

1. That Council approves the Policy Framework: Rules and Procedures Regarding Water Distribution and Metering in the Matjhabeng Municipality Area of Supply.

A89 of 2018

MELODING INDOOR SPORTS & RECREATIONAL FACILITY: REQUEST FOR BUDGET MAINTENANCE (EXECUTIVE MAYOR) (6/1/1-2018/19) (10/1/2)

PURPOSE

The purpose of this item is to present before Council the current status and progress report on the New Indoor Sport and Recreational Facility at Meloding (Virginia) Phase 1 in compliance with Municipal Systems Act 32 of 2000; Section 73 (1), and to request approval of the budget maintenance.

BACKGROUND

The New Indoor Sport and Recreational Facility at Meloding, Virginia Phase 1 project is currently being implemented by the Municipality through MIG funding. The project was registered in **2017/2018** financial year.

*** See the Report on page **152 to page 168 of the Annexures.**

This project entails the following scope of work:

- Multipurpose hall
- Perimeter fence for the entire site
- Parking
- Construction of infrastructure.

DISCUSSIONS

Upon going out on tender the MIG registered value for Phase 1 of the project was **R 45 714 000.00**. The successful bidder's tender price is **R 39 232 555.00** and professional fees is **R 7 454 185,45** which is a total of **R 46 686 740.45**.

The revised total project cost is **R 47 177 415.76** due to price escalations and VAT increase:

In the original project estimate no site was allocated to the project and allowance was made for normal base and strip footings to all the structures and standard substrate to paved areas in natural ground conditions. After further investigation it became evident that the soil conditions are clay and very poor founding conditions.

- The Engineer's designs allowed for the removal of the poor soil, addition of a new gravel soil mattress of 2 meters deep under the buildings and 0.8 meters deep under paved areas. An allowance was made for stronger structural and foundations to accommodate the conditions.
- There was also an increase in the VAT from **1 April 2018**.
- The total additional funding required is **R 1 463 415.76**.

LEGAL IMPLICATIONS

According to the Constitution's section 152, MSA MFMA section 19's section 116 "The accounting officer of a municipality or municipal entity must (2) (b) Monitor monthly the performance of the contractor under the contract or agreement. (2)(d) Regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor."

FINANCIAL IMPLICATIONS

ITEM	DESCRIPTION	BUSINESS PLAN	CONTRACT COST	VARIANCE
1	Sport and recreational hall	R 21 950 000.00	R 19 477 425.00	-R 2 472 575.00
2	Site works	R 4 500 000.00	R 5 719 482.50	R 1 219 482.50
3	Electrical and mechanical installation	R 2 700 000.00	R 2 383 403.30	-R 316 596.70
	SUB TOTAL	R 29 150 000.00	R 27 580 310.80	R 1 569 689.20
4	Preliminaries and General	R 2 950 000.00	R 5 334 211.13	R 2 384 211.13
	SUB TOTAL	R 32 100 000.00	R 32 914 521.93	R 814 521.93
5	Contingencies, Escalation, etc.	R 1 600 000.00	R 1 500 000.00	-R 100 000.00
	SUBTOTAL	R 33 700 000.00	R 34 414 521.93	R 714 521.93
6	14% VAT	R 4 718 000.00		-R 4 718 000.00
7	15% VAT		R 5 162 178.29	R 5 162 178.29
	TOTAL	R 38 418 000.00	R 39 576 700.22	R 1 158 700.22
8	Professional fees including VAT	R 7 296 000.00	R 7 600 715.54	R 304 715.54
9	Total Contract Cost			R 47 177 415.76
10	Total Business Plan			R 45 714 000.00
11	Total Variance	R 45 714 000.00	R 47 177 415.76	R 1 463 415.76

OTHER IMPLICATIONS

The project will not be completed successfully without cost adjustments, thus affecting its intended purpose and effective use.

RECOMMENDATION

1. That the budget maintenance of an additional amount of **R 1 463 415.76** be approved to increase the project value to **R 47 177 415, 76**.

A90 of 2018

REPORT ON THE STATUS OF THE CONTRACTS OF PRIVATE SECURITY WITHIN THE MUNICIPALITY (EXECUTIVE MAYOR) (1/1/32)

PURPOSE

To present to Council the status of the Private Security Contracts within the Municipality for consideration.

INTRODUCTION AND BACKGROUND

The Municipality has appointed five (5) Physical Security Service Providers in 2009 on a three years contract to provide physical security services to the Municipality. The contract expired in 2012 and the five companies operated on a month to month basis. Currently only 3 private security companies and are operating on a month to month basis, it must be noted that the contract of Hi Sense was taken over by Man in One and the one of Phakama was terminated.

DISCUSSION

The total number of Municipal areas (posts) that are currently guarded by Physical Security Service Providers is 139. Out of the 139 areas (posts), 10 critical posts (areas) are managed by our internal security officers. The current approved municipal organisational structure made provision for a staff establishment of 216 security officers, of which only 59 posts are currently filled. This left the department with less than 40% percent personnel strength to execute their duties. The 129 areas (posts) guarded by the private security personnel have a personnel strength of MORE THAN 340 officers.

- Man in One Security Services
- MBV Security Services
- Scheme Security Services

MBV SECURITY SERVICES

Responsible for 28 (areas) posts.
Monthly invoice amount = R 1 160,735.30

SCHEME SECURITY SERVICES

Responsible for 41 (areas) posts.
Monthly invoice amount = R 1 738 393.40

MAN IN ONE SECURITY SERVICES

Responsible for 49 + 11 posts as taken over from Hi Sense = 60(areas) posts.
Monthly invoice amount = R 2 094 236.70 + R 484 098.87 = R 2 578 335.57
Total (areas) posts guarded by private security = 129 (areas) posts

PREMISES MANNED

1.1. The below mentioned premises are manned/ guarded by the internal Security Section in all units at Matjhabeng.

WELKOM	ODENDAALSUS	HENNENMAN/VENTERSBURG	VIRGINIA
Welkom Main Building	Kutloanong Pay Point	Phomolong Pay Point	Main Building
Mayor's Office		Ventersburg Pay Point	
MM Office			
West Gate			
Finance Office			
Procor Office			
Traffic College			
Public Safety Office			
Speakers Office			

1.2. Premises manned by Private Security Companies**1.2.1. Man in One Security Services**

Premises	officers Day	Officers Night	Uniform	Radios	App Cards	Access Control Registers	Equipment's Torches
Fresh Produce Market	2x1	2x1	yes	yes	yes	yes	yes
Electrical Workshop	1x1	2x1	yes	yes	yes	yes	yes
Library 2 Thabong	3x1	3x1	yes	yes	yes	yes	yes
Bronville Landfill Site	2x1	2x1	yes	yes	yes	yes	yes
Welkom Swimming Pool	2x1	2x1	yes	yes	yes	yes	yes
Thabong grave Yard	1x1	2x1	yes	yes	yes	yes	yes
Bronville Substation	2x1	2x1	yes	yes	yes	yes	yes
Bronville Stadium	3x1	3x1	yes	yes	yes	yes	yes
Klippan	1x1	2x1	yes	yes	yes	yes	yes
Klippan Stores	2x1	2x1	yes	yes	yes	yes	yes
Cleansing Depot	2x1	2x1	yes	yes	yes	yes	yes
Equipment Stores	2x1	2x1	yes	yes	yes	yes	yes
Mayors Residence	2x1	2x1	yes	yes	yes	yes	yes
Virginia Pump station 1	2x1	2x1	yes	yes	yes	yes	yes
Welkom Central Park	2x1	3x1	yes	yes	yes	yes	yes
Welkom workshop	2x1	2x1	yes	yes	yes	yes	yes
Far East Hall	2x1	2x1	yes	yes	yes	yes	yes
Flamingo Substation	2x1	2x1	yes	yes	yes	yes	yes
Alma Substation	2x1	2x1	yes	yes	yes	yes	yes
Main intake Substation	2x1	2x1	yes	yes	yes	yes	yes
Steenbok Cables	2x1	2x1	yes	yes	yes	yes	yes
Witpan Treatment Plant	2x1	2x1	yes	yes	yes	yes	yes
Welkom Park Station	2x1	2x1	yes	yes	yes	yes	yes

Antimoon Street Cables	2x1	2x1	yes	yes	yes	yes	yes
Thabong T 8 Sewer Plant	2x1	2x1	yes	yes	yes	yes	yes
Tempest Cables	2x1	2x1	yes	yes	yes	yes	yes
OD Workshop	1x1	2x1	yes	yes	yes	yes	yes
Kutlwanong Sewerage Plant	2x1	2x1	yes	yes	yes	yes	yes
Allanridge Sub Station	1x1	2x1	yes	yes	yes	yes	yes
OD DU PLESIS	1x1	2x1	yes	yes	yes	yes	yes
OD Land fill site	1x1	2x1	yes	yes	yes	yes	yes
Mimosa Park	1x1	2x1	yes	yes	yes	yes	yes
OD Hall	1x1	2x1	yes	yes	yes	yes	yes
OD Engineering	1x1	2x1	yes	yes	yes	yes	yes
Nyakallong Sewerage plant	1x1	2x1	yes	yes	yes	yes	yes
Frank street pump station	1x1	2x1	yes	yes	yes	yes	yes
OD cable line	1x1	2x1	yes	yes	yes	yes	yes
Virginia pump station	1x1	2x1	yes	yes	yes	yes	yes

1.2.2. MBV Security Services

Zoka Baloyi	2x1	2x1	yes	yes	yes	yes	yes
Kopano indoor center	2x1	2x1	yes	yes	yes	yes	yes
Welkom fire station	2x1	2x1	yes	yes	yes	yes	yes
Traffic old office	2x1	2x1	yes	yes	yes	yes	yes
Flamingo Hall	2x1	2x1	yes	yes	yes	yes	yes
Alma Watering Toring	2x1	2x1	yes	yes	yes	yes	yes
Riebeeckstad Road	2x1	2x1	yes	yes	yes	yes	yes
Railway line	2x1	2x1	yes	yes	yes	yes	yes
Phomolong village	2x1	2x1	yes	yes	yes	yes	yes
Substation Kragboks	2x1	2x1	yes	yes	yes	yes	yes
Thabong Community Centre	2x1	2x1	yes	yes	yes	yes	yes
Welkom Stores	2x1	2x1	yes	yes	yes	yes	yes
Bronville Taxi Rank	2x1	2x1	yes	yes	yes	yes	yes
Rheederpark Sub	2x1	2x1	yes	yes	yes	yes	yes
Revival Church	1x1	2x1	yes	yes	yes	yes	yes
Galalia Church	1x1	2x1	yes	yes	yes	yes	yes
Welkom Pound	1x1	1x1	yes	yes	yes	yes	yes
St Helena pump station	2x1	2x1	yes	yes	yes	yes	yes
Dumping site Virginia	1x1	2x1	yes	yes	yes	yes	yes
Electrical dept.	1x1	1x1	yes	yes	yes	yes	yes
Maganise store	1x1	1x1	yes	yes	yes	yes	yes
Waste dept.	1x1	1x1	yes	yes	yes	yes	yes
Electrical substation saaiplaas	1x1	2x1	yes	yes	yes	yes	yes
Electrical substation Virginia	1x1	2x1	yes	yes	yes	yes	yes
Fire dept.	1x1	1x1	yes	yes	yes	yes	yes
Phomolong village	1x1	2x1	yes	yes	yes	yes	yes
Flamingo hall	1x1	1x1	yes	yes	yes	yes	yes

Park store, w\store, road works	3x1	3x1	yes	yes	yes	yes	yes
Harmony foot bridge	4x1	4x1	yes	yes	yes	yes	yes
Saaiplaas cable	2x1	3x1					
Boshof str pump station	1x1	2x1	yes	yes	yes	yes	yes
Havania	3x1	3x1	yes	yes	yes	yes	yes

1.2.3. Scheme Security Service

Bronville North Pump Station	1x1	2x1	yes	yes	yes	yes	yes
Bronville Comm Centre	1x1	2x1	yes	yes	yes	yes	yes
Bronville Swimming Pool	1x1	2x1	yes	yes	yes	yes	yes
Bronville South Pump station	1x1	2x1	yes	yes	yes	yes	yes
Thabong Stadium	1x1	2x1	yes	yes	yes	yes	yes
Hani Park Sewer Plant	1x1	2x1	yes	yes	yes	yes	yes
OD Workshop	1x1	2x1	yes	yes	yes	yes	yes
OD Substation	1x1	2x1	yes	yes	yes	yes	yes
Allanridge pay point	1x1	2x1	yes	yes	yes	yes	yes
Allanridge workshop	1x1	2x1	yes	yes	yes	yes	yes
Nyakallong stadium	1x1	2x1	yes	yes	yes	yes	yes
Nyakalong community center	1x1	2x1	yes	yes	yes	yes	yes
Kutlwanong cemetery	1x1	2x1	yes	yes	yes	yes	yes
Kutlwanong comm center	1x1	2x1	yes	yes	yes	yes	yes
Kutlwanong taxi rank	1x1	2x1	yes	yes	yes	yes	yes
Council's office in K9	1x1	2x1	yes	yes	yes	yes	yes
Hennenman store	1x1	2x1	yes	yes	yes	yes	yes
Hennenman comm center	1x1	2x1	yes	yes	yes	yes	yes
Hennenman fire	1x1	1x1	yes	yes	yes	yes	yes
Hennenman sewerage	1x1	2x2	yes	yes	yes	yes	yes
Hennenman taxi rank	2x2	2x2	yes	yes	yes	yes	yes
Hennenman substation	1x1	2x1	yes	yes	yes	yes	yes
Phomolong sewerage	1x1	2x1	yes	yes	yes	yes	yes
Phomolong stadium	1x1	2x1	yes	yes	yes	yes	yes
Phomolong taxi rank	1x1	2x1	yes	yes	yes	yes	yes
Phomolong comm center	1x1	2x1	yes	yes	yes	yes	yes
Phomolong cemetery	1x1	2x1	yes	yes	yes	yes	yes
Mamahabane hall	1x1	2x1	yes	yes	yes	yes	yes
Mamahabane fire station	1x1	2x1	yes	yes	yes	yes	yes
Mamahabane stadium	1x1	2x1	yes	yes	yes	yes	yes
Ventersburg pay point	1x1	2x1	yes	yes	yes	yes	yes
Masimong estate	1x1	2x1	yes	yes	yes	yes	yes
Merriespruit estate	1x1	2x1	yes	yes	yes	yes	yes
Meloding hall	1x1	2x1	yes	yes	yes	yes	yes
Meloding stadium	1x1	2x1	yes	yes	yes	yes	yes
Meloding taxi rank	1x1	2x1	yes	yes	yes	Yes	yes
Meloding cemetery	1x1	2x1	yes	yes	yes	Yes	yes
Meloding library	1x1	2x1	yes	yes	yes	Yes	yes
Virginia cemetery	1x1	2x1	yes	yes	yes	Yes	yes

2. Incidents of theft and vandalism reported for the past six months

During the period under review the Scheme Private Security Services has abandoned the posts at various sites where they are contracted to by the municipality and the following incidents were reported:

- 2.1. At Allanridge pay point the security guards are not reporting for duty and alleges that their salaries are not paid by the companies due to non-payment by Matjhabeng Municipality.
- 2.2. At Nyakallong community Hall and Nyakallong stadium municipal property is vandalized and stolen while security is not attending to work. These incidents will then only be detected at a later stage as these companies are not reporting these losses as they are well aware that these losses will be deducted from the invoices.
- 2.3. At Odendaalsrus 7 x Security points same pattern experienced. Odendaalsrus is very vulnerable with all open cable lines entrusted to be guarded by these private companies. This pose huge threats to our infrastructure and can lead to service delivery protests due to cable theft and zero electricity in these areas. Supervision by the companies is also poor as the guards abandoned their posts after the visits by supervisors as they are aware that no other visits will take place.
- 2.4. At Welkom 7 x points are at serious risks. The Chris Hani park Pump Station a Transformer of R120 000-00 was stolen and there was no reasonable explanation. Bronville swimming pool was completely vandalized and the damages incurred amount to an estimate of over R200 000-00. At Masimong Residence theft and vandalism occurred on a daily basis especially at residence where the people are either at work or not at home.
- 2.5. At Virginia 8 x security points the “MODUS OPERANDI” is the same as above as guards have decided to completely abandon their posts. The Meloding Cemetery is completely vandalized and in a state of serious deterioration, whilst Service providers are entrusted with these property of the Municipality.
- 2.6. Eleven (11) posts at Hennenman are in a serious state due to the breach committed by these companies. Some incidents happened whilst private security guards are on site.

2.6.1. Hennenman Fire Station

The Hennenman Fire station is in a depleted state because of vandalism that occurred during the company’s contractual period.

2.6.2. Phomolong Taxi Rank

The taxi rank is also now in a catastrophic state as theft and vandalism occurred on a daily basis.



2.6.3. Mechanical Workshop

The Mechanical workshop and Sewage Plant is also a daily target for vandalism and theft. Theft of batteries out of vehicles is one of the most common incidents at the Mechanical Workshop.

2.6.4. Phomolong Community Hall (reported 10 January 2018)





Fire Station at Mmamhabane in Ventersburg

This building is a fairly new station but due to the situation with private Security companies, the Municipality is at risk of losing this station. This station was built with MIG funding in 2015 and was part of one of the six satellite station as outlined in the Integrated Development Plan. Further funds could not be secured for the other five stations as serious concerns were raised due to the Municipality's inability to secure the functionality of this station. Various incidents of vandalism and theft occurred as the station is not manned.

- *** See the report on the status of the station as **attached on page 169 to page 178 of the Annexures.**
- *** See the reports from the company MBV where incidents occurred as **attached on page 179 to page 189 of the Annexures.**

Alleged theft of Copper cable theft at Riebeeckstad Sports Ground (19/06/2018).
This is one of the posts manned by Man In One.



Losses due to theft reported

Date	Place of Crime	Nature	Case Number	Amount	Out come
08/01/2018	Phomolong Taxi Rank	Malicious damage to property	Awaitings cas no		
17/01/2018	Hennenman Hall	Housebreaking and theft	68/01/2018	R2 000	Pending
02/03/2018	Ventersburg Pay point	Housebreaking and theft	02/05/2018	R1 500	
11/03/2018	Hennenman Elect Store	Theft	52/03/2018	-	Pending
15/03/2018	Phomolong Stadium	Theft	50/03/2018	-	Pending

26\03\2018	Hennenman Workshop	Theft	11\03\2018	R3 500	Pending
01/05/2018	Phomolong Hall	Theft of batteries & Diesel	08/05/2018		Pending
02/05/2018	Masimong Shaft 4	Theft of corrugated Iron	Waiting for quotation		Pending
05/06/2018	Hennenman Workshop	Housebreaking & Diesel theft	20/06/2018	Awaiting quotation	Pending
14/06/2018	Mmamahabane	Housebreaking & Theft	31/06/2018	Awaiting quotation	Pending
19/06/2018	Riebeeckstad Sports Ground	Cable theft	Awaits cas no	R15 000	Pending

LEGISLATIVE MANDATE

The Constitution of the Republic of South Africa, 1996

The Constitution of the Republic of South Africa, 1996, is the supreme law of the country and the cornerstone of all government's policies and legislation. Safety and security is so fundamental that it is captured both within the Bill of Rights as well as Chapter 11 of the Constitution. The Bill of Rights affirms the democratic values of human dignity, equality and freedom and emphasizes the right of every person to security and freedom of expression. Chapter 11 outlines the governing principles of the security services highlighting the roles of key players in criminal justice system, **Municipal Systems Act 32 of 2000**

Local Government is important for the implementation of safety and security in a developmental manner

White paper on Safety & Security

National Security Strategy for South Africa

POLICY STATEMENT

Asset management Policy
Crime Prevention Policy
Public Safety Mission Statement

PROBLEM STATEMENT

Holistic problem needs holistic solution
Security patch work, fragmented approach
False sense of Security
Uncoordinated approach, fruitless expenditure
Systems installed which cannot communicate with Central Control – i.e. free standing security systems

CONCLUSION

The Municipality is at high risk if urgent precautionary measures are not put in place to prevent further damage and vandalism to Municipal infrastructure.

RECOMMENDATIONS

1. That Contractors' Service Level Agreements which expired in 2012 be terminated by issuing the Contractors a 3 months' notice starting from the 1st July 2018 to 31 October 2018.
2. That the Municipality should reduce the areas (posts) that are guarded by private security, by identifying the posts where electronic security system can be installed, in order to minimize the huge security bill.
3. That a Cost analysis of having private security versus municipal security, installing surveillance/security cameras and the utilization of rapid response team be done and a written report be submitted to Council.
4. That electronic security/surveillance cameras be installed at focal points.
5. That the services of a rapid response security team be requested.
6. That the process of tendering should commence from the 1st September 2018 for those areas (posts) that need physical security.
7. That the municipality must conduct skills audit and vetting of all the security personnel within the municipal employment as of the 1st September 2018.
8. That recruitment and appointment of Security Officers be finalized by the 30th of September 2018.

A91 of 2018

PHASING OUT OF PRIVATE SECURITY COMPANIES (EXECUTIVE MAYOR)
(1/1/32)

PURPOSE

The purpose of the item is to present a Plan for the phasing out of Private Security companies. The plan identifies specific steps that the Municipality will undertake to phase out existing services but still protecting its assets in the process, how it will respond to the various types of threat identified in risk assessment, and how it will create security awareness on acceptable use and protection of assets.

INTRODUCTION AND BACKGROUND

The Municipality has appointed five (5) Physical Security Service Providers in 2009 on a three years contract to provide physical security services to the Municipality. The contract expired in 2012 and the five companies operated on a month to month basis. The contract of Phakama Security Services were terminated in 2016 and the posts of Hi Sense were taken over by Man in One. Currently only three companies are operating within Matjhabeng namely Man in One, MBV and Scheme Security Company.

The current approved structure made provision for a staff establishment of 216 security officers, of which only 57 posts are currently filled. This left the department with less than 40% percent personnel strength to execute their duties. The Municipality advertised 100 posts for Security officers and closing date was 8 June 2018.

The monthly expenditure for these three (3) companies amounts to an estimated amount of R6, 7 million a month.

Discussions on the table below (See (a) Surveillance sites)





The table only refers to the 72 most critical posts within Matjhabeng and does not include cemeteries, taxi ranks, open cable fields, landfill sites, sewer plants and stadiums.

Twenty three (23) sites will be equipped with electronic security systems and there will be no need for physical Security at these sites. **Complete withdrawals highlighted with red).**

Forty posts currently with a private staff compliment of 70 at night will be reduced with approximately 50% if the recommended Security systems be installed and activated. The day security staff compliment will for now remain at 59 officers. This means that the Municipality must at least appoint 35 officers for night duty and 59 officers for day shift to replace the private security companies at this posts. **(Partial withdrawal highlighted in yellow).**

a) Surveillance Sites

Legend

Status quo remain	
Partial withdrawal	
Complete withdrawal	
New arrangement	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
1.		Public Safety Building	Internal Security 1 Day/1 Night		Installation of security systems and control room		Access control and monitoring during the day and night as Traffic and Security operating on shift system	Plans available
2.		Procor Building	Internal Security 1 Day/1 Night		Withdraw night Security and utilize Security officer on other critical post. Install electronic Security with armed response		Access control and monitoring during the day	Plans available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
3.		Municipal Main Building	Internal Security 4 Day/1 Night		Withdraw night Security and utilize Security officer on other critical post. Install electronic Security with armed response		Access control and monitoring during the day	Plans available
4.		Finance Building	Internal Security 1 Day/1 Night		Withdraw night Security and utilize Security officer on other critical post. Install electronic Security with armed response		Access control and monitoring during the day	Plans available
5.		Traffic College	Internal Security 1 Day/1 Night		Withdraw night Security and utilize Security officer on other critical post. Install electronic Security with armed response		Access control and monitoring during the day. Part of accreditation requirements	Plans available
6.		Mechanical Workshop 4 th Street	Private Security Man In One 2 day/4 Night	R71 447.76	Reduce Security to two at night. Install electronic Security with alarms and armed response	R23 815.92	Area is huge and vehicles are parked inside yard	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
7.		Occupational Health Building	No arrangements		Install electronic Security with alarms and armed response (Biometric systems)			
8.		Alma Electrical Workshop	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw 1 Officer at night. Install electronic system as trucks are parked in yard and cables are stored here.	R11 907.96	Access control and monitoring during the day.	
9..		Thabong Community Hall	Private Security MBV 2 Day/2 Night	R57 158.20	Withdraw night security. Install electronic security systems, alarms with armed response	R28 579.10	Access control and monitoring during the day as the pay point is also host in the building	Plans available
10.		Toronto Hall	Caretaker		Install electronic Security with alarms and armed response			Plans available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
11.		Far East Hall	Private Security Man In One 1 Day/1 Night	R23 815.92	Withdraw night security. Install electronic security systems, alarms with armed response	R11 907.96	Access control and monitoring. Hlasela project runs from this hall.	Plans available
12.		Flamingo Hall	Private Security MBV 1 Day/1 Night	R28 579.10	Withdraw night security. Install electronic security systems, alarms with armed response	R11 907.96		Plans available
13.		Welkom Club	Private Security Man In One 2 Day/4 Night	R71 447.76	Withdraw night security. Install electronic security systems, alarms with armed response	R47 631.84		
14.		Indoor Sport Center	Private Security MBV 1 Day/2 Night	R42 868.65	Withdraw night security. Install electronic security systems, alarms with armed response	R28 579.10		Plans available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
15.		Fire Station Welkom	Private Security MBV 2 day/2 Night	R57 158.20	Withdraw Security at night as the Fire Station is recently equipped with cameras and an electronic remote gate	R28 579.10	1 Security Officer needed during day for access control and monitoring	Plans available
16.		Bronville Hall and Offices	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night Security and install electronic security with armed response	R23 815.92		
17.	6610	Virginia Main Building	Internal Security		Withdraw night security and deploy officer at other critical post. Install electronic security systems, alarms with armed response			Ground floor plan only
19.	1309	Virginia Fire Station	Private Security MBV 1 Day/1 Night	R28 579.10	Withdraw night security. Install electronic security systems, remote control gate ,alarms with armed response	R14 289.55		Plans available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
20.	367	Meloding Paypoint & Office	Private Security Man In One 2 Night -	R23 815.92	Withdraw night security. Install electronic security systems, alarms with armed response	R11 907.96	Need 1 officer during the day for access control and monitoring	Partial Plan
21.	1148	Meloding Hall	Private Security Scheme 2 Night	R23 815.92	Withdraw night security. Install electronic security systems, alarms with armed response	R11 907.96	Need 1 officer during the day for access control and monitoring	No Plan Available
22.		Virginia magazine Store	Private Security MBV 1 Day/1 Night	R28 579.10	Withdraw night security. Install electronic security systems, alarms with armed response	R14 289.55	Need 1 officer during the day for access control and monitoring	
23.	5399	Virginia Electrical Workshop	Private Security MBV 1 Day/1 Night	R28 579.10	Withdraw night security. Install electronic security systems, alarms with armed response	R14 289.55	Need 1 officer during the day for access control and monitoring	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
24.	5399	Virginia Waste Department	Private Security MBV 2 Day/4 Night	R85 737.30	Withdraw night security. Install electronic security systems, alarms with armed response	R57 158.20	Need 2 officer during the day for access control and monitoring	
25.	6630	Harvinia Club	Private Security MBV 2 Day/4 Night	R85 737.30	Withdraw 2 Night security. Install electronic security systems, alarms with armed response	R28 579.10	Need officers for patrolling of premise	Partial Plan – not legible
26.	1395	Hennenman Mainbuilding	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need 1 officer during the day for access control and monitoring	No plans

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
27.	523/3	Hennenman Workshop	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night. Security systems to be installed, alarms with armed response.	R23 815.92	Security needed for access control and monitoring. Constant movement in this area. Security systems to be installed, alarms with armed response	No Plans
28.		Hennenman Community Hall	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	1 Security Officer needed during day for access control and monitoring	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
29.	2064	Phomolong Paypoint/Office	Internal Security 1 Day/1 Night		Withdraw Security Officer at night and deploy at other critical post. Install electronic security systems, alarms with armed response		1 Security Officer needed during day for access control and monitoring	No Plans
30.	2066	Phomolong Hall	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Security needed during day for access control and monitoring	No Plans
31.	520/R	Fire Station Hennenman	Private Security Scheme 1 Day/1 Night	R23 815.92	Withdraw night security. Install electronic security systems, alarms with armed response	R11 907.96	This building is not operational due to vandalism	No Plans available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
32.	303/R	Ventersburg Pay point and Community Hall	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	No Plans Available
33.		Ventersburg Workshop	Patrolled and monitored on adhoc basis		Install electronic systems, alarms and armed response		Need Security Officer during the day for access control and monitoring	
34.	2482	Fire Station Mmamahabane	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans Available

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
35.		Mmamahabane Hall	Private Security Scheme 1 Day/2 Night	R38 785.74	Withdraw night security. Install electronic security systems, alarms with armed response	R25 857.16	Need Security Officer during the day for access control and monitoring	
36.		OD Main Building	Internal Security	2 Day/2 Night	Withdraw Security Officer at night and deploy at other critical point. Install electronic security systems, alarms with armed response		Need Security Officer during the day for access control and monitoring	Plans available
37.		Fire Station Odendaalsrus	Internal Security		Status quo remain Install electronic security systems.			

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
38.		OD Community Hall	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans available
39.	1715	OD Workshop	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans available
40.	437	Kutlwanong Hall	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
41.	435	Kutlwanong Pay point	Internal 1 Day/1 Night		Withdraw night security and deploy at other critical post. Install electronic security systems, alarms with armed response		Need Security Officer during the day for access control and monitoring	
42.	2592	Cllrs Office OD	Private Security Scheme 1 Day/2 Night	R35 723.88	Withdraw night security. Install electronic security systems, alarms with armed response as part of the Main building	R23 815.92		Plans available
43.	369	Nyakallong Pay Point	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
44.	389	Nyakallong Community Hall	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans available
45.	1826/R	Allanridge Main Building	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans available
46.	1826/R	Allenridge Community Hall	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw night security. Install electronic security systems, alarms with armed response	R23 815.92	Need Security Officer during the day for access control and monitoring	Plans available

[illegible]

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
50.		Bronville Substation	Private Security Man In One 1 Day/1 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
51.		Flamingo Substation	Private Security Man In One 1 Day/1 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
52.		Alma Substation	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R47 631.84		
53.		Substation Kragboks	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R47 631.84		

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
54.		Urania Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
55.		Main In Take Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
56.		Electrical Substation Saaiplaas	Private Security MBV 1 Day/2 Night	R42 868.65	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R42 868.65		
57.		Kragbok Industrialpark	Private Security MBV 1 Day/2 Night	R42 868.65	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R42 868.65		

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
58.		Electrical Substation Virginia	Private Security MBV 1 Day/2 Night	R42 868.65	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R42 868.65		
59.		Hennenman Substation	Private Security Scheme 1 Day/2 Night	R38 785.74	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R38 785.74		
60.		Hospital Park Substation	Private Security Scheme 2 Day/2 Night	R47 631.84	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R47 631.84		
61.		Allenridge Substation	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R47 631.84		

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
62.		Allenridge Substation	Private Security Scheme 2 Day/2 Night	R62 209.00	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R62 209.00		
63.		Virginia Majuba Substation	Private Security Scheme 2 Day/2 Night	R49 680.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R49 680.88		
64.		Welkom Town Substation	Private Security Man In One 1 Day/2 Night	R38 785.74	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R38 785.74		
65.		Welkom Park substation	Private Security Man In One 1 Day/1 Night	R38 785.74	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R38 785.74		

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
66.		SS9 Substation	Private Security Man In One 2 Day/2 Night	R47 631.84	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R47 631.84		
67.		SOS Site	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
68.		SS6 Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
69.		9 th Street Substation	Private Security Man In One 1 Day/4 Night	R71 447.76	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R71 447.76		

	Surveillance Site Number	Location	Current Security Arrangements	Current Financial Implications	Comment	Proposed Savings for Council	Motivation for the need of continued physical security	Plans
70.		Industrial Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
71.		CBD Main Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
72.		Riebeeckstad Substation	Private Security Man In One 1 Day/2 Night	R35 723.88	Withdraw security. Installation of three barriers electrical fencing, flood lights, alarms and cameras	R35 723.88		
	Total savings					R1 697 248.62		

LEGISLATIVE MANDATE

The Constitution of the Republic of South Africa, 1996

The Constitution of the Republic of South Africa, 1996, is the supreme law of the country and the cornerstone of all government's policies and legislation. Safety and security is so fundamental that it is captured both within the Bill of Rights as well as Chapter 11 of the Constitution. The Bill of Rights affirms the democratic values of human dignity, equality and freedom and emphasizes the right of every person to security and freedom of expression. Chapter 11 outlines the governing principles of the security services highlighting the roles of key players in criminal justice system,

Municipal Systems Act 32 of 2000

Local Government is important for the implementation of safety and security in a developmental manner

White paper on Safety & Security

National Security Strategy for South Africa

POLICY STATEMENT

Asset management Policy
Crime Prevention Policy
Public Safety Mission Statement

PROBLEM STATEMENT

Holistic problem needs holistic solution
Security patch work, fragmented approach
False sense of Security
Uncoordinated approach, fruitless expenditure
Systems installed which cannot communicate with Central Control – i.e. free standing security systems

CONCLUSION

The total savings on the first stage of phasing out will amount to R 1 697 248.62 per month. The sites for taxi ranks, cemeteries, landfill sites, sewer plants, stadiums and open field cables are not included in this phase which will amount to further saving for Council.

RECOMMENDATIONS

1. That Council approves the phasing out of Private Security companies at the most critical posts within Matjhabeng.
2. That Systematic appointments and filling of vacant posts until all contracts are terminated must be done to ensure seamless integration.
3. That the phasing out plan should not be regarded as a static plan but an evolving plan that will be updated as and when technology is replaced or new innovations are released or improved.

A92 of 2018

FLEET OF PUBLIC SAFETY & TRANSPORT (EXECUTIVE MAYOR) (7/2/1/1)

PURPOSE

Purpose of the item is to highlight Council on the status of the current vehicle fleet of the Department and the intended procurement of new fleet.

INTRODUCTION AND BACKGROUND

The Section is servicing 6 towns with various suburbs and is depending on vehicles as a tool of trade to execute their law enforcement duties.

In 2010 during a tender process, 17 vehicles were procured for the section and distributed amongst the different towns. The cars are more than seven years old which results into high running cost due to maintenance. The vehicles are also out of maintenance service plan.

Three (3) marked vehicles are currently running in Welkom, three (3) marked vehicles in Odendaalsrus, one (1) marked vehicle in Hennenman and three (3) in Virginia over two shifts systems. Two (2) vehicles were written off in accidents of which others are standing due to mechanical problems. Two (2) Quantum Kombi's allocated to Warrants section whereby the one is at Workshop for Fitness test. One (1) Quantum Kombi and one (1) marked vehicle is allocated to Training. One (1) vehicle allocated to accidents currently with engine breakdown at Workshop. Three vehicles were attached by the Sheriff in the execution of a Court Order.

The department envisaged to purchase five (5) service delivery vehicle and two (2) high performance vehicles for Traffic Law Enforcement which are going to be distributed between the different units of Matjhabeng Municipality.

1. Challenges experienced due to shortage of vehicles

- 4 to 5 officers travelling in a vehicle. This render the other officers ineffective as they all need to travel to one incident and it became even more cumbersome if another incident is reported on the same time. This affect our response times to accidents and incidents.
- The shortage affects service delivery as officers are not on time on their traffic points in the morning due to offload of all officers with one or two vehicles.
- The Warrants Section cannot operate during peak hours (which is the most effective time) as they assisting Law Enforcement with transporting officers to and from the points.
- The turnaround time for repairing vehicles is beyond acceptable timeframes
- Other unplanned events, e.g. escort for dignitaries, requests for transport by various departments derail the intended operation for the entire day.

2. Proposed solutions in order to enhance revenue collections

- The section will be able to do house tracings on warrants if equipped with more vehicles
- Warrant section will be able to operate during peak hour.

LEGISLATIVE MANDATE

National Road Traffic Act, 93 of 1996

POLICY STATEMENT

Vehicle Requirement Plan
Supply Chain Management Procedures

PROBLEM STATEMENT

- Not compliant in terms of ratio per vehicles. National ratio is 1:1000 (1 Officer to 1000 vehicles). The current vehicle population of Matjhabeng is approximately $88\,986/42=2118.7$. According to the ratio it will mean that every traffic officer will be responsible for 2118.7 vehicles, hence the need for more vehicles in order to be able to do law enforcement.
- Patrol vehicles not road worthy and in contravention of the National Road Traffic Act 93 of 1996

FINANCIAL IMPLICATIONS

The financial implications will be approximately R 998 298.30 for the procurement of five (5) service delivery vehicles and R1 191 412.52 for two (2) high performance vehicles.

RECOMMENDATIONS

1. That the procurement of the vehicles be approved to avoid a total shut down of operations.
2. That the existing fleet be complemented with new fleet on an annual basis and ageing fleet be auctioned.

A93 of 2018

REPORT ON NATIONAL HOUSING NEEDS REGISTER (NHNR) (EXECUTIVE MAYOR) (20/14/13)

PURPOSE

To inform Council about the newly introduced consolidation of various waiting lists/ demand database by National Human Settlements.

BACKGROUND AND DISCUSSION

The National Housing Needs Register (NHNR) is a central database that offers households the opportunity to register their need for adequate shelter by providing information about their current living conditions, household composition and to indicate the type of housing assistance they require from government. Beneficiaries are also able to update their information to ensure that their details are relevant to their current situation.

NHNR ensures that the allocation of housing opportunities are done in accordance with various programmes contained in the National Housing Code. This is done by selecting households from relevant geographical areas based on age, preference, employment and income status. On the 17-18 April 2018 the Matjhabeng Housing officials were trained on the National Housing Needs Register. The Councilors were also offered training by the Provincial Human Settlements Department.

Purpose of the National Housing Needs Register

The purpose is to ensure that:

- that households not on waiting lists have the opportunity to register their need for adequate shelter
- by providing information about their current living conditions, and to indicate the type of housing assistance they require from government
- consolidation of various waiting lists and improving the quality of the records received and determine if these records adhere to the minimum requirements
- **The allocation of housing opportunities** that are created through the various programmes contained in the National Housing Code are done in a fair, transparent and auditable manner.
- that households from relevant geographical areas based on the agreed criteria e.g. age, employment and income status are realized
- that information about households are utilized during the planning and budgeting of Human settlements projects as the information per household is ward based and requires physical address or house/stand number.

Current status

The Provincial Department requested and was given the current approved waiting list, and have since commenced with the capturing process in Nyakallong, Mmamahabane, Kutlwanong and Doorn.

- *** **Attached on the Annexures page 190 to page 191 of the Annexures** is the letter from the Provincial Department of Human Settlements.
- *** **Attached on page 192 to page 202 of the Annexures** is the housing needs register and Draft Implementation Plan.

This they undertook in collaboration with the Municipal officials as they had already received training.

FINANCIAL IMPLICATIONS

Funds derived from the Provincial Department of Human Settlements.

LEGISLATIVE FRAMEWORK

Policy Position

- **The Constitution of South Africa 1996**

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing.

- **Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

RECOMMENDATION

1. That Council takes note of the report.

A94 of 2018

REPORT ON TRANSFER OF REMAINING ANGLOGOLD ASHANTI PROPERTIES IN KUTLOANONG TO BENEFICIARIES AS WELL AS DONATION OF THE REMAINING HOUSES TO MATJHABENG MUNICIPALITY (EXECUTIVE MAYOR) (8/3/2/4/7/5)

PURPOSE OF THE REPORT

To request Council to accept donation of the remaining Anglo-Gold Ashanti houses to the Municipality as well as note the report as submitted by Wessel & Smith Attorney on houses already transferred.

BACKGROUND

At its meeting held on 2007-08-28 COUNCIL RESOLVED:

1. That Council **WRITES OFF** the accumulated arrears of R1 127 181, 00 on the Anglogold account.
2. That Council **ALLOCATES** monies in the budget to purchase the 724 stands at R2 500, 00 per stand.
3. That Matjhabeng Municipality **DETERMINES** the criteria under which the transfer of the 107 properties in Kutlwanong K4, K5 and K8 from Anglo Ashanti to the nominated beneficiaries will take place.

There were 107 properties in Kutlwanong that belonged to Anglo Ashanti which Council agreed that they should be transferred to the occupants after writing off the arrear debt of these properties. The process of transferring these properties is nearly completed.

At its sitting on 2009-11-18 COUNCIL RESOLVED:

That the item to transfer the remaining properties onto the municipality's names be referred back.

In terms of resolution "3" in 2007, Council was to DETERMINE the criteria under which the transfer of the 107 properties in Kutlwanong K4, K5 and K8 from Anglo Ashanti to the nominated beneficiaries will take place.

According to HV Jordaan Attorneys and our physical verification process, there are seven properties that can't be transferred due the following reasons:

Houses Numbers 7029, 6933, and 7140 – Minor children without birth certificates and/or ID's.
Houses Numbers 6875, 1440, 7022, 6867 – rightful occupation could not be confirmed.
House Number 6988- The house is forever locked.

*** A list of affected properties is attached on page 203 to page 204 of the Annexures.

THE MAYORAL COMMITTEE RESOLVED (14 DECEMBER 2011)

That the item **BE REFERRED BACK** to enquire about financial implications on the municipality and **RE-SUBMITTED** at the next Mayoral Committee meeting.

PROBLEM STATEMENT

HV Jordaan attorneys are unable to conclude their assignment of transferring a total of 107 properties as appointed by Anglo Ashanti as they can't find appropriate beneficiaries. If a decision is not made regarding these properties the project would remain incomplete.

Anglo-Gold Ashanti subsequently appointed Wessel & Smith Attorney to finalized the transferred of the remaining Houses to Beneficiaries, on acceptance of this instruction by the Attorney, the Attorney engaged the Municipality for finalization of the processes, together with our Housing department verification of the beneficiaries was done, and in cases where beneficiaries were found transferred was effected.

There where cases where beneficiaries could not be traced as onsite inspection. Some of the houses were locked and such cases have been referred to respective ward Councillors to assist.

*** Attached on page 205 to page 206 is a report depicting status of accounts.

DISCUSSION

Total of 107 Houses were donated, transfer was done to majority of this Houses with exception of 10 Houses where beneficiaries cannot be traced.

Anglo-Gold has expressed an intention to donate these houses to the Municipality, this will include 19 houses that were left out during the initial donation agreement.

POLICY POSITION/LEGAL IMPLICATIONS

Municipal Finance Management Act

FINANCIAL IMPLICATION

Council will incur the transfer costs at later stage when it transfers the properties to appropriate beneficiaries, once they are traced.

Properties with no appropriate beneficiaries can be temporarily rented out. Rental fee will be determined according to market related rates. The following is a list of Houses that Anglo-Ashanti seek to donate to the Municipality currently.

No.	Erf No.	Area
1.	6933	Kutlwanong
2.	6873	Kutlwanong
3.	1440	Kutlwanong
4.	7022	Kutlwanong
5.	6867	Kutlwanong
6.	7029	Kutlwanong
7.	7140	Kutlwanong
8.	3842	Kutlwanong
9.	3762	Kutlwanong
10.	3783	Kutlwanong
11.	3822	Kutlwanong

12.	3887	Kutlwanong
13.	3889	Kutlwanong
14.	6782	Kutlwanong
15.	6886	Kutlwanong
16.	6903	Kutlwanong
17.	6978	Kutlwanong
18.	7038	Kutlwanong
19.	7090	Kutlwanong

RECOMMENDATIONS

1. That Council takes note of the report.
2. That Council accepts the donation of 19 Anglo-Ashanti houses to the Municipality.
3. That Council resolves that the transfer of 10 houses where beneficiaries cannot be traced be made to the Municipality.
4. That the disposal of the donated houses be done in accordance with the Municipal Policy on disposal of Immovable Assets.

A95 of 2018

REPORT MUNICIPAL RESIDENTIAL SITES SOLD OR INTENDED TO BE SOLD ILLEGALLY (EXECUTIVE MAYOR) (18/4/12)

PURPOSE

To submit before Council the statistics of sites alleged to be illegally sold.

BACKGROUND

On or around 2017 the Housing Department discovered that there was a trend happening with regard to individual alleging to have purchased the site from the Municipality without following of MFMA process, this matter was kept growing, on the 21st April 2017 clearance department was requested to refrain from issuing clearance certificate without consulting the Housing department on Erven registered as belong to the Municipality, however despite the above, the illegal sale of land proceeded.

The following are cases which came to the attention of the Housing department, this are but a few we believe there is more which we might not have been aware of, the common thing with all this is that the signature of the previous Municipal Manager was used, Namely; Mr. Lepheana and Mr. Ramathebane.

The following sites were discovered when request for clearance figures was done;

SITES WHERE CLEARENCE FIGURES WERE REQUESTED.

NO	ERF NO	SURBURB	ILLEGAL BUYER	COMMENT
1.	Erf 8702/2	Welkom	Tankiso Martin Coetzee	
2.	Erf 1659	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
3.	Erf 1660	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
4.	Erf 5285	Riebeeckstad	Nellie Ratsiu	
5.	Erf 5286	Riebeeckstad	Nellie Ratsiu	
6.	Erf 863	Naudeville	Francina Motete	
7.	Erf 864	Naudeville	Francina Motete	
8.	Erf 5809/7	Riebeeckstad	Sello & Eunice Mokhosi	
9.	Erf 1008	Flamingo	Mankoe Sarah Mokau	This sites are part of site availed to Mkhonza Holding for development of Gap Market
10.	Erf 1654	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales
11.	Erf 1657	Flamingo	Nellie & Johannes Ratsiu	This site was part of 2016/2017 land sales

12.	Erf 5520	Riebeeckstad	David Mphuthi & Ernestinah Motseki	This site was part of 2016/2017 land sales
13.	Erf 5521	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
14.	Erf 5522	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
15.	Erf 5523	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
16.	Erf 5524	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
17.	Erf 5525	Riebeeckstad	David Mphuthi & Ernestinah Motseki	
18.	Erf 1012	Flamingo	Englishman Mashia	This sites are part of site availed to Mkhonza Holding for development of Gap Market
19.	Erf 5437	Riebeeckstad	Johannes & Meriam Koppie	
20.	Erf 7817	Welkom Ext 11	Alinah Moletsane	
21.	Erf 1284	Virginia	Paseka Japi Annastatia Kotleli	
22.	Erf 1285	Virginia	Paseka Japi Annastatia Kotleli	
23.	Erf 1286	Virginia	Paseka Japi Annastatia Kotleli	
24.	Erf 1287	Virginia	Paseka Japi Annastatia Kotleli	
25.	Erf 1288	Virginia	Paseka Japi Annastatia Kotleli	
26.	Erf 1289	Virginia	Paseka Japi Annastatia Kotleli	
27.	Erf 5307	Riebeeckstad	Mosebetsi & Likeleli Mabaso	
28.	Erf 5308	Riebeeckstad	Mosebetsi & Likeleli Mabaso	

The following are cases where transfer has already been done in favour of the alleged buyer, some cases discovered when a buyer came forth to request to be shown site pegs, other cases were discovered through deed search investigation on site previously advertised.

NO	ERF NO		ILLEGAL BUYER	COMMENT
1.	Erf 1661	Flamingo	Phillip & Ivy Mthombeni	This site was part of 2016/2017 land sales
2.	Erf 1662	Flamingo	Phillip & Ivy Mthombeni	This site was part of 2016/2017 land sales
3.	Erf 13516	Thabong	Morakane Ann Segatsho	

4.	Erf 13517	Thabong	Morakane Ann Segaetsho	
5.	Erf 1006	Flamingo	Tjodi & Alina Tamane	This sites are part of site availed to Mkhonza Holding for development of Gap Market
6.	Erf 1007	Flamingo	Tjodi & Alina Tamane	This sites are part of site availed to Mkhonza Holding for development of Gap Market
7.	Erf 20353	Thabong	Tshepo Stanley Litlhakanyane	
8.	Erf 21972	Thabong	Solomon & Susan Nyapele	This site was part of 2016/2017 land sales
9.	Erf 21972	Thabong	Solomon & Susan Nyapele	This site was part of 2016/2017 land sales
10.	Erf 658	Flamingo Park	Mphatsoe Mellita	This site was part of 2012 land sales
11.	Erf 662	Flamingo Park	Tseisi Semetse John	This site was part of 2012 land sales
12.	Erf 1597	Riebeeckstad	Mokoena Tsolo & Eunice	This site was part of 2012 land sales
13.	Erf 5321	Riebeeckstad Ext 1	Alexina Lecheko	This site was part of 2012 land sales
14.	Erf 5809/2	Riebeeckstad Ext 1	Innocent & Palesa Pheko	This site was part of 2012 land sales
15.	Erf 5809/4	Riebeeckstad Ext 1	Tseisi Mpho Gift	This site was part of 2012 land sales
16.	Erf 5259	Riebeeckstad Ext 1	Petrus & Alina Tlali	This site was part of 2012 land sales
17.	Erf 5805/9	Riebeeckstad Ext 1	Eddie & Alleta Sithole	This site was part of 2012 land sales
18.	Erf 21968	Thabong	Piet & Eunice Mokhosi	This site was part of 2012 land sales
19.	Erf 21969	Thabong	Piet & Eunice Mokhosi	This site was part of 2012 land sales
20.	Erf 5520	Riebeeckstad Ext 1	Simon & Eva Kwanya	This site was part of the 2014 land sales
21.	Erf 5405	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
22.	Erf 5316	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
23.	Erf 5314	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
24.	Erf 5302	Riebeeckstad Ext 1	Esthere & Jerry Owuru	This site was part of the 2014 land sales
25.	Erf 5306	Riebeeckstad Ext 1	Ngubeni joyce & Mokobe Petrus	This site was part of the 2014 land sales

26.	Erf 1538	Riebeeckstad	Abraham & Emily Makhoba	This site was part of the 2014 land sales
27.	Erf 21971	Thabong	Tshidiso & Eva Kwanya	This site was part of 2016/2017 land sales

All cases have been report to SAPS and are under investigation, the investigating Officer advised that he is wrapping up his investigation and will be submitting the docket to National Prosecuting Authority for a decision.

FINANCIAL IMPLICATION

Loss of revenue for the Municipality due to illegal Sale of land.

LEGAL IMPLICATIONS

Disposal of Municipal land is regulated through Section 14 of the MFMA and further by Policy on Disposal of Municipal Assets.

If the above was not followed, the Criminal Procedure Act must be applied.

RECOMMENDATIONS

1. That Council takes note of the report.
2. That Council takes note that the matter has been reported to South African Police Services and currently under investigations.

A96 of 2018

REPORT ON PARTICIPATION OF MATJHABENG MUNICIPALITY ON FREE STATE INFORMAL SETTLEMENT UPGRADING FORUM (EXECUTIVE MAYOR)
(3/3/22)

PURPOSE

To submit before Council a report on participation of Matjhabeng Local Municipality on Free State Informal Settlement Upgrading (ISU) Forum.

BACKGROUND

The Provincial Department of Human Settlement together with Housing Development Agency (HDA) established Free State Informal Settlement Upgrading Forum, with the following objective;

- **To outline the roles** of different stakeholders, particularly municipalities towards **managing the challenge** faced with in upgrading informal settlements; and
- To establish and agree on ISU strategies and processes alignment

The forum further tracks the upgrading of informal settlement through progress tracking template, and sits quarterly. Member Municipalities are required to submit their reports through Informal Settlement Upgrading Monitoring sheet.

Matjhabeng as part of the NUSP Municipality has been an active member of the forum; we attached hereto our quarterly report on Informal Settlement Upgrading within our Municipality.

FINANCIAL IMPLICATIONS

None.

LEGAL IMPLICATIONS

None

RECOMMENDATION

1. That Council takes note of the report.

A97 of 2018

**REPORT ON THE RAFT FOUNDATIONS THAT WERE CASTED IN VAIN
VARIOUS ERVEN SAAIPLAS EXTENSION 14 VIRGINIA (EXECUTIVE MAYOR)
(8/3/2/50/3)**

PURPOSE OF THE REPORT

- The purpose of the report is to inform Human Settlement Section 80 about the current status of the 264 erven in Saaiplaas Extension 14, Virginia, and
- To solicit permission for submission of a proposal to the MEC Human Settlements in order to complete the project.

BACKGROUND

Initially the project was a joint venture for SAMWU-NUM Housing PTY (Ltd) and the first Institutional Subsidy Project in the Free State. The project was partially funded by Saambou bank and the then Provincial Housing Board. Saambou bank topped -up the project with R20 000 and subsidy quantum from the former Provincial Housing Board was **R18 400**. Sixty-two (**62**) houses were completed but before the township register could be opened Saambou Bank was liquidated. This also resulted in the liquidation of SAMWU-NUM Housing PTY (Ltd). The liquidators opened the township register and transferred the **62** completed houses into the names of the occupants.

The remainder of the 264 properties consisting of **60** serviced erven **with** raft foundations and **204** serviced sites have now been transferred to the Matjhabeng Municipality.

DISCUSSION

On receipt of the engineer report confirming the strength of the raft foundations construction work can commence immediately. Bulk services (storm water drainage, sewerage, water and electricity) are available. The area has gravel roads.

*** **Attached on page 207** is a map indicating the sites where raft foundations were casted.

Below are 60 erven as they appear on the locality map:

6719, 6720, 6721, 6722, 6723, 6724, 6725, 6726, 6727, 6728, 6729, 6730, 6731, 6732, 6733, 6734, 6735, 6736, 6745, 6746, 6747, 6748, 6749, 6750, 6751, 6752, 6753, 6754, 6755, 6773, 6774, 6775, 6776, 6777, 6778, 6779, 6780, 6781, 6782, 6783, 6802, 6803, 6804, 6805, 6806, 6807, 6808, 6809, 6810, 6811, 6812, 6813, 6814, 6815, 6816, 6821, 6822 & 6823

FINANCIAL IMPLICATIONS

Funding is derived from Provincial Department of Human Settlements.

LEGISLATIVE FRAMEWORK

Policy Position

- **The Constitution of South Africa 1996**

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

- **Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of National and Provincial Housing legislation and policy to-

Ensure that-

“The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

RECOMMENDATION

1. That the Municipality submit a proposal to the MEC to request the subsidy allocation to complete the project.
2. That the area be considered for mixed development.

A98 of 2018

PROGRESS REPORT – RELOCATION AND FORMALISATION OF SITES AT PHOMOLONG WARD (EXECUTIVE MAYOR) (18/4/13)

PURPOSE OF REPORT

To inform Council of the progress report on the formalization of sites and relocation at Phomolong, Hennenman

BACKGROUND

During its sitting Matjhabeng resolved on the following pertaining to allocation of sites;

Resolution A48/2016 Approval of Allocation Plan

COUNCIL RESOLVED: (29 JUNE 2016)

1. That Council APPROVES the draft allocation plan as submitted.
2. That Infrastructure Department PROVIDES Council with detailed financial implications on all areas pertaining to installation of services, particularly where funding will be done in-house.
3. That allegations of sites that are allocated illegally by Councillors and Municipal officials BE INVESTIGATED.
4. That an overall land verification BE CONDUCTED.
5. That the Executive Mayor BE MANDATED to dig deeper in terms of the magnitude of the matter and submit a report to Council.
6. That a correction BE MADE to reflect Freedom Square in Ward 13 and not in Ward 16.

Resolution A110/2016 Approval of Allocation Program for 7000 Sites

COUNCIL RESOLVED: (13 DECEMBER 2016)

1. That Council NOTES the draft Allocation Program for the allocation of 7 000 sites.
2. That each beneficiary on the waiting MUST POSSESS a number for the allocated site and the process of handing out of numbers be implemented in a period of six (6) weeks.
3. That Ward 16 BE PRIORITIZED as per the Premier's State of the Province Address.
4. That the handing over of sites must BE CHAMPIONED by the Executive Mayor and not officials of the Municipality.
5. That illegal land invasion is NOT ALLOWED but sites should be allocated in a proper manner.

Resolution for payment of R250 Admin Fee

COUNCIL RESOLVED: (20 JULY 2016)

1. That Council APPROVES the proposed introduction of the Administrative fee to the amount of R250.00 for implementation in 2016/17 financial year.

DISCUSSION

Under the 7000 program of planning and pegging of sites, 800 sites were developed in ward 2 Phomolong. Due to further demand and even potential, an application was submitted to Province for a further development of 818 and that was since approved. This brought a total of 1618 residential sites to be allocated in Phomolong

Out of the 1618 sites developed in Phomolong, agreement was reached between the ward councillors that allocation be done on phases where the first phase would focus on the eradication of informal settlements.

Currently 452 allocations have been done and the process is still underway. We attached as annexure, a list of people currently allocated. The number of people who took occupation is approximately 150.

The verification on the approved waiting lists was done by the Ward Councillors and the ward committees and then submitted to the Department.

PROBLEM STATEMENT

- The allocation process was delayed by the slow payment of R250 administration fee.
- There were concerns raised that the Department was allocating not in accordance with the approved waiting list
- Attempts by some community members to invade vacant land meant for allocation and the limitation by Public Safety to remove invaders on time.
- Some people registered on the waiting list are deceased and/or not traceable during the allocation process.
- It was reported that some senior citizens not appearing on the waiting list have approached ward councillors as they either have no places to stay and/or have been residing in unbearable conditions.
- The limitation by Infrastructure Directorate for the grading of roads and cutting of grass further compounds the challenge of allocating within the times stipulated.

POLICY POSITION

The approved Allocation policy stipulates as follows in terms of clause 5.3

5.3 ALLOCATION OF SITES

Allocation will be done per Proportional representation:

The municipality allocates sites either for *in situ* developments or on Greenfield. With regard to *in situ* developments, a thorough verification process must have been done by administration in order to ascertain the property ownership.

With regard to Greenfield, allocation is informed by the waiting list once the process of township establishment has been finalized.

The plight of backyard dwellers must be considered as first priority as opposed to informal settlers.

Serviced sites shall be made available to all applicants of housing subsidies, informal settlements recognized for upgrading backyard dwellers and applicants who only need to purchase serviced sites and will be able to build their own houses.

STEPS

1. Land Affairs Section will inform the ward councilors every time there is serviced land available for allocation to the residents who cannot afford to buy, with special emphasis to the previously disadvantaged communities.
2. Ward Councilors will also be invited to come forward and verify the waiting list that has been kept by the Department.
3. After verification, and acceptance of conditions, residents will be given allocation letters as well as permission to occupy document to sign.
4. The list of all people who have been allocated sites will be sent to Finance Department for opening of accounts.

It then becomes the responsibility of the resident to open an account with finance and register for indigence where applicable.

FINANCIAL IMPLICATION

The payment of R250 administration fee is generating revenue for Council. Currently, with 452 sites allocated an income of R 113 000.00 has been generated.

RECOMMENDATION

1. That Council takes note of the report.

A99 of 2018

PROGRESS REPORT ON PROJECTS THAT ARE DONE WITH PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS (EXECUTIVE MAYOR) (5/6/2/13)

PURPOSE

To present progress report before Council with regard to the projects where Contractors were not yet appointed by the Province.

BACKGROUND

In the HS Section 80 meeting that was held on the 09th May 2018 it was resolved that the Housing officials must liaise with the responsible people at the Provincial Human Settlements about the appointment of the Contractors for:

1. Amkelo project in Hennemann Land Restitution and;
2. The commencement of the Racial Integration project in Ventersburg

DISCUSSION

On the 20th June 2018 a meeting was held in Municipal offices in Ventersburg. The main purpose of the meeting was to introduce the contractor as well as handing the site over to him. The contractor was introduced by the Provincial Chief Project Manager as NWA Mencani Trading.

It must also be noted that the Provincial Department of Human Settlements have written a letter to the office of the Municipal Manager requesting to be exempted from paying for building plans for all the BNG Housing programs.

*** Attached on page 208 to 210 of the Annexures is the Land restitution list of beneficiaries.

SUBJECT	RESPON SIBILIT Y	STATUS	PROGRESS
APPOINTMENT OF CONTRACTOR: VENTERSBURG (Racial Integration Program)	FSHS	<ul style="list-style-type: none"> The Department has appointed a Contractor: NWA Mencani Trading to build 100 units 	<ul style="list-style-type: none"> The Provincial Department introduced the appointed Contractor on the 20th June 2018 The Contractor committed that the project was supposed to kick-start by the 1st July 2018. He also made a commitment that the project will be completed within the stipulated 12 months period but he however appealed for timeous payments by the Province in order to meet the timeline. The Provincial Chief Project Manager Me Windvogel subsequently assured the contractor that all payments will be made within 30 days after submission by the contractor.

			<p>As the beneficiaries were also invited to the site hand over meeting, the Project Steering Committee was established and the CLO was appointed by the Ward Councilor.</p> <p>The contractor was given the drawings/designs, by the Consultant Mr Binda and Chief Project Manager Me Ancha Windvogel and are already submitted to PMU and Infrastructure department</p> <p>In the meeting that was held on the 20th June it was resolved that:</p> <ul style="list-style-type: none"> • Consultant must submit the building plans for the approved 69 beneficiaries to the municipality for approval. • The contractor should pay for the building plans prior to the commencement of construction to enable the building Inspectors to perform inspections. • Plans to be submitted each per unit.
<p>LAND RESTITUTION PHOMOLONG & HENNENMAN:</p> <p>APPOINTMENT OF CONTRACTORS</p> <p>BAVUKISE TRADING</p>	<p>FSHS</p>	<ul style="list-style-type: none"> • The Department has appointed Bongani Manci Project Solutions (PTY) LTD to complete 14 units for Land Restitution project in Hennenman • The Department has appointed Bavukise Trading to develop the remaining 49 houses 	<ul style="list-style-type: none"> • The Contractor has already signed the Contract with Provincial Department of Human Settlements • Some of the structures that were left incomplete by the previous Contractor are in a state of collapsing due to among other things poor quality/substandard of the material used, and the duration since the structures were left incomplete was too long • Some of the foundations are substandard and need to be refilled • Window frames, door frames and lentils are removed and vandalised • The assessment of the structures still has to be conducted by the Provincial Department of Human Settlements <p>Progress</p> <ul style="list-style-type: none"> • The Contractor has already signed the Contract with Provincial Department of Human Settlements • The Housing Department officials have already done the verification of the beneficiaries.

			<ul style="list-style-type: none"> Infrastructure is busy with the coordinates preparing for the pegging of the remaining sites.
ITHUTENG CONSULTANCY MILITARY VETERANS <ul style="list-style-type: none"> Riebeckstad Rheederpark Odendaalsrus 	FSHS	-The foundations (10) were casted in November 2017 and were since lying dormant. -the delay was caused by the contractor	The Provincial Department of Human Settlements indicated in the last Project Steering Committee meeting that they have issued an instruction to the Contractor to commence with immediate effect.

PROBLEM STATEMENT

On the Mixed Development Project, the NHBRC inspected the area and could not confirm the soil condition due to the absence of the geotechnical report.

FINANCIAL IMPLICATIONS

Funding is derived from Provincial Department of Human Settlements.

LEGISLATIVE FRAMEWORK

Policy Position

- The Constitution of South Africa 1996

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

- Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

RECOMMENDATION

- That the Council takes note of the report.

A100 of 2018

PROGRESS REPORT ON ACCREDITATION PROGRAMME (EXECUTIVE MAYOR) (12/1/3)

PURPOSE

To inform Council about the progress in Municipal Accreditation Programme.

BACKGROUND

In its sitting on the 25 September 2012 **COUNCIL RESOLVED.**

1. That Council **ACKNOWLEDGES** the requirements of the accreditation process.
2. That Council **APPROVES** the participation of the municipality in the accreditation Programme.
3. That the Municipal Manager **MUST SUBMIT** a quarterly report to Council indicating Progress made.

Subsequently, Lekwa Consulting was appointed to assist Municipalities with the development of the Accreditation Business Plan.

In its sitting on the 28th March 2017 **COUNCIL RESOLVED.**

1. That Council **ACKNOWLEDGES** the requirements of the Level 1 accreditation Business Plan process to be compiled by Lekwa Consulting (HDA).
2. That Council **APPROVES** the participation of the municipality in the Level I accreditation Business Plan programme.
3. That Me Mothekhe be appointed as accreditation champion on behalf of the Municipality.
4. That workshop be held on behalf of all Councilors on accreditation process.

In compliance with the council resolution a workshop was held on the 9th May 2017. A progress report was submitted to Council on the 31st May 2017.

COUNCIL FURTHER RESOLVED to take note of progress made in the Accreditation process.

On the 29th June the department and Lekwa consulting had working session to finalise the outstanding ABP templates, required documents were submitted electronically with an undertaken to submit copies per requirements of Lekwa. During this working session the consultant expressed a concern on the lack of following plans;

1. Housing Sector Plan
2. Infrastructure Plan: water and sanitation, electricity, roads.
3. Risk Management Plan

4. Land use management strategy
5. Integrated Transport Management Plan
6. Economic Growth strategy or LED Plan.
7. Updated Spatial Development Framework

Subsequently a final meeting was convened on the 3rd October 2017 by the Provincial Department of Human Settlements to finalise the completion of the Enhanced Accreditation Tool questionnaire.

Pursuant to the above meeting, a Provincial Accreditation PSC was convened in Bloemfontein on the 6th October 2017 for the identified municipalities to submit the Business Plan. The Municipal Manager successfully signed off for the final assessment document that would inform level 1 accreditation readiness.

Limitations were however indicated on the absence of the compliance plans as alluded to above, as well as their possibility to negatively affect the acquisition of ABP Level 1. During the compilation of this report, the consolidated document developed by HDA after the Accreditation PSC was not yet forwarded to the Municipality.

PROGRESS

An item was later submitted to Council and it was resolved:

COUNCIL RESOLVED: (16 JANUARY 2018)

1. That Council **TAKES NOTE** of the progress report.
2. That the sector plans **BE SECURED** in line with the recommendations from Lekwa Consulting and Free State Provincial Government.
3. That the Provincial Department of Human Settlements **BE APPROACHED** for assistance with acquisition of Sector Plans.
4. That the Municipal Manager **MUST ENSURE** that the master plans are in place by the next Council meeting.

FURTHER DISCUSSION

On the 5th October 2017, the Municipal Manager Mr. T Tsoaeli and the Housing Senior Manager Me Morakane Mothekhe co-signed the Accreditation Business Plan (ABP) application for Matjhabeng Municipality at the meeting that was held in Bloemfontein.

*** **Attached on page 211 to page 212 of the Annexure is the proof of the signed application,** and the copy to be signed by the Executive Mayor, Municipal Manager, Housing Manager when approved by the Council, and subsequently be submitted to Province for HOD for the approval of the MEC.

In an endeavor to address the absence of the compliance plans, Royal HaskoningDHV Consultants were appointed in order to develop the Sector Plans. The Task team consisting of Municipal officials from the affected Directorates are meeting regularly with the Consultants for the development of the Sector Plans. The Consultants will assist with the development of:

- Housing Sector Plan
- Spatial Development Framework (SDF)
- Land use management Plan; and
- Infrastructure Management Plan

The drafts were expected to be handed in by end of March 2018. Due to the financial constraints on the side of the Municipality, Royal HaskoningDHV Consultants are unable to proceed with the development of the Sector Plans.

In addition to the above, a meeting was held between the MEC Human Settlements, the Executive Mayor and members of the Mayoral Committee on the 6th August 2018 and it was subsequently resolved that the Municipality writes a letter of request for assistance from the Provincial Department in order to finalise the Sector Plans. A letter to that effect has since been written.

FINANCIAL IMPLICATIONS

The Municipality has procured a Service provider to develop the Sector Plans

POLICY POSITION

• The Constitution of South Africa 1996

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

• Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

- Guidelines on Breaking New Grounds(BNG)
- Approved Municipal IDP and Budget
- SDBIP

RECOMMENDATIONS

1. That Council takes note of the progress report.
2. That additional funds be sought from the Department of Human Settlements in the Province.

A101 of 2018

PROGRESS REPORT: THE IDENTIFICATION OF LAND FOR RESIDENTIAL DEVELOPMENT LAND IN NYAKALLONG (EXECUTIVE MAYOR) (8/3/2)

PURPOSE OF REPORT

The purpose of the report is to depict the progress with the identification of vacant land for short to medium term residential development in Nyakallong.

BACKGROUND

INTRODUCTION: THE FOUR PHASES OF RESIDENTIAL DEVELOPMENT

The development of sustainable housing is normally is a process over four distinct phases that can overlap to some extent:

Phase 1: Land acquisition: This process involves the identification of land suitable for residential development. In this regard the Matjhabeng SDF (2013) is already approved and provides guidance regarding the land that can be utilized for future residential development in Matjhabeng.

Phase 2: Township establishment: This phase involves the process of Township Establishment as guided by the Free State Ordinance. From July the process is determined by the stipulations of the Spatial Planning and Land Use Management Act (2013). The process entails the preparation of a layout plan which is supported by a number of studies including a geotechnical report, services report, environmental impact assessment etc. Currently such a township establishment application is evaluated by the Directorate Spatial Planning (COGTA) that presents the application to the Townships Board who in turn makes a recommendation to the responsible MEC for the approval of the layout. After approval by the MEC the final plan is calculated, surveyed by a surveyor and registered with the Surveyor General. The general plan is then registered in the Deeds Office when the township register is also opened. In this regard all the new properties gets ownership. As soon as the township is provided with all required services so that occupation can take place the new suburb is proclaimed as a new township.

Phase 3: Provision of bulk and internal services: In order to make occupation of erven possible a new township establishment area must be provided with the necessary bulk and internal services. In this regard the bulk service is defined as the infrastructure (roads, sewage, storm water and water connections) that links the new suburb to the larger municipal infrastructure.

Phase 4: Construction of houses and public amenities: During this phase erven can be sold to private individuals or on a larger scale to developers for the construction of houses. In order to serve the community of the new areas responsible departments/Municipality will develop public amenities like schools, clinics, police stations etc.

THE CURRENT ERVEN BACKLOG IN NYAKALLONG

In terms of the Stakeholder meeting held on 30 June 2017 it was agreed that the current erven backlog in Nyakallong amounts to 2500 to 3000 erven and that sufficient land be identified to cater for this backlog.

*** Attached on page 213 to page 214 of the Annexures are the Minutes of the meeting.

RECOMMENDATION OF THE MATJHABENG SDF IN RELATION TO THE FUTURE EXPANSION OF NYAKALLONG:

*** The Matjhabeng SDF as attached on page 215 of the Annexures indicates broad development direction of Nyakallong. This area includes portion of the following farms:

- Bandon 345
- Leclusa 70
- Wesselsrust 58

*** During the Stakeholder meeting it was agreed that the following areas as depicted on page 216 of the Annexures will also be investigated:

- Existing School erven in Nyakallong (re-layout)
- Existing vacant suburb – Allanridge Extension 2 (re-layout)
- Existing vacant suburb – Allanridge Extension 3 (re-layout)
- Farm Kromdraai

FINDINGS AND PROGRESS WITH THE INVESTIGATION

The following aspects are critical regarding the identification of the most suitable development areas:

- a) SDF recommended areas
- b) Urban integration
- c) Duration of township establishment processes
- d) Proximity, availability and cost effectiveness of bulk services
- e) Minimum size of low cost erven to be 350m²
- f) Provision also to be made for medium income, Flisp, gap market developments etc.

*** The factual situation pertaining to each of the development areas and the progress made with the identification of suitable land to date is summarized in Table 1 on page 217 of the Annexures.

LEGAL IMPLICATIONS:

None.

FINANCIAL IMPLICATIONS:

Township establishment will have financial implications for Council, but in the case of medium to high income areas it may be diverted to become the responsibility of a developer. In the case of low income areas the Provincial Department of Human Settlement will have to responsible. In this regard timeous action will be necessary to submit business plans to secure funding for township establishment and internal services from the Department.

The provision of bulk and internal services will have financial implications for Council – if external funding cannot be sourced. In this regard it must be noted that for bulk engineering services MIG may be applicable, whilst ESKOM will fund electrical bulk services. The Department of Human Settlement will play a role in relation to the provision of the internal services for the planning areas. In this regard it will be critical that a strategy be developed for the provision of bulk services for high priority development areas, both for medium and high income as well as all low income areas.

POLICY/LEGISLATIVE POSITION

- Matjhabeng Spatial Development Framework.
- Spatial Planning and Land Use Management Act.
- Land allocation Policy.
- Land alienation policy and procedures

RECOMMENDATIONS

1. That the progress with the high potential development areas as depicted in Table 1 on page 217 of the Annexures be noted and supported.
2. That as soon as the technical investigation is finalized and consensus is reached by the Stakeholder Committee, a follow up report be presented to Council in relation to the short to medium residential development strategy for Allanridge/ Nyakallong including the cost implication for Council pertaining to the provision of Bulk services.
3. That a Steering Committee be established to finalize the land identification process to include Cllr. TD Khalipha, Cllr PT Ramatisa, Mr F Nieuwoudt (LED), Me G Mogatle (HS), officials from Provincial Human Settlements and officials from the HDA.

A102 of 2018

PROGRESS REPORT: THE IDENTIFICATION OF LAND FOR RESIDENTIAL DEVELOPMENT LAND IN MELODING (EXECUTIVE MAYOR) (8/3/2)

PURPOSE OF REPORT

The purpose of the report is to depict the progress with the identification of vacant land for short to medium term residential development in Meloding.

BACKGROUND

THE CURRENT ERVEN BACKLOG IN MELODING

The estimated erven backlog in Meloding amounts to 2910. This figure needs to be agreed in a Stakeholder meeting with the Ward Committee in order to reach final consensus on the erven backlog.

RECOMMENDATION OF THE MATJHABENG SDF IN RELATION TO THE FUTURE EXPANSION OF MELODING

*** The Matjhabeng SDF as attached on page 218 of the Annexures indicates broad development direction of Meloding. This area includes portion of the following farms on page 219 of the Annexures.

- Dora 287
- Christiana 452
- Mooi Uitsig 352

FINDINGS AND PROGRESS WITH THE INVESTIGATION

The following aspects are critical regarding the identification of the most suitable development areas:

- a) SDF recommended areas
- b) Urban integration
- c) Duration of township establishment processes
- d) Proximity, availability and cost effectiveness of bulk services
- e) Minimum size of low cost erven to be 350m²
- f) Provision also to be made for medium income, Flisp, gap market developments etc.

*** The factual situation pertaining to each of the development areas and the progress made with the identification of suitable land to date is summarized in Table 2 on page 220 of the Annexures.

LEGAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Township establishment will have financial implications for Council, but in the case of medium to high income areas it may be diverted to become the responsibility of a developer. In the case of low income areas the Provincial Department of Human Settlement will have to responsible. In this regard timeous action will be necessary to submit business plans to secure funding for township establishment and internal services from the Department.

The provision of bulk and internal services will have financial implications for Council – if external funding cannot be sourced. In this regard it must be noted that for bulk engineering services MIG may be applicable, whilst ESKOM will fund electrical bulk services. The Department of Human Settlement will play a role in relation to the provision of the internal services for the planning areas. In this regard it will be critical that a strategy be developed for the provision of bulk services for high priority development areas, both for medium and high income as well as all low income areas.

POLICY/LEGISLATIVE POSITION

- Matjhabeng Spatial Development Framework.
- Spatial Planning and Land Use Management Act.
- Land allocation Policy.
- Land alienation policy and procedures

RECOMMENDATIONS

1. That the progress with the high potential development areas as depicted in Table 2 on page 220 of the Annexures be noted and supported.
2. That as soon as the technical investigation is finalized and consensus is reached by the Stakeholder Committee, a follow up report be presented to Council in relation to the short to medium residential development strategy for Virginia/ Meloding including the cost implication for Council pertaining to the provision of Bulk services.
3. That a Steering Committee be established to finalize the land identification process to include Cllr MT Macingwane, Cllr A J Manenye, Mr F Nieuwoudt (LED), Me G Mogatle (HS), officials from Provincial Human Settlements and officials from the HDA.

A103 of 2018

**RESIGNATION OF THE EXECUTIVE DIRECTOR: INFRASTRUCTURE AND
DECLARATION OF A VACANCY (EXECUTIVE MAYOR) (5/8/2)**

-

PURPOSE

The purpose of this item is to submit to Council the resignation of Me Betty Maswanganyi from the position of an Executive Director: Infrastructure and declaration of a vacancy, for consideration.

BACKGROUND

The Office of the Municipal Manager received a letter from Me Betty Maswanganyi dated 31 July 2018 submitting her resignation from the position of an Executive Director: Infrastructure in Matjhabeng Local Municipality with effect from 01 September 2018.

*** The resignation letter **is attached on page 221 of the Annexures.**

In line with Regulations on the appointment and Conditions of Service of Senior Managers of 2014, the Municipal Manager must report to Council on any vacancy pertaining to the position of any Senior Manager. Thereafter, the Municipal Council is enjoined to declare a vacancy in order to ensure that the recruitment processes are commenced with.

FINANCIAL IMPLICATIONS

Costs to be incurred when the post is advertised as per the Regulations.

LEGAL REQUIREMENTS

Local Government: Municipal Systems Act (Act 117 of 1998) and the Regulations on the appointment and conditions of Service of Senior Managers of 2014.

RECOMMENDATIONS

1. That Council accepts the resignation of the Executive Director: Infrastructure effective from the 1st September 2018.
2. That Council declares the vacancy of the Executive Director: Infrastructure in line with the regulations on appointment and Conditions of Service of Senior Managers of 2014.
3. That Council mandates the Municipal Manager to advertise the vacant post in line with the afore-mentioned regulations.
4. That Council appoints _____ as the acting Executive Director: Infrastructure.

A104 of 2018

APPOINTMENT OF THE ACTING EXECUTIVE DIRECTOR: LED, PLANNING & HUMAN SETTLEMENTS (EXECUTIVE MAYOR) ()

PURPOSE

The purpose of the item is to request to Council to appoint the acting of Executive Director: Local Economic Development, Planning and Human Settlements.

BACKGROUND

The Local Government' Municipal Systems Amendment Act No 7 of 2011 was enacted into law and is effective as from the 11 July 2011. This Act vests in Council the power to appoint an acting manager directly accountable to the Municipal Manager in terms of section 56 (1) (a) (ii) which reads thus:

“Section 56 (1) (a) A municipal council after consultation with the municipal manager must appoint-

(i) ...

(ii) An acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.”

MATTER UNDER DISCUSSION

On 16 January 2018, **COUNCIL RESOLVED: (16 JANUARY 2018)**

1. That Council **APPROVES** the request for an application for the extension of the acting period of Mr. Barry Golele in terms of section 56(1) (c) of the MSA as amended.
2. That the extension **MUST NOT EXCEED** a period of three months.
3. That the application for extension **MUST NOT** be construed by the incumbent as legitimate expectation for appointment to the post.
4. That the Executive Mayor **IS DELEGATED** to depose the letter to the MEC of Local Government.

The acting period of Mr Barry Golele expired on the 31st of March 2018. Thereafter, the powers of the Executive Director reverted back to the Municipal Manager. The Municipal Manager has been signing all the necessary documents and also assigned some responsibilities to the Executive Director: Strategic Support Services.

It will therefore be prudent for Council to appoint an acting Executive Director whilst awaiting the finalization of the appointment of the Executive Director.

FINANCIAL IMPLICATIONS

The financial implications will be in line with the acting policy of the Matjhabeng Local Municipality.

If the person appointed to an acting capacity is another Executive Director,

LEGAL REQUIREMENT

In terms of the provisions of the Local Government: Municipal Systems Amendment Act, No.7 of 2011, the authority to appoint a manager accountable to the Municipal Manager vests with Council.

Section 56(1)(a) of the aforesaid Act provides as follows:

*“Section 56(1)(a) A municipal council, after consultation with the Municipal Manager **must** appoint –*

(i) ...

(ii) an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.”

Section 56(1)(b) requires further that a person appointed in terms of paragraph (a)(ii) **must** at least have the skills, expertise , competencies and qualifications as prescribed.

Section 56 (1) (c) stipulates further that a person appointed in terms of paragraph (a) (ii) may not be appointed for a period that exceeds three months: Provided that a municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph (a), for further period that does not exceed three months.

RECOMMENDATIONS

1. That Council appoints _____ as the acting Executive Director: LED, Planning and Human Settlements.
2. That the acting period should not exceed the period of three months.

A105 of 2018

SECOND REQUEST FOR COUNCIL TO WRITE-OFF OBSOLETE MOVABLE ASSETS FOR THE 2017/2018 FINANCIAL YEAR END (EXECUTIVE MAYOR)
(7/2/1/1)

PURPOSE

To submit a request to council write-off of movable assets.

BACKGROUND

In an attempt to clean up our fixed assets register the Municipality requests a write off of assets which were found to be obsolete during physical verification. Consequently, no future economic or service delivery benefits can be derived from continued use.

DISCUSSIONS

- *** Assets to be written off are attached hereto as **SEPARATE COVERS 7 and 8.**
- *** Photos are attached on page 222 of the Annexures.

LEGAL IMPLICATIONS

MFMA S14(2)(a) and (2)(b) which outlines the procedures to be followed by the municipality.

FINANCIAL IMPLICATIONS

The assets to be written off have a carrying value of R729 441,93.

RECOMMENDATION

1. That Council grants approval to write off the obsolete movable assets in terms of S14(2)(a) of MFMA.

A106 of 2018

SUBMISSION OF HUMAN RIGHTS COMMISSION QUESTIONS ADDRESSED AND RESPONDED TO BY THE MUNICIPALITY (MPAC CHAIRPERSON) (3/1/1)

PURPOSE

The purpose of the item is to provide progress report for noting by council on issues raised by the South African Human Rights Commission in relation to sewer problems raised by a member of the community.

BACKGROUND

The Provincial Manager for Human Rights Commission in the Free State office, Mr. Thabang Kheswa received complaints from members of the community against the Municipality on specific concerns as addressed in the attached report. He then submitted these concerns by way of questions on the 22nd June 2018 for the Municipality to craft responses. These questions were addressed to office of the Speaker and the Speaker then requested the Municipal Manager to address these concerns with responses and evidence where required.

The responses were then compiled by office of the Municipal Manager. These responses were then submitted in file format containing evidence required for specific questions as highlighted above and submitted to both offices of the Speaker and office of the Human rights Commission in Bloemfontein. The same responses were then presented by way of deputation to an MPAC meeting on the 31/ 07/ 2018 by the Municipal Manager.

MPAC noted the report and encouraged the Municipal Manager to ensure that as a Municipality, we follow up on these issues and update the commission on any outstanding matters as they get addressed.

LEGAL IMPLICATIONS

Local government: Municipal Systems Act, No.32 of 2000: S51 says that “A municipality must within its administrative and financial capacity establish and organize its administration in a manner that would enable the municipality to-

- (e) Establish clear relationships, and facilitate co-operation, co-ordination and communication, between-
 - (ii) Its political structures and political office bearers and administration and the community”

FINANCIAL IMPLICATION

The report as requested by the Human Rights Committee in the Free State was developed internally and therefore did not require financial commitments.

RECOMMENDATION

1. That Council notes the report submitted to both offices of the Speaker and the Human Rights Commission in the Free State Province.

A107 of 2018

**ERROR THAT OCCURRED TO SALARIES OF COUNCILLORS FOR THE MONTH
OF AUGUST 2018 (EXECUTIVE MAYOR) (6/6/2)**

TO BE UPLOADED ON A LATER STAGE