

<p>Kennis word hiermee gegee ingevolge Artikel 29(2) van die Plaaslike Regering: Munisipale Strukture Wet, 1998 (Wet 117 van 1998) soos gewysig, dat 'n <b>Spesiale Raadsvergadering</b> van die Munisipaliteit Witzenberg gehou sal word op <b>Dinsdag, 24 Oktober 2023</b> om <b>10:00</b> in die <b>Stadsaal, Voortrekkerstraat, Ceres.</b></p>	<p>Notice is hereby given in terms of Section 29(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as amended, that a <b>Special Council meeting</b> of the Witzenberg Municipality will be held in the <b>Town Hall, Voortrekker Street, Ceres</b> on <b>Tuesday, 24 October 2023</b> at <b>10:00.</b></p>
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<b>Raadslede en amptenare / Councillors and officials</b>		
Councillor TE Abrahams	Alderman K Adams	Councillor WJ Alexander
Councillor P Daniels	Councillor S de Bruin	Councillor GJ Franse
Councillor JP Fredericks	Councillor AL Gili	Councillor LA Hardnek
Councillor GG Laban (Executive Deputy Mayor)	Councillor JS Mouton	Councillor MJ Ndaba
Councillor N Nogcinisa	Councillor N Phatsoane	Councillor KA Robyn (Executive Mayor)
Councillor EM Sidego	Alderman HJ Smit	Councillor D Swart
Councillor IL Swartz	Alderman JJ Visagie	Councillor K Yisa
Councillor J Zalie		
Municipal Manager	Director: Finance	Director: Technical Services
Director: Corporate Services	Deputy Director: Finance	Chief Executive Internal Auditor
Manager: Projects and Performance	Manager: Administration	IDP Manager
Manager: Legal Services	Manager: Communication and Marketing	Chief Administrative Officer
Committee Clerk	Interpreter	



**COUNCILLOR P HERADIEN  
SPEAKER**

20/10/2023

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## **A G E N D A**

- 1. OPENING AND WELCOME / OPENING EN VERWELKOMING**
  
- 2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION**

- 2.1 Consideration of application for leave of absence, if any  
Aansoeke om verlof tot afwesigheid, indien enige  
(3/1/2/1)**

*An Application for leave of absence form is attached as **annexure 2.1.***

### **NOTED**

- 2.2 Confidentiality and Conflict of Interest Declaration  
Vertroulikheid en Botsing van Belange Verklaring  
(3/2/1)**

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2.**

- 3. MATTERS RAISED BY THE SPEAKER**

**4. RESERVED POWERS**

**4.1 Section 79 and 80 Committees: Nomination of committee members and appointment of Chairpersons (03/3/1/1)**

A copy of Council's committee system is attached as **annexure 4.1**.

There has been a change in the political dispensation of Council and Council needs to appoint the members of the joint Section 79 and 80 Committees. The Executive Mayor is responsible for the appointment of the Chairpersons of the Section 79 and 80 Committees.

**RECOMMENDED**

*that members for the Section 79 and 80 Committees be appointed.*

**4.2 Section 79 Committee: Vacancy on Municipal Public Accounts Committee (03/3/1/1)**

**Background**

Council appointed the following members on the Municipal Public Accounts Committee as per Council resolution, dated 23 February 2022:

- (i) Councillor LA Hardnek (WP): Chairperson
- (ii) Councillor GJ Franse (DA)
- (iii) Councillor J Cloete (PA)
- (iv) Councillor IL Swartz (EFF)
- (v) Councillor K Yisa (ANC)

Councillor Cloete has resigned and has since been replaced by Councillor W Alexander. Councillor IL Swartz is also automatically disqualified to be a member of the Municipal Public Accounts Committee after the announcement of the Executive Mayor that Councillor Swartz has been appointed as a member of the Executive Mayoral Committee.

A copy of the Municipal Public Accounts Committee Charter is attached as **annexure 4.2**.

**RECOMMENDED**

*For consideration.*

**4.3 Establishment of Ad hoc Committee: Possible unauthorised expenditure: Rehabilitation of landfill site (3/R)**

Council resolution 8.1.7 of 28 March 2023 is attached as **annexure 4.3**.

Council unanimously resolved on 28 March 2023:

- (a) that Council established an Ad hoc Committee to investigate the possible unauthorised, irregular or fruitless and wasteful expenditure with regard to the rehabilitation of the landfill site.
- (b) that the Ad hoc Committee supra consists of:
  - (i) Councillor D Swart (DA)
  - (ii) Councillor P Daniels (DA)
  - (iii) Councillor J Mouton (ANC)
  - (iv) Councillor AL Gili (ANC)
  - (v) Councillor P Heradien (ICOSA)

Councillor P Heradien has since been elected as the Speaker of Council. In terms of the Structures Act: Roles and responsibilities of Speaker, the Speaker is not eligible to be a member of the abovementioned committee.

**RECOMMENDED**

*For consideration.*

**4.4 Council's representatives on outside bodies (3/1/1/5)**

The following documents are attached:

- (a) E-mail from the Department of Health: Cape Winelands District Office, dated 12 September 2023: **Annexure 4.4(a)**.
- (b) Provincial Gazette Extraordinary, dated 5 July 2016: **Annexure 4.4(b)**.
- (c) Nomination form: **Annexure 4.4(c)**.
- (d) Council's representatives on outside bodies: **Annexure 4.4(d)**.

**RECOMMENDED**

*(a) that Councillors be nominated to represent Council on outside bodies.*

(b) *That Councillors be nominated to serve on the following Clinic Committees:*

- (i) *Nduli Clinic*
- (ii) *Op-die-Berg Clinic*
- (iii) *Wolseley Clinic*
- (iv) *Breede River Clinic*
- (v) *Tulbagh Clinic*
- (vi) *Prince Alfred's Hamlet Clinic*
- (vii) *Bella Vista Clinic*
- (viii) *Ceres Clinic*

#### **4.5 Municipal Cost Containment Policy (5/P)**

The following documents are attached:

- (a) Cost Containment Policy: **Annexure 4.5(a)**.
- (b) Cost Containment Regulations: **Annexure 4.5(b)**.
- (c) National Treasury MFMA Circular no. 97: **Annexure 4.5(c)**.

Council unanimously resolved on 11 December 2019 that the Municipal Cost Containment Policy Framework, after consideration, be approved, but that the policy framework be amended in future if necessary. A copy of the Government Gazette No 49142 dated 18 August 2023 "Remuneration of Public Office Bearers Act, 1998 (Act no 20 of 1998): Determination of upper limits of salaries, allowances and benefits of different members of municipal councils" is attached as **annexure 4.5(d)**, setting out the benefits that Councillors are entitled to.

#### **RECOMMENDED**

*For consideration.*

#### **4.6 Approval of long-term contract: End-to-end voice over internet protocol and unified communication solution (Telephone system) (8/2/20/13)**

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 20 October 2023: **Annexure 4.6(a)**.
- (b) Advertisement and cost benefit analysis: **Annexure 4.6(b)**.
- (c) Proposed contract (**Confidential**): **Annexure 4.6(c)**.

**RECOMMENDED**

*That Council approves the long-term contract for the supply, delivery installation, commissioning, and maintenance of an end-to-end voice over internet protocol and unified communication solution, including cabling, networking and connectivity for Witzenberg municipality for a period of five years, in terms of Section 33 of the Municipal Finance Management Act and authorises the Municipal Manager to sign the contract on behalf of the municipality.*

**4.7 Representatives on Cape Winelands District Municipality  
(3/1/1/5)**

The election of the Witzenberg Municipal representatives to the Cape Winelands District Municipality was conducted by the IEC in terms of Schedule 2 of the Municipal Structures Act. In terms of the outcome of the elections the Democratic Alliance obtained two seats and the ANC one seat. Alderman K Adams and Councillor D Swart were elected as the DA representatives and Councillor N Phatsoane as the representative for the ANC.

The following documents are attached:

- (a) Copy of the Council minutes of 22 November 2021: **Annexure 4.7(a)**.
- (b) Directive for the election of representatives to the CWDM: **Annexure 4.7(b)**.

The newly elected Executive Mayor requested that the item be tabled to get clarity on whether the seats allocated to the parties can be changed.

A letter will be sent to the Provincial Electoral Officer to obtain clarity and will be tabled to Council at the meeting.

**RECOMMENDED**

*For consideration.*

**5. ADJOURNMENT / VERDAGING**

Verwysing / Reference: 3/1/2/1/

## MUNISIPALITEIT WITZENBERG MUNICIPALITY

**AANSOEK OM VERLOF TOT AFWESIGHEID / APPLICATION FOR LEAVE OF ABSENCE**  
 (Moet by kantoor van Munisipale Bestuurder ingedien word voor aanvang van vergadering / Must be handed in at office of Municipal Manager before commencement of meeting)

Naam van raadslid / Name of councillor: \_\_\_\_\_

Ek doen hiermee aansoek om verlof tot afwesigheid van / I hereby apply for leave of absence from:

VERGADERING / WERKSWINKEL / FORUM MEETING / WORKSHOP / FORUM	DATUM / DATE
<b>Rede vir afwesigheid / Reason for absence:</b>	

\_\_\_\_\_  
 DATUM / DATE

\_\_\_\_\_  
 HANDTEKENING / SIGNATURE



Reference: 03/3/1/1

**<sup>1</sup>Political structure: Committee System**

Name of committee	Date and time of meeting (Every 3rd week of the month)	KPA's	Members
Committee for Technical Services		Cleansing Services Solid Waste Management Extensive Public Works & Infrastructure Electricity Mechanical Services Civil Services Water and Sanitation Roads and Storm Water Projects Management (Infrastructure and Performance) Town Planning Land Development Building Control	1. <u>Chairperson:</u> Alderman JJ Visagie  <u>Members:</u> Councillors  2. J Mouton 3. AL Gili 4. TE Abrahams
Committee for Community Development		Protection Services Traffic (Non-financial) Fire Services Emergency and Disaster Management Social Services Childcare Facilities Elderly Care Community Protection Forums Youth Development Emergency Relief Assistance in disaster situations Night Shelter Pests and Animal Control Nuisances – prevention and combating Law Enforcement Library Services Municipal Amenities	1. <u>Chairperson:</u> Councillor GG Laban  <u>Members:</u> Councillors  2. GJ Franse 3. K Yisa 4. LA Hardnek 5. K Robyn

<sup>1</sup> Council resolution 6.3.2 of 15 December 2021

		Parks and Sport Community Halls Cemeteries Swimming Pools Resorts NGO's Socio-Economic Development Environmental Management Public Transport	
Committee for Corporate and Financial Services		Traffic (Financial) Administrative and Financial Support Services Information and Communication Technology (ICT) Information Management IDP and Public Participation Labour Relations Human Resources Budget, Insurance, Assets and Valuations Supply Chain Management and Supplies Internal Audit Property Management Industrial Development Archives	1. <u>Chairperson:</u> Councillor J Fredericks  <u>Members:</u> Councillors  2. D Swart 3. J Zalie 4. P Heradien
Committee for Housing Matters		Housing Management Needs Assessment, Community Liaison (Housing), Placement and Allocation, Project Management (Housing Section), Rental and Subsidy Administration Illegal occupation and squatter control	1. <u>Chairperson:</u> Alderman K Adams  <u>Members:</u> Councillors  2. N Phatsoane 3. IL Swartz 4. WJ Alexander
Committee for Local Economic Development and Tourism		Local Economic Development Marketing and Communication Tourism Museums	1. <u>Chairperson:</u> Councillor P Daniels  <u>Members:</u> Councillors  2. S de Bruin 3. N Nogcinisa 4. MJ Ndaba

Local Labour Forum		Personnel matters	<p>1. <u>Chairperson</u></p> <p>Alderman HJ Smit</p> <p><u>Members:</u> Councillors</p> <p>2. J Fredericks</p> <p>3. A Gili</p> <p>4. G Laban</p>
Municipal Accounts Committee (MPAC)	Public Committee	<p>Promote transparency and public accountability</p> <p>Evaluate, direct and supervise investigations into any matters within the scope of its roles and responsibilities as instructed by Council</p> <p>Increase Council and public awareness of financial and performance issues of municipality</p> <p>Perform oversight function on behalf of Council</p>	<p>1. <u>Chairperson</u></p> <p>Councillor LA Hardnek</p> <p><u>Members:</u> Councillors</p> <p>2. GJ Franse</p> <p>3. IL Swartz</p> <p>4. K Yisa</p>



## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) CHARTER

July 2019

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## 1. INTRODUCTION

- 1.1. The Municipal Public Accounts Committee (hereafter referred to as MPAC) is established in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 as a Committee of Council for the efficient and effective performance of its functions.
- 1.2. The purpose of the MPAC terms of reference is to promote transparency and public accountability and is required in terms of Section 53 of the Local Government: Municipal Systems Act, Act 32 of 2000.
- 1.3. MPAC may evaluate, direct and supervise investigations into any matters within the scope of its roles and responsibilities as instructed by the Council.
- 1.4. MPAC activities would help to increase Council and public awareness of the financial and performance issues of the municipality..

## 2. MANDATE

- 2.1. The authority, duties and functions of MPAC is derived from the following;
  - 2.1.1. Municipal Finance Management Act, Act 56 of 2003;
    - 2.1.1.1. Chapter 4: Municipal Budgets, Section 32: Unauthorised, irregular or fruitless and wasteful expenditure; and
    - 2.1.1.2. Chapter 12: Financial Reporting and Auditing, Section 129: Oversight Reports on Annual Reports.
  - 2.1.2. Council's Rules of Order; and
- 2.2. The purpose of MPAC is to perform an oversight function on behalf of Council.

## 3. MEMBERSHIP

- 3.1. MPAC is a committee of Council and therefore Council determines its composition by a resolution of Council in terms of Section 79 of the Municipal Structures Act, Act 117 of 1998.
- 3.2. The composition –
  - 3.2.1. The Council shall appoint MPAC Members.
  - 3.2.2. Councillors serving on MPAC should represent a wide range of experience and expertise available in Council, especially with a financial background and should represent the various political affiliations.
  - 3.2.3. The following Councillors will be excluded from the MPAC, i.e. Executive Mayor or Deputy Executive Mayor, Speaker, a member of the Mayoral Committee, Chairpersons of Subcouncil

and Portfolio Committee Chairpersons.

- 3.3. The Chairperson will be appointed by Council resolution. If the chairperson of the MPAC is absent from a specific meeting of MPAC, the members present must elect a chairperson from the members present to act as chairperson for that meeting.
- 3.4. Members should be appointed for a term which corresponds to the sitting of Council. If re-elected they may serve for only one further term of office (5 year period). To ensure continuity of expertise in the future, it is proposed that the terms of appointment of two members appointed in the first year, vary.
- 3.5. When a member of the MPAC cannot for any reason continue as a member he/she shall forthwith be replaced by Council.
- 3.6. Membership of the MPAC shall be published in the annual report.

#### **4. ROLE AND RESPONSIBILITIES**

- 4.1. MPAC has no executive powers.
- 4.2. The oversight role of MPAC is to review the Municipality of Witzenberg's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report on the Annual Financial Statements of the Municipality and also when instructed by Council to advise Council in respect of unauthorised, irregular or fruitless and wasteful expenditure.
- 4.3. The Municipality's oversight report as envisaged in Section 129 of the MFMA is prepared for adoption by Council by following due process. MPAC's due process entails -
  - 4.3.1 consider and make recommendations on the Oversight Report to Council regarding the Audit Report of the AGSA and queries, comments and responses in respect thereof;
  - 4.3.2 investigate the alleged financial misconduct by Councillors and report thereon to Council as the case may be;
  - 4.3.3 recommend on any proposals in respect of the oversight process for improving efficiency, effectiveness and economy in the financial sphere of the Municipality; and
  - 4.3.4 liaise with the Performance risk and Audit Committee and any other relevant combined assurance committees and role-players.
- 4.4 Investigate unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32 of the MFMA, as instructed by Council, and as guided by the National Treasury Circular 68: Unauthorised, Irregular and Fruitless and Wasteful Expenditure. The purpose being to recommend to Council whether such expenditure-
  - 4.4.1 resulted in the Municipality receiving "value-for-money" (i.e. services received within a reasonable price);
  - 4.4.2 is irrecoverable or not (financial implications);

- 4.4.3 resulted from non-compliance in following due process and subsequent disciplinary action is necessary, including whether legal action (common law) is appropriate; and / or
- 4.4.4 was as a result of control failures or gaps and what remedial and disciplinary actions are proposed.
- 4.5 To follow up that corrective action has been taken in respect of the comments and resolutions of MPAC during the oversight reporting process.
- 4.6 To promote good governance, transparency and accountability on the use of municipal resources.

## 5. MEETING PROCEEDINGS

### 5.1. Attendance

- 5.1.1. At a minimum four (4) meeting shall be held in a year. These meetings shall be included on the annual calendar of the Council. The chairperson may cancel any meeting if the workload of the committee does not justify a meeting. Special meetings can be called when circumstances warrant it.
- 5.1.2. A quorum shall be the majority of the members.
- 5.1.3. Conduct shall be in terms of the Rules of Order of Council.
- 5.1.4. Meetings are open to the public media unless otherwise determined by the Committee.
- 5.1.5. The applicable Directors (or delegated nominee) must attend as and when necessary, depending on the content and detail of the agenda.
- 5.1.6. The MPAC is also empowered to invite persons employed by the Municipality with relevant experience to attend its meetings as it deems fit. Where internal resources are not available, external assistance may only be obtained through Council resolution.
- 5.1.7. The Auditor-General or his or her representative may be invited to attend a meeting as and when circumstances may require. Financial consideration will be taken into account before inviting AGSA.
- 5.1.8. The Chief Financial Officer must attend all meetings, except where the chairperson, after consultation with the Chief Financial Officer, agrees that his/her presence will not be necessary at the particular meetings.
- 5.1.9. Internal Audit must attend all meetings, except where the chairperson, after consultation with the Head of Internal Audit, agrees that Internal Audit's presence will not be necessary at the particular meetings.

## 5.2. Agendas, Minutes and Logistics

- 5.2.1. Agendas must be distributed at least seven days prior to a meeting for preparation purposes. Notice of the meeting shall be given at least 14 days prior to the meeting.
- 5.2.2. Municipality Secretariat and Internal Audit provides research, secretarial and administrative support to the Committee. Internal Audit, and on occasion the Auditor-General, provides the Committee with support of a technical nature.

## 6. REPORTING AND ACCOUNTABILITY

- 6.1. MPAC investigation findings and recommendations are reported to Council, through the Office of the Speaker, as soon as possible after the MPAC resolution.
- 6.2. The MPAC must discuss and adopt its report for Council in accordance with the procedures for tabling matters in Council defined in the Rules of Order of Council and Municipality administration secretariat reporting template requirements.
- 6.3. The names of individuals are not included in its reports, except in exceptional circumstances, and only if all MPAC members agree. These reports would then be considered at in-committee meetings.
- 6.4. The MPAC may be able to communicate freely with the Audit Committee, Executive Mayor, the Mayoral Committee, the Speaker and Finance Portfolio Committee.
- 6.5. The MPAC must report to Council at least on all instructions mandated by Council and may bring items before Council as and when necessary.

## 7. COMMITTEE RESOURCES

- 7.1. MPAC must have access to –
  - 7.1.1. The financial statements and the Annual Report of the municipality as part of the Committee's oversight process;
  - 7.1.2. audit opinion, other reports and recommendations from the Performance Risk and Audit Committee;
  - 7.1.3. reports in respect of transgressions in terms of the MFMA pertaining Section 32 of the MFMA;
  - 7.1.4. information in respect of transgressions in terms of the MFMA pertaining to the Municipality, i.e. failure to prepare and adopt the Annual Report as well as the submission and auditing of the annual financial statements,
  - 7.1.5. feedback on corrective action taken in respect of recommendations by the MPAC;
  - 7.1.6. information in respect of any disciplinary action taken in terms of the MFMA where it related to an item that is currently serving on or has served before the committee;

- 7.1.7. any other audit report from the municipality;
  - 7.1.8. performance information of the municipality;
  - 7.1.9. all reports of the Auditor-General;
  - 7.1.10.in-year reports of the Municipality;
  - 7.1.11.legal, technical and any other specialised assistance required to exercise their functions as approved by Council;
  - 7.1.12.direct access to internal and external auditors; and
  - 7.1.13.resolutions and reports of the Audit Committee, Portfolio Committees and Sub Councils (public comments) related to the annual and audit reports.
- 7.2. The Auditor-General (AG) or his or her representative will provide annual feedback on the AG report during the outset of the oversight process.
  - 7.3. Internal Audit shall assist MPAC in the achievement of the work plan in a technical capacity.
  - 7.4. In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the Municipality, the MPAC may call upon the accounting officer of the municipality to appear before it to provide information or clarity.

## **8. COMMITTEE PERFORMANCE**

- 8.1 The Committee after consultation with the Head of Internal Audit develops a programme of activities annually. The programme is flexible, however, and is often amended to accommodate new priorities. The annual work programme must be approved by Council.
- 8.2. An evaluation of its work for the year should be done annually for the Committee to determine how effective it had been, through a process of self-evaluation and evaluation by Council.
- 8.3. The performance of the MPAC must be evaluated by representatives of the Council, through the Office of the Speaker, on an annual basis.
- 8.4. MPAC performance outcomes are reported to Council, through the Office of the Speaker.

## **9. GENERAL**

- 9.1. MPAC will formalise operational processes, systems and procedures as necessary for the performance of its terms of reference, in consultation with the Office of the Speaker.
- 9.2. MPAC uses a schedule of outstanding matters to keep track of the various stages of the Committee's review process with respect to each of the reports or topics under consideration.

- 9.3. MPAC must deal with all matters, as instructed by Council. It is therefore important to prioritise the items on the schedule of outstanding matters.

**Minutes: Council meeting 28 March 2023**  
**Notule: Raadsvergadering 28 Maart 2023**

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**8.1.7 Finance: Adjustment budget 2021/2022**  
**(5/1/1/20)**

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 12 January 2023: **Annexure 8.1.7(a)**.
- (b) Adjustment budget 2021/2022 to 2023/2024: **Annexure 8.1.7(b)**.
- (c) Budget schedules 2021/2022: **Annexure 8.1.7(c)**.

Council unanimously resolved on 25 January 2023 that the matter in respect of the Adjustment Budget for 2021/2022 be held in abeyance for an investigation and be tabled at the next meeting.

Further to the last Council meeting, the following extract from the minutes of the Municipal Public Accounts Committee meeting, held on 17 January 2023:

"The Municipal Manager provided information to the Municipal Public Accounts Committee in respect of the process followed with the Annual Report, Financial Statements 2021/2022 as well as the completion of the Draft MPAC Checklist for consideration at the meeting.

The Director: Finance presented the Adjustment Budget for 2021/2022 and highlighted the following:

- The Chief Financial Officer provided clarity with regard to the cost for a rehabilitated landfill site. The municipality did not make provision for the expenditure. In accounting terms called "unauthorised expenditure". In terms of law must be submitted with the Annual Report.

The Chief Financial Officer mentioned that in terms of the GRAP requirements Council must make provision for the rehabilitation of the landfill site. An expert calculated the cost for the rehabilitation of the site. The cost was calculated in 2020 at R46 million, but increased with more than R50 million and in this financial year under review it increased with a further R52 million. The total cost two years later is R148 million. The cost for rehabilitation increase enormously fast. In the approved budget no proper provision was made for the asset. It was not expected that the cost will amount to R148 million in two years' time. However, this is only a book entry and not a payment entry. It is still an expenditure for the municipality.

Unfortunately the expenditure was only picked up at the end of the financial year and when the audit report was received. The only way to correct the matter is with the Annual Report. When Council considers the Annual Report they must also consider this matter in the budget report. The recommendation to approve the Adjustment Budget is supported by the Performance, Risk and Audit Committee and the Municipal Public Accounts Committee.

The Municipal Manager mentioned that no official could foresee the matter. It is only due to depreciation."

**Minutes: Council meeting 28 March 2023**  
**Notule: Raadsvergadering 28 Maart 2023**

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The Municipal Public Accounts Committee unanimously resolved on 17 January 2023 to recommend to Council:

- (a) that no official or public office bearer that made, permitted or authorised the unauthorised expenditure acted deliberately or in grossly negligent manner.
- (b) that the municipality has not suffered any loss as a result of the action.
- (c) that the unauthorised expenditure not be recovered from any official or public office bearer, and that the amount be written off.
- (d) that the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents be approved by Council.

Council delegated authority to the Municipal Public Accounts Committee per item 8.1.6 of 30 September 2020, more specifically Section 4.4 of the MPAC Charter, to deal with unauthorised, irregular, fruitless and wasteful expenditure in terms of Section 32 of the Municipal Finance Management Act (MFMA).

The Municipal Public Accounts Committee (MPAC) Charter is attached as **annexure 8.1.7(d)**.

**UNANIMOUSLY RESOLVED**

- (a) *that Council established an Ad hoc Committee to investigate the possible unauthorised, irregular or fruitless and wasteful expenditure with regard to the rehabilitation of the landfill site.*
- (b) *that the Ad hoc Committee supra consists of:*
  - (i) *Councillor D Swart (DA)*
  - (ii) *Councillor P Daniels (DA)*
  - (iii) *Councillor J Mouton (ANC)*
  - (iv) *Councillor AL Gili (ANC)*
  - (v) *Councillor P Heradien (ICOSA)*

**Meagan De Leeuw**

**From:** Redah Cox <Redah.Cox@westerncape.gov.za>  
**Sent:** Tuesday, 12 September 2023 15:16  
**To:** Akhona Stemele; Meagan De Leeuw  
**Cc:** Tanya Davids; Mihle Mestile  
**Subject:** RE: NOMINATION OF THE CLINIC COMMITTEES : WITZENBERG MUNICIPALITY

**CAUTION:** This email originated from outside of the Witzenberg Organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good day

Trust you are well and referring to the email below regarding councilors appointment on the CC.

What is the latest communication about Witzenberg municipality?

There was a discussion at the District Health Council meeting regarding councilors and DHC member not appointed.

Please let me know in regards.

Many thanks

Redah Cox  
 Community Liaison Officer  
 Department of Health: Cape Winelands District Office  
 Haarlem Street, Worcester, 6850  
 Tell: 023 348 8100  
 Email Address: [Redah.Cox@westerncape.gov.za](mailto:Redah.Cox@westerncape.gov.za)



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 Government**  
 FOR YOU

**From:** Akhona Stemele <Akhona.Stemele@westerncape.gov.za>  
**Sent:** Tuesday, May 23, 2023 12:06 PM  
**To:** mdeleeuw@witzenberg.gov.za  
**Cc:** Tanya Davids <Tanya.Davids@westerncape.gov.za>; Redah Cox <Redah.Cox@westerncape.gov.za>; Mihle Mestile <Mihle.Mestile@westerncape.gov.za>  
**Subject:** NOMINATION OF THE CLINIC COMMITTEES : WITZENBERG MUNICIPALITY

Dear Meagan

**NOMINATION OF THE CLINIC COMMITTEES**

**WESTERN CAPE HEALTH FACILITY BOARDS AND COMMITTEES Act 4 of 2016**

As per clause 6(1)(a) of the Western Cape Health Facility Boards and Committees Act, 2016 (Act 4 of 2016) each clinic committee needs to have a councilor appointed by the municipal council or a health-related committee of the municipal council. Clause 6(1)(a):

*6. (1) The Provincial Minister must appoint to a Committee not more than 12 members, including—*

*(a) one or more councilors of the municipal council for the municipal area in which the primary health care facility is situated, nominated by the municipal council or a health-related committee of the municipal council;*

May I please request names of the Cllrs who were nominated from the Council that would serve in the following Clinic Committees:

- Nduli Clinic
- Op die berg Clinic
- Wolseley Clinic
- Breeriver Clinic
- Tulbagh Clinic
- PA Hamlet Clinic
- Bella Vista Clinic
- Ceres Clinic

I have attached the Act, the nomination form and the clinic list.

Looking forward to your response.

Do not hesitate to contact me should you have any enquiries.

Kind Regards

Akhona Stemele  
Community Outreach Officer  
Ministry of Health  
Provincial Government of the Western Cape  
P.O Box 2060

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Please note that all invitations and meeting requests are accepted on the basis that they could be cancelled due to emergencies which may arise and require the Minister's attention.

## Meagan De Leeuw

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**From:** Redah Cox <Redah.Cox@westerncape.gov.za>  
**Sent:** Friday, 02 June 2023 11:10  
**To:** Meagan De Leeuw  
**Cc:** Kariem Adams; Corrie CG. Wessels; David Nasson; Meagan de Kock; Melissa-Sue Arendse  
**Subject:** RE: Councilors meeting

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Good morning All

As you are aware of the previous reply from your colleague and my request to attend one of your council meetings to introduce myself and give a short overview regarding Clinic Committees.

I hereby formally asking to attend your special council meeting that will be taking place on the 6<sup>th</sup> of June 2023 and I will only needing  $\pm$  20 minutes of your time.

If my attendance will be accepted, could you please forward the venue and time.

Looking forward to your response.

Regards

Redah Cox  
Community Liaison Officer  
Department of Health: Cape Winelands District Office  
Haarlem Street, Worcester, 6850  
Tell: 023 348 8100  
Voip: 023 348 8126  
Email Address: [Redah.Cox@westerncape.gov.za](mailto:Redah.Cox@westerncape.gov.za)



**From:** Meagan De Leeuw <mdeleeuw@witzenberg.gov.za>  
**Sent:** Friday, June 2, 2023 10:50 AM  
**To:** Redah Cox <Redah.Cox@westerncape.gov.za>  
**Cc:** Kariem Adams <kadams@witzenberg.gov.za>; Corrie CG. Wessels <cwessels@witzenberg.gov.za>; David Nasson <david@witzenberg.gov.za>; Meagan de Kock <meagan@witzenberg.gov.za>; Melissa-Sue Arendse <marendse@witzenberg.gov.za>  
**Subject:** RE: Councilors meeting

Good day Mr. Cox,

I trust that you are well. Sorry for only replying now, I was off sick. Our Council meeting was on Tuesday, 30 May 2023 and we are having a scheduled Special Council meeting on Tuesday, 6 June 2023. To attend Council meetings to

give an introduction and overview of Clinic Committees you need to contact the Manager Administration, Mr Corrie Wessels or our Municipal Manager, Mr David Nasson's office.

Kind regards  
Meagan

**From:** Redah Cox [<mailto:Redah.Cox@westerncape.gov.za>]  
**Sent:** Thursday, 01 June 2023 14:45  
**To:** Meagan De Leeuw <[mdeleeuw@witzenberg.gov.za](mailto:mdeleeuw@witzenberg.gov.za)>  
**Cc:** Kariem Adams <[kadams@witzenberg.gov.za](mailto:kadams@witzenberg.gov.za)>  
**Subject:** Councilors meeting

**CAUTION:** This email originated from outside of the Witzenberg Organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Meagan

Trust you well and the reason for my email is that I would like to know when will your next councilors meeting take place as I want to attend one of the meetings just for a few minutes to give an introduction and overview of Clinic Committees.

Please let me know in regards as your cooperation will be highly appreciated.

Many thanks

Redah Cox  
Community Liaison Officer  
Department of Health: Cape Winelands District Office  
Haarlem Street, Worcester, 6850  
Tell: 023 348 8100  
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Email Address: [Redah.Cox@westerncape.gov.za](mailto:Redah.Cox@westerncape.gov.za)



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PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

IPHONDO LENTSHONA KOLONI

**Provincial Gazette  
Extraordinary**

**Buitengewone  
Provinsiale Koerant**

**Isongezelelo  
kwiGazethi yePhondo**

7648

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Tuesday, 5 July 2016

Dinsdag, 5 Julie 2016

Lwesibini, 5 Julayi 2016

*Registered at the Post Office as a Newspaper*

*(\*Copies are obtainable at Room M21, Provincial Legislature Building, 7 Wale Street, Cape Town 8001.)*

OFFICE OF THE PREMIER  
OF THE PROVINCE OF THE  
WESTERN CAPE

P.N. 273/2016

5 July 2016

It is hereby notified that the Premier of the Province of Western Cape has assented to the following Act which is hereby published for general information:—

No. 4 of 2016: Western Cape Health Facility Boards and Committees Act, 2016.

*As 'n nuusblad by die Poskantoor geregistreer*

*(\*Afskrifte is verkrygbaar by Kamer M21, Provinsiale Wetgewer-gebou, Waalstraat 7, Kaapstad 8001.)*

KANTOOR VAN DIE PREMIER  
VAN DIE PROVINSIE  
WES-KAAP

P.K. 273/2016

5 Julie 2016

Hiermee word bekend gemaak dat die Premier van die Provinsie Wes-Kaap die onderstaande Wet, wat hierby ter algemene inligting gepubliseer word, bekragtig het:—

Nr. 4 van 2016: Wes-Kaapse Wet op Rade en Komitees vir Gesondheidsfasiliteite, 2016.

*Ibhaliswe ePosini njengePhephandaba*

*(\*Iikopi zifumaneka kwigumbi M21, kwiSakhiwo seNdlu yoWiso Mthetho yePhondo, e7 Wale Street, eKapa 8001.)*

I-OFISI YENKULUMBUSO  
YEPHONDO LENTSHONA  
KOLONI

I.S. 273/2016

5 Julayi 2016

Kwenziwa isaziso apha sokuba iNkulumbuso yePhondo leNtshona Koloni iwamkele ngokusemthethweni lo Mthetho ulandelayo opapashelwe ulwazi gabalala:—

Nomb 4 ka-2016: UMthetho weeKomiti kunye neeBhodi zaMaziko ezeMpilo weNtshona Koloni, 2016.

(English text signed by the Premier)  
(Assented to 30 June 2016)

## ACT

**To provide for the establishment, functions and procedures of boards established for hospitals and committees established for primary health care facilities; and to provide for matters incidental thereto.**

**B**E IT ENACTED by the Provincial Parliament of the Western Cape, as follows:—

### Definitions

1. In this Act, unless the context indicates otherwise—
  - “**auditor**” means a person registered as an auditor in terms of the Auditing Profession Act, 2005 (Act 26 of 2005); 5
  - “**Board**” means a board established in terms of section 4(1);
  - “**central hospital**” means a hospital designated as such by the national Minister under the National Health Act;
  - “**Committee**” means a committee established in terms of section 4(4); 10
  - “**Department**” means the provincial department responsible for health matters in the Province;
  - “**district health council**” means a district health council as defined in section 1 of the Western Cape District Health Councils Act, 2010 (Act 5 of 2010);
  - “**district health manager**” means a district health manager as defined in section 1 15 of the Western Cape District Health Councils Act, 2010;
  - “**existing central-hospital board**” means a board appointed under the Western Cape Health Facility Boards Act for a central hospital and existing immediately before the commencement of this Act;
  - “**Head of Department**” means the head of the provincial department responsible 20 for health matters in the Province;
  - “**health facility**” means a hospital or primary health care facility;
  - “**hospital**” means a building, institution or place designated as a hospital by the Provincial Minister in terms of section 3;
  - “**member**” means a member of a Board or Committee, as the case may be; 25
  - “**National Health Act**” means the National Health Act, 2003 (Act 61 of 2003);
  - “**national Minister**” means the national Minister responsible for health matters;
  - “**prescribe**” means prescribe by regulation;
  - “**primary health care facility**” means a building, institution or place designated as a primary health care facility by the Provincial Minister in terms of section 3; 30
  - “**Province**” means the Province of the Western Cape;
  - “**Provincial Minister**” means the Provincial Minister responsible for health matters in the Province;
  - “**regulation**” means a regulation made under this Act;
  - “**representative central-hospital board**” means a board appointed by the 35 national Minister under section 41(4) of the National Health Act;
  - “**this Act**” includes the regulations;
  - “**Western Cape Health Facility Boards Act**” means the Western Cape Health Facility Boards Act, 2001 (Act 7 of 2001).

## Objects of Act

2. The objects of this Act are to provide for—
- (a) the establishment of representative and accountable Boards and Committees as statutory bodies;
  - (b) responsiveness of the management of health facilities to the community and the needs of patients and their families; 5
  - (c) community support for, and involvement in, health facilities and their programmes;
  - (d) a basic set of clearly defined functions for Boards and Committees, which may be incrementally expanded in the public interest as the capacity of a Board or Committee increases; and 10
  - (e) transitional provisions for existing central-hospital boards.

## Designation of hospital or primary health care facility

3. (1) For the purposes of the establishment of a Board or Committee in terms of this Act, the Provincial Minister may designate as a hospital or primary health care facility any building, institution or place where persons receive treatment, diagnostic or therapeutic interventions or other health services. 15
- (2) The Provincial Minister may so designate as a hospital or primary health care facility a building, institution or place that is administered by a municipality only with the concurrence of— 20
- (a) the Provincial Minister responsible for local government; and
  - (b) the municipality concerned.

## Establishment of Boards and Committees

4. (1) The Provincial Minister must establish a Board for each hospital or group of hospitals other than a central hospital or a group of central hospitals. 25
- (2) Where a Board is established for a group of hospitals, the Provincial Minister must determine the group by having regard to—
- (a) the geographic distance between the hospitals;
  - (b) the size and distribution of the population served by the hospitals; and
  - (c) the service volumes of the hospitals. 30
- (3) A Board is a juristic person and is capable of suing and being sued and holding property in its own name.
- (4) The Provincial Minister must establish a Committee for—
- (a) every primary health care facility; or
  - (b) a group of primary health care facilities, determined by the Provincial Minister. 35
- (5) The criteria and process for the clustering of primary health care facilities in the case of a Committee appointed for a group of primary health care facilities may be prescribed by the Provincial Minister.
- (6) A Committee is not a juristic person and is not capable of suing or being sued or holding property in its own name. 40

## Appointment of members of Board

5. (1) The Provincial Minister must appoint to a Board not more than 14 members, including—
- (a) persons representing the community or communities served by the hospital for which the Board is established, nominated in terms of subsection (4); 45
  - (b) at least one person with technical expertise in business, law, finance or accounting or some other area relevant to the functions of the Board;
  - (c) the head of the hospital concerned or, in the case of a Board established for more than one hospital, at least one of the heads of those hospitals; 50
  - (d) at least one person representing the clinical staff of the hospital concerned, nominated by the clinical staff of the hospital, but in the case of a Board established for more than one hospital it is not necessary for a person representing the clinical staff of every hospital concerned to be appointed;
  - (e) at least one person representing the non-clinical staff of the hospital concerned, nominated by the non-clinical staff of the hospital, but in the case 55

of a Board established for more than one hospital it is not necessary for a person representing the non-clinical staff of every hospital concerned to be appointed; and

- (f) in the case of a Board established for one or more hospitals where health professionals are trained, at least one person representing the academic interests of each hospital concerned, nominated by the Vice-Chancellor or Vice-Chancellors of the university or universities concerned. 5

(2) In addition to the members appointed in terms of subsection (1) the Provincial Minister may appoint to a Board—

- (a) a member of the Provincial Parliament, nominated by the parliamentary committee concerned with health matters; and 10  
 (b) one or more councillors of the municipal council for the municipal area in which the hospital is situated, nominated by the municipal council or a health-related committee of the municipal council.

(3) The members appointed in terms of subsection (1)(a) must constitute at least fifty per cent of the total number of members of the Board. 15

(4) The members referred to in subsection (1)(a) must be nominated by a body that, in the opinion of the Provincial Minister, is sufficiently representative of the interests of the community or communities concerned.

(5) A body referred to in subsection (4)— 20

- (a) may not be a political party;  
 (b) may be, but need not be, a—  
 (i) community health committee or forum;  
 (ii) community development forum;  
 (iii) civic organisation; 25  
 (iv) welfare organisation;  
 (v) representative organisation of patients who use health services or health facilities;  
 (vi) community-based organisation;  
 (vii) non-governmental organisation; or 30  
 (viii) representative organisation of children, women, the elderly, persons with disabilities or persons granted asylum.

(6) The Provincial Minister must prescribe procedures for the invitation of nominations contemplated in subsections (1)(a) and (4).

(7) Where nominations are required in terms of this section, all nominations received within the prescribed period must be considered by the Provincial Minister before the relevant appointments are made. 35

(8) If the Provincial Minister receives no or insufficient nominations required in terms of this section, any suitably qualified person may be appointed a member from the relevant category stipulated in subsection (1) or (2). 40

(9) The appointments to the Board must be made with racial and gender sensitivity and sensitivity to the elderly, the youth and persons with disabilities.

### **Appointment of members of Committee**

6. (1) The Provincial Minister must appoint to a Committee not more than 12 members, including— 45

- (a) one or more councillors of the municipal council for the municipal area in which the primary health care facility is situated, nominated by the municipal council or a health-related committee of the municipal council;  
 (b) members of the community or communities served by the primary health care facility for which the Committee is established, nominated in terms of subsection (3); and 50  
 (c) the head of the primary health care facility concerned or, in the case of a Committee appointed for more than one primary health care facility, a manager designated by the district health manager.

(2) The members appointed in terms of subsection (1)(b) must constitute at least fifty per cent of the total number of members of the Committee. 55

(3) The members referred to in subsection (1)(b) must be nominated by a body that—

- (a) in the opinion of the Provincial Minister, is sufficiently representative of the interests of the community or communities concerned;  
 (b) is not a political party, but may be, yet need not be, a body referred to in section 5(5)(b). 60

(4) The Provincial Minister may prescribe procedures for the invitation of nominations contemplated in subsections (1)(b) and (3).

(5) Where nominations are required in terms of subsection (1)(b) and (3), all nominations received within the prescribed period must be considered by the Provincial Minister before the relevant appointments are made. 5

(6) If the Provincial Minister receives no or insufficient nominations required in terms of paragraph (b) of subsection (1), any suitably qualified persons may be appointed as members from the category stipulated in that paragraph.

(7) The appointments to the Committee must be made with racial and gender sensitivity and sensitivity to the elderly, the youth and persons with disabilities. 10

#### **Eligibility for appointment as a member**

7. (1) To be eligible for appointment as a member a person must—

- (a) be a South African citizen;
- (b) be older than 18 years;
- (c) not be an unrehabilitated insolvent; 15
- (d) not, at any time, have been convicted of—
  - (i) an offence for which he or she was sentenced to imprisonment without the option of a fine; or
  - (ii) theft, fraud, forgery, the uttering of a forged document, perjury, any offence in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), or any offence of which dishonesty is an element, 20
 

whether in the Republic or elsewhere if the conduct constituting the offence would be an offence in the Republic;
- (e) demonstrate commitment to community service; 25
- (f) demonstrate support for the mission and values of the health facility concerned; and
- (g) demonstrate a high level of personal integrity and honesty.

#### **Term of office of members**

8. (1) Members are appointed for a period of three years. 30

(2) On the expiry of the term of office of a member, that member may remain in office until a successor has been appointed, but not for longer than six months.

(3) Subject to subsection (4), a member is eligible for reappointment to a Board or Committee at the expiry of his or her term of office.

(4) A member, other than a member appointed in terms of section 5(1)(c) or 6(1)(c), 35 may not serve on a Board or Committee for more than two consecutive terms.

(5) Despite subsection (4), a member who has served for two consecutive terms may be reappointed if, in the opinion of the Provincial Minister, exceptional circumstances exist for reappointment or, in the absence of exceptional circumstances, after an interval of not less than one year. 40

#### **Vacancies**

9. (1) The chairperson of a Board or Committee must immediately in writing declare an office on the Board or Committee vacant if a member—

- (a) dies;
- (b) submits his or her resignation from office in writing to the chairperson; 45
- (c) is declared insolvent by a court of the Republic;
- (d) is during his or her term of office convicted of—
  - (i) an offence and sentenced to imprisonment without the option of a fine; or
  - (ii) theft, fraud, forgery, the uttering of a forged document, perjury, any offence in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), or any offence of which dishonesty is an element, 50
 

whether in the Republic or elsewhere if the conduct constituting the offence would be an offence in the Republic;
- (e) is absent without leave of the chairperson of the Board or Committee from 55 three consecutive ordinary meetings of the Board or Committee;
- (f) is suspended or removed from office under section 24(12)(b);

- (g) ceases to hold any office by virtue of which that member was appointed to the Board or Committee; or
- (h) fails to disclose to the Board or Committee any direct or indirect personal financial interest in a matter before the Board or Committee, and that member is present during, or participates in, the discussion of, or voting on, that matter. 5
- (2) If a member of a Board or Committee continuously disrupts meetings of the Board or Committee or fails to perform his or her duties in good faith or honestly, the Provincial Minister may initiate an investigation into the matter and, if sufficient grounds are found to exist, remove that member and declare his or her office vacant. 10
- (3) Within seven days of declaring an office vacant in terms of subsection (1), the chairperson must in writing inform the Provincial Minister of the vacancy. 10
- (4) On receipt of notice of a vacancy in terms of subsection (3), or on the removal of a member under subsection (2), the Provincial Minister must appoint another person to fill the vacancy for the unexpired period of office of the previous incumbent and, for the purposes of section 8(4), the unexpired period constitutes a term of office. 15
- (5) For the purposes of an appointment contemplated in subsection (4) the Provincial Minister must apply the same criteria used for the appointment of the vacating member.
- (6) In the event that a Board or a Committee fails to hold four meetings in a calendar year, the Provincial Minister may declare the Board or Committee concerned dysfunctional and appoint a new Board in terms of section 5 or a new Committee in terms of section 6. 20

### Duties of Boards

- 10.** (1) A Board must, in respect of each hospital for which it is established—
- (a) participate in strategic planning with a view to advising the hospital management; 25
- (b) monitor the performance, effectiveness and efficiency of the hospital and measures taken by the hospital management to improve the performance and quality of service of the hospital;
- (c) take measures to ensure that the needs, concerns and complaints of patients and the community are properly addressed by the hospital management; 30
- (d) foster community support for the hospital;
- (e) encourage volunteers to offer their services in performing general duties for the hospital in accordance with the applicable policy on volunteers;
- (f) request and review at least once a year the financial statements and annual financial statements of the hospital; 35
- (g) raise funds for the functioning of the Board; and
- (h) at reasonable times and in cooperation with the hospital management conduct scheduled visits to the hospital, without impeding its functioning, and provide constructive written feedback on such visits to the management.
- (2) A Board must take receipt of, administer and account for the funds raised by a Committee for which it is designated in terms of section 18(6) for the benefit of the primary health care facility concerned or the functioning of the Committee, in the manner prescribed by the Provincial Minister. 40

### Powers of Boards

- 11.** A Board may, in respect of a hospital for which it is established— 45
- (a) advise and make recommendations to the Provincial Minister, the hospital management, the Head of Department or the municipality concerned, as the case may be, on any matter relating to the performance of the Board's functions;
- (b) advise and make recommendations to the Provincial Minister or the municipality concerned, as the case may be, on the naming or renaming of the hospital or a part thereof, including a ward or theatre; 50
- (c) obtain information it requires from the hospital management if the information does not violate the rights of a patient or staff member to privacy and confidentiality; 55
- (d) request from the hospital management copies of routine progress reports that have been generated;
- (e) conduct surveys, meetings and consultative workshops in the community or communities concerned;

- (f) disseminate information to the community or communities concerned on the mission, vision, values, services, performance, standards, policies, strategies, needs and financial status of the hospital;
- (g) appoint staff on a contractual basis to serve the purposes of the Board; 5
- (h) donate funds or movable property for the provision, improvement or expansion of services and amenities, or donate funds for the acquisition of movable or immovable assets for the benefit of the hospital, in the manner prescribed by the Provincial Minister; and
- (i) raise and administer trust funds or Board funds for the purposes referred to in paragraph (g) or (h), or to give effect to any other provision of this Act. 10

### Duties of Committees

**12.** A Committee must, in respect of each primary health care facility for which it is established—

- (a) request feedback on measures taken by the management of the primary health care facility to improve the quality of service at the facility; 15
- (b) assist the community to effectively communicate its needs, concerns and complaints to the management of the primary health care facility so that the needs, concerns and complaints can be appropriately addressed;
- (c) foster community support for the primary health care facility;
- (d) at reasonable times and in cooperation with the management of the primary health care facility conduct scheduled visits to the facility, without impeding its functioning, and provide constructive written feedback on such visits to the management; 20
- (e) encourage volunteers to offer their services in performing general duties in respect of the primary health care facility in accordance with the applicable policy on volunteers; and 25
- (f) provide constructive feedback to the management of the primary health care facility in order to enhance service delivery.

### Powers of Committees

**13.** (1) A Committee may, in respect of a primary health care facility for which it is established— 30

- (a) conduct surveys, meetings and consultative workshops in the community or communities concerned;
- (b) disseminate information to the community or communities concerned on the mission, vision, values, services, performance, standards, policies, strategies, needs and financial status of the primary health care facility; 35
- (c) advise and make recommendations to the Provincial Minister, the management of the primary health care facility, the Head of Department or the municipality concerned, as the case may be, on any matter relating to the performance of the Committee's functions; 40
- (d) obtain information it requires from the management of the primary health care facility if the information does not violate the rights of a patient or staff member to privacy and confidentiality;
- (e) request from the management of the primary health care facility copies of routine progress reports that have been generated; and 45
- (f) conduct fundraising activities for the benefit of the primary health care facility and the functioning of the Committee.

(2) All funds raised by a Committee—

- (a) must be paid to, administered by, and accounted for by, the Board designated by the Head of Department in terms of section 18(6), in the prescribed manner; 50
- (b) may be used only for the benefit of the primary health care facility or facilities concerned or for the functioning of the Committee.

(3) Moveable property donated to the Committee must be allocated on receipt to the primary health care facility concerned and must be accounted for by that facility in accordance with the asset and inventory management policies applicable to the facility. 55

### Alteration of functions of Board or Committee

14. (1) Subject to subsection (4) and any other law, the Provincial Minister may in consultation with a Board or Committee authorise that Board or Committee to perform additional duties or exercise additional powers if the Provincial Minister has reason to believe that— 5
- (a) the Board or Committee has the capacity to perform those additional duties or exercise those additional powers; and
  - (b) it would be in the public interest for the Board or Committee to do so.
- (2) The Provincial Minister may after consultation with a Board or Committee revoke the authority given to that Board or Committee in terms of subsection (1) to perform an additional duty or exercise an additional power if the Provincial Minister has reason to believe that— 10
- (a) the Board or Committee no longer has the capacity to perform that additional duty or exercise that additional power; or
  - (b) it would be in the public interest for the Provincial Minister to do so. 15
- (3) The Provincial Minister may after consultation with a Board or Committee—
- (a) exempt that Board or Committee from performing a duty imposed by section 10 or 12; or
  - (b) revoke a power conferred on the Board or Committee by section 11 or 13.
- (4) When exercising a power contemplated in subsection (1), (2) or (3), the Provincial Minister must act after consultation with the head or heads of the health facility or facilities concerned. 20

### Performance of duties and exercise of powers

15. (1) In performing its duties or exercising its powers, a Board or Committee must act in accordance with the relevant and applicable laws and policy made by the national, provincial or local government. 25
- (2) The Head of Department may request a Board or Committee to provide a quarterly report on its activities.
- (3) The chairperson of a Board or Committee must, within two months of the end of each calendar year, submit a written report to the Provincial Minister on the activities of the Board or Committee during that year. 30

### Measures for cooperation

16. (1) The Provincial Minister may take measures to ensure collaborative working relationships between Boards, Committees and district health councils.
- (2) A Board or Committee must forge strong and cooperative relations with the management of the health facility it serves. 35
- (3) The head of a health facility must—
- (a) take measures to assist the Board or Committee concerned to perform its duties and exercise its powers; and
  - (b) forge strong and cooperative relations with the Board or Committee. 40
- (4) If irreconcilable differences arise between the management of a health facility and the Board or Committee concerned, the Board or Committee or the head of the health facility may request mediation or arbitration by the Head of Department.

### Chairperson and deputy chairperson

17. (1) A Board or Committee must, from among the members referred to in section 5(1)(a), 5(1)(b) or 6(1)(b), as the case may be, elect a chairperson and a deputy chairperson— 45
- (a) at its first meeting; and
  - (b) subsequently, whenever either of those offices becomes vacant.
- (2) An employee of the Department may not be the chairperson of a Board. 50
- (3) The chairperson and the deputy chairperson are elected for the term of office of the member concerned.
- (4) Within 14 days of the election of a chairperson or deputy chairperson in terms of subsection (1), the chairperson must notify the Head of Department in writing of the name and address of the office bearer concerned. 55

(5) When the chairperson is absent from a meeting of the Board or Committee or is not available, the deputy chairperson acts as chairperson.

(6) If both the chairperson and deputy chairperson are absent from a meeting of the Board or Committee, the members present must elect one of their number to act as chairperson for that meeting. 5

(7) The chairperson of a Board is the accounting officer for that Board and has the powers and duties prescribed by the Provincial Minister.

(8) The office of the chairperson or the deputy chairperson becomes vacant if the member concerned—

(a) resigns in writing; or 10

(b) is removed by a decision of the Board or Committee concerned.

### General support

**18.** (1) The hospital for which a Board is established must provide a venue for the Board as well as secretarial, administrative and financial accounting support required by the Board. 15

(2) If a Board is established for more than one hospital, a venue and secretarial, administrative and financial accounting support required by the Board must be provided by one or more of the hospitals, as determined by—

(a) agreement between the heads of the hospitals concerned; or

(b) the Head of Department, in the absence of such agreement. 20

(3) Despite subsections (1) and (2), a Board may make alternative arrangements for the provision of a venue as well as secretarial, administrative and financial accounting support from its funds in the manner prescribed by the Provincial Minister.

(4) The primary health care facility or facilities for which a Committee is established must provide a venue for the Committee and, in so far as is possible, secretarial, administrative and financial accounting support required by the Committee. 25

(5) If a Committee is established for more than one primary health care facility, a venue and, in so far as is possible, secretarial, administrative and financial accounting support required by the Committee must be provided by one or more of the primary health care facilities, as determined by— 30

(a) agreement between the heads of the primary health care facilities concerned; or

(b) the Head of Department, in the absence of such agreement.

(6) The Head of Department must designate a Board for every Committee for the purposes of taking receipt of, administering and accounting for the funds raised by a Committee. 35

(7) A Board designated in terms of subsection (6) must receive, administer and account for the funds raised by the Committee in the manner prescribed.

(8) The Department must provide for the induction and training of members newly appointed to a first term of office and must provide additional training if considered necessary and appropriate. 40

### Scheduling of meetings

**19.** (1) The Head of Department must determine the time and place for the first meeting of a Board or Committee.

(2) A Board or Committee must determine the time and place of subsequent ordinary meetings, which must take place at least once every three months and four times in a calendar year. 45

(3) The chairperson may at any time call a special meeting, and must do so if requested in writing by at least two members of the Board or Committee, as the case may be, and the chairperson is satisfied that the request is reasonable. 50

(4) The chairperson must notify members of the time, place and reason for a special meeting at least three working days in advance of the meeting, except where a shorter notice period is necessitated by the exceptional urgency of the circumstances.

(5) Notice of all meetings of a Board or Committee must be made public by the Board or Committee concerned. 55

### Procedure at meetings

- 20.** (1) The procedure at a meeting of a Board or Committee must, in so far as it has not been prescribed, be determined by the Board or Committee.
- (2) A quorum of not less than one half of the members appointed in terms of section 5(1)(a) or 6(1)(b) and one half of the other members appointed in terms of section 5(1) and (2) or 6(1), as the case may be, must be present at a meeting at any time. 5
- (3) A decision of a Board or Committee should be by consensus, but in the absence of consensus the decision of a majority of the members present at the meeting is the decision of the Board or Committee.
- (4) In the event of an equality of votes on any matter, the chairperson at the meeting has a casting vote and a deliberative vote. 10
- (5) A Board may request or permit any person to participate in a meeting of the Board in an advisory capacity.
- (6) The chairperson must ensure that—
- (a) a proper record is kept of attendance at, minutes of, and resolutions adopted at, every meeting; and 15
- (b) a copy of a record referred to in paragraph (a), signed by the chairperson, is sent to the Head of Department if the Head of Department requests it.

### Public attendance at meetings

- 21.** (1) Subject to subsection (2), all meetings of a Board or Committee are open to members of the public. 20
- (2) If a Board or Committee decides on reasonable grounds that members of the public should not be present at a meeting while a particular issue is being discussed, the chairperson must exclude the public from the meeting for the duration of that discussion.
- (3) A Board or Committee may use any reasonable means to inform members of the public of Board or Committee meetings. 25

### Executive committee

- 22.** (1) A Board or Committee may appoint an executive committee composed of members of the Board or Committee, at least half of whom must be members appointed in terms of section 5(1)(a) in the case of a Board and section 6(1)(b) in the case of a Committee. 30
- (2) Subject to the directions of a Board or Committee and subsections (3) and (4), an executive committee may perform all the duties and exercise all the powers of the Board or Committee between meetings of the Board or Committee.
- (3) An executive committee does not have the power to review or alter a decision of the Board or Committee, except in so far as the Board or Committee directs otherwise. 35
- (4) Any action taken or decision made by an executive committee may at the first meeting of the Board or Committee following that action or decision be reviewed and altered by the Board or Committee, without prejudice to any person.

### Specialist committees 40

- 23.** (1) A Board or Committee may appoint specialist committees consisting of members of the Board or Committee to perform certain duties or exercise certain powers on behalf of the Board or Committee.
- (2) Where executive power is delegated to a specialist committee, the mandate, terms of reference, procedure and quorums of the specialist committee must be agreed to and recorded by the Board or Committee. 45
- (3) A specialist committee of a Board may co-opt a person or persons not serving on the Board to serve on the specialist committee in an advisory capacity.
- (4) Any action taken or decision made by a specialist committee may, at the first meeting of the Board or Committee following that action or decision, be reviewed and altered by the Board or Committee, without prejudice to any person. 50

### Raising and utilisation of Board funds

- 24.** (1) A Board may receive services, funds or property for the purpose of performing its functions.

- (2) A Board may use funds, property or equipment belonging to it for the purpose of performing its functions.
- (3) A Board may establish a trust for the benefit of a hospital served by it and may accept and administer a trust already established for the benefit of a hospital served by it. 5
- (4) A Board must keep records of all funds received and spent by it and of its assets, liabilities and transactions.
- (5) A Board must annually, within two months of the end of its financial year, submit to the Head of Department its financial statements for that year, compiled according to the reporting framework determined by the Provincial Minister in consultation with the Provincial Minister responsible for finance. 10
- (6) An auditor appointed by the Board must, subject to subsection (7), audit the records and annual financial statements of the Board and must submit an audit report to the Head of Department and the Board within two months of receipt of the statements referred to in subsection (5). 15
- (7) The Provincial Minister may, after consultation with the Head of Department, determine that a Board is exempted from being audited.
- (8) The Provincial Minister must consider the following when making a determination in terms of subsection (7):
- (a) whether the total asset value, including investments of the Board, exceeded R5 000 000 in the previous financial year, with such amount to be adjusted annually on 1 March in accordance with the consumer price index;
  - (b) the financial statements of the Board in the previous financial year; and
  - (c) whether the Board complied with its duties in terms of this Act in the previous financial year. 25
- (9) Where the Provincial Minister has exempted a Board in terms of subsection (7), the Board must nevertheless submit to the Head of Department financial statements compiled according to the reporting framework determined by the Provincial Minister in consultation with the Provincial Minister responsible for finance.
- (10) The Provincial Minister may require a Board that has been exempted in terms of subsection (7) to be audited as set out in subsection (6). 30
- (11) The financial year of a Board is a year ending on 31 March.
- (12) If a Board fails to comply with subsection (5) or (9), or in the event of any financial mismanagement by a Board, the Provincial Minister may take reasonable remedial steps that he or she considers necessary, including— 35
- (a) the appointment of an administrator to administer the financial affairs or operational functions of the Board;
  - (b) the suspension or removal of Board members from office; and
  - (c) the alteration of the duties and powers of the Board, despite section 14.
- (13) Before the Provincial Minister takes any remedial steps contemplated in subsection (12), the Head of Department must issue to the Board a compliance notice and copies thereof to its members setting out— 40
- (a) a description of the transgression constituting the non-compliance;
  - (b) the steps that the Board is required to take and the period within which those steps must be taken to remedy the transgression; and 45
  - (c) a notification to the Board that if it fails to take any steps referred to in paragraph (b), the Head of Department must refer the non-compliance to the Provincial Minister to take remedial steps in terms of subsection (12).
- (14) If the Board complies with all the steps referred to in subsection (13)(b) within the period specified in the compliance notice, the Head of Department must notify the Board in writing of its compliance with the terms of the compliance notice. 50
- (15) If the Board fails to comply with any or all of the steps referred to in subsection (13)(b) within the period specified in the compliance notice—
- (a) the Head of Department must, on expiry of the period specified in the compliance notice, notify the Provincial Minister in writing of the non-compliance or partial compliance by the Board; and 55
  - (b) the Provincial Minister must within 30 days of receipt of a notification of non-compliance or partial compliance notify the Board in writing of its non-compliance or partial compliance with the terms of the compliance notice. 60
- (16) The notice contemplated in subsection (15)(b) must state—
- (a) the proposed remedial steps to be taken in terms of subsection (12); and

- (b) that the Board is entitled to make written representations to the Provincial Minister within 14 days of receipt of the notice regarding the proposed remedial steps.
- (17) On expiry of the 14 days contemplated in subsection (16)(b), whether the Provincial Minister has or has not received any written representations from the Board, the Provincial Minister may, after due consideration of all relevant facts, including the partial compliance of the Board with the terms of the compliance notice and any written representations by the Board, take the proposed remedial steps. 5
- (18) If an administrator is appointed in terms of subsection (12)(a), he or she must—
- (a) within six months of his or her appointment, furnish the Head of Department with a report on the financial affairs of the Board and any suspected breach of a statutory provision or unlawful act committed by the Board; 10
- (b) thereafter, in consultation with the Head of Department, prepare a recovery plan for the Board; and
- (c) upon completion of the implementation of the recovery plan, or failure to implement the recovery plan— 15
- (i) if necessary, recommend to the Provincial Minister and Head of Department an extension of the recovery plan for a period not exceeding six months; or
- (ii) furnish the Provincial Minister and Head of Department with a final report on the financial affairs of the Board and any suspected breach of a statutory provision or unlawful act committed by the Board. 20
- (19) The Provincial Minister may, after consultation with the Head of Department and on receipt of the final report contemplated in subsection (18)(c)(ii), determine that—
- (a) the Board is capable of administering its own financial affairs; or 25
- (b) the Board is capable of administering its own financial affairs with the assistance of an administrator appointed by the Provincial Minister on such further terms and conditions as determined by the Provincial Minister.
- (20) Before the Provincial Minister makes a determination in terms of subsection (19)(b), he or she must notify the Board in writing of his or her intention to make such a determination. 30
- (21) The notice contemplated in subsection (20) must state—
- (a) the determination that the Provincial Minister intends to make; and
- (b) that the Board is entitled to make written representations to the Provincial Minister within 14 days of receipt of the notice regarding the proposed determination. 35
- (22) On expiry of the 14 days contemplated in subsection (21)(b), whether the Provincial Minister has or has not received any written representations from the Board, the Provincial Minister may, after due consideration of all relevant facts, including any representations by the Board, make the proposed determination. 40

### **Travelling and other allowances**

- 25.** (1) Subject to tariffs set by the Provincial Minister in consultation with the Provincial Minister responsible for finance, a Board may from its funds reimburse a member of the Board appointed in terms of section 5(1)(a) and (b), an advisor in terms of section 20(5) or any person co-opted to serve on a specialist committee in terms of section 23(3) for— 45
- (a) transport expenses between that member's, advisor's or person's normal place of residence or business and the venue of a meeting of the Board or the specialist committee concerned; and
- (b) travelling and subsistence expenses incurred as a result of attendance at conferences, seminars or training courses or other business of the Board, but in the case of conferences, seminars and training courses outside the Province, the Provincial Minister's prior written approval must be obtained. 50
- (2)(a) A Board may not compensate its members for time spent on Board business.
- (b) Subject to tariffs set by the Provincial Minister in consultation with the Provincial Minister responsible for finance, a Board may from its funds compensate an advisor in terms of section 20(5) or a person co-opted to serve on a specialist committee of the Board in terms of section 23(3) for time spent on Board business. 55
- (3)(a) A member of a Committee is not entitled to be compensated for time spent on Committee business. 60

(b) Subject to tariffs set by the Provincial Minister in consultation with the Provincial Minister responsible for finance, the Department may from its funds compensate a member of a Committee appointed in terms of section 6(1)(b) for transport expenses incurred as a result of attendance at meetings of the Committee.

(4) In the event that the Board has insufficient available funds, and subject to tariffs set by the Provincial Minister in consultation with the Provincial Minister responsible for finance, the Department may from its funds reimburse a member of a Board appointed in terms of sections 5(1)(a) or (b) for the transport expenses contemplated in subsection (1)(a). 5

#### **Closure of health facility** 10

**26.** (1) In the event of the closure of a health facility for which a Board or Committee has been established, the Head of Department must, at least three months prior to the closure and after consultation with that Board or Committee, instruct the Board or Committee in writing regarding—

- (a) in the case of a Board or Committee established only for that health facility, the intended closure of that facility and the dissolution of the Board or Committee and, in the case of a Board, any trust that may have been established by the Board; 15
- (b) in the case of a Board or Committee established for more than one health facility, any intended alteration of its composition necessitated by the closure of that facility; and 20
- (c) in the case of a Board established only for that health facility, the disposal of the assets and liabilities of the Board and any trust which may have been established by the Board.

(2) On the closure of a health facility referred to in subsection (1)(a), the Board or Committee serving that health facility and, in the case of a Board, any trust that may have been established by the Board are dissolved, and the Head of Department must, if necessary, take steps to give effect to the instructions contemplated in subsection (1)(c). 25

#### **Limitation of liability of members**

**27.** A member is not liable for anything done in good faith in the performance of a function in terms of this Act. 30

#### **Regulations**

**28.** (1) Subject to subsection (3), the Provincial Minister must make regulations regarding—

- (a) procedures for the nomination of members for appointment to Boards and Committees; 35
- (b) the financial governance of Boards;
- (c) the manner in which a Board may donate funds or other moveable property for the provision, improvement or expansion of services and amenities, or donate funds for the acquisition of movable or immovable assets for the benefit of the hospital; 40
- (d) the powers and duties of the chairperson of a Board or Committee;
- (e) the manner in which a Board may make arrangements for the provision of a venue, as well as secretarial, administrative and financial accounting support;
- (f) the manner in which a Committee must pay funds raised for the benefit of the primary health care facility and the functioning of the Committee to the Board designated by the Head of Department in terms of section 18(6); 45
- (g) the manner in which a Board designated in terms of section 18(6) must take receipt of, administer and account for the funds raised by a Committee;
- (h) travelling and other allowances payable in terms of this Act; 50
- (i) the establishment of trusts by Boards; and
- (j) the criteria and process for the clustering of primary health care facilities for the purposes of the establishment of a Committee for a group of primary health care facilities.

(2) Subject to subsection (3), the Provincial Minister may make regulations regarding— 55

- (a) procedures for meetings of a Board or Committee; and

- (b) any other matter which may be necessary or expedient to prescribe in order to achieve the objects of this Act.

(3) In the case of regulations that have financial implications for the state, the Provincial Minister must make the regulations with the concurrence of the Provincial Minister responsible for finance.

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### Delegation

**29.** (1) The Provincial Minister may delegate or assign any of his or her powers or duties in terms of this Act, except the power to make regulations, to the Head of Department.

(2) The Head of Department may delegate or assign any of his or her powers or duties in terms of this Act to—

- (a) an employee in the Department; or  
(b) the holder of a specific office or position in the Department.

(3) Despite subsection (2), the Head of Department may not delegate a power or assign a duty to a member.

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(4) A delegation or assignment referred to in subsection (1) or (2)—

- (a) must be in writing;  
(b) may be made subject to conditions;  
(c) may be withdrawn or amended in writing by the Provincial Minister or the Head of Department, as the case may be;  
(d) may permit the further delegation of that power or further assignment of that duty;  
(e) does not prevent the Provincial Minister or the Head of Department, as the case may be, from exercising that power or performing that duty; and  
(f) does not divest the Provincial Minister or the Head of Department, as the case may be, of the responsibility regarding the exercise of the delegated power or the performance of the assigned duty.

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### Transitional provisions in respect of central hospitals

**30.** (1) Despite the repeal of the Western Cape Health Facility Boards Act by this Act, an existing central-hospital board in the Province continues to function in accordance with the provisions of that Act until the national Minister has appointed a representative central-hospital board for the hospital concerned.

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(2) Notwithstanding section 7 of the Western Cape Health Facility Boards Act, when the term of office of a member of an existing central-hospital board lapses prior to the appointment by the national Minister of a representative central-hospital board for the hospital concerned, that member may remain in office until the appointment has been made by the national Minister.

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(3) On the appointment of a representative central-hospital board by the national Minister—

- (a) the assets and liabilities of the existing central-hospital board vest in the representative central-hospital board, on condition that the assets must be utilised by the representative central-hospital board for the benefit of that board or the central hospital it serves; and  
(b) the Provincial Minister may, after consultation with the existing central-hospital board, make a determination in writing regarding any matter that may be necessary to ensure the effective functioning of the representative central-hospital board.

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### Repeals and savings

**31.** (1) The Western Cape Health Facility Boards Act is repealed.

(2) Subject to section 30—

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- (a) a Board established under section 5 of the Western Cape Health Facilities Board Act and in existence immediately before the commencement of this Act continues to function and is regarded as having been established under section 4(1) of this Act;  
(b) the juristic identity and the rights and obligations of such a Board are not affected by the repeal of that Act; and

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(c) any person holding an office in accordance with that Act immediately before the commencement of this Act continues in office for the term of that person's appointment and is regarded as duly appointed in terms of this Act for the unexpired portion of his or her term of office.

(3) Any proclamation, regulation, notice, order, authority, permission or document issued, promulgated, given or granted and any other action taken under the Western Cape Health Facility Boards Act is, if not inconsistent with this Act, deemed to have been issued, promulgated, given, granted or taken under this Act. 5

**Short title and commencement**

**32.** This Act is called the Western Cape Health Facility Boards and Committees Act, 2016, and comes into operation on a date determined by the Premier by proclamation in the *Provincial Gazette*. 10

**NOMINATION FORM FOR MEMBERS IN TERMS OF THE**

**WESTERN CAPE HEALTH FACILITIES BOARDS AND COMMITTEES ACT, 2016 (ACTNO. 4 OF 2016) AND REGULATIONS (PN  
219/2017)**

**NOMINATION FORM FOR PERSONS WITH EXPERTISE IN TERMS OF SECTION 5 (1)(b)**

<p><b>1. Name of the board for which the nomination is being made:</b></p>	
<p><b>2. Contact details of the person making the nomination:</b></p> <p><b>2.1 Name:</b></p> <p><b>2.2 Address:</b></p>	<p>.....          .....          (Please fill in your address)</p>
<p><b>3. Name of the nominee</b></p> <p><b>3.1 Name of the component to which nominee is appointed</b></p> <p><b>3.2 Address of the nominee</b></p> <p><b>3.3 Contact telephone number of the nominee</b></p> <p><b>3.4 Email address</b></p>	<p>.....</p>
<p><b>3.5 What is the role/post designation of the nominee</b></p> <p><b>3.6 Please provide a motivation for the nomination to the board: Use a separate sheet</b></p> <p><b>3.7 Confirmation of submission of a signed copy of the nominee's curriculum vitae:</b></p>	<p>Board Member (Community liaison personnel)</p> <p><u>See Attached</u></p> <p><u>See Attached</u></p>
<p><b>4. Name of Nominee</b></p> <p><b>4.1 Signature of Nominee</b></p> <p><b>4.2 Date</b></p>	
<p><b>5. Declaration of Name</b>          The nominee hereby confirms his/her willingness to serve on the board</p>	

WITZENBERG MUNICIPALITY

4 . 4 ( d )

<sup>1</sup>RAAD SE VERTEENWOORDIGERS / COUNCIL'S REPRESENTATIVES

OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Cape Winelands District Municipality (Amendments according to list)	3	Cllr. N Phatsoane	Cllr P Daniels Cllr. D Swart							
Cape Winelands District Municipality Public Transport Forum	2	Cllr. K Yisa	Ald. K Adams							
Transport Riders Museum Ceres	2		Ald. H Smit				Cllr. J Cloete			
Oude Kerk Volksmuseum Tulbagh	1		Cllr. E Sidego							

<sup>1</sup> Council resolution 8.4.1 of 30 March 2022

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OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Tourism	Ceres and Koue Bokkeveld	Cllr. A Gili		Cllr. IL Swartz						
	Tulbagh		Cllr. E Sidego							
	Wolseley	Cllr. J Zalie								
	PA Hamlet	Cllr. N Nogcinisa	Ald. JJ Visagie							
	Witzenberg Tourism	Cllr N Nogcinisa	Ald. JJ Visagie							

OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Community Police Forum	Ceres	Cllr. K Yisa Cllr. N Phatsoane Cllr. J Mouton			Cllr. F Klazen		Cllr. J Cloete			
	Tulbagh		Cllr. E Sidego							
	Wolseley	Cllr. J Zalie								
	PA Hamlet	Cllr. N Nogcinisa	Cllr. J Visagie						Cllr. G Laban	
	Koue Bokkeveld	Cllr. M Ndaba	Cllr. G Franse							
	Breede River									

<b>OUTSIDE BODIES</b>	<b>Number of representatives</b>	<b>African National Congress (ANC)</b>	<b>Democratic Alliance (DA)</b>	<b>Economic Freedom Fighters (EFF)</b>	<b>GOOD</b>	<b>Independent Civic Organisation of South Africa (ICOSA)</b>	<b>Patriotic Alliance</b>	<b>Vryheids-front Plus</b>	<b>Witzenberg Aksie</b>	<b>Witzenberg Party</b>
Taxi Liaison Committee (Taxi Skakelkomitee)	2	Cllr. N Phatsoane	Ald. K Adams						Cllr. G Laban	
WICT	3									
Western Cape Division of SALGBC Structures	2		Cllr. E Sidego					Cllr. J Fredericks		
SALGA Western Cape	2	Cllr. J Mouton	Ald. H Smit							

OUTSIDE BODIES		Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
SALGA Western Cape (Working Groups)	Capacity Building and Institutional Resilience	1 Repr							Cllr. J Fredericks		
	Community Development and Social Cohesion	1 Repr plus 1 Secundi	Secundi: Cllr. K Yisa			Cllr. F Klazen					
	Economic Empowerment and Employment Creation	1 Repr plus 1 Secundi	Cllr. N Nogcinisa	Ald. JJ Visagie							
	Environmental Planning and Climate Resilience	1 Repr plus 1 Secundi		Ald. B Klaasen				Secundi: Cllr. J Cloete			
	Government and Intergovernmental Relations	1 Repr plus 1 Secundi	Secundi: Cllr. A Gili	Ald. K Adams							
	Human Settlement and Municipal Planning	1 Repr plus 1 Secundi	Secundi: Cllr. A Gili	Cllr. E Sidego							
	Municipal Finance and Fiscal Policy	1 Repr plus 1 Secundi						Secundi: Cllr. J Cloete	Cllr. J Fredericks		
	Municipal Innovations and Information Technology	1 Repr plus 1 Secundi		Ald B Klaasen	Secundi: Cllr. I Swartz						

OUTSIDE BODIES		Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
	Public Transport and Roads	1 Repr plus 1 Secundi		Ald. B Klaasen						Secundi Cllr. G Laban	
	Water, Sanitation and Waste Management	1 Repr plus 1 Secundi		Ald. B Klaasen	Secundi: Cllr. I Swartz						
Provincial SALGA Women Commission (SWC)		1		Cllr. E Sidego							
Committee for Strategic Housing: Cape Winelands DM		1		Cllr. E Sidego							
Witzenberg Sport and Recreational Council		2	Cllr. K Yisa Cllr. J Zalie			Cllr. F Klazen		Cllr. J Cloete		Cllr.G Laban	
Tulbagh Water Users' Association		1		Cllr. E Sidego							
Wolseley Water Users' Association		1	Cllr. J Zalie								
Koue Bokkeveld Water Users' Association		2	Cllr. M Ndaba	Cllr. G Franse							

<b>OUTSIDE BODIES</b>	<b>Number of representatives</b>	<b>African National Congress (ANC)</b>	<b>Democratic Alliance (DA)</b>	<b>Economic Freedom Fighters (EFF)</b>	<b>GOOD</b>	<b>Independent Civic Organisation of South Africa (ICOSA)</b>	<b>Patriotic Alliance</b>	<b>Vryheidsfront Plus</b>	<b>Witzenberg Aksie</b>	<b>Witzenberg Party</b>
VUKA Trust	2	Cllr. A Gili								
<b>OTHER COUNCIL COMMITTEES</b>										
Local Labour Forum	4	Cllr. A Gili	Councillor J Fredericks Ald. H Smit						Cllr. G Laban	
Local Intergovernmental Relations Forum	6		Ald. K Adams Ald. B Klaasen		Cllr. F Klazen		Cllr. J Cloete	Cllr. J Fredericks		Cllr. L Hardnek
Public Transport Liaison Committee	5	Cllr. N Phatsoane	Ald. K Adams	Cllr. I Swartz				Cllr. J Fredericks	Cllr. G Laban	
Municipal Public Accounts Committee (MPAC)	5	Cllr. K Yisa	Cllr. G Franse	Cllr. I Swartz			Cllr. J Cloete			Cllr. L Hardnek

# **DRAFT**

# **MUNICIPAL COST**

# **CONTAINMENT POLICY**



**July 2019**

**MUNICIPAL COST CONTAINMENT POLICY**  
**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, No 56 of 2003**  
**Date of adoption: 1 July 2019**

The Council of the Witzenberg Municipality resolves in terms of section 168 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to adopt the Municipal Cost Containment Regulations (*Government Gazette* No. 42514) as the Cost Containment Policy of the municipality:

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## 1. DEFINITIONS

In the policy a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

**"Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**"consultant"** means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

**"cost containment"** means measures implemented to curtail spending in terms of the policy; and

**"credit card"** means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

## 2. OBJECT OF POLICY

The object of this policy is to ensure that resources of a municipality are used effectively, efficiently and economically by implementing cost containment measures.

## 3. APPLICATION OF POLICY

This Policy applies to all officials and political office bearers in the municipality.

## 4. COST CONTAINMENT

The municipality must develop and implement a cost containment policy which must-

- (a) be adopted by council as part of its budget related policies; and
- (b) be consistent with the Act and the Cost Containment Regulation

## 5. USE OF CONSULTANTS

The use and appointment of consultants will be in line with the cost regulations and Council's policy on municipal supply chain.

## 6. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- (1) The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- (2) The procurement of vehicles in sub-regulation (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- (3) Before deciding to procure a vehicle as contemplated in sub-regulation (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered-
  - (a) status of current vehicles;

- (b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-regulation (1);
  - (c) extent of service delivery backlogs;
  - (d) terrain for effective usage of the vehicle; and
  - (e) any other policy of council.
- (4) If the rental referred to in sub-regulation (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.
  - (5) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.
  - (6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
  - (7) The utilisation of municipal vehicles for official purposes is contained in the Fleet Management Policy.

## **7. TRAVEL AND SUBSISTENCE**

The Municipal policy on travel and Subsistence will be applicable. The hiring of private vehicles, as refer to in the cost containment policy will not be allowed.

## **8. DOMESTIC ACCOMMODATION**

Accommodation arrangements will only be approved if the return trip undertaken by any official and or Councillor, for official purposes is more than 500km. All bookings will be made as prescribe by the cost containment regulations.

## **9. CREDIT AND DEBIT CARDS**

- (1) The use of any credit and debit card for municipal activities are forbidden.
- (2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement in accordance with the written approved Travel and Subsistence Policy and processes.

## **10. SPONSORSHIPS, EVENTS AND CATERING**

- (1) The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the accounting officer is obtained.
- (2) The accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
- (3) Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.

- (4) The municipality may not incur expenses on alcoholic beverages unless the municipality recovers the cost from the sale of such beverages.
- (5) The accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors.
- (6) The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.
- (7) The accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

## **11. COMMUNICATION**

- (1) The municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- (2) The accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer.
- (3) Newspapers and other related publications must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- (4) The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

## **12. CONFERENCES, MEETINGS AND STUDY TOURS (HR Manager to ensure if such policies and procedures exist)**

- (1) The accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
- (2) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account-
  - (a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
  - (b) whether the conference or event addresses relevant concerns of the institution;
  - (c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
  - (d) the availability of funds to meet expenses related to the conference or event.
- (3) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
- (4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount

as determined from time to time by the National Treasury through a notice.

- (5) The amount referred to in sub-regulation (4) excludes costs related to travel, accommodation and related expenses, but includes-
  - (a) conference or event registration expenses; and
  - (b) any other expense incurred in relation to the conference or event.
- (6) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- (7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
- (8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction.
- (9) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).
- (10) The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

### **13. OTHER RELATED EXPENDITURE ITEMS**

- (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- (2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.
- (3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
- (4) The municipality must avoid expenditure on elaborate and expensive office furniture.
- (5) The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.
- (6) The municipality may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager. (Refer to Overtime Policy)
- (7) A municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs. (Refer to Disciplinary Policy)

### **14. ENFORCEMENT PROCEDURES**

Failure to implement or comply with this policy may result in any official of the municipality, political office bearer or director of the board that authorised or incurred any expenditure contrary to this policy being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

#### **15. DISCLOSURES OF COST CONTAINMENT MEASURES**

- (1) The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
- (2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- (3) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

#### **16. SHORT TITLE AND COMMENCEMENT**

The Municipality Cost Containment policy is in line with the Municipal Cost Containment Regulations published in the Government Gazette 42514 of 7 June 2019 and take effect on 1 July 2019.



# Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA  
REPUBLIEK VAN SUID AFRIKA

Vol. 648

7 June 2019  
Junie

No. 42514

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes

ISSN 1682-5843



42514



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**NATIONAL TREASURY  
NOTICE 317 OF 2019**

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003  
MUNICIPAL COST CONTAINMENT REGULATIONS, 2019**

The Minister of Finance has, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the Regulations as set out in the Schedule.

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**Definitions**

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and—  
  
“**Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);  
“**consultant**” means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;  
“**cost containment**” means measures implemented to curtail spending in terms of these regulations; and  
“**credit card**” means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

**Object of Regulations**

2. The object of these Regulations, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

**Application of Regulations**

3. These Regulations apply to all officials and political office bearers in municipalities and municipal entities.

**Cost containment policies**

4. (1) Each municipality or municipal entity must develop or revise and implement a cost containment policy which must–
  - (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies;
  - (b) define a municipality or municipal entity's objectives for the use of consultants; and
  - (c) be consistent with the Act and these Regulations.
- (2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
  - (a) be in writing;
  - (b) give effect to these Regulations;
  - (c) be reviewed annually, as may be appropriate;
  - (d) be communicated on the municipality's or municipal entity's website; and
  - (e) set out–
    - (i) monitoring measures for ensuring implementation of the policy;
    - (ii) procedures for the annual review of the policy; and
    - (iii) consequences for non-adherence to the measures contained therein.

**Use of consultants**

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full-time employ to perform the function.
- (2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
  - (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
  - (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration; or
  - (c) as prescribed by the body regulating the profession of the consultant.
- (3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
- (4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
- (5) When consultants are appointed, an accounting officer must–
  - (a) appoint consultants on a time and cost basis with specific start and end dates;
  - (b) where practical, appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;
  - (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
  - (d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
  - (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and
  - (f) develop consultancy reduction plans to reduce the reliance on consultants.
- (6) All contracts with consultants must include a fee retention or penalty clause for poor performance.
- (7) A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.
- (8) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

- (9) The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

#### **Vehicles used for political office-bearers**

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- (2) The procurement of vehicles in sub-regulation (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- (3) Before deciding to procure a vehicle as contemplated in sub-regulation (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered:
- (a) status of current vehicles;
  - (b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-regulation (1);
  - (c) extent of service delivery backlogs;
  - (d) terrain for effective usage of the vehicle; and
  - (e) any other policy of council.
- (4) If the rental referred to in sub-regulation (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.
- (5) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.
- (6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- (7) An accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

#### **Travel and subsistence**

7. (1) An accounting officer—
- (a) may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
  - (b) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.
- (2) In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.
- (3) Notwithstanding sub-regulation (1) or (2), an accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.
- (4) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.
- (5) An accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only—
- (a) during peak holiday periods; or

- (b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
- (6) An official or a political office bearer of a municipality or municipal entity must—
  - (a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
  - (b) make use of available public transport or a shuttle service if the cost of such a service is lower than—
    - (i) the cost of hiring a vehicle;
    - (ii) the cost of kilometres claimable by the official or political office bearer; and
    - (iii) the cost of parking.
  - (c) not hire vehicles from a category higher than Group B or an equivalent class; and
  - (d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- (7) A municipality or a municipal entity must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation.

#### **Domestic accommodation**

- 8. (1) An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- (2) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

#### **Credit cards**

- 9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or political office bearer, including members of the board of directors of municipal entities.
- (2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement in accordance with the written approved policy and processes.

#### **Sponsorships, events and catering**

- 10. (1) A municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.
- (2) An accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
- (3) Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
- (4) A municipality or municipal entity may not incur expenses on alcoholic beverages unless the municipality or the municipal entity recovers the cost from the sale of such beverages.
- (5) An accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors.
- (6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.

- (7) An accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health.

### **Communication**

11. (1) A municipality or municipal entity may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- (2) An accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.
- (3) Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- (4) A municipality or municipal entity may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

### **Conferences, meetings and study tours**

12. (1) An accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
- (2) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account—
- (a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
  - (b) whether the conference or event addresses relevant concerns of the institution;
  - (c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
  - (d) the availability of funds to meet expenses related to the conference or event.
- (3) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
- (4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.
- (5) The amount referred to in sub-regulation (4) excludes costs related to travel, accommodation and related expenses, but includes—
- (a) conference or event registration expenses; and
  - (b) any other expense incurred in relation to the conference or event.
- (6) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- (7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
- (8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction.
- (9) An accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).
- (10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

**Other related expenditure items**

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- (2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.
- (3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
- (4) A municipality or municipal entity must avoid expenditure on elaborate and expensive office furniture.
- (5) A municipality or municipal entity may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.
- (6) A municipality or municipal entity may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.
- (7) A municipality or municipal entity must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

**Enforcement Procedures**

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

**Disclosures of cost containment measures**

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
- (2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- (3) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

**Short title and commencement**

16. These Regulations are called the Municipal Cost Containment Regulations, 2019 and take effect on 1 July 2019.



NATIONAL TREASURY

MFMA Circular No.97

Municipal Finance Management Act No. 56 of 2003

## Municipal Cost Containment Measures

### Purpose

The Local Government: Municipal Cost Containment Regulations (MCCR), were promulgated on 7 June 2019, and came into effect on 1 July 2019. This circular confirms and clarifies the process followed to promulgate the MCCR, provides more information to municipalities and municipal entities to assist with implementation. There were also various engagements with stakeholders, including provincial and municipal officials, since 2016. This Circular replaces MFMA Circular 82.

Sections 62(1)(a) and 95(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality or municipal entity is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the key principles being promoted are that elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are prudently utilised to ensure value for money is achieved. This will necessitate council policies to be aligned with the spirit and intent of the regulations, promoting the concept of cost vs benefits at all levels in the municipality and municipal entities, and to ensure that such savings can be better utilised towards improvements in service delivery.

This circular will assist municipalities and municipal entities to implement cost containment measures in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others, consistent with the MCCR.

### Background

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure. These can then be re-prioritised to address service delivery backlogs.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure.

In implementing the above, the Minister of Finance also announced cost containment measures in his budget speech on 24 February 2016, and urged Mayors of

municipalities to exercise and oversee the elimination of wasteful expenditure in government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments. Additionally, before promulgation, various engagements with stakeholders were held, matters discussed at coordination forums, regional provincial engagements, comments were received and considered, and the MCCR were submitted and tabled for Parliamentary processes on 5 March 2019. After promulgation, further engagements were held between Minister of Finance and SALGA where the matters were clarified and the effective date confirmed.

As an urgent measure, accounting officers are requested to share the MCCR and its own policies with all officials and councillors. This is to be followed by a thorough revision and updating of municipal policies to be consistent with the MCCR. Moreover, in-year monitoring and reporting can then be institutionalised. The progress and completion of this process, including tabling of the revised policies are to be finalised by 30 September 2019. This will allow for full implementation.

Municipalities and municipal entities are advised to also refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending. (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx> ).

## **Municipal Cost Containment Regulations, 2019**

The National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

Discussions with the Office of the Auditor-General has resulted in agreement on a transition period from 1 July to 30 September 2019 to allow municipalities and municipal entities to adopt their policies, before these measures will be subjected to audit. In doing so, the spirit and intent of the MCCR must be upheld, therefore no contracts can be entered into from 1 July that can be interpreted as non-compliant with the measures in the MCCR.

Municipalities and municipal entities must disclose cost containment measures in their in-year budget reports, and annual costs savings in their annual reports. These reports must be submitted to Council for review and resolution. This measure is to enhance transparency and local accountability. The MCCR therefore provide a framework that is consistent with the provisions of the MFMA and other government pronouncements.

The effective implementation of the MCCR is the responsibility of the municipal council, board of directors of municipal entities, municipal accounting officer and accounting officers of municipal entities. It is also intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. The MCCR applies to all officials and councillors.

## **Municipal cost containment policy**

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decide to extend current contracts, such contracts must be aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies. Cognisance has been taken of the fact that the 2019/20 financial year budget process has been completed and therefore new or revised cost containment policies must be adopted by 30 September 2019, as part of its updated budget related policies.

Some municipalities and municipal entities already have cost containment policies in place. These must be reviewed to bring them in line with the MCCR. Other municipalities and municipal entities have different aspects of the cost containment measures captured in different council approved policies. In this instance such policies may be consolidated into one policy or reference can be made to the different policies in one single consolidated policy. As an interim measure for those municipalities and municipal entities that do not have cost containment policies in place, the accounting officers must issue communication to officials and councillors on the cost containment measures to be implemented, in line with the MCCR, until such time that a cost containment policy is adopted by the municipal council or board of directors, as the case may be. The above approach has been discussed with the Office of the Auditor-General.

## **Clarification of specific provisions within the MCCR**

### *Use of Consultants*

Regulation 5 provides for municipalities and municipal entities' use of consultants. It should be made clear that the MCCR do not prohibit the use of consultants, but require municipalities and municipal entities, before procuring the services of a consultant, to assess the need thereof against the available internal capacity for the specific services required. The assessment process should be addressed in Council policy. Failure to undertake the latter assessment will result in the expenditure incurred being classified as irregular expenditure.

This regulation also requires the municipality and municipal entity to consider the remuneration guidelines currently in place in order to determine and adopt a fair and reasonable remuneration framework for contracts. Therefore, the MCCR should not be interpreted to mean that municipalities and municipal entities must remunerate consultants based on the rates regulated but to use this as part of the remuneration framework to be approved by the accounting officer. It is always advisable to negotiate lower rates than the maximum.

Some useful links regarding rates follow, this is not exhaustive, as there may be different rates for different professions, for example, engineers' contracts may relate to time, cost and rates, etc.

[www.dpsa.gov.za/dpsa2g/consultant\\_fees.asp](http://www.dpsa.gov.za/dpsa2g/consultant_fees.asp)

[https://www.saica.co.za/portals/0/documents/Circular\\_01\\_2018\\_Guideline\\_on\\_AGS\\_A\\_Fees.pdf](https://www.saica.co.za/portals/0/documents/Circular_01_2018_Guideline_on_AGS_A_Fees.pdf)

Monitoring of performance against contracts must also ensure skills are transferred to municipal officials, which forms an integral part of the contract or arrangements arising from such contracts. Skills may be transferred through the provision of workshops or on the job training.

Municipalities and municipal entities may use the information on cost containment measures and the consultancy reduction plan issued by the National Treasury for PFMA institutions and customise it for its own internal use. These documents can be accessed using the following link:

<http://www.treasury.gov.za/legislation/pfma/guidelines/default.aspx>

#### *Vehicles used for political office -bearers*

Regulation 6 introduces an expenditure ceiling for the procurement of vehicles for qualifying public office bearers. This is aligned to the notices issued in terms of the Public Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs whereby the latter Act provides for an allowance for the procurement of vehicles and the MCCR now specify the expenditure ceiling when the allowance is utilised. This is consistent with the MFMA, the management of expenditure and internal controls. Council policy must give effect to these measures.

As part of demand management, municipalities must first conduct market research, taking into account the national government transversal contract and must use the transversal contract mechanism to procure vehicles in order to realise the actual cost savings already negotiated under the contract if this is the cheaper option after all associated costs have been taken into account. The most cost effective option should be utilised. Municipal fleet should also be considered in this regard because more often than not, the municipal fleet specifications would be aligned for the specific municipal terrain.

It has become common practice for municipalities to purchase vehicles for public office bearers when a new incumbent takes office. The regulation requires municipalities to first assess the state of the current vehicle(s) that was used by the previous incumbent before purchasing a new vehicle for a public office bearer. The costs mentioned in the regulation represents total costs, including financing charges. The same ceiling applies when the municipality policy allows for rentals or leasing arrangements.

#### *Travel and Subsistence*

Regulation 7 provides the context, where viable, and does not oblige the use of public or alternative modes of transport for public office bearers, but rather requires municipalities to ensure that expenditure in this regard is reasonable and balanced against the service delivery needs and priorities of the municipality or municipal entity. This will also address the challenges faced in rural areas. The principle of prudent use of public funds as well as obtaining value for money must feature in council policies. Security and other related needs of public office bearers can be considered in council

policy, however when it comes to transport, these must not be the determining factors. The service delivery needs of the community and issues of budgetary constraints must always have a higher weighting than any other factors.

A municipality may hire a vehicle that is higher than the Group B class outlined in regulation 7(6), but only where this is required for a particular terrain or to cater for the special needs of an official or when the number of officials attending a specific event necessitate a higher class vehicle. However, this must be done with the prior approval of the accounting officer. Therefore, in determining the appropriate mode of transport to enable the performance of duties, municipalities should apply the factors mentioned in the regulation. However, these factors are not exhaustive and the cost containment policy of the municipality and municipal entity may include other factors including safety considerations.

The MCCR require municipalities and municipal entities to first consider their own fleet, where viable, prior to hiring of vehicles. The use of shuttle services, if the cost of such a service is below the cost of hiring a vehicle, and other options can be considered. Therefore, accounting officers must encourage officials and councillors to make use the most cost effective option so as to reduce travel costs. Council policy can permit employees to accept up-graded group of hired vehicles if such an up-grade is offered with no extra charge or at a lower charge than a Group B vehicle. Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme. The principle of cost containment and savings should inform council's policies.

The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore, municipalities and municipal entities are requested to utilise these agreements to assist in implementing their respective cost containment measures, unless you can negotiate lower air travel rates or utilise other service providers that offer lower rates.

The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets.

All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.

In the spirit of transparency, the Office of the Chief Procurement Officer is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Companies (TMC). As of 1 April 2016, these payments and the practice of overrides are to discontinue for Government business. The National Treasury has issued the National Travel Policy framework which can be used for municipalities and municipal entities. This framework can be accessed using the following link:

<http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/AccountGeneral.aspx>

## Air Travel

- The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees, including councillors, travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel).
- For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.
- For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.
- The premise of “Best Fare on the Day” should be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Municipalities and municipal entities must also request quotations from other Low Cost Carriers. Please note that all discounted rates are subject to class availability.
- In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal codes as detailed in Annexure B.
- Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agent’s name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.
- Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with the MCCR, 2019 read together with this Circular. Current arrangements need to be updated and amended to reflect these changes.
- Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel.

## Domestic Accommodation

Regulation 8 requires municipalities and municipal entities to only book accommodation where the return trip exceeds 500 kilometres. There may be circumstances that such limitations may be impractical. For example, in instances where attendance is required over a number of days, or there is a risk to the health of the official or councillor and cost vs benefit considerations can warrant such expenditure. The council policy must address the practicalities around travelling in and out from meeting venues each day or the circumstances that pose risk to health

of the official or councillor, consistent with the cost containment principles of prudent use of public funds. The municipal cost containment policy may allow for exceptions in such instances, and approval of the Accounting Officer or delegated official would be required.

National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal *entities* should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to this Circular, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

### *Credit Cards*

Regulation 9 prohibits the issuance of credit cards to municipal officials or public office bearers. A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards for official purposes:

- contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed;
- contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure;
- contravene section 15 of the MFMA by incurring expenditure not authorised in an approved budget;
- non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public;
- non-compliance with the supply chain management regulations; and
- undermine efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.

While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.

Where officials or councillors incur expenses in relation to official municipal activities, they can use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.

### *Sponsorships, events and catering*

Regulation 10 requires municipalities and municipal entities to only incur catering expenses in instances where meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council exceed five hours. The regulation

therefore does not prohibit the incurrence of catering expenses, however, the duration of the meeting will be the determining factor.

The regulation also prohibits municipalities and municipal entities from incurring expenditure on alcoholic beverages, unless such expense is recovered from the sale of such beverages. This practice has previously been abused. Municipalities and municipal entities must be guided by their objectives, including where the purchase of alcoholic beverages is part of the business model, and whether expenditure on alcoholic beverage is in terms of achieving those objectives.

Reference to petty cash in the regulations must be understood to mean limits set in council policies.

Municipalities often incur expenditure on social events, team building exercises, year –end functions, sporting events or budget vote dinners using municipal funds. The regulation does not prohibit these activities but prohibits the funding of such activities using municipal funds or it being funded by any suppliers or sponsors. The regulation must be read together with regulation 38 of the SCM Regulations which deals with the combating of abuse of the SCM system when it comes to suppliers or sponsors.

### *Communication*

Regulation 11 do not prohibit the publication in newspapers as there are legislative provisions which require municipalities and municipal entities to advertise certain processes in newspapers. This include public participation processes.

There are certain geographical areas where internet connectivity is problematic hence the regulation includes the phrase “as far as possible”. The discretion is still with the municipalities and municipal entities taking into account principles of cost containment.

The regulation prohibits the purchase of newspapers unless this is required for professional purposes and where unavailable in electronic format. Therefore, municipalities and municipal entities may purchase newspapers where it is required for professional purposes. It is also noted that officials and councillors possess their own or utilise council equipment to assess information. These additional tools available to access information can be accommodated in council policies.

### *Conferences, meetings and study tours*

Regulation 12 provides a framework within which municipalities and municipal entities must manage the attendance of conferences, events hosted by professional bodies or non-governmental institutions and study tours by municipal officials and public office bearers. It requires the municipality and municipal entity to be guided by the official's or public office bearer's role and responsibilities and must also determine whether the conference, event or study tour will address the relevant skills gaps in the institution. The number of officials or public office bearers that may attend a conference, event or study tour must be limited to three. The municipality must also be guided by its operational requirements in approving the attendance.

The benchmark cost for attendance of conferences is currently two thousand five hundred rand R2 500.

### *Other related expenditure items*

Regulation 13 addresses measures that aims to encourage the reduction and excessive spending on office furniture and equipment and other items. It prohibits the use of municipal funds for electioneering, printing of brochures, limits spend on tools of trade but is aligned to what is provided for in the Public Office Bearers Act and Notices issued in terms thereof. For example, municipal policies can address the requirements during election period as municipal officials are required to support the IEC with its mandate. On security matters, the regulations provide for an assessment to be undertaken before the provision of security measures for qualifying public office bearers can be approved. It also requires motivations to be submitted before overtime is approved or for all unplanned overtime. Municipalities and municipal entities are encouraged to ensure that proper processes are followed when dismissing and suspending officials, to minimise unnecessary legal costs. Once, more we repeat that the spirit, intent and principle of the MCCR must be applied and addressed in council policy,

### **Enforcement of cost containment measures**

The non-adherence to the provisions of the MCCR will be an act of financial misconduct as defined in section 171 and 172 of the MFMA and municipalities and municipal entities will have to implement the provisions of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Municipalities and municipal entities are required to revised their policies and delegations. Where practical considerations are required to be addressed, these should be included in municipal/entities' policies. Municipalities are reminded that the National and Provincial Treasuries annually conducts municipal budget benchmark engagements with municipalities during which all budgets will be assessed against the cost containment measures outlined in the MCCR.

Municipalities and municipal entities are required to utilise existing reporting requirements, to report internally and externally on cost saving measures. This include reporting such savings in the Annual Report. Refer to Annexure D for a template on quarterly reporting and the annual report.

Municipalities must also ensure that there is consistency between its own policies as the parent municipality and that of its entities.

It is also requested that the measures implemented are captured in quarterly reports submitted to the Municipal Public Accounts Committee and Mayor for review and recommendations to Council on additional measures to be taken.

The contents of this Circular have been shared with the office of the Auditor-General for their application, scrutiny and assessment.

## Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council, the board of directors and all other relevant officials within municipalities and municipal entities. It is recommended that:

- Municipalities and municipal entities review other finance related policies to ensure consistency with the MCCR and this Circular;
- Municipalities and municipal entities must create appropriate internal control measures, delegations and oversight mechanisms to monitor and implement cost containment measures consistent with the MCCR;
- Implementation of the cost containment measures as contained in the MCCR will assist in ensuring that the sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically, transparently and in the best interests of the local community.

Municipalities and municipal entities must refer to Annexure A, B and C for further information on rates for accommodation, table of quotes for flights, the contract options available under the current transversal contract.

Any queries on the cost containment measures should be directed to the respective National or Provincial Treasury official or MFMA helpdesk, email [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Post **Private Bag X115, Pretoria 0001**  
Phone **012 315 5850**  
Fax **012 315 5230**  
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**TV PILLAY**  
**CHIEF DIRECTOR: MFMA IMPLEMENTATION**  
**31 July 2019**

## Annexure A

Table 1: Rates set for Domestic Hotel Accommodation

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND 3
1 Star	R 590	R 730	R 855
2 Star	R 920	R 1 050	R 1 230
3 Star	R 1 120	R 1 230	R 1 400
4 Star	R 1 275	R 1 380	R 1 550
5 Star	R 2 140	R 2 250	R 2 500
Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND 3
1 Star	R 3350	R 495	R 630
2 Star	R 510	R 670	R 830
3 Star	R 920	R 1 080	R 1 230
4 Star	R 1 020	R 1 180	R 1 330
5 Star	R 1 225	R 1 385	R 1 530
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		
Meals**			
	BAND 1	BAND 2	BAND 3
<b>Breakfast</b>	R 110	R -	R -
<b>Lunch</b>	R 160	R 160	R 160
<b>Dinner</b>	R 180	R 180	R -
<b>Total</b>	<b>R 4500</b>	<b>R 340</b>	<b>R 160</b>
Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.			
*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.			
Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.			
**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.			

- If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be

accommodated at a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.

- Where there is an alternative star grading indicated in **Table 1** (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
  - a. the higher star graded facility is the only available option due to location and availability; or
  - b. the municipality or municipal entity has negotiated lower rates with the higher star graded facility.

## Annexure B: BA/COMAIR and SAA Deal Codes per Municipality

Municipalities and municipal entities should use the following codes when requesting quotes from BA/COMAIR.

MUNICIPALITIES	
NAME	DEAL CODE
EASTERN CAPE	
<b>Alfred Nzo District Municipality</b> Matatiele, Mbizana, Ntabankulu and uMzimvubu	1020907
<b>Amathole District Municipality</b> Amahlathi, Mnquma, Ngqushwa, Raymond Mhlaba, Mbashe and Great Kei,	1020906
<b>Buffalo City Metropolitan Municipality</b>	1020901
<b>Chris Hani District Municipality</b> Emalahleni, Engcobo, Intsika, Inxuba, Sakhisizwe and Enoch Mgijima	1020908
<b>Joe Gqabi District Municipality</b> Elundini, Walter Sisulu and Senqu	1020909
<b>Nelson Mandela Bay Metropolitan Municipality</b>	1020899
<b>OR Tambo District Municipality</b> Ingquza Hill, King Sabata Dalindyebo, Mhlontlo, Nyandeni and Port St Johns	1020903
<b>Sarah Baartman District Municipality</b> Dr Beyers Naudé, Blue Crane Route, Makana, Ndlambe, Sundays River Valley, Kouga and Kou-kamma	1020921
FREE STATE	
<b>Fezile Dabi District Municipality</b> Mafube, Moqhaka, Metsimaholo and Ngwathe	1020922
<b>Lejweleputswa District Municipality</b> Masilonyana, Matjhabeng, Nala, Tokologo and Tswelopele	1020923
<b>Mangaung Metropolitan</b>	1020923
<b>Thabo Mafutsanyana District</b> Dihlabeng, Maluti - a- Phofung, Mantsopa, Nketoana, Phumelela and Setsoto	1020924
<b>Xhariep District</b> Kopanong, Letsemeng and Mohokare	1020925
GAUTENG	
<b>City of Johannesburg Metropolitan</b>	1020900
<b>City of Tshwane Metropolitan</b>	1020898
<b>Ekurhuleni Metropolitan</b>	1020904
<b>Sedibeng District</b> Emfuleni, Lesedi and Midvaal	1020926
<b>West Rand District</b> Merafong, Mogale City, Rand West	1020927
KWAZULU-NATAL	
<b>eThekweni Metropolitan</b>	1008810
<b>iLembe District Municipality</b> KwaDukuza, Mandeni, Maphumulo and Ndwedwe	1020929
<b>Harry Gwala District Municipality</b> Greater Kokstad, Uhlebezwe, Umzimkhulu and Dr Nkosazana Dlamini Zuma	1020835
<b>Ugu District Municipality</b> uMdoni, Umzumba, uMuziwabantu and Ray Nkonyeni	1020836

<b>MUNICIPALITIES</b>	
<b>NAME</b>	<b>DEAL CODE</b>
<b>uMgungundlovu District Municipality KZN</b> uMshwathi, uMngeni, Mpofana, Impendle, Msunduzi, Mkhambathini and Richmond	1020837
<b>uMkhanyakude District Municipality KZN</b> Umhlabuyalingana, Jozini, Mtubatuba and Big Five Hlabisa	1020838
<b>uMzinyathi District Municipality KZN</b> Endumeni, Nquthu, Msinga, Umvoti	1020839
<b>uThukela District Municipality</b> Okhahlamba, iNkosi Langalibalele and Alfred Duma	1020840
<b>King Cetshwayo district Municipality</b> uMfolozi, uMhlathuze, uMlalazi, Mthonjaneni and Nkandla	1020841
<b>Zululand District Municipality KZN</b> eDumbe, uPhongolo, Abaqulusi, Nongoma and Ulundi	1020842
<b>LIMPOPO</b>	
<b>Capricon District Municipality</b> Blouberg, Lepelle-Nkumpi, Molemole and Polokwane	1020843
<b>Mopani District Municipality</b> Ba-Phalaborwa, Greater Giyani, Greater Letaba, Greater Tzaneen and Maruleng	1020844
<b>Sekhukhune District Municipality LM</b> Ephraim Mogale, Elias Motsoaledi, Makhuduthamaga and Fetakgomo Tubatse	1020845
<b>Vhembe District Municipality LM</b> Musina, Thulamela, Makhado and Collins Chabane	1020846
<b>Waterberg District Municipality</b> Thabazimbi, Lephalale, Bela Bela, Mogalakwena and Modimolle-Mookgophong	1020847
<b>MPUMALANGA</b>	
<b>Ehlanzeni District Municipality</b> Thaba Chweu, Nkomazi, Bushbuckridge and City of Mbombela	1020902
<b>Gert Sibande District</b> Albert Luthuli, Dipaleseng, Govan Mbeki, Lekwa, Mkhondo, Msukaligwa and Pixley Ka Isaka Seme	1020848
<b>Nkangala District</b> Dr JS Moroka, Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani and Victor Khanye	1020849
<b>NORTH WEST</b>	
<b>Bojanala Platinum District</b> Kgetlengrivers, Madibeng, Moretele, Moses Kotane and Rustenburg	1020850
<b>Dr Kenneth Kaunda District Municipality</b> City of Matlosana, Maquassi and JB Marks	1020851
<b>Dr Ruth Segomotsi Mompati District Municipality</b> Greater Taung, Kagisano-Molopo, Lekwa-Teemane, Mamusa and Naledi	1020852
<b>Ngaka Modiri Molema District Municipality</b> Ditsobotla, Mahikeng, Ramotshere, Ratlou and Tswaing	1020853
<b>NORTHERN CAPE</b>	
<b>John Taolo Gaetsewe</b> Ga-Segonyana, Joe Morolong and Gamagara	1020909
<b>Namakwa</b> Hantam, Kamiesberg, Karoo Hoogland, Khai-Ma, Nama Khoi and Richtersveld	1020856

<b>MUNICIPALITIES</b>	
<b>NAME</b>	<b>DEAL CODE</b>
<b>Pixley Ka Seme</b> Emthanjeni, Kareeberg, Renosterberg, Siyancuma, Siyathemba, Thembelihle, Ubuntu and Umsobomvu	1020857
<b>ZF Mgcawu</b> !Kai! Garib, !Kheis, Tsantsabane, Kgatelopele and Dawid Kruiper	1020858
<b>WESTERN CAPE</b>	
<b>Cape Winelands District Municipality</b> Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg	1020859
<b>Central Karoo District Municipality</b> Beaufort West, Laingsburg and Prince Albert	1020859
<b>City of Cape Town Metro</b>	1008771
<b>Garden Route District Municipality</b> Bitou, George, Hessequa, Kannaland, Kynsna, Mossel Bay and Oudtshoorn	1020861
<b>Overberg District Municipality</b> Cape Agulhas, Overstrand, Swellendam and Theewaterskloof	1020862
<b>West Coast District Municipality</b> Bergrivier, Cederberg, Matzikama, Swartland and Saldanha Bay	1020863

Municipalities and municipal entities not listed above should use the following details to contact BA/Comair to obtain a deal code:

#### **Contact Details**

Nangamso Letlape: National Account Manager: Government  
[Nan.letlape@comair.co.za](mailto:Nan.letlape@comair.co.za)

Municipalities and municipal entities should use the following deal code when requesting quotations from SAA: CK3828. In order to arrange access to the deal codes, travel management companies servicing municipalities and municipal entities should contact the following SAA representatives:

#### **Contact Details**

Eastern Cape: Tracy Mentzel ([tracymentzel@flysaa.com](mailto:tracymentzel@flysaa.com))  
 Western Cape: Enid Sinequan ([enidsinequan@flysaa.com](mailto:enidsinequan@flysaa.com))  
 KwaZulu-Natal: Kriba Govender ([kribagovender@flysaa.com](mailto:kribagovender@flysaa.com))  
 All other provinces: Mark Steele ([marksteele@flysaa.com](mailto:marksteele@flysaa.com))

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## **Annexure C: RT15-2016 Mobile Communication Services**

### **1. ONE ACCOUNT**

The enterprise bundle account will be in the name of the municipality and no longer in the name of an individual mobile user. Individual mobile user contracts (lines) will be migrated to the enterprise bundle account as follows:

- Vodacom individual mobile user contracts (lines) will be migrated immediately irrespective of their contract period at no penalty.
- Non-Vodacom mobile user contracts (lines) will be left to run their contract periods. On expiry of the contract, they will be ported and migrated to the enterprise bundle account.
- Vodacom may consider buying out existing contracts that are left with less than six (06) months to expiry. These will be on a case-by-case basis.

### **2. BUNDLE SUBSCRIPTIONS**

The enterprise bundle solution is a pool of minutes, data and SMSs consumed by all mobile users in a municipality. A municipality can customise the pool of voice, data and SMSs to meet its mobile requirements. The minimum bundle options available are as follows:

#### **2.1 Enterprise Voice Bundle WITH Hardware Fund**

A device with 400 domestic voice minutes, 500 closed user group minutes that allow calls for free to all numbers (all state institutions) participating on RT15, 600MB, and 100 SMSs at a monthly subscription of R463.98 inclusive of VAT.

- The device is managed separately. Vodacom (Pty) Ltd “Vodacom” creates a hardware fund account by allocating R3990 inclusive of VAT per mobile user to create the hardware fund. The municipality will procure any terminal (device) from the hardware fund. The municipality will choose any devices that are fit for its purpose.
- If a municipality allocates devices within the hardware fund limit, there will be no payment to Vodacom. Vodacom Operations and Billing together with the municipality will reconcile the hardware fund.
- If a municipality allocates devices in excess of the hardware fund limit, there will be payment for the excess to Vodacom. The excess can either be paid once-off or it can be paid by amortisation for a certain period as agreed with Vodacom. Vodacom will invoice the municipality once, where there is an agreement to pay the excess once-off. Vodacom will invoice monthly where the agreement is an amortisation payment.

## 2.2 **Enterprise Voice Bundle WITHOUT a Hardware Fund (SIM only)**

- 400 domestic voice minutes, 500 closed user group minutes that allow calls for free to all numbers (all state institutions) participating on RT15, 600MB, and 100 SMS's at a monthly subscription of R320.84 inclusive of VAT.
- No hardware fund is applicable with this bundle.

## 2.3 **Enterprise Data Bundle (SIM only)**

- The enterprise data bundle solution is a pool of data consumed by all mobile users in a municipality. A municipality can customise the pool of data to meet its mobile requirements.
- 800MB of data at a monthly subscription of R100.32 inclusive of VAT.
- No hardware fund is applicable with this bundle.

## 3. **Other services available on RT15**

- Internet of Things (e.g. Any asset management including Smart Metering);
- Enterprise mobility management (Any mobile applications);
- Roaming (Zone 1 are Vodafone Countries where daily access fee is waived and home rates are charged, there are roaming agreements on Zone 2 where daily access fee is reduced by 50%, No Roaming agreement on Zone 3 where SMS charges are reduced by 50%)
- Device security;
- Bulk SMS including USSD;
- APN (Access Point Node);
- Push-to-talk (using a mobile device);
- Value Added Services;
- Insurance for Devices;
- Unified Communications (e.g. Video Conferencing, One-Net etc.); and

All these services come with a commitment by Vodacom of Best Quality network – there is an agreement with Vodacom to ensure coverage on all areas where there is public service rendered. Municipalities must contact the National Treasury where there are coverage requirements.

4. **Contact Details**

- **National Treasury**

For all transversal contract and participation queries, please use the following link to contact the relevant official on transversal contracts.

<http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/Transversal%20Contracting%20Contact%20List%2001%20June%202019.pdf>

- **Vodacom**

All on-boarding queries by participating municipalities should be directed by Administrators to 08217875 and/or Email Address: [national.treasury@vodacom.co.za](mailto:national.treasury@vodacom.co.za). For all mobile users within a participating municipality the contact number is 0821940.

## Annexure D: Total Cost Savings Disclosure in the In-Year and Annual Report

Measures	Cost Containment In-Year Report					
	Budget	Q1	Q2	Q3	Q4	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants						
Vehicles used for political office -bearers						
Travel and subsistence						
Domestic accommodation						
Sponsorships, events and catering						
Communication						
Other related expenditure items						
<b>Total</b>						

Cost Containment Annual Report			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants			
Vehicles used for political office -bearers			
Travel and subsistence			
Domestic accommodation			
Sponsorships, events and catering			
Communication			
Other related expenditure items			
<b>Total</b>			



# Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA  
REPUBLIEK VAN SUID AFRIKA

Vol. 698

18

August  
Augustus

2023

No. 49142

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes

ISSN 1682-5845



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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**DEPARTMENT OF CO-OPERATIVE GOVERNANCE**

NO. 3807

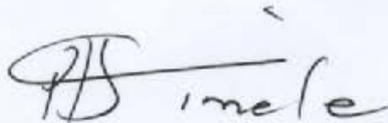
18 August 2023

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998  
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND  
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office-bearers Act, 1998 (Act No. 20 of 1998), I, Thembisile Phumelele Nkadimeng, Minister of Cooperative Governance and Traditional Affairs, hereby –

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of the Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule.



**THEMBISILE PHUMELELE NKADIMENG, MP  
MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

DATE: 18/8/2023

## SCHEDULE

### PREAMBLE

The salary and allowances of a councillor are determined by that municipal council by resolution of a supporting vote of the majority of its members, in consultation with the Member of the Executive Council responsible for local government in each province, having regard to the upper limits as set out hereunder, the financial year of a municipality and affordability of municipality to pay within the different grades of the remuneration of councillors, including the austerity measures as approved by national Cabinet.

For purposes of implementation of this Notice, "in consultation" means that a municipal council must obtain concurrence of the MEC for local government prior to the implementation of the provisions of this Notice.

### 1. Definitions

In this Schedule, unless the context indicates otherwise, a word or phrase to which a meaning has been assigned in the *Remuneration of Public Office-bearers Act*, 1998 (Act No. 20 of 1998) (hereinafter referred to as "the Act") and the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) (hereinafter referred to as "the Structures Act"), has that meaning and –

**"basic salary"** means the salary component of a councillor that excludes a travel allowance as provided in item (9)(1), housing allowance as provided in item 9(2), the municipal contribution to a pension fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2);

**"capacity building programmes"** means training courses or programmes as provided for in the education, training and development policy of council, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government through institutions of higher learning and Further Education and Training Colleges.

**"full-time councillor"** means a councillor who has been elected or appointed to an office which has been designated as full-time in terms of section 18(4) of the Structures Act;

**"grade"** in relation to this Notice means the grade of municipal council as determined in terms of item 4;

**"MEC"** means the Member of the Executive Council of a province responsible for local government in the province;

**"oversight committee"** means a committee of the municipal council established in terms of section 79 or 79A of the Structures Act;

**"part-time councillor"** means a councillor other than a full-time councillor;

**"pension fund"** means any fund established and registered in terms of, and subject to, any law governing the registration and control of pension funds in the Republic of South Africa and to which an office-bearer contributes or any pension scheme approved by Parliament for such office bearers;

**"SETAs"** means the Sector Education and Training Authorities established in terms of section 9 of the *Skills Development Act, 1998* (Act No. 97 of 1998);

**"special risk cover"** means an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder;

**"tools of trade"** means the resources provided by a municipal council to a councillor to enable such councillor to discharge his or her duties in the most efficient and effective manner, and at all times remain the assets of the municipality concerned;

**"total municipal income"** means gross income in respect of a metropolitan, local or district municipality based on actual income received as stated in the cash flow statement of the audited financial statements of that municipality for the 2021/ 22 financial year. The gross income for the municipality will include the following:

- rates on property;
- fees for services rendered by the municipality, or on its behalf by a municipal entity;
- surcharges;
- other authorised taxes;
- levies and duties;
- income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
- regional services council replacement grant for district municipalities;
- interest earned on invested funds other than national and provincial conditional grants;
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income excludes the following:

- transfers and / or grants from the national fiscus and provincial fiscus, with the exception of regional services council replacement grant for district municipalities; and
- all value added tax (VAT) refunds.

**"total population"** means the official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as published in the Community Survey 2016: Statistical Release No. P0301, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999); and

**"total remuneration package"** means the total cost to a municipality of a basic salary component, a motor vehicle allowance as provided in item 9(1), housing allowance as provided in item 9(2), the municipal contribution to a pension, provident or retirement annuity fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2) to a councillor in a municipal financial year.

## 2. Allocation of number of points for total municipal income

The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME			NUMBER OF POINTS
R 0	-	R10,380,000	8.33
R10,380,001	-	R51,900,000,	16.67
R51,900,001	-	R207,600,000	25.00
R207,600,001	-	R1,557,000,000	33.33
R1,557,000,001	-	R2,076,000,000	41.67
More than R 2,076,000,000			50.00

## 3. Allocation of number of points for total population

The number of points allocated for the total population within a municipality, is as follows:

TOTAL POPULATION			NUMBER OF POINTS
0	-	51,900	8.33
51,901	-	103,800	16.67
103,801	-	259,500	25.00
259,501	-	570,900	33.33
570,901	-	1,868,400	41.67
More than 1,868,400			50.00

## 4. Determination of grade of municipal council

(1) The sum of the number of points allocated to a municipal council in terms of items 2 and 3 of the Notice, determines the grade of such municipal council as follows:

GRADE OF MUNICIPAL COUNCIL	POINTS
1	0 to 16.66
2	16.67 to 33.33
3	33.34 to 50.00
4	50.01 to 66.67
5	66.68 to 83.35
6	83.36 and above

## 5. Upper limits of the annual total remuneration packages of full-time councillors

The upper limits of the annual total remuneration packages of full-time councillors are as follows:

GRADE	TOTAL REMUNERATION PACKAGE			
	EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL	CHAIRPERSON OF OVERSIGHT COMMITTEE
6	1,501,351	1,212,520	1,142,175	1,108,670
5	1,119,386	895,508	839,539	814,913
4	955,651	764,518	716,738	695,712
3	920,379	736,304	690,286	676,417
2	861,797	689,438	652,503	633,363
1	836,690	675,723	633,488	614,906

## 6. Upper limit of annual total remuneration package or allowance in respect of appointed councillors

(1) A councillor appointed to a district council in terms of section 23(1)(b) of the Structures Act, may be paid the upper limit of the total remuneration package or allowance as follows:

- (a) If a councillor is elected or appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee, chairperson of an oversight committee or part-time member of a district council, such councillor is entitled to an amount equal to the difference between the total remuneration package that a councillor receives as a member of the local council and the total remuneration package allocated to that office in the district council in terms of items 5, 6, 7, 8, 9, 10, 11 and 12, as the case may be.
- (b) If the total remuneration package payable to a councillor as a member of the local council is equal to or higher than the total remuneration package that an appointed councillor to the district council receives, such a councillor is, in addition to the total remuneration package received at the local council, entitled to a sitting allowance not exceeding R1,179,50: Provided that this allowance is limited to R1,179,50 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

(2) A district municipality is responsible for the –

- (a) payment of the remuneration or the allowance referred to in sub-item (1);

- (b) reimbursement of travel expenses not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles incurred by a councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy; and
- (c) payment of cell phone expenses not exceeding 50% of the applicable allowances as prescribed under item 11 incurred by a part-time councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy.

**7. Upper limit of allowance in respect of councillors serving in the governance and intergovernmental structures of organised local government**

- (1) (a) A councillor designated by organised local government to serve in a governance structure of organised local government must, in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R1,179,50 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R1,179,50 per day, irrespective of the number of meetings attended by such councillor on a specific day.
  - (b) A councillor designated by organised local government to represent organised local government at any intergovernmental structure, including national and provincial executive authorities, must in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R1,179,50 per sitting and actual attendance of such structure: Provided that the allowance is limited to R1,179,50 per day, irrespective of the number of attendances by such councillor on a specific day.
- (2) Organised local government is responsible for the –
- (a) payment of the allowance referred to in sub-item (1);
  - (b) payment of accommodation expenses incurred for attending a meeting of governance and intergovernmental structures in terms of applicable organised local government policy; and
  - (c) reimbursement of travel expenses, not exceeding the applicable tariffs prescribed by the national department responsible of transport for the use of privately-owned vehicles, incurred by a councillor for attending a meeting of governance and intergovernmental structures.

## 8. Upper limits of the annual total remuneration packages of part-time councillors

The upper limits of the annual total remuneration packages of part-time councillors are as follows:

GRADE	TOTAL REMUNERATION PACKAGE				
	EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE OR WHIP	CHAIRPERSON OF OVERSIGHT COMMITTEE	OTHER PART-TIME MEMBERS
6	841,564	711,929	637,184	618,494	562,265
5	624,471	499,578	468,354	454,613	354,244
4	533,128	426,501	399,846	388,116	302,428
3	513,452	410,761	385,097	373,791	291,266
2	480,770	384,616	360,579	350,001	272,728
1	466,760	373,407	350,072	339,800	264,462

## 9. Upper limits of allowances of full-time and part-time councillors

The upper limits of allowances of full-time and part-time councillors, that constitute part of the annual total remuneration package, are as follows:

- (1) Motor vehicle and travel allowance
  - (a) A councillor listed in item 5 and 8 of this Notice may, in line with applicable legislation, structure his or her basic salary to provide for motor vehicle allowance.
  - (b) If a councillor structures a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.
  - (c) A councillor who uses a privately-owned vehicle for execution of official duties on behalf of the municipality, may be reimbursed for official kilometres travelled, in addition to the total remuneration package of a councillor as determined in terms of items 5 and 8 of the Notice, not exceeding the applicable tariffs as prescribed by the national department responsible for transport and in terms of the municipal council's policy.
  - (d) A councillor who utilises a privately-owned vehicle for official purposes must, for purpose of claiming kilometres travelled, keep a travel logbook containing the following information relating to actual official and private kilometres travelled per month as may be determined from time to time by the South African Revenue Service:

- (i) Date of travel;
  - (ii) Kilometres travelled; and
  - (iii) Travel details, including reason for the trip, duration of the trip and departure and destination points.
- (e) A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Executive Mayor or Mayor (as the case may be) or Speaker, utilise the municipal-owned vehicle for official purposes: Provided that the municipal council must, in line with applicable legislation and approved municipal council policy, exercise prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain a viable municipality.
- (f) If a councillor uses a municipal-owned motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.
- (2) Housing allowance

A councillor may structure his or her salary to provide for housing allowance as part of the total remuneration package.

#### **10. Out of pocket expenses**

A councillor may, in addition to the total remuneration package, be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official or ceremonial duties, in accordance with the applicable municipal council policy.

#### **11. Upper limits of cell phone allowance for councillors**

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be paid a cell phone allowance not exceeding R3,600.00 per month in accordance with the applicable municipal council policy.

#### **12. Upper limits of mobile data bundles for councillors**

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be paid an allowance on the use of data bundles not exceeding R317.00 per month.

#### **13. Upper limits of pension, provident or retirement annuity fund contributions and medical benefits of councillors**

- (1) Pension, provident or retirement annuity fund contributions

- (a) A councillor may participate in a pension, provident or retirement annuity fund registered in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956).
- (b) If a councillor elects to participate in a pension, provident or retirement annuity fund, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a pension, provident or retirement annuity fund to which the councillor is a member in accordance with the rules of such pension, provident or retirement annuity fund. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

(2) Medical Aid Scheme

- (a) A councillor may participate in a medical aid scheme registered in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998).
- (b) If a councillor elects to participate in a medical aid scheme, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a medical aid scheme to which the councillor is a member in accordance with the rules of such medical aid scheme. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

#### 14. Special risk cover

(1) A municipality must, in addition to the annual total remuneration packages as provided in items 5 and 8 respectively, take out risk insurance cover, to provide for an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder. The special risk insurance on residential property will be limited to R1, 5 million while on vehicles it is limited to R750 000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

(2) In the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may, subject to affordability, provide alternative accommodation to the affected councillor, for a period of not more than 30 days from the date of such an incident.

(3) Notwithstanding sub-item (2), the municipal council may, on good cause shown, provide alternative accommodation for a further period not exceeding 30 days.

(4) A councillor is obliged to submit to the municipality details of property, assets and beneficiaries to be covered by the special risk insurance upon request. A

councillor who fails to submit the required details referred to herein will forfeit the benefits associated with the special risk insurance cover.

(5) If a councillor already belongs to another special risk cover, such councillor must declare to the municipality the details of property, assets and beneficiaries to be covered by the special risk insurance.

## 15. Tools of trade

(1) A municipal council may extend the following tools of trade to a councillor:

NO.	TOOLS OF TRADE	APPLICABLE TO:
(a)	Braille reader	All visually impaired councillors
(b)	Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office (excluding cell phones and mobile data card as per item 11 and 12), including facsimile, printer, photocopier and scanner.	Full-time councillors, part-time executive mayors or mayor, part-time deputy executive mayors or deputy mayors, part-time speakers, part-time members of mayoral committee or members of executive committee, part-time chairpersons of oversight committees, and whips.
(c)	Laptop or tablet	All councillors.
(d)	Official accommodation and furniture where it currently exists	Full-time Executive Mayors or Mayors
(e)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	Part-time councillors and the usage must comply with policy directives of the municipality.
(f)	Postage costs; Office telephone; and Multi-digital office, facsimile, printer, photocopier and scanner.	Part-time councillors to have access to these tools of trade at the municipal offices.
(g)	Personal security	(i) Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker or Whip are entitled to two bodyguards. Deviation from the norm may only be based on the recommendations of the South African Police Service.  (ii) All councillors, subject to a threat and risk analysis conducted by the South African Police Service.

(2) If a municipal council makes available tools of trade in terms of sub-item (1), such a municipal council must take into account accessibility, affordability and cost control, equity, flexibility, simplicity, transparency, accountability and value of tools of trade.

(3) The tools of trade must be insured by the council with the exception of sub-item (1)(g).

(4) The application of sub-item (1) is subject to concurrence by the MEC for local government in the province.

## 16. Capacity building

(1) Every municipal council must develop and adopt a policy, including criteria to provide for education, training and development of councillors.

(2) Every municipal council must make provision in its budget for education, training and development of councillors, which must remain valid for the tenure of office of that council.

(3) A training programme must take into consideration the capacity needs of a councillor to fulfil individual councillor's statutory obligations: Provided that the municipal council must, in line with applicable legislation and approved council policy, exercise prudent financial management to ensure that the provision of education, training and development of councillors does not undermine the need to prioritise service delivery and sustain a viable municipality.

## 17. Overpayment

(1) Any remuneration paid to a councillor that is not in accordance with section 167(1) of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 53 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and a municipality –

- (a) must recover that remuneration from the councillor concerned; and
- (b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration.

(2) The MEC must report to the Minister –

- (a) any transgression of subsection (1); and
- (b) any non-compliance with this Notice.

**18. Information to be submitted to the Minister**

(1) A municipal council must submit to the MEC responsible for local government under whose jurisdiction it falls, within 30 days from the date of publication of this Notice, a report containing the following information in respect of its serving councillors for the 2022/ 23 financial year on an official letterhead of the municipality, signed by the executive mayor or mayor:

- (a) Total number of councillors;
- (b) Designation;
- (c) Part-time or full-time;
- (d) Name of incumbent;
- (e) Gender;
- (f) Total municipal income;
- (g) Total population;
- (h) Grading of municipal council;
- (i) Date concurrence granted by the MEC;
- (j) Total remuneration package;
- (k) Total budget for personal security; and
- (l) Any allowance(s) payable to a councillor.

(2) Upon receipt of the information referred to in sub-item 1, the MEC must verify the information for correctness and completeness and submit a consolidated report to the Minister within 60 days from the date of publication of this Notice.

**19. Transitional measures**

(1) If a municipal council has no audited financial statements for the 2021/ 22 financial year by the date of publication of this Notice, the audited financial statements for the 2020/ 21 financial year shall apply.

(2) If the grading of a municipal council is lower than the grade as determined in terms of this Notice as on 1 July 2022, such municipality retains the previous grade as determined in terms of Government Notice No. 2126, *Government Gazette* No. 46470 of 2 June 2022: Provided that the data used by the municipal council for determination of the grade of a municipal council is correct.

(3) This Notice replaces Government Notice No. R. 2126 in *Government Gazette* No. 46470 and Government Notice No. 2698 in *Government Gazette* No. 47437 of 2 June 2022 and 2 November 2022, respectively.

**20. Short title and commencement**

This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils and takes effect from 1 July 2022.

# WITZENBERG

**MUNISIPALITEIT      UMASIPALA      MUNICIPALITY**

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## - MEMORANDUM -

AAN / TO:                      Municipal Manager  
 VAN / FROM:                  Director Finance  
 DATUM / DATE:                20 October 2023  
 VERW. / REF.:                 08/2/20/13

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**CONSIDERATION OF APPROVAL OF LONG-TERM CONTRACT - SUPPLY, DELIVERY INSTALLATION, COMMISSIONING, AND MAINTENANCE OF AN END-TO-END VOICE OVER INTERNET PROTOCOL AND UNIFIED COMMUNICATION SOLUTION, INCLUDING CABLING, NETWORKING AND CONNECTIVITY FOR WITZENBERG MUNICIPALITY FOR A PERIOD OF FIVE YEARS**

### 1. PURPOSE

The purpose of this report is to seek council's approval to enter into an agreement for the supply, delivery installation, commissioning, and maintenance of an end-to-end voice over internet protocol and unified communication solution, including cabling, networking, and connectivity for Witzenberg municipality for a period of five years.

### 2. LEGAL FRAMEWORK

Section 33 of the Municipal Finance Management Act states the following:

#### ***Contracts having future budgetary implications.***

*(1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—*

- (a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—*
  - (i) has, in accordance with section 21A of the Municipal Systems Act—*
    - (aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and*
    - (bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and*
  - (ii) has solicited the views and recommendations of—*
    - (aa) the National Treasury and the relevant provincial treasury.*
    - (bb) the national department responsible for local government; and*
    - (cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department.*
- (b) the municipal council has taken into account—*
  - (i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract.*
  - (ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue.*
  - (iii) any comments or representations on the proposed contract received from the local community and other interested persons; and*
  - (iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for*

*local government and any national department referred to in paragraph (a)(ii)(cc); and*

- (c) *the municipal council has adopted a resolution in which—*
- (i) *it determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract.*
  - (ii) *it approves the entire contract exactly as it is to be executed; and*
  - (iii) *it authorises the municipal manager to sign the contract on behalf of the municipality.*

(2) *The process set out in subsection (1) does not apply to—*

(a) *contracts for long-term debt regulated in terms of section 46 (3);*

(b) *employment contracts; or*

(c) *contracts—*

(i) *for categories of goods as may be prescribed; or*

(ii) *in terms of which the financial obligation on the municipality is below—*

(aa) *a prescribed value; or*

(bb) *a prescribed percentage of the municipality's approved budget for the year in which the contract is concluded.*

(3) (a) *All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—*

(i) *must be made available in their entirety to the municipal council; and*

(ii) *may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).*

(b) *Paragraph (a)(i) does not apply to contracts in respect of which the financial obligation on the municipality is below a prescribed value.*

(4) *This section may not be read as exempting the municipality from the provisions of Chapter 11 to the extent that those provisions are applicable in a particular case.*

### **3. DISCUSSION**

A competitive bidding process was followed for the supply, delivery installation, commissioning, and maintenance of an end-to-end voice over internet protocol and unified communication solution, including cabling, networking, and connectivity for Witzenberg municipality for a period of five years. A preferred bidder was identified in terms of the Preferential Procurement Regulations of 2017.

The bid was advertised in the Die Burger & Cape Argus, the municipal website & all municipal notice boards on 16 November 2022. Bid closing date was 19 December 2022.

The municipality received 4 bids and two was evaluated as non-responsive for not satisfying the local content requirements.

The bid adjudication committee resolved as follows:

- a) That the bid for Supply, delivery installation, commissioning and maintenance of an end-to-end voice over IP and unified communication solution, including cabling, networking and Connectivity be awarded to Innovo Networks (PTY) Ltd based on the tendered rates below (Appendix A) with an estimated value of R 9 678 362.42 (Incl. VAT), from 1 July 2023 for a period of five years provided that expenditure is within the available Municipal Budget.
- b) That the award be made subject to a Section 33 of the MFMA process being followed and approved by Council.
- c) That the bid document serves as the Service Level Agreement.

A notice in terms of section 33 of the Local Government: Municipal Finance Management Act (ACT 56) of 2003 of the proposed long-term contract was published in a local newspaper and municipal web site on 31 March 2023 informing the community of the municipality's intention to enter into the said contract.

Correspondence was sent to National Treasury, Provincial Treasury and Department of Cooperative Governance and Traditional Affairs requesting their views and recommendations on 17 May 2023. Only Provincial Treasury responded, requesting additional information, which was submitted on 12 June 2023.

Copies of the advertisement and the cost benefit analysis are attached as Annexure A.

No comments were received from the community, Provincial Treasury, National Treasury or Department of Cooperative Governance and Traditional Affairs.

#### **4. RECOMMENDATION**

That Council approves the long-term contract, for the supply, delivery installation, commissioning, and maintenance of an end-to-end voice over internet protocol and unified communication solution, including cabling, networking and connectivity for Witzenberg municipality for a period of five years, in terms of section 33 of the Municipal Finance Management Act and authorises the municipal manager to sign the contract on behalf of the municipality.

Yours faithfully

.....  
HJ KRITZINGER  
DIRECTOR FINANCE

# PROPOSED LONG TERM CONTRACT<sup>4.6(b)</sup>

Notice is hereby given in Terms of Section 33 of the Local Government: Municipal Finance Management Act (ACT 56) of 2003, read with section 21 and 21A of the Local Government: Municipal Systems Act (Act 32) of 2000 that Witzenberg Municipality is of the intention to enter into a long term contract for the Supply, Delivery, Installation, Commissioning and Maintenance of a Voice Over IP and Unified Communication Solution, including all cabling, networking and connectivity for a period of five years, subject to council approval.

The local communities and affected parties are invited to submit comments on why the Municipality should not consider a long-term contract.

The Term of Contract will be for the period 1 July 2023 till 30 June 2028 at an estimated cost of approximately **R 9.6 million**.

The proposed contract is available for inspection at all public libraries and on our website: [www.witzenberg.gov.za](http://www.witzenberg.gov.za), comments can be submitted to the Municipal Manager; P.O. Box 44; Ceres; 6835 or [admin@witzenberg.gov.za](mailto:admin@witzenberg.gov.za) until **12:00 on 30 May 2023**.

**D. NASSON**  
**MUNICIPAL MANAGER**



**Background:**

The analogue Panasonic Pabx was first procured in 1990 from WC Communications. The system at that time served all the needs of Ceres Municipality, with the amalgamation of the town municipalities to form Witzenberg Municipality, extra capacity was needed. The Manager Administration at the time added additional lines to the system to cater for the increased volume. This worked for short period of time, the additional lines caused bottlenecks. In the early 2000's a second PRI was added to deal with the traffic. In 2010 an additional Siemens PABX was added to address the normal growth in users, by 2015 the first challenges started appearing, some of the Vanguard routers were failing. Due to the age of the system no replacement routers were available, luckily, we were able to source parts to repair the units. With time more and more parts started failing. During this time Senior Management was notified that a replacement Telephony System needed to be procured.

**Cost Benefits:**

Our existing Telephone system relies on 34 leased copper lines from Telkom to connect our external departments. Due to Telkom's migration away from Copper lines, these lines have become very expensive. Currently Witzenberg Municipality is paying R180K per month for Telephony and Internet Connectivity. The long-term tender with Innovo Networks amounts to R9,6M over 5 years resulting in a monthly payment of R134K. In addition to a reduction in our monthly Telephony expense, the ICT WAN infrastructure will be upgraded to fibre links up to 100Mbps between the Main building and our outside town offices. The LAN will be getting an upgrade in terms of our switching and networking improving our existing 1Gbps to 10Gbps. The additional network benefits address the core needs that will enable us to adopt our Cloud Strategy sooner.

**Notule: Spesiale Raadsvergadering  
Minutes: Special Council meeting  
22 November 2021**

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**12.3 Election of representatives on the Cape Winelands District Municipality  
(03/1/1/5)**

**This is an election administered by the IEC.**

Legal background

In terms of Section 23(4) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) Council must appoint its representatives on the Cape Winelands District Municipality within 14 days after the results of the election of the local Council have been declared.

The appointment, however, is done in terms of Schedule 2 of the Municipal Structures Act. Section 23(1)(b) stipulates that the election must take place in terms of Schedule 2.

Schedule 2 deals with the electoral system for District Councils and in terms of part 2 of Schedule 2 two the Municipal Structures Act, the Chief Electoral Officer (being the Chief Electoral Officer appointed in terms of Section 12(1) of the Electoral Commission Act, 1996 (Act 51 of 1996) and includes a person designated by the Chief Electoral Officer for the purposes of Schedule 2). The Independent Electoral Commission has appointed the local representative, Mr Gert Röscher, to conduct this election.

Section 23(2) further stipulates that 60 % (fractions to be disregarded) of the number of Councillors of the District Municipality must represent local municipalities. The remainder 40 %, are representatives proportionally elected directly by the voters in the District Municipality's area.

The number of Councillors to serve on the District Council from the five local municipalities have been determined by the Provincial Minister for Local Government per PN 53/2011, dated 25 February 2011, as follows:

<b>Municipality</b>	<b>Number of Councillors</b>
Witzenberg Municipality	3
Drakenstein Municipality	8
Stellenbosch Municipality	5
Breede Valley Municipality	5
Langeberg Municipality	3

**Notule: Spesiale Raadsvergadering**  
**Minutes: Special Council meeting**  
**22 November 2021**

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The election of the members, representing the Municipalities, must be done in accordance with Section 17 – 22 of Schedule 2 of the Municipal Structures Act , as amended, as follows:

**"Candidates lists**

17. (1) *Every party or independent ward Councillor may submit a candidates' list containing the names of Councillors, accompanied by a written acceptance by each listed candidate.*
- (2) *A party or independent ward Councillor may not submit more than one list.*
- (3) *The candidates' names must appear on the list in order of preference, starting with the first in order of preference and ending with the last.*
- (4) *The name of a Councillor may appear on one list only.*
- (5) *Every party or independent ward Councillor must seek to ensure that fifty per cent of the candidates on the candidates list are women and that women and men candidates are evenly distributed through the list.*

**Number of votes**

18. *Each Councillor casts one vote for one list only.*

**Determining the quota**

19. *In a local Council, the quota of votes for a seat to the district Council must be determined in accordance with the following formula (fractions to be disregarded)-*

$$\frac{A}{B} + 1$$

Where -

*A represents the number of members of the local Council; and  
B represents the number of seats that the local Council has been awarded on the district Council in accordance with item 15.*

$$\frac{23}{3} + 1 = 8$$

**Allocating seats**

20. (1) *The number of votes cast in favour of each list must be divided by quota of votes for a seat and the result is the number of seats allocated to that list.*

**Notule: Spesiale Raadsvergadering**  
**Minutes: Special Council meeting**  
**22 November 2021**

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- (2) *If the calculation in sub item (1) gives a surplus, that surplus must compete with other similar surpluses of any other lists, and any seat or seats not allocated under sub item (1) must be awarded in sequence of the highest surplus.*

**Selecting names from the list**

21. *The chief electoral officer, in accordance with the order of preference on a list, must select the number of candidates from the list that is equal to the number of seats allocated to that list.*

**Insufficient lists**

22. *In the case of a list containing fewer names than the number of seats allocated to that list, the corresponding provisions of item 10 must be applied to the extent that that item can be applied.*

**Filling of vacancies**

23. *If a Councillor elected from a candidates' list ceases to hold office or the list has become exhausted, the corresponding provisions of item 11 must be applied to the extent that that item can be applied."*

Three representatives on the Cape Winelands District Municipality must be elected from Council.

The quota as determined in terms of Section 19 of the Municipal Structures Act referred to above, is 8, calculated as follows:

$$\begin{array}{l} \frac{23}{3} \quad (\text{number of Councillors in Witzenberg Municipality}) \\ \quad \quad (\text{number of representatives awarded to the Cape Winelands Municipality}) \\ \\ = \quad 7.67 + 1 \end{array}$$

The directive for the election of representatives to the Cape Winelands District Municipality is attached as **annexure 12.3**.

The ANC requested a caucus break from 18:03 until 18:33.

The IEC conducted the election and the outcomes of the voting were:

- DA: 2 Votes in favour of nominees Alderman K Adams and Councillor D Swart.
- ANC: 1 Vote in favour of nominee Councillor N Phatsoane.

**NOTED**



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2011 MUNICIPAL ELECTIONS

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ELECTORAL COMMISSION

## Election of Local council reps to the DC



IEC  
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## Legislative reference

- Municipal Structures Act
  - 60 / 40 split
- 40 % has been dealt with (Green Ballot)
- 60 % of DC councillors elected by local councils to represent it on DC
- We also refer to 40% as DC voted and the 60 % as DC Appointed
- Number of reps per council is determined by formula as set out in item 15 of schedule 2
- Required that MEC specify the number of reps per council in terms of Section 12
- MEO has to work with these figures.



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NUMBER OF WARDS AND COUNCILLORS PER : 2011 LOCAL ELECTIONS

NAME	PR Elected	Ward councillors	Total	40% PR	60 % reps	Total DC
City of Cape Town	110	111	221			
<b>West Coast DC (DC1)</b>				<b>10</b>		<b>24</b>
Matzikama (WCO11)	7	8	15		2	
Cederberg (WCO12)	5	6	11		2	
Bergrivier (WCO13)	6	7	13		2	
Saldanha Bay (WCO14)	12	13	25		4	
Swartland (WCO15)	11	12	23		4	
<b>Cape Winelands DC (DC2)</b>				<b>16</b>		<b>40</b>
Witzenberg (WCO 22)	11	12	23		3	
Drakenstein (WCO23)	30	31	61		8	
Stellenbosch (WCO24)	21	22	43		5	
Breede Valley (WCO25)	20	21	41		5	
Langeberg (WCO26)	11	12	23		3	
<b>Overberg DC (DC3)</b>				<b>9</b>		<b>21</b>
Theewaterskloof (WCO31)	12	13	25		5	
Overstrand (WCO32)	12	13	25		4	
Cape Agulhas (WCO33)	4	5	9		2	
Swellendam (WCO34)	4	5	9		1	
<b>Eden DC (DC4)</b>				<b>15</b>		<b>35</b>
Kannaland (WCO41)	3	4	7		1	
Hessequa (WCO42)	7	8	15		2	
MosSEL Bay (WCO43)	13	14	27		4	
George (WCO44)	24	25	49		6	
Oudtshoorn (WCO45)	12	13	25		3	
Bitou (WCO47)	6	7	13		2	
Knysna (WCO48)	9	10	19		2	
<b>Central Karoo DC (DC5)</b>				<b>6</b>		<b>13</b>
Laingsburg (WCO51)	3	4	7		1	
Prins Albert (WCO52)	3	4	7		1	
Beaufort West (WCO53)	6	7	13		5	
<b>TOTAAL</b>	<b>362</b>	<b>387</b>	<b>749</b>	<b>56</b>	<b>77</b>	<b>133</b>

Total number of councillor 805



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## Election of Local Council Reps 60%

- Election takes place at first meeting
- Managed by the IEC appointed official (MEO)
- If there is only one rep then any councillor may nominate a candidate
  - The rep is elected on a First past the Post
- If there are >1 reps then each party or an independent ward councillor may submit a candidate list
- A party or ward councillor may only submit one list



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## Election of Local Council Reps 60%

- All Local council has ***at least*** 1 seat on a DC
- Councils that have single reps
  - Swellendam
  - Kannaland
  - Laingsburg
  - Prins Albert



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## Election of Single Local Reps DC

- Legislative reference Item 16 (2) of Schedule 2 of MSA
- The following Local councils have 1 reps to a DC
  - Swellendam
  - Kannaland
  - Laingsburg
  - Prins Albert
- On Agenda of First council Meeting.



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## Procedure for election of Single reps

- Chaired by the IEC
- Identify yourself as MEO (minutes must reflect this)
  - Function is not delegated to Non IEC official
- Explain purpose of the item
- Candidates are nominated on a nomination form or similar.
- Nominated candidates must accept nomination on Acceptance of nomination form or similar
- A candidate who is absent may be nominated if **written acceptance** duly signed by candidate is submitted
- Use flipchart to write names of candidates as they are nominated
- Ask for further nominations – if not declare **nominations closed**



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## Forms

- Nomination form (single rep)
- Nomination form (more than one rep ) use MEC forms
- Party (candidate) List use MEC forms
- Acceptance of nomination
- Ballot Paper
- Results Form Single rep
- Result form Party Lists ?



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## Election of Single Local Reps DC

- At first Meeting
  - List of councillors (as published) is the voters roll
  - Any **councillor** may nominate a **candidate**
  - Each councillor has one (1) vote
  - Voting Procedure ( secret ballot)



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## Uncontested election of single candidates

- If only one candidate is nominated then no voting takes place.
- Complete the result form
- Next to the nominated candidate write the word **UNOPPOSED.**



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## Local council reps > 1 candidate

- If more than one candidate ballot papers must be printed.
- Prepare templates beforehand and have a computer and printer available. (to avoid adjournment or long delays)
- Enter names on ballot paper and print sufficient ballot papers (catering for cancelled ballots)
- Begin voting process (Voters roll / ballot booth and boxes)
- Reconcile ballot papers, counting, result form completion (signed off by MEO or EPC)
- Candidate with most votes is announced.
- Only CEO can declare a councillor elected



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## Deadlock

- This is an election conducted by the IEC
- Speaker has absolutely no casting vote
- Meeting must be informed that the result will be forwarded to the PEO
- PEO must inform the MEC who will direct accordingly.
- The regulation to the MSA determines that the **MEC** may direct the drawing of lots
- Procedure must however be observed
- MEO to PEO to MEC to PEO to MEO.



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## **Documents to be submitted to PEO (copies filed locally)**

- Report on the election
- Copy of council minute
- Nomination forms
- Acceptances of nomination
- Result forms
- Documents must be retained until CEO instructs disposal thereof



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## Declaration of elected Reps

- Only CEO or designated officer at **National** office can declare a councillor elected
- The IEC will publish the names of councillors for the district councils
- Municipal managers of district councils will take their cue from there



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## More than one rep – Party reps

- All except Swellendam, Kannaland, Laingsburg Prins Albert
- Submission of List (instead of candidates)
  - Each party or independent candidate may submit a list
- Vote for the List
- Determine Quota
- Votes per list divided into the quota
- Allocate seats (reps) to list in accordance with calculation



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## Election of Local Council Reps

### 60%

- The Name of a councillor may appear on **one list only**
- Names must appear in order of preference (ranking)
- Parties must seek to ensure 50/50 representation and even distribution
- Each councillor can only vote for one list
- The list belongs to the party or independent ward councillor who nominated
- Write owners of List on Flipchart
- Prepare Ballot papers (list owners)
- Voting procedure



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## Election of Local Council Reps

### 60%

- Quota  $A/B + 1$ 
  - A = Number of councillors in Municipality
  - B = Number of representatives awarded to the local council on the DC
- Divide votes in favour of each list by the quota
- Allocate whole numbers
- Surpluses (remainders) compete for remaining seats
- If surpluses are exactly the same then the seat is awarded to the list with highest number of votes received



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## Election of Local Council Reps 60%

- Where votes cast per list are the same and seats cannot be awarded based on this tie
  - The matter is referred to MEC for Local Government
  - He May direct that the matter be resolved through the drawing of lots.
- Local councils must appoint it's reps within 14 days of the result being declared (seat allocation – Thursday)
- *District councils must be constituted within the timeframe as stipulated in the legislation - Ninety day period after the 5 years.*



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## Example of Calculation

- Number of seats = 11
  - DA 4
  - ANC 4
  - Independent 3
- **Number of reps 3**
- Quota  $11/3 = 3.67$
- Round up (disregard fractions) = 4
- If there was three list and assuming voting along party lines
- DA = 1 (no remainder)
- ANC = 1 (no remainder)
- Independent (remainder 0.75) = 1



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## Calculation continued

- First allocated seats to whole numbers
- If there are still seats unallocated then rank remainders and allocate according to ranking
- If remainders are the same then allocate to list that had more votes in round 1 of the calculation
- If this cannot be determined then refer to PEO for directive to draw lots by the MEC



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## General Considerations

- This an Election
- It is administer by the IEC
- It has to be done as per the guidelines provided
- Providing Accurate Records is extremely important
- The election is not over
- Contestation and quest for power will play itself out
- Do not allow for adjournments or caucuses – you are in control
- Speaker has no role



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## Filling of PR vacancies and Reps

- You can expect quite a few in the week/s after the constitution of council
- It is also an Election
- We have failed in the past because this is taken to lightly
- We end up with councillors who were never elected
- Resulted Embarrassments and staff disciplinary hearings



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## Key elements

- Only a Municipal manager of the relevant council (Cat B or C) can “declare” a vacancy
- IEC cannot act or entertain the matter if we have not been advised of a vacancy
- If vacancy is for a rep to DC
  - Local council MM informs DC MM
  - DC MM informs IEC
  - IEC liaises with Party
  - Fills vacancy by informing MM of DC



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## Procedure for filling vacancy

- This is not an opportunity to change certified candidate list before the first meeting to constitute council
- Candidates must become councillors and a vacancy must be declared
- List of candidates can thereafter can be maintained, replaced etc anytime.
- When a vacancy occurs party has 21 days that they could use to amend the list
- May however advise IEC earlier



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## Procedure for filling vacancy

- IEC has 14 days from the date of receiving notification of changes to the list
- How long does it take to fill a vacancy?
  - 1 day to 35 days of the date of letter from MM advising of vacancy (legislative framework)
  - CEO or National office designated person only authority to fill vacancy



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## Authorised Party officials

- PEO must obtain and maintain list of authorised signatories
- Only Authorised party signatories can amend list or nominate candidates.



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## Role of Local office

- Receive notifications from MM
- Receive nominations or amend list from Political parties (local parties)
- Date stamp documents received
- Check documentation
- Forward to PEO



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## Don't

- Do not
  - Speculate on when vacancy will be filled
  - Do not be pressurised by council timeframes
  - Do not try to misrepresent your role



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**Thank You**

**Questions**



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