

DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE

ORDINARY MEETING HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC CENTRE, BERG RIVER BOULEVARD, PAARL ON WEDNESDAY, 23 OCTOBER 2019 AT 10:00.

PRESENT: The Executive Mayor, Ald C J Poole (Chairperson)
The Deputy Executive Mayor, Clr G C Combrink

Councillors: Ald J F le Roux
C Kearns
E Gouws
J Miller
L P Mokoena
Ald R Smuts
LT van Niekerk
L Willemse

Also Present: Clr A C Stowman (Speaker)
Clr R A Koegelenberg (Chief Whip)

Officials: Dr JH Leibbrandt (City Manager)
Mr J Carstens (Chief Financial Officer)
Mr S Johaar (Executive Director: Corporate Services)
Ms L Waring (Executive Director: Planning and Development)
Mr G Esau (Executive Director: Community Services)
Mr M Wüst (Executive Director: Engineering Services)
Ms R Jaftha (Chief Audit Executive)
Mr A V Marais (Senior Manager: Legal and Administrative Services)
Mr C Geldenhuys (Senior Manager: Electro Technical Services)
Ms R Geldenhuys (Manager: Communication and Marketing)
Mr G Dippenaar (Chief Risk Officer)
Mr F P Goosen (Manager: Administrative Support Services)



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1. LEAVE ARRANGEMENT AND NON-AVAILABILITY OF COUNCILLORS AND SENIOR MANAGEMENT

- | | | | |
|----|-----------------------|---|----------------------------------|
| 1. | M A Andreas | - | (On-Council duty) (Apology); |
| 2. | R H van Nieuwenhuyzen | - | (On-Council duty) (Apology); and |
| 3. | J Matthee | - | (MPAC Chair) (Apology) |

2. ANNOUNCEMENTS BY THE EXECUTIVE MAYOR

None.

3. DECLARATION OF INTEREST BY COUNCILLORS/OFFICIALS

None.

4. CONFIRMATION OF MINUTES

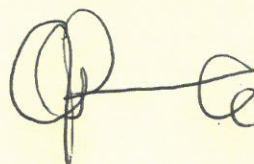
The following meetings of the Mayoral Committee were **confirmed as correct**:

- i. Ordinary meeting held on 20 September 2019;
- ii. Confidential meeting held on 20 September 2019; and
- iii. Ordinary meeting held on 25 September 2019.

5. SCHEDULE OF DECISIONS

RESOLVED that

The Schedule of Decisions **be noted**.



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23 OCTOBER 20196. PLANNING AND DEVELOPMENT

6.1 PAARL HAMLET URBAN DESIGN FRAMEWORK AND DE POORT BUSINESS MODEL (WARD 15)
PAARL "HAMLET" STEDELIKE ONTWERPRAAMWERK EN DE POORT BESIGHEIDSMODEL (WYK 15)
I PAARL HAMLET URBAN DESIGN FRAMEWORK AND DE POORT BUSINESS MODEL (WADI 15)

RESOLVED that

1. The Draft Paarl Hamlet Urban Design Framework and De Poort Business Model (Annexure A to the departmental report), be noted; and
2. The Draft Paarl Hamlet Urban Design Framework and De Poort Business Model (Annexure A to the departmental report), be advertised for public participation.

Meeting: Mayco 23/10/2019	Submitted by Department: Planning and Development
Ref No: 15/1/P	Author/s: W Hendricks
Coll No: 1576425	Referred from: Planning and Dev Port - 09/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	Implement decision
	<u>RESPONSIBLE DEPARTMENT:</u>
	ED Planning and Development
	<u>DUE DATE:</u>

6.2 "OU TUIN" HERITAGE REPORT (WARD 4 AND 19)
"OU TUIN" ERFENIS VERSLAG (WYKE 4 EN 19)
"OU TUIN" INGXELO YAMAFA (WADI 4 KUNYE 19)

RESOLVED that

1. The content of the Ou Tuin Study be noted;
2. An advisory committee, consisting of representatives of the heritage community and the original "Ou Tuin" community be established and provide comment on the Ou Tuin Study, attached as Annexure B and C to the departmental report;
3. An advertisement be placed to invite interested parties to nominate themselves for possible nomination to serve on this ad-hoc committee without any compensation; and



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4. A Terms of Reference be compiled to determine the functions, powers and responsibilities of this ad-hoc committee.

Meeting: Mayco 23/10/2019		Submitted by Department: Planning and Development	
Ref No: 15/3/6/1		Author/s: C Theunissen	
Coll No: 1543656		Referred from: Planning and Dev Port - 09/10/2019	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>
	Implement decision	ED Planning and Development	

7. ENVIRONMENT, PARKS AND OPEN SPACES

7.1 INVITATION TO ATTEND AND PARTICIPATE IN THE CONFERENCE "AGENDA 2030 – SIX AFRICAN COMMUNITIES AND THE NUREMBERG METROPOLITAN REGION" IN NUREMBERG, GERMANY
UITNODIGING VIR BYWONING EN DEELNAME AAN DIE KONFERENSIE "AGENDA 2030 – SIX AFRICAN COMMUNITIES AND THE NUREMBERG METROPOLITAN REGION" TE NUREMBERG, DUITSLAND
ISIMEMO SOKUYA KWINKOMFA YE "AGENDA 2030 – SIX AFRICAN COMMUNITIES AND THE NUREMBERG METROPOLITAN REGION" IN NUREMBERG, GERMANY

RECOMMENDED that

1. The invitation to Drakenstein Municipality to attend and participate from 6 – 8 November 2019 in the conference "Agenda 2030 – Six African Communities and the Nuremberg Metropolitan" in Nuremberg, Germany, be noted;
2. Approval be granted for the Executive Mayor, Ald C Poole; the MMC for Rural Development, Clr R Andreas; the MMC for Communication and Inter-governmental Relations, Clr R van Nieuwenhuyzen; the Executive Director: Planning and Development, Ms L Waring and the Manager: Environmental Management, Ms C Winter to represent Drakenstein Municipality at the conference and to attend the extended programme in Neumarkt; and



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3. It be noted that Engagement Global will cover all expenses for travel, accommodation, visas, insurance, meals and conference fees.

Meeting: Mayco 23/10/2019	Submitted by Department: Planning and Development
Ref No: 10/4/1	Author/s: M Prins
Coll No: 1575917	Referred from: Planning and Dev Port - 09/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

8. PUBLIC SAFETY

8.1 BYLAW: LIQUOR TRADING DAYS AND HOURS - APPROVAL OF COMMENTS TO BE FORWARDED TO THE WESTERN CAPE LIQUOR AUTHORITY (WARDS 1, 3, 4, 18, 19 AND 28)
VERORDENING: DRANKHANDELSDAE EN URE - GOEDKEURING VAN KOMMENTAAR VIR INDIENING BY DIE WES-KAAPSE DRANKRAAD (WYKE 1, 3, 4, 18, 19 EN 28)
UMGAQO NKQUBO WENTSUKU NE NAMAXESHA OKUTHENGISWA KOTYWALA – UKWAMKELWA KWEZIMVO EZIYAKUGQITHISWA KWI WESTERN CAPE LIQUOR AUTHORITY (IWADI 1, 3, 4, 18, 19 KUNYE 28)

RESOLVED that

1. Approval of the following liquor licenses based on the comments received from the Department Planning and Development as well as the Ward Councillor **be supported**:
 - 1.1 Standard Bar: A license for the sale of liquor for consumption off the premises where liquor is sold;
 - 1.2 Karoo Craft Breweries (Pty) Ltd: A license for the sale of liquor for consumption on and off the premises where the liquor is sold; and
 - 1.3 The Guild's Vintner: A license for the sale of liquor for consumption on and off the premises where the liquor is sold.

2. The approval of liquor license in respect of the following application, **not be supported**, based on comments received from the Department Planning and Development:

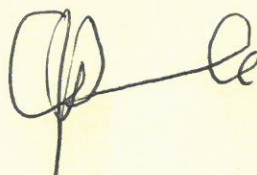


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- 2.1 Club in R44: A license for the sale of liquor for consumption on the premises where the liquor is sold;
- 2.2 Bacco Estate: A license for the micro manufacture and sale of liquor on and off the premises where the liquor is sold; and
- 2.3 Bacco Estate Venue: A license for the sale of liquor for consumption on the premises where the liquor is sold.
3. The comments forwarded to the Western Cape Liquor Authority **be noted** for temporary liquor licenses received for the following special events:
- 3.1 Gimnasium Oudstudentebond (Paarl): Inter Provincial U/15 & U17 Seven a Side Tournament – 5, 6, 7 September 2019;
- 3.2 Dvine farm: Event taking place 1 September and 6 October 2019;
- 3.3 Paarl Jam: Event took place 2-3 August 2019;
- 3.4 Toringkerk Markietie 2019: Event taking place 4-5 October 2019;
- 3.5 Annunciation Church Carnival 2019: Event taking place 20-21 September 2019; and
- 3.6 Cape Classic Polocrosse Tournament 2019: Event taking place 28-29 September 2019.

Meeting: Mayco 23/10/2019		Submitted by Department: Community Services	
Ref No: 1/2/2/17		Author/s: A Booysen	
Coll No: 1545999		Referred from: Community Serv Port -08/10/2019	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>
	Implement decision	ED Community Services	



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23 OCTOBER 20199. CORPORATE SERVICES

9.1	FINAL APPROVAL: LEASE OF MUNICIPAL PROPERTY - A PORTION OF PORTION 2 OF FARM NO 936, PAARL: SIMONDIUM (WARD 1)
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	FINALE GOEDKEURING: VERHUUR VAN MUNISIPALE EIENDOM – 'N GEDEELTE VAN GEDEELTE 2 VAN DIE PLAAS NR 936 PAARL: SIMONDIUM (WYK 1)
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	UQINISEKISI LOKUGQIBELA: UKUQESHISWA KWEPROPATI KAMASIPALA – ICEBA LECEBA 2 LE FAMA NOMBHOLO 936, PAARL: SIMONDIUM (WARD 1)
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RECOMMENDED that

1. In terms of Regulation 34 of the Municipal Asset Transfer Regulations read together with Paragraph 11 of the Asset Transfer Policy (2019), ***final approval*** be granted to lease a portion of the municipal property situated on Portion 2 of the Farm No 936 Paarl, previously known as the "Simondium Clinic" to Simondium Rural Development for a period of 2 (two) years from 1 October 2019 for community and social care purposes and related activities, subject to the normal lease conditions as well as the following further conditions:
 - 1.1 The property will be leased at a subsidized rental amount of R125.14 per month being 20% of the market value (VAT excluded, 6% escalation per annum included);
 - 1.2 A lease period of 2 (two) years will apply as from 1 October 2019;
 - 1.3 The subject property only be used for social and community purposes and no other purpose;
 - 1.4 The lessee be responsible for payment of all municipal services, connection fees and services consumption, etc.; and
 - 1.5 All administrative and legal requirements be adhered to.



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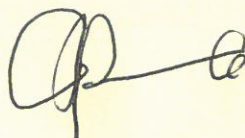
2. In terms of paragraph 13 of the Asset Transfer Policy, the property be leased by way of a public consultation process during which other parties had the opportunity to submit an application. Two applications were received.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No: 15/4/1 (F936) P	Author/s: N Williams
Coll No: 1544683	Referred from: Corp Serv Port - 08/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

9.2 FINAL APPROVAL: LEASE OF MUNICIPAL PROPERTY SITUATED ON A PORTION OF ERF 589, PHOKENG STREET MBEKWENI ALSO KNOWN AS THE "MBEKWENI SPORTS HALL" TO HAMBA VANGELI (REGISTRATION NO 2013/095667/08) (WARD 6)
VERHUUR VAN MUNISIPALE EIENDOM GELEË OP 'N GEDEELTE VAN ERF 589 PHOKENGSTRAAT MBEKWENI OOK BEKEND AS DIE "MBEKWENI SPORTSAAL" AAN HAMBA VANGELI (REGISTRASIE NR 2013/095667/08) (WYK 6)
ISIQINISEKISO SOKUGQIBELA : UKUQESHISWA KWEPROPATI KA MASIPALA KWICEBA LESIZA 589, PHOKENG STREET MBEKWENI EYAZIWA NJENGE "MBEKWENI SPORTS HALL" KWI HAMBA VANGELI (REGISTRATION NO 2013/095667/08) (WADI 6)

RECOMMENDED that

1. In terms of Regulation 34 of the Municipal Asset Transfer Regulations read together with Paragraph 13 of the Asset Transfer Regulations (2019), **final approval** be granted for the renewal of the lease in respect of a portion of the municipal property situated on Erf 589, Phokeng Street Mbekweni, also known as the "Mbekweni Sports Hall" measuring ±895m² in extent to Hamba Vangeli (Registration No 2013/095667/08) for the purpose of a fitness center and related activities, subject to the standard lease conditions as well as the following further conditions:
 - 1.1 The property will be leased at a subsidized rental amount of R817.38 per month being 5% of the market value (VAT excluded, 6% escalation per annum included);
 - 1.2 The lease endures for a period of 5 (five) years, as from 1 June 2019;
 - 1.3 The elderly, local school children and sport clubs be allowed free access to the facility on a basis/conditions as arranged by the lessee;



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- 1.4 The Boxing Club be allowed to use the facility free of charge on the following days and times: Mondays - Fridays from 17:00 until 20:00 and should the club request to utilise the facility on Saturdays, Sundays or Public holidays, it will be on the basis/conditions as arranged by the lessee;
- 1.5 The lessee be responsible for payment of all municipal services, connection fees and services consumption, etc.; and
- 1.6 All administrative and legal requirements be adhered to.
2. In terms of paragraph 13 of the Asset Transfer Policy, the right to use the property be granted by way of direct negotiation as the organization render a unique service to the community and the transaction entails a renewal of an existing agreement.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No: 15/4/1 (589) M	Author/s: N Williams
Coll No: 1561917	Referred from: Corp Serv Port - 08/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

9.3 FINAL APPROVAL: LEASE OF MUNICIPAL PROPERTY SITUATED ON ERF 1585, PAARL TO THE PAARL MUSEUM (WARD 4)
FINALE GOEDKEURING: HUUR VAN MUNISIPALE EIENDOM GELEË OP ERF 1585, PAARL AAN PAARL MUSEUM (WYK 4)
UKUQINISEKISWA KOKUGQIBELA: UKUQESHA KWEPROPATI KAMASIPALA EKWISIZA 1585, PAARL KWI PAARL MUSEUM (WADI 4)

RECOMMENDED that

1. In terms of Regulation 34 of the Municipal Asset Transfer Regulations read together with Paragraph 13 of the Asset Transfer Regulations (2019), ***final approval*** be granted for the renewal of the lease of the municipal property situated on Erf 1585 Paarl measuring $\pm 2866.80\text{m}^2$ in extent to the Paarl Museum for the purpose of a museum and related activities, subject to the standard lease conditions as well as the following terms and conditions:
- 1.1 The property will be leased at a subsidized monthly rental of R 811.74 being 5 % of the market value (VAT excluded, 6% escalation per annum included);

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- 1.2 The lease endures for a period of 5 (five) years, as from 1 May 2019;
- 1.3 All existing conditions of lease will remain applicable; and
- 1.4 All administrative and legal requirements be adhered to.
2. In terms of paragraph 13 of the Asset Transfer Policy, the property be leased by way of direct negotiation as the transaction entails a renewal of an existing lease agreement. Furthermore a public consultation process was followed during which other parties had the opportunity to submit counter proposals or offers. None were received.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No: 15/4/1 (1585) P	Author/s: N Williams
Coll No: 1563494	Referred from: Corp Serv Port - 08/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

9.4 FINAL APPROVAL: RENEWAL OF LEASE IN RESPECT OF MUNICIPAL PROPERTY SITUATED ON A PORTION OF ERF 1667, VOOR STREET, WELLINGTON TO THE WELLINGTON G-VOUCHER PROJECT (REGISTRATION NO 2014/247628/08) (WARD 29)

FINALE GOEDKEURING: HERNUWING VAN HUUR VAN MUNISIPALE EIENDOM GELEË OP 'N GEDEELTE VAN ERF 1667 VOORSTRAAT, WELLINGTON AAN DIE WELLINGTON G-VOUCHER PROJEK REGISTRASIE NR 2014/247628/08) (WYK 29)

ISIQINISEKISO SOKUGQIBELA: UKUHLAZIWA KOKUQESHA KWIPROPATI KAMASIPALA EKWICEBA LESIZA 1667, VOOR STREET, WELLINGTON KWI WELLINGTON G-VOUCHER PROJECT (REGISTRATION NO 2014/247628/08) (WADI 29)

RECOMMENDED that

1. In terms of Regulation 34 of the Municipal Asset Transfer Regulations read together with Paragraph 13 of the Asset Transfer Regulations (2019), ***final approval*** be granted for the renewal of the lease in respect of a portion of the municipal property situated on Erf 1667 Voor Street Wellington, measuring ±1000m² in extent to the Wellington G-Voucher Project (Registration No 2014/247628/08) for the expired period from 1 August 2018 to 30 September 2019 (the "expired period") and a further period of 2 (two) years from 1 October 2019 (the "renewal period") to support the homeless by the cultivation of vegetables, serving of meals, provide clothing, facilitate

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employment opportunities by means of horticultural projects and related activities, subject to the standard lease conditions as well as the following further conditions:

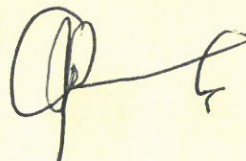
- 1.1 The property be leased at a subsidized rental of R150.00 per month (VAT excluded) in respect of the expired lease period as from 1 August 2018 until 30 September 2019 and thereafter a subsidized rental of R163.77 per month (VAT excluded and 6% annual escalation per annum included) for the renewal period of 2 (two) years;
 - 1.2 G-Voucher Project be responsible for payment of all municipal services, connection fees and services consumption, etc.; and
 - 1.3 All administrative and legal requirements be adhered to.
2. In terms of paragraph 13 of the Asset Transfer Policy, the lease of the property be granted by way of direct negotiation as the G-Voucher Project renders unique services which forms part of a wider social initiative of the lessee to provide some of the most basic needs of residents in need thereof.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No: 15/4/1 (1667) W	Author/s: N Williams
Coll No: 15650044	Referred from: Corp Serv Port - 08/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

9.5 PROPOSED ALIENATION OF PORTIONS OF ERF 3719 MBEKWENI FOR CHURCH PURPOSES (WARD 9)
VOORGESTELDE VERVREEMDING VAN GEDEELTES VAN ERF 3719 MBEKWENI VIR KERKDOELEINDES (WYK 9)
ISINDULULO SOKUPHEPHELA ICEBA LESIZA 3719 E MBEKWENI KUSENZELWA ICAWA (WADI 9)

RECOMMENDED that

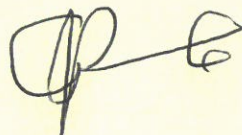
1. In terms of Section 14 of the Municipal Finance Management Act (Act No. 56 of 2003) Council resolves that:
 - 1.1 The subject property is not needed to provide the minimum level of basic municipal services; and



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- 1.2 The fair market value of the asset and the economic and community value to be received for the asset has been considered.
2. In terms of Section 14 of the MFMA ***final approval*** be granted for the alienation of Portion A of Erf 3179, Zingisani and Msobumva Streets, Mbekweni, measuring $\pm 1\ 170\text{m}^2$ in extent, to the Acts of Apostolic Church and Remainder Erf 3179, Zingisani and Msobumva Streets, Mbekweni, measuring $\pm 1\ 170\text{m}^2$ in extent to the Mbekweni Seventh Day Adventist Church, at a subsidized rate of 20% of the market related selling price, which amounts to R9,360.00 (VAT excluded) per portion, subject to the normal conditions of sale as well as the following conditions:
- 2.1 The site be developed and utilised for church purposes only. The development must make provision for multi-purpose use such as church as well as crèche facilities and all additional functions of the church must extend to the surrounding community and not be restricted to the congregation only;
- 2.2 The municipality (Department: Planning and Development) must undertake the land use rights applications in respect of the subject property. All other cost related to the transfer of the property will be for the account of the successful applicant;
- 2.3 Should it be required, the relocation or protection of any municipal services must be done in consultation with the Department: Engineering Services. All costs relating to the connection and possible relocation of services, will be for the purchaser's cost;
- 2.4 All municipal services on the subject property must remain accessible to the municipality at all times;
- 2.5 No structures will be allowed within 2 metres of any municipal services;
- 2.6 Any damage caused to municipal services will be repaired at the cost of the successful applicant;
- 2.7 The transaction be subject to all requirements as indicated by the technical departments; and

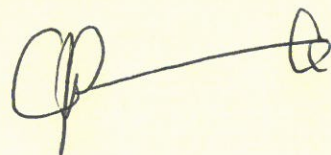


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- 2.8 The successful applicant be required:
- (a) To submit building plans for approval within 6 months from date of the rezoning approval (suspensive condition) and to start building work within 6 months from building plan approval;
 - (b) Complete the development within 24 months from date of registration; and
3. A pre-emptive right and reversionary right must be registered against the title of the subject properties in favour of the Drakenstein Municipality should the property not be used for church purposes any more or should the successful applicant intend to sell the undeveloped property or a portion thereof or fail to complete the development of the subject property as proposed, within 24 months from date of registration, which rights will apply to all successors in title of the subject property or portions thereof;
4. The Department: Planning and Development proceed with the obtaining of the required land use rights in respect of both portions of Erf 3719 Mbekweni in order to allow for the proposed use of the subject properties; and
5. All applicants be informed of the outcome of the process.

Meeting: Mayco 23/10/2019		Submitted by Department: Corporate Services	
Ref No: 15/4/1 (3719) M		Author/s: W Rabie	
Coll No: 1575329		Referred from: Corp Serv Port - 08/10/2019	
PAR:	ACTION:	RESPONSIBLE DEPARTMENT:	DUE DATE:



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9.6	ACQUISITION OF A PORTION OF ERF 530 AND A PORTION OF ERF 531 GOUDA FROM MR JJ RUITERS & DEVIATION FROM THE DEVELOPMENTAL CHARGES POLICY OF 2019, ALLOWING THE MUNICIPALITY TO RELINQUISH THE CONTRIBUTION CHARGES IN RESPECT OF THE DEVELOPMENT OF ERVEN 530 AND 531 GOUDA (WARD 31)
	VERKRYGING VAN 'N GEDEELTE VAN ERF 530 EN 'N GEDEELTE VAN ERF 531 GOUDA VANAF MNR JJ RUITERS & AFWYKING VAN DIE ONTWIKKELINGSBYDRAE BELEID VAN 2019 TEN EINDE DIE MUNISIPALITEIT IN STAAT TE STEL OM DIE ONTWIKKELINGSBYDRAE TEN OPSIGTE VAN ERWE 530 EN 531 GOUDA KWYT TE STEL (WYK 31)
	UKUFUMANA KWECEBA LESIZA 530 KUNYE NECEBA LESIZA 531 E GOUDA KU MNU JJ RUITERS KUNYE NOKUPHEPHELA KUMGAQO NKQUBO WE DEVELOPMENT CHARGES KA 2019, IVUMELA UMASIPALA EKUNCAMENI INDLEKO EZIFUNWAYO KUSENZIWA KWIZIZA 530 KUNYE 531 E GOUDA (WADI 31)

RECOMMENDED that

1. Council approves the acquisition of a portion of Erf 530 and a portion of Erf 531 Gouda, both measuring 218,5m² in extent (indicated as Portions A and B respectively on the Locality Map, attached as Annexure A₂ to the departmental report), from Mr JJ Ruiters;
2. Council approves a deviation from the Developmental Charges Policy of 2019 in order to allow the Municipality to relinquish the amount payable, being R40 140.00.00 (FOURTY THOUSAND ONE HUNDRED AND FOURTY RAND ONLY) in respect of the developmental contribution to the Municipality in lieu of the purchase price payable by the Municipality to Mr JJ Ruiters, to be considered equal in value, irrespective of the precise extent of the portion of the property to be transferred to the Municipality and subject to the mortgagor's consent; and
3. The Municipality be responsible for the cost in respect of the transfer, surveyor, subdivision and related town planning processes.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services		
Ref No: 16/3/1/3 & 7/3/3	Author/s: M Müller		
Coll No: 1567886	Referred from: Corp Serv Port - 08/10/2019		
PAR:	ACTION:	RESPONSIBLE DEPARTMENT:	DUE DATE:



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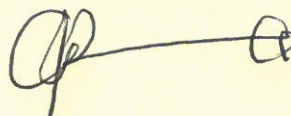
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9.7	QUARTERLY REPORT ON WARD COMMITTEE MEETING: 1 JULY 2019 TO 30 SEPTEMBER 2019
	KWARTAALLIKSE VERSLAG VAN WYKSKOMITEE VERGADERING: 1 JULIE 2019 TOT 30 SEPTEMBER 2019
	INGXELO YEKOTA YENTLANGANISO ZEKOMITI ZEWADI: IXESHA 1 JULAYI 2019 UKUYA KU 30 SEPTEMBER 2019

RECOMMENDED that

1. Cognizance be taken of ward committee meetings held during the period 1 July 2019 until 30 September 2019; and
2. The appropriate actions be taken against Ward Councillors who do not provide the minutes of ward meetings or who do not hold a ward committee meeting at least once a quarter.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No: 3/3/1/3/10	Author/s: L Nojosi
Coll No: 1578895	Referred from: Corp Serv Port - 08/10/2019
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>



DRAKENSTEIN MUNICIPALITY

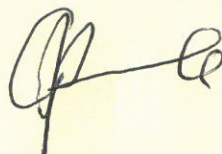
MINUTES: MAYORAL COMMITTEE

23 OCTOBER 2019

9.8	RENEWAL OF LEASE AGREEMENT: ERVEN 1547, 8574 - 8576, 10841 AND A PORTION OF UNREGISTERED ERF 10843 PAARL ALSO KNOWN AS "VAN DER LINGEN SQUARE" TO PAARL PROPERTY PARTNERSHIP (PTY) LTD (WARD 4)
	HERNUWING VAN HUUROOREENKOMS: ERWE 1547, 8574 - 8576, 10841 EN 'N GEDEELTE VAN ONGEREGISTREERDE ERF 10843 PAARL OOK BEKEND AS "VAN DER LINGEN PLEIN" AAN PAARL PROPERTY PARTNERSHIP (EDMS) BPK (WYK 4)
	UKUHLAZIWA KWESIVUMELWANO SOKUQHESHA: IIZIZA 1547,8574 – 8576,10841 KUNYE NECEBA ELINGABHALISWANGA LEZIZA 10843 E PAARL EKWAZIWA NJENGE "VAN DER LINGEN SQUARE" KWI PAARL PROPERTY PARTNERSHIP (PTY) LTD (WADI 4)

RECOMMENDED that

1. The revised lease agreement for the renewal of the lease in respect of the following municipal properties, being erven 1547, 8574 - 8576, 10841 and a portion of unregistered erf 10843 Paarl, also known as "Van der Lingen Square", measuring $\pm 9\,900\text{ m}^2$ in extent, to Paarl Property Partnership (Pty) Ltd Reg.no. 2003/028980/07) for a period of 2 (two) years and 4 (four) months from 1 July 2017, and a further period of 7 (seven) years and 7 (seven) months as from 1 November 2019, for the purpose of public parking, be approved in terms of Regulation 34 of the Municipal Asset Transfer Regulations subject to the standard lease conditions as well as the following further conditions:
 - 1.1 The property will be leased at a rental amount of R6 748.27 (VAT excl.) as from 1 July 2017 and a rental of R7 811.96 (VAT excl.) (current rental) as from 1 November 2019 which amount will be escalated yearly on 1st of July by a percentage equal to the consumer price index (all items), as available when the administration attends to the escalation (i.e. immediately preceding such an increase);
 - 1.2 No further option period to extend the lease, will apply to this agreement;
 - 1.3 Paarl Property Partnership (Pty) Ltd be required to complete the upgrading of the parking management system on the property by no later than 3 (three) months from the date of signature of the lease agreement;
 - 1.4 Paarl Property Partnership (Pty) Ltd be responsible for the payment of the monthly municipal services account and any costs in relation thereto (service connections, applications fees, etc.);

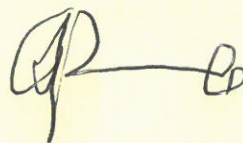


DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE
23 OCTOBER 2019

- 1.5 Paarl Property Partnership (Pty) Ltd makes available the property at no cost for public gatherings, special events or any other municipal purposes as may be determined by the municipality as well as maintain the current parking arrangements with the Dutch Reformed Church ("Toringkerk"); and
- 1.6 All administrative and legal requirements be adhered to.
- 2. Council notes that maintenance and upgrades to the value of approximately R2 500 000 (two and half million rand) will be effected by Paarl Property Partnership (Pty) Ltd at own cost;
- 3. Council notes that the property be leased by way of direct negotiation as the transaction entails a renewal of an existing lease agreement through Paarl Property Partnership (Pty) Ltd exercising its option in terms of the lease agreement; and
- 4. Council notes the draft lease agreement, attached as Annexure C to the departmental report, which will be finalised by the City Manager with Paarl Property Partnership (Pty) Ltd.

Meeting: Mayco 23/10/2019		Submitted by Department: Corporate Services	
Ref No: 7/1		Author/s: M Müller	
Coll No: 1489526		Referred from:	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>



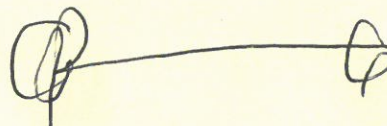
DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE
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9.9	PROPOSED SALE OF A PORTION OF ERF 557, JAN VAN RIEBEECK ROAD, MBEKWENI FOR THE REDEVELOPMENT OF THE EXISTING SERVICE STATION ON THE ADJACENT ERF 562, MBEKWENI (WARD 9)
	VOORGESTELDE VERKOOP VAN 'N GEDEELTE VAN ERF 557, JAN VAN RIEBEECKWEG, MBEKWENI VIR DIE HERONTWIKKELING VAN DIE BESTAANDE DIENSSTASIE OP DIE AANLIGGENDE ERF 562, MBEKWENI (WYK 9)
	ISINDULULO SENTENGISO YECEBA LESIZA 557, JAN VAN RIEBEECK ROAD, MBEKWENI KUSENZELWA UKUPHUHLISWA KWAKHONA KWESIKHULULO SENKONZO ESIKHOYO KUFUTSHANA NESIZA 562, E MBEKWENI (WADI 9)

RECOMMENDED that

1. In terms of Section 14 of the Municipal Finance Management Act (Act No. 56 of 2003) Council resolves that:
 - 1.1 The subject property is not needed to provide the minimum level of basic municipal services; and
 - 1.2 The fair market value of the asset and the economic and community value to be received for the asset has been considered.
2. In terms of Section 14 of the MFMA **final approval** be granted for the alienation of a portion of Erf 557 Mbekweni, measuring approximately 1 881m² in extent, to Shepherd Real Estate Investors (Pty) Ltd, at a market related selling price of R60/m², amounting to R112,860.00 (VAT excluded), for purposes of the expansion and redevelopment of the existing service station situated on the adjacent Erf 562 Mbekweni, subject to the normal conditions of sale as well as the following further conditions:
 - 2.1 The portion of Erf 557 Mbekweni to be sold, be subdivided from Erf 557 Mbekweni, closed and rezoned and consolidated with the applicant's property namely, Erf 562 Mbekweni;
 - 2.2 The required land use rights be undertaken by and at the cost of the applicant;
 - 2.3 The subject property be consolidated with the adjacent Erf 562 Mbekweni and which consolidation be registered simultaneously with the registration of transfer of the subject property;



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- 2.4 The standard pre-emptive and reversionary rights be registered against the title of the property in favour of Drakenstein Municipality as more fully set out in the standard conditions of sale enclosed as Annexure D to the departmental report;
- 2.5 All costs related to the transfer of the property as well as services and development related costs will be for the applicant's account;
- 2.6 All administrative and legal requirements be adhered to;
- 2.7 Access to the newly consolidated property as well as remaining portion of Erf 557 Mbekweni be provided in the form of a newly subdivided public road portion over the applicant's property;
- 2.8 There be no direct access permitted to the applicant's development from Jan Van Riebeeck Road; and
- 2.9 A portion of Erf 562 Mbekweni, being the applicant's property, measuring $\pm 252\text{m}^2$, be exchanged to the municipality, at the selling price of R1,300.00/m² (VAT excluded), to be used as public access road to Erf 557 Mbekweni and that this portion be subdivided, rezoned and consolidated with Erf 557 Mbekweni and be dealt with as a land exchange transaction to be offset against the purchase price of the portion of Erf 557 Mbekweni to be sold to the applicant.
3. The direct sale of a portion of Erf 557, Wellington be approved to allow for the expansion of the existing service station on Erf 562 Mbekweni as allowed in terms of the Asset Transfer Policy.
4. The municipality acquire the portion of Erf 562 Mbekweni, measuring $\pm 252\text{m}^2$ in extent, at a market related selling price of R1,300.00/m² (VAT excluded), which portion is required for the access road from Wamkelekile Street to Erf 557 Mbekweni and that the said purchase price be set-off against the selling price of the portion of Erf 557 Mbekweni to be sold to the applicant.

Meeting: Mayco 23/10/2019		Submitted by Department: Corporate Services	
Ref No: 15/4/1 (557) M		Author/s: N October	
Coll No: 1530140		Referred from:	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>

DRAKENSTEIN MUNICIPALITY

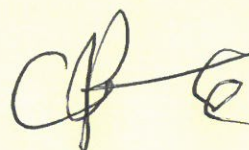
MINUTES: MAYORAL COMMITTEE

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9.10	PROPOSED ALIENATION OF A PORTION OF KEEROM STREET ROAD RESERVE TO WELLINGTON VARSITY LODGE (PTY) LTD FOR PARKING PURPOSES (WARD 18)
	VOORGESTELDE VERVREEMDING VAN 'N GEDEELTE VAN DIE KEEROMSTRAAT PADRESERWE AAN WELLINGTON VARSITY LODGE (EDMS) BPK VIR PARKERINGSDOELEINDES (WYK 18)
	ISINDULULO SOKUPHEPHELA KWECEBA LE KEEROM STREET YENDLELA EBKWE BUCALA KWI WELLINGTON VASITY LODGE (PTY) LTD KUSENZELWA INDAWO YOKUMISA (WADI 18)

RECOMMENDED that

1. In terms of Section 14 of the Municipal Finance Management Act (Act No 56 of 2003), *in principle approval* be granted for the alienation of a portion of the Keerom Street road reserve in Wellington situated in front of Erf 209 Wellington, measuring approximately 389m² in extent, directly to Wellington Varsity Lodge (Pty) Ltd, at a market related selling price, for parking purposes, subject to the normal conditions of sale as well as the following further conditions:
 - 1.1 A valuation report be obtained from an independent valuer in order to determine the market related selling price;
 - 1.2 The subject property must be consolidated with Erf 209 Wellington, which consolidation must be registered simultaneously with the registration of transfer of the subject property;
 - 1.3 The obtaining of the required closure, rezoning, subdivision and consolidation and any other rights (including building plan approval) by and at the cost of the applicant;
 - 1.4 Any development on the subject property is subject to all the requirements and conditions as may be determined by the technical departments;
 - 1.5 No construction of structures will be permissible within 3 metres of any municipal services, noting that approval must be obtained from the Department: Engineering Services for the Civil Engineer - Site Plan prior to the commencement of any paving, fencing and/or construction work on the subject property;
 - 1.6 All costs related to the proposed transaction will be for the applicant's account; and



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- 1.7 The proposed transaction be advertised in the press for objections, counter offers and recommendations.

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services		
Ref No: 15/4/1 (209) W	Author/s: N October		
Coll No: 1551349	Referred from:		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>

9.11 REPORT AND RECOMMENDATIONS TO COUNCIL FROM THE AUDIT COMMITTEE QUARTERLY MEETING HELD ON 29 AUGUST 2019
VERSLAG EN AANBEVELINGS AAN DIE RAAD VAN DIE OUDITKOMITEE KWARTAALLIKSE VERGADERING GEHOU OP 29 AUGUSTUS 2019
INGXELO NEZINDULULO EZIYA KWIBHUNGA ZIPHUMA KWINTLANGANISO YARHOQO NGEKOTA YEKOMITI YOPHICOTHU-ZINCWADI EBIBANJWE NGOMHLA WAMA-29 KU-AGASTI 2019

RECOMMENDED that

The report of the Audit Committee in respect of the meeting held on 29 August 2019, be noted.

Meeting: Mayco 23/10/2019	Submitted by Department: Internal Audit		
Ref No: 3/3/1/3/13	Author/s: R Jaftha		
Coll No: 1575141	Referred from:		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>



MINUTES: THE AUDIT COMMITTEE MEETING HELD IN THE CM'S BOARDROOM, THIRD FLOOR, CIVIC CENTRE, PAARL, ON THURSDAY, 29 AUGUST 2019 AT 10:00.

LIST OF ACRONYMS

ACRONYM	FULL NAME
AC	Audit Committee
AFS	Annual Financial Statements
AG	Auditor General
APR	Annual Performance Report
CAE	Chief Audit Executive
CFO	Chief Financial Officer
CM	City Manager
Comaf	Communication of Audit Finding
CRO	Chief Risk Officer
FARMCO	Fraud and Risk Management Committee
IA	Internal Audit
KPI	Key Performance Indicator
KPA	Key Performance Area
MAAP	Municipal Audit Action Plan
mSCOA	Municipal Standard Chart of Accounts
MFMA	Municipal Finance Management Act
PoE	Portfolio of Evidence
NT	National Treasury
PT	Provincial Treasury
SDBIP	Service Delivery and Budget Implementation Plan
SMT	Strategic Management Team
ED	Executive Director

29 AUGUST 2019

MPAC	Municipal Public Accounts Committee
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PRESENT: AC MEMBERS

Ms. K Montgomery	Chairperson
Mr. R. Najjaar	AC Member
Mr. C. Whittle	AC Member

OFFICIALS

Dr. J. Leibbrandt	City Manager
Ms. C. Lategan	Acting Chief Financial Officer
Mr. S. Johaar	ED: Corporate Services
Mr. G. Esau	ED: Community Services
Mr. C. Lotz	Acting ED: Engineering Services
Mr. D. Delaney	Senior Manager: Planning Services
Ms. R. Jaftha	Chief Audit Executive
Mr. G. Dippenaar	Chief Risk Officer
Ms. C. September	Manager: IDP/PMS
Ms. N. Magongo	Manager: Performance Audit
Mr. D. Korabie	Manager: Internal Audit
Mr. I. Engelmohr	Financial Accounting Research Expert
Ms. W. Prins	PMS Officer
Ms. C. Smith	Monitoring & Evaluation Officer
Ms. T. Mahlatshana	Secretary

SPECIAL INVITATION

Ms. K. Abrahams	Auditor General
Ms. R. Jafthas	Auditor General

APOLOGIES:

Mr. R.G. Nicholls	AC Member
Cllr. G. Combrink	Deputy Executive Mayor & Member of Mayoral Committee:



MINUTES: AUDIT COMMITTEE MEETING**29 AUGUST 2019**

	Financial Portfolio
Mr. J. Carstens	Chief Financial Officer
Ms. L. Waring	ED: Planning & Development
Mr. R. Boshoff	Manager: Strategic Financial Planning & Support

1. OPENING AND WELCOME

The Chairperson of the AC, Ms. K Montgomery officially opened the meeting and welcomed everyone present. She requested that a moment of silence be observed in memory of Mr. Siphuxolo Mbuzelwa: Internal Audit Intern who passed away. She further asked the CAE to convey condolences to the family on behalf of the AC.

2. ADOPTION OF THE AGENDA

The agenda was formally adopted with the following changes. To begin with Item 8 – Presentation: Amendments to the Public Act Audit and Item 17 – Audit Strategy by AG, then Item 16 – Annual Financial Statements, Item 18 – Financial Ratios and Item 13 – Annual Performance Report thereafter the meeting will continue with the agenda in its current format.

3. DECLARATION OF INTEREST

The register was circulated and signed for declaration of interest. No declarations were made which affected matters contained on the agenda.

4. CONFIRMATION OF MINUTES

The minutes of the meeting held on 23 May 2019 were accepted and signed by the Chairperson with a minor change under Unethical Incident Register,

“He explained that a preliminary report was handed to the CM and they will provide the final report at the end of May 2019”.



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The minutes of the meeting held on 11 July 2019 were accepted and signed by the Chairperson.

5. **FARMCO MINUTES**

The AC noted the FARMCO minutes presented at the AC meeting.

6. **MATTERS ARISING**

6.1 **TABLE OF OUTSTANDING MATTERS**

The AC noted the table of outstanding matters and requested that the item Financial Ratios stand over until the next meeting.

NOTED

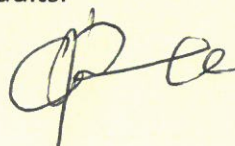
7. **PRESENTATION – AMENDMENTS TO THE PUBLIC AUDIT ACT**

Ms. K. Abrahams from the AG presented the amendments to the Public Audit Act. She defined a material irregularity and mentioned that all these terms are also defined in the Act. She explained the process applicable for 2018/19 and indicated that the implementation date for the legislation is 01 April 2019. The implementation of the legislation will be phased in. Drakenstein municipality is not part of the sample selected for implementation in the 2018/19 external audit. Ms. Abrahams explained the role of oversight and the executive authority. She also indicated that she will forward a copy of the presentation to the AC and the SMT.

NOTED

8. **INTERNAL AUDIT PROGRESS REPORT QUARTER 4 2018/19**

The CAE presented the progress report for quarter 4 and provided an update on the staffing. She referred to the IA's performance against key performance indicators for the year and stated that they have achieved 90% completion of the audit projects on the approved plan. She mentioned that 3 audits were not completed at the financial year end. As at the reporting date, only 1 audit report remains outstanding. The CAE referred to the summary of audit areas, hours spent and current status of audits.



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The Chairperson referred to the reasons provided for under-performance, which includes delays in receiving management comments and support and further asked the current management response time and whether IA is receiving the support they require to maximize their capacity timeously. The CAE responded that they are continuously managing the factors that impact the timely completion of the audit plan, which includes management response times as well as timely IA management reviews of completed audit work. The CM also explained that he agreed with the CAE that she would provide him with a simpler document per audit area indicating where the CM's attention is required. The CM also stated that there is an opportunity every week for the CAE to report to the SMT and highlight areas of concern. The CAE indicated that there were too many projects included in the plan and the CM also suggested that IA should allocate more hours per audit area to assist with completing the plan within the timeframes. The CAE mentioned the summary of the completed audits and stated that she included the summary of findings as well.

RESOLVED

That the budgeted hour's column on the IA progress report be changed to estimated hours.

9. AUDIT REPORTS

ANNEXURE A: INTERNAL AUDIT REPORTS

9.1 DECLARATION OF COUNCILLOR INTEREST REVIEW

The CAE stated that the councillor declarations were received by the administration but the declarations were not provided to SCM to perform the necessary verification to perform possible conflicts of interest.

The AC noted the report with the findings reported.

NOTED



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9.2 MFMA COMPLIANCE REVIEW

The AC noted the report with the findings reported.

NOTED

9.3 DoRA COMPLIANCE REVIEW

The CAE stated that they highlighted the issue of the funding of the MIG project that were not spent in terms of the grant framework that requires certain spending targets be reached by set dates. The factors impacting the timely spending of the grant was addressed and the funding was spent in the financial year. Mr. Najjaar enquired why the management action plan does not address the issue reported, instead it refers to another grant. The CAE stated that the municipality will no longer be receiving the MIG grant and management will have to comply with the conditions of the new grant. The audit also identified that EPWP work opportunities were created but were not reported on the EPWP reporting system.

The AC noted the report with the findings reported.

NOTED

9.4 FUNCTIONALITY OF PERFORMANCE MANAGEMENT SYSTEM

The AC noted the report with the findings reported.

NOTED

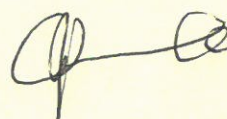
9.5 REGISTRY REVIEW

The AC noted the report with the findings reported.

NOTED

9.6 PHYSICAL SECURITY CONTROL OVER CASH REVIEW

The CAE indicated that the audit focused specifically on security at the Dal Josafat and Wellington Traffic centres. She stated that there were a number of findings related to security such as CCTV cameras that is not monitored etc. The ED: Community Services



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indicated that the corrective action is part of the plan to refurbish the two facilities. Work is scheduled to start in October 2019.

The AC noted the report with the findings reported.

NOTED

9.7 BILLING REVIEW

The AC noted the report with the findings reported.

NOTED

9.8 REPLACEMENT OF FLEET VEHICLES

The AC noted the report with the findings reported.

NOTED

ANNEXURE B: FOLLOW-UP INTERNAL AUDIT REPORTS

The CAE stated that the report outlines the audit areas that require follow-up and the areas that have been completed. She indicated that all the follow-ups relating to IT audit areas have been completed and the results are included.

The AC noted the following follow-up reports:

- Procurement over R200 000
- ICT Audit (2 reports)
- Risk Management

NOTED

Follow up audits - The AC recorded their concern at the continued perceived low implementation rate in respect of IA recommendations and asked the CM to take note of their concern.



29 AUGUST 2019**ANNEXURE C: MUNICIPAL AUDIT ACTION PLAN**

The CAE pointed out that the last column of the spreadsheet indicates the IA assessment of the implementation of the management action plans. She also reported that the feedback on the implementation of the MAAP is a standing item at the SMT.

The AC noted the progress and recommendations made by IA on the MAAP.

ANNEXURE D: INTERNAL AUDIT QUALITY ASSURANCE SELF ASSESSMENT 2018/19

The CAE indicated that the report highlighted certain good practices in the Internal Audit unit as well as made recommendations for improvement. She stated that one of the areas that require improvement is compliance with the methodology in terms of the completion and review of audit working papers. She indicated that the assessment included the period when hard copy files were still in use as well as the transition period and move to the BarnOwl software. Action plans have been implemented to address the gaps identified by the Quality Assurance Self-Assessment. She also mentioned that the external assessment will be done this year and hours have been included in the plan to prepare for the external quality assurance.

The AC noted the IA Quality Assurance Self-Assessment results and further noted that the service provider will be appointed to conduct the assessment by the end of the financial year (June 2020).

10. PRE-DETERMINED OBJECTIVES REVIEW – 4TH QUARTER PERFORMANCE AUDIT REPORT

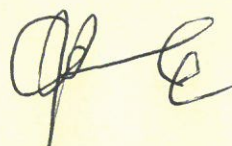
The report was taken as read and noted by the AC.

NOTED

11. 4TH QUARTER PERFORMANCE RESULTS

The report was taken as read and noted by the AC.

NOTED



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12. ANNUAL PERFORMANCE REPORT

Ms. Prins: PMS Officer presented the report and stated that there will be no further changes to the APR except for the financial information that still needs to be added. The Chairperson indicated that the AC has noted that the financial information will be included in the document. She requested Ms. Prins to ensure that all references to the Municipal Manager and City Manager in the document be changed to Accounting Officer.

The CAE indicated that IA has reviewed the APR and the findings are included in the audit report. The IA team and the Performance Management team will be working together until the APR is finalized, to ensure that all the updates required are completed before submission to the AG.

NOTED

13. MUNICIPAL AUDIT ACTION PLAN

The MAAP was taken as read and noted by the AC.

NOTED

14. MFMA SECTION 71 – MONTHLY MONITORING REPORT

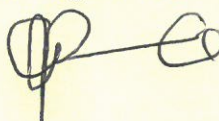
The Chairperson enquired about the outcome of the Overtime review and how it will impact the financial statements. The CM responded that there is an overspending on Overtime and certain measures were implemented to manage the spending. The CM also indicated that Standby Allowances are also closely linked to Overtime expenditure.

The AC noted the report.

NOTED

15. ANNUAL FINANCIAL STATEMENTS

The Chairperson mentioned that the AC was due to receive the AFS on 19 August 2019 but only received the document on 23 August 2019. She enquired whether the draft AFS



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circulated to the AC differs from the version that the ACFO will present at the meeting. The ACFO explained that the AFS differs because they have made material changes relating to assets, reclassification of income statement items and changes relating to the grants. The Chairperson enquired whether a third party has reviewed the AFS. The ACFO responded that they have sent a copy to PT when they submitted to the AC. The CAE performed a preliminary review and the feedback was incorporated in the AFS. The AFS were peer reviewed by the Overstrand municipality. It was noted that the draft AFS's were not submitted to the AG's office for high level overview.

The ACFO presented the AFS in detail and highlighted that significant work was done on the Property, Plant and Equipment item in the AFS. She stated that Heritage and Intangible assets are stable and mentioned that there was a decrease in Investment Property. She referred to current assets, trade and other Receivables from Exchange transactions and indicated that there was a decrease in Receivables from non-exchange transactions.

Mr. Najjaar enquired whether the issues experienced with the fixed asset register in the prior year has been resolved. The ACFO responded that issues identified in previous years regarding human resource capacity has been resolved and the fixed asset register will be ready for submission on Saturday, 31 August 2019.

The CM indicated that they have established an Expenditure Management Committee and a Revenue Enhancement Committee. He explained the importance of having these committees. The municipality has loans to the value of R1, 600,000,000 and more than R300, 000,000 interest and redemption that needs to be repaid annually. He further explained that in 2014 there were agreements reached with staff to accept positions and the TASK levels finalized later. This undertaking has resulted in back pay that had to be paid to staff. This expenditure cannot be budgeted for because the impact is only known when the TASK results become available. The back pay also has a negative impact on the salary bill.

The AC expressed concern regarding the financial position and future financial commitments.



MINUTES: AUDIT COMMITTEE MEETING**29 AUGUST 2019**

The AC pointed out some aspects of the AFS that the ACFO still needs to attend to before submission to the AG.

The Chairperson presented the checklist (as detailed in the AC Charter) that the AC must cover to meet their mandate in respect of the AFS review.

The AC noted the submission of the draft AFS and noted that there are still amendments to be made. Once the final draft is completed, it will be submitted to the AG by 31 August 2019.

NOTED

16. AUDIT STRATEGY

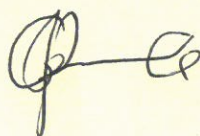
Ms. Abrahams presented the audit strategy in detail and explained the purpose of the strategy is to assist the auditor to set the scope, timing and direction of the audit, guide the development of the audit plan as the audit progresses. The audit strategy also outlines reporting objectives, expected audit effort as well as focus, composition of the engagement team, cost and time budgets.

Ms. Abrahams referred to the scope and objective of the audit and indicated that for the current year they will provide an opinion on the AFS, report findings regarding reported performance information against pre-determined objectives, as well as report findings on compliance with specific legislation and significant deficiencies in internal control. She mentioned that the engagement letter was discussed with the CM on 16 May 2019 and the audit strategy was discussed on 27 August 2019. The final management report is due by 15 November 2019. The Auditor's report is due on 30 November 2019 dependent on the date of the AFS submission.

She referred to the audit fee in comparison with the prior year.

The AC noted the audit strategy as presented.

NOTED



29 AUGUST 2019**17. FINANCIAL RATIOS**

The Chairperson stated that the AC could not exercise their mandate in respect of the financial ratios because the ratios were not included in the agenda. The CFO undertook at the previous meeting to provide the ratios. The CM indicated that he has noted the AC's concerns regarding reporting on financial ratios.

The AC noted the non-submission of financial ratios.

18. MSCOA PROGRESS REPORT

The AC noted the report.

NOTED

19. UNETHICAL INCIDENT REGISTER

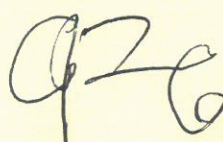
The CRO stated that they are hands on with the process. They investigate and conclude on the matters in the register. The CM indicated that they are tracking the ethical issues very well.

NOTED

20. REGISTER OF IRREGULAR, UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

Mr. Najjaar referred to Comaf 1 reported by the AG in 2017/18 which relates to the Paarl Waste Water Treatment Works and enquired how the effect of the Comaf will be reflected in the 2018/19 financial statements. The CM explained that it will not be reported as a finding in the 2018/19 audit. The ACFO mentioned that the AG has confirmed that they will not raise a finding again but the disclosure of the matter is still under discussion. This matter will be discussed further with the CM.

NOTED



29 AUGUST 2019**21. NEWSPAPER ARTICLES**

The Chairperson congratulated the Municipality for being rated the most financially stable municipality in the country.

The AC referred to the newspaper article in the Paarl Post of 15 August 2019 wherein it is stated that the ANC has requested an independent investigation be conducted by the AC and the AG. The AC confirmed that they have not received any request to do an investigation into the municipality's financial affairs. The AG has also informed the AC that they did not receive a request for an investigation either.

NOTED**22. OTHER BUSINESS**

The Chairperson indicated that for the next AC cycle, the committee will have 2 meetings, in August, the quarterly meeting and a second meeting which will be dedicated to the review of the AFS, APR and IA reports in respect of these matters.

The Chairperson indicated that the AC received a questionnaire from the AG Relevant feedback was provided to the AG during the AC's pre meeting.

NOTED**23. CLOSURE**

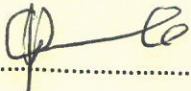
The meeting adjourned at 14:00.

24. DATE OF NEXT MEETING

The next Audit Committee Meeting is scheduled to take place on 22 November 2019.

Minutes approved by the Audit Committee.

On.....

Signed by AC Chairperson: 

DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE
23 OCTOBER 2019

9.12 REPORT ON THE CONSIDERATIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE FOR QUARTER 1, 2019/20
VERSLAG OOR DIE OORWEGINGS VAN DIE MUNISIPALE KOMITEE OOR OPENBARE REKENINGE VIR KWARTAAL 1, 2019/20
INGXELO NGEENGAMANGO ZEKOMITI KAMASIPALA YEE-AKHAWUNTI ZIKARHULUMENTE ZEKOTA YOKU-1, 2019/20

RECOMMENDED that

The following considerations of the Municipal Public Accounts Committee for Quarter 1 2019/20, be noted:

1. The status of the various incidents on the Register of Unethical Incidents were presented at the meeting on 18 July 2019; and
2. The status of the various incidents on the Register of Unethical Incidents were presented at the meeting on 05 September 2019. Various incidents of misuse of municipal vehicles were raised by the councillors. Councillors were encouraged to report any incidents on the municipal fraud hotline.

Meeting: Mayco 23/10/2019	Submitted by Department: Internal Audit
Ref No: 3/3/1/3/18	Author/s: R Jaftha
Coll No: 1575611	Referred from:
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

9.13 LLF MINUTES: JUNE 2019 – SEPTEMBER 2019
LLF NOTULES: JUNIE 2019 - SEPTEMBER 2019
LLF IMIZUZU: JUNI 2019 - SEPTEMBER 2019

RESOLVED that

The LLF minutes for September 2019 **be noted.**

Meeting: Mayco 23/10/2019	Submitted by Department: Corporate Services
Ref No:	Author/s:
Coll No:	Referred from:
<u>PAR:</u>	<u>ACTION:</u>
	<u>RESPONSIBLE DEPARTMENT:</u>
	<u>DUE DATE:</u>

DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE
23 OCTOBER 201910. ENGINEERING SERVICES

10.1 POLICY REGARDING SMALL SCALE EMBEDDED RENEWABLE ENERGY GENERATION
BELEID RAKENDE KLEIN SKAALSE INGEBOUDE HERNUBARE ENERGIE OPWEKKING
UMGAQO NKQUBO MALUNGA NE SMALL SCALE EMBEDDED RENEWABLE ENERGY GENERATION

RESOLVED that

1. The SSEG policy attached as Annexure A to the departmental report be supported in principle;
2. The SSEG policy be advertised for public input/comments; and
3. The City Manager identify and authorize a staff member to sign such agreements on behalf of the municipality.

Meeting: Mayco 23/10/2019	Submitted by Department: Engineering Services		
Ref No: 16/2	Author/s: C Geldenhuys		
Coll No: 1546499	Referred from: Eng Serv Port - 09/10/2019		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>
	Implement decision	ED Engineering Services	

11. SPORT, RECREATION, ARTS AND CULTURE

11.1 SPORT AND RECREATION POLICY
SPORT EN REKREASIE BELEID
UMGAQO NKQUBO WEZEMIDLALO NOKUZONWABISA

RESOLVED that

1. The policy be referred back to the department for further refinement; and
2. A workshop to be held thereafter.

Meeting: Mayco 23/10/2019	Submitted by Department: Community Services		
Ref No: 17/6/P	Author/s: E Saayman		
Coll No: 1565115	Referred from: MC - 20/09/2019		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPARTMENT:</u>	<u>DUE DATE:</u>
	Implement decision	ED Community Services	



DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE

23 OCTOBER 2019

12. EVALUATION OF MAYORAL COMMITTEE
EVALUERING VAN BURGEMEESTERSKOMITEE
UKUHLOLWA YEKOMITI KASODOLOPHU WESIGQEBA

RESOLVED that

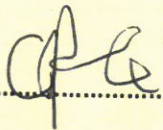
Councillors were requested to complete the questionnaire and submitted to Administration.

13. URGENT MATTERS

None.

The meeting ended at 11:23.

CHAIRPERSON:



DATE:

Confirmed with/without amendments.

FG/rs



DRAKENSTEIN
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records@drakenstein.gov.za
Civic Centre, Berg River Boulevard, Paarl 7646

Mayoral Committee Attendance Register

Date: 23 October 2019

Time: 10:00

Venue: Council Chambers

SURNAME	INITIALS	TITLE	CELLPHONE	SIGNATURE
POOLE Executive Mayor	C J	MR	0785304285 0824979046	
COMBRINK Deputy Executive Mayor (Financial Services)	G C	MR	0824553445	
LE ROUX (Engineering Services)	J F	MR	0834595965	
ANDREAS (Rural Management)	M A	MS	0767901066	
KEARNS (Environment, Parks and Open Spaces)	C	MS	0765018441 0769406614	
GOUWS (Social Services)	E	MS	0824479711	
MILLER (Planning and Development)	J	MR	0834400507	
MOKOENA (Corporate Services)	L P	MS	0734198671	
SMUTS (Public Safety)	R	MR	0824948467	
VAN NIEKERK (Sport, Recreation, Arts and Culture)	L T	MS	0818858365	
VAN NIEUWENHUYZEN (Communication and Inter- Governmental Relations (IGR))	R H	MR	0826296239	
WILLEMSE (Human Settlements and Property Management)	L	MS	0820799421	
STOWMAN SPEAKER	AC	MR	0791895359	
KOEGELENBERG CHIEF WHIP	RA	MR	0832693138	
MATTHEE CHAIRMAN: MPAC	J	MR	0824486180	
RICHARDS LEADER OF OPPOSITION	AM	MR	0827860053	—

Office of the / Kantoor van die
CHIEFWHIP / HOOFSWEEP
Cllr / Rd / R.A. KOEGELENBERG
Drakenstein

23/10/2019

A city of excellence