



## **MINUTES OF A SPECIAL MEETING OF THE SWARTLAND MUNICIPAL COUNCIL HELD IN THE MALMESBURY COUNCIL CHAMBERS ON THURSDAY, 15 AUGUST 2024 AT 12:00**

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### **PRESENT:**

Speaker, ald M A Rangasamy  
Executive Mayor: ald J H Cleophas  
Executive Deputy Mayor: cllr J M de Beer

### **COUNCILLORS:**

Bess, D G (DA)	Pieters, C (ANC)
Booyesen, A M (FF+)	Pypers, D C (DA)
Gaika, M F (EFF)	Smit, N (DA)
Jooste, R J (DA)	Soldaka, P E (ANC)
Nel, M (DA)	Van Essen, T (DA)
Ngozi, M (ANC)	Vermeulen, G (FF+)
O'Kennedy, E C (DA)	Warnick, A K (DA)
Papier, J R (GOOD)	White, G E (PA)
Penxa, B J (ANC)	Williams, A M (DA)

### Officials:

Municipal Manager, mr J J Scholtz  
Director: Civil Engineering Services, mr L D Zikmann  
Director: Protection Services, mr P A C Humphreys  
Director: Electrical Engineering Services, mr T Möller  
Director: Financial Services, mr M A C Bolton  
Director: Corporate Services, ms M S Terblanche  
Director: Development Services, ms J S Krieger  
Manager: Secretariat and Records, ms N Brand

### **1. OPENING**

The Speaker welcomed the Executive Mayor, alderdames, aldermen, councillors and officials.

The Municipal Manager opened the meeting with scripture reading and prayer at the invitation of the Speaker.

The Speaker thanked all councillors and officials involved in the clean-up of the disaster area in Riverlands and the support offered to victims.

### **2. LEAVE OF ABSENCE**

Leave of absence was granted to cllrs C Fortuin and I S le Minnie.

### **3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS**

#### **3.1 COMMEMORATION OF WOMEN'S DAY AND MONTH**

The Executive Mayor congratulated all the women of the Municipality on commemorating Women's Day and Month in August. He thanked every woman for her contribution in the workplace and in the household and prayed the Lord's blessing on everyone.

### **4. MATTERS FOR DISCUSSION**

#### **4.1 IRREGULAR EXPENDITURE RELATED TO PAYMENTS MADE TO TOURISM ORGANISATIONS (AGSA COMAF 18/2023) AND ANOTHER MATTER IDENTIFIED BY MANAGEMENT THROUGH INTERNAL CONTROLS (5/15/1/5)**

The report from the Disciplinary Council contains details regarding irregular expenditure dealt with in terms of the requirements of Section 32 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).

The two issues briefly involve:

- (1) An audit finding by the Auditor-General to another municipality during 2022/2023 revealed that payments to tourism organisations were regarded as irregular. The matter was further discussed with National Treasury and it was proposed that, due to the risk of a serious audit finding, payments to tourism organisations be calculated retrospectively from the implementation of the MFMA, namely 1 July 2004, as irregular expenditure.
- (2) The organization, Fraudcheck, is used to verify the qualifications of new candidates. An order was made out to Fraudcheck in October 2023 for a specified amount. Later assignments to Fraudcheck against the same order caused the amount of the order to be exceeded. Thus, the invoices from Fraudcheck for later assignments could not be settled against the same order, and were treated as irregular expenses.

The report further contains the recommendations for the write-off of the irregular expenditures as there were no losses suffered by the Board.

#### **RESOLUTION**

(proposed by cllr A K Warnick, seconded by cllr E C O'Kennedy)

- (a) That the investigation by the Disciplinary Board regarding the irregular expenditure be noted;
- (b) The final conclusion and recommendations to council as indicated in the report are as follows:
  - (i) That the irregular expenditure of **R13 336 728.00** related to matters 1 above be certified as irrecoverable and written off as the municipality received value for money and suffered no loss;
  - (ii) That the Chief Financial Officer be authorised to pay the two invoices dated 31 May 2024 to the amount of R12 802.95 and 30 June 2024 to the amount of R1 762.95 as the municipality already received the services and the municipality is liable for those services rendered, due to the Turquand Rule;
  - (iii) That the irregular expenditure of **R14 565.90** (as a result of the payment above) be written off as irrecoverable as the municipality received value for money and suffered no loss;
  - (iv) That the staff members involved in the supply chain management processes acted in good faith and the non-compliance was not as a result of deliberate or gross negligence or as a result of fraud or other dishonest intent by the relevant staff members;
- (c) That the MEC for Local Government as well as the Auditor-General to be notified of the outcome of the investigation.

#### **4.2 COUNCIL APPROVAL: CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS: APPOINTMENT OF A PREPAYMENT ELECTRICITY VENDOR BEYOND THE TERM OF THE 2024/25 TO 2026/27 MTREF BUDGET, I.E. FOR FIVE YEARS IN LINE WITH THE REQUIREMENTS OF MFMA, SECTION 33 (8/2/2/3)**

During his Budget Speech, the Executive Mayor requested that the Municipality implement a system to enable households to purchase prepaid electricity online.

Accordingly, tenders were called for the appointment of a suitably experienced service provider with established prepaid online sales systems to convert the existing municipal system to enable the online purchase of prepaid electricity through various online platforms. The tender included the option to appoint the service provider for a period of five years.

Section 33 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) provides that when a contract is concluded that will impose financial obligations on the municipality beyond the multi-year budget, the intention to do so must be advertised and the Council must take certain considerations into account.

There was no input/comment received from the public and any state institution during the public participation process.

#### **RESOLUTION**

(proposed by cllr J R Papier, seconded by cllr B J Penxa)

- (a) That approval be granted for a five year agreement to be concluded for the appointment of Syntell (Pty) Ltd for the supply, delivery installation, training, commissioning and administration of an optimal prepayment electricity vending system for multiple years for the fixed and all- inclusive fee of 1.5% of revenue for prepaid electricity/energy sales (kWh) sold via the online Vending System;
- (b) That Council takes note that the costs for year 4 and 5 are fixed and not material in relation to the total expenditure budget, but more importantly, will not impact tariff increases beyond the rates and tariffs as communicated during 2024/25 – 2026/27 MTREF and accordingly approve the estimated expenditure for the outer years, i.e 2027-2028 and 2028-2029;
- (c) That cognisance be taken that the Municipal Manager has complied with the public notice requirements in terms of section 33 of the MFMA and that no comments were received from the public or recommendations from any of the state institution;
- (d) That Council also notes that all the required supply chain procedures were adhered to;
- (e) That the Municipal Manager be authorised to sign the contract (a copy of which is annexed hereto) arising from the award of the tender to Syntell (Pty) Ltd.

#### **4.3 DECLARATION OF A LOCAL DISASTER: FLOODING IN GREATER CHATSWORTH (RIVERLANDS) WITHIN THE SWARTLAND MUNICIPAL BOUNDARIES (17/5/1/1)**

The Municipal Manager made a presentation regarding the walls of three dams which broke during the early hours of the morning on Thursday, 8 August 2024, and led to severe flood damage in Riverlands.

The dams are located within the boundaries of City of Cape Town, the land belongs to the Department of Public Works and is managed by the Department of Rural Development and Land Reform.

A discussion ensued in response to the information provided by the Municipal Manager highlighting, amongst others, the following points:

- (1) It is distressing to note that the dams were not inspected every five years in terms of the legal requirements of the Department of Water Affairs. The authorities responsible for this review must be held accountable, because their failing to do so drastically affected the lives of people.
- (2) The lack of involvement by the City of Cape Town is disturbing, as the dams are situated within its area of jurisdiction.
- (3) The responsible departments must be urged to support the disaster victims.
- (4) All councillors should be informed as soon as a disaster occurs in order to provide assistance as a collective.

- (5) An investigation took place after discussions at the ward committee meetings regarding the condition of the dams.
- (6) The biggest challenge will be to place the victims in a similar position as before the disaster.
- (7) Results of the investigation into the causes of the disaster are being awaited.

#### **RESOLUTION**

(proposed by ald J H Cleophas, seconded by cllr D C Pypers)

- (a) That the devastating flooding of parts of Greater Chatsworth (Riverlands) on 8 August 2024 be noted;
- (b) That a local state of disaster within the Greater Chatsworth (Riverlands) area be declared in terms of section 55 of the Disaster Management Act, 2002 as a result of the devastating flooding caused by the dam bursts on Farm Dassenberg;
- (c) That the West Coast District Municipality be requested to support the local state of disaster declaration;
- (d) That the approved declaration (as per **ANNEXURE B**) hereto be sent to the Provincial Government for publication in the next Provincial Gazette.

**SIGNED:  
SPEAKER**