

## **KNYSNA LOCAL MUNICIPALITY**

Notice is hereby given of a

### **FINANCE AND GOVERNANCE COMMITTEE MEETING**

#### **(FINANCE ITEMS)**

which will be held on

**TUESDAY, 23 NOVEMBER 2022**

at

***09:00***

in the Council Chamber  
to consider the following items

MUNICIPAL OFFICES  
KNYSNA

MR R BUTLER  
**ACTING MUNICIPAL MANAGER**

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

Chairperson : Cllr T Matika  
Cllr K Andrews  
Cllr B Charlie  
Cllr N Louw  
Cllr S Campbell  
Cllr S Sabbagh

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# AGENDA

1. Opening and Welcome
  
2. Attendance (as per attendance register)
  - 2.1 Members: Present
  - 2.2 Members: Absent with Leave
  - 2.3 Members: Absent Without Leave
  - 2.4 Other Councillors Present
  - 2.5 Officials Present
  - 2.6 Members of the Audit Committee Present
  - 2.7 Members of the Public Present
  
3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest
  
4. Presentation
  - 4.1 NONE

5. **MINUTES OF THE PREVIOUS MEETING**

5.1 **FINANCE AND GOVERNANCE COMMITTEE MEETING: 15 SEPTEMBER 2022**

That the minutes of the Finance and Governance Committee meeting held on 15 September 2022, be noted.

**KNYSNA LOCAL MUNICIPALITY**

**MINUTES**

of a meeting of the

**FINANCE AND GOVERNANCE COMMITTEE MEETING**

(FINANCE ITEMS)

in the Council Chamber

**Thursday, 15 September 2022**

at

**9:00**

1. Opening and Welcoming

At 9:09 the Chairperson welcomed Councillors, Directors, officials and members of the public to the meeting, where-after a roll-call was conducted.

2. In Attendance:

2.1 Members Present

Chairperson : Cllr T Matika  
Cllr K Andrews  
Cllr B Charlie  
Cllr N Louw  
Cllr S Campbell  
Cllr S Sabbagh

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr Marbi  
Cllr Khumelwana  
Cllr Petros  
Cllr Bester  
Cllr Arends  
Cllr Tsengwa  
Cllr Skosana

2.5 Officials Present

Hariparsad, P	Director: Infrastructure Services
Dr S Ngqele	Director: Community Services <i>joined at 9:48</i>
Sotshede, L	Acting Director: Financial Services
Smit, H	Acting Director: Planning and Development
Petuna, L	Acting Director: Integrated Human Settlements
Bezuidenhoudt, C	Manager: Communications
Kruger, F	Manager: Supply Chain Management
Van Huyssteeen, L	Manager: Assets and Liabilities
Kova, B	Manager: Income
Madokwe, S	Committee Officer
Mjamba, B	Interpreter.
Hartman, D	DBSA Revenue Enhancement Project

Apologies:

Mr J Jonkers  
Adv L Loliwe

2.6. Members of the Audit Committee Present:

None

The meeting was live streamed on Youtube.

2.7. Members of the Public Present

The meeting was live streamed on Youtube.

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest

**RESOLVED**

[a] That the provisions of the Code of Conduct for Councillors, be noted; and

[b] That it be noted that no Councillor declared any interest on any Item on the Agenda

4. **MINUTES OF THE PREVIOUS MEETING**

4.1 **FINANCIAL AND CORPORATE SERVICES COMMITTEE MEETING 2 JUNE 2022**

Cllr Sabbagh proposed, seconded by Cllr Andrews that the minutes of the meeting that was held on 2 June 2022, be approved.

**RESOLVED**

That the minutes of the Financial and Corporate Services Committee meeting held on 2 June 2022, be accepted.

5. **MATTERS ARISING FROM THE MINUTES**

Cllr S Sabbagh enquired with regard to items FC02/06/22, FC03/06/22 and FC05/06/22 and the reports that are outstanding.

The Chairperson advised that the outstanding reports will be submitted to the Mayoral Committee Meeting for consideration.

6 **PRESENTATION**

DBSA REVENUE ENHANCEMENT PROJECT: Doreen Hartman

7. **MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER**

FG01/08/22 **QUARTERLY INVESTMENT REPORT: QUARTER 4 OF 2021/2022**

**UNANIMOUSLY RESOLVED**

That the Quarterly Investment report for the quarter ending June 2022 be noted.

File Number: 9/1/2/10  
Execution: Acting Director: Financial Services

**FG02/08/22 WRITING – OFF OF IRRECOVERABLE AS DELEGATED TO SECTION 80 - JUNE 2021-JUNE 22**

UNANIMOUSLY RECOMMENDED

That the total amount of R 2 005 924.06 (Annexures A,B,C,D,F,G) as recommended by the Chief Financial Officer and Municipal Manager, be written off as irrecoverable debt;

*Cllr Campbell abstained from this recommendation.*

File Number: 9/1/2/10  
Execution: Director Financial Services  
Senior Manager: Revenue Services

*At this point in the meeting a 5 minute break was held.*

**FG03/08/22 CAPITAL BUDGET REPORT - 2021/2022 (AS AT 30 JUNE 2022)**

UNANIMOUSLY RECOMMENDED

- [a] That the Capital Expenditure Budget as at 30 June 2022 be noted;
- [b] That the Directorates ensure that capital spending is in accordance with the capital expenditure budget.

File Number: 9/1/2/10  
Execution: Acting Director Financial Services

**FG04/08/22 QUARTERLY EXTERNAL LOANS REPORT: QUARTER 4 OF 2021/2022**

UNANIMOUSLY RECOMMENDED

- [a] That the Quarterly External Loans report for the quarter ending June 2022 be noted; and;
- [b] That the debt ratio of 35.9%, based on budgeted revenue, for the quarter ending June 2022 be noted.

File Number: 9/1/2/10  
Execution: Acting Director: Financial Services



**FG05/08/22 QUARTERLY INSURANCE REPORT - QUARTER 4 OF 2021/2022**

**UNANIMOUSLY RESOLVED**

- [a] That the Quarterly Insurance Report for the quarter ending June 2022 be noted.
- [b] That an Insurance workshop is currently in the process of being finalised.

File Number: 9/1/2/10

Execution: Acting Director: Financial Services

**FG06/08/22 REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2022**

**UNANIMOUSLY RECOMMENDED**

- [a] That the report on the implementation of the SCM policy for the second quarter, ending 31 March 2022, be noted;
- [b] That the deviations to the value of R 2,194,329 for the period as indicated in [a] above, be noted; and
- [c] That the report be made available to the public in terms of section 21A of the Municipal Systems Act, 2000.

File Number: 8/1

Execution: Acting Municipal Manager

**F07/08/22      MONTHLY BUDGET STATEMENT – JULY & AUGUST 2022**

**UNANIMOUSLY RESOLVED**

That the Monthly Budget Statements for the months July and August 2022, be noted.

File Number: 9/1/2/10  
Execution: Acting Director Financial Services

**Urgent Matter**

Cllr Campbell brought to the attention of the Committee that in 2021 the court ordered that the irregular expenditure that was incurred through the Scarce Skills Allowance should be recovered and that this matter has not yet been investigated by the Municipal Public Accounts Committee whilst the Directors and the Municipal Manager that received the Scarce Skills Allowance have been served with municipal bills in the form of municipal accounts.

It was then agreed that Cllr Campbell should send an email to the Acting Municipal Manager in this regard for consideration to refer the matter to MPAC.

5. Closure

The Chairperson thanked everyone and the meeting concluded at 12:14.

.....  
Chairperson: Cllr T Matika

.....  
Date

-oOo-

6. **MATTERS ARISING FROM THE MINUTES**

7.1

**MONTHLY BUDGET STATEMENT – OCTOBER 2022**

**REPORT FROM THE ACTING DIRECTOR: FINANCIAL SERVICES**

**PURPOSE OF THE REPORT**

To present to the Finance and Governance Committee the Monthly Budget Statement (section 71 report) for the month ending 31 October 2022.

**BACKGROUND**

Section 71(1) of the Municipal Finance Management Act (No. 56 of 2003) determines that the Accounting Officer of a Municipality must by no later than 10 working days after the end of each month submit to the Executive Mayor of the Municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the Municipality's Budget.

**DISCUSSION**

The Monthly Budget Statement for October 2022 has been prepared in compliance with the legislative requirements stipulated in section 71 of the MFMA.

**ADDITIONAL NOTES**

N/a

**FINANCIAL IMPLICATIONS**

Refer to the attachment.

**RELEVANT LEGISLATION**

Section 71 of the MFMA (No. 56 of 2003).

**RECOMMENDATION OF THE MUNICIPAL MANAGER**

- [a] That the Monthly Budget Statement for the month ending 31 October 2022 be noted.

**APPENDIX / ADDENDUM**

Annexure 1 – Monthly Budget Statement – October 2022. (*Attached separately*)

File Number: 9/1/2/10

Execution: Acting Director Financial Services

7.2

**CAPITAL BUDGET REPORT - 2022/2023 (AS AT 31 OCTOBER 2022)**

**REPORT FROM THE ACTING DIRECTOR FINANCIAL SERVICES**

**PURPOSE OF THE REPORT**

To present to the Finance and Governance Committee the Capital Budget Report as at 31 October 2022.

**BACKGROUND**

Section 19(1) of the Municipal Finance Management Act (No. 56 of 2003) in relation to capital projects determines that:

*“A municipality may spend money on a capital project only if –*

- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);*
- (b) the project, including the total cost, has been approved by the council;*
- (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and*
- (d) the sources of funding have been considered, are available and have not been committed for other purposes”.*

Section 52(c) of the Municipal Finance Management Act (No. 56 of 2003) determines that the Mayor of a Municipality must take all reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.

**DISCUSSION**

The original capital budget of R 117.6 million increased to R 124.2 million with the roll-over adjustments budget in August 2022.

Year-to-date actual capital expenditure and commitments as at 31 October 2022 equates to R 40.9 million, which represents 32.9% of the revised adjusted capital budget of R 124.2 million.

## **FINANCIAL IMPLICATIONS**

The high-level capital expenditure budget per Directorate as at 31 October 2022 is presented in the table below.

Table 6: Capital Budget per Directorate								
Row Number	Directorate	Original Budget	Adjusted Budget (Including Virements)	Year-to-Date Actual Expenditure	Year-to-Date Budget	Commitments	Year-to-Date Actual Expenditure and Commitments	Available Funds
Column Reference	A	B	C	D	E	F	G	H
1	Executive and Council	350.000	350.000	0	30.235	0	0	350.000
2	Corporate Services	2.839.700	3.639.700	189.549	1.217.539	3.798	193.347	3.446.353
3	Financial Services	445.000	445.000	0	394.575	359.135	359.135	85.865
4	Planning and Development	524.550	631.251	189.681	162.047	0	189.681	441.570
5	Integrated Human Settlements	2.012.445	2.012.445	1.152.021	1.030.024	0	1.152.021	860.424
6	Community Services	18.370.217	21.626.919	3.482.336	4.405.832	1.318.442	4.800.778	16.826.141
7	Electrical Services	16.810.435	17.770.511	2.294.591	5.372.483	6.485.771	8.780.362	8.990.149
8	Technical Services	76.221.934	77.746.599	10.948.247	25.130.407	14.451.790	25.400.037	52.346.562
9	<b>Grand Total</b>	<b>117.574.281</b>	<b>124.222.425</b>	<b>18.256.425</b>	<b>37.743.142</b>	<b>22.618.936</b>	<b>40.875.361</b>	<b>83.347.064</b>
10	<b>% of Adjusted Budget =</b>			<b>14.7%</b>	<b>30.4%</b>	<b>18.2%</b>	<b>32.9%</b>	<b>67.1%</b>

## **RELEVANT LEGISLATION**

Sections 19 and 52 of the Municipal Finance Management Act, No. 56 of 2003.

## **RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

- [a] That the Capital Expenditure Budget as at 31 October 2022 be noted; and
- [b] That the Directorates ensure that capital spending is in accordance with the capital expenditure budget.

## **APPENDIX / ADDENDUM**

Annexure A - Capital Budget Expenditure as at 31 October 2022.

File Number:: 9/1/2/10

Execution: Acting Director: Financial Services

FINANCE AND GOVERNANCE COMMITTEE MEETING  
AGENDA  
23 NOVEMBER 2022

Capital Budget Expenditure as at 31 October 2022										
Row Labels	LEADER ACCOUNT	VOTE DESCRIPTION	Vote Number	ORIGINAL BUDGET	ROLLOVER ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMITMENTS	AVAILABLE
<b>Vote 1 - Executive &amp; Council</b>				360 000	360 000	-	30 235	30 235	-	360 000
<b>COUNCIL GENERAL EXPENSES</b>	29-01-05-20-0161	Program Office Equipment	9/107-20-08	100 000	100 000	-	30 235	30 235	-	100 000
<b>COMMUNICATION</b>	29-05-05-22-0002	New Vehicle	5/145-2-2	250 000	-	-	-	-	-	-
		New Vehicle	9/145-6-6	-	250 000	-	-	-	-	250 000
<b>Vote 2 - Corporate Services</b>				2 889 700	2 889 700	189 549	1 217 939	882 490	9 798	8 446 363
<b>DIRECTOR - CORPORATE</b>	29-03-05-20-4156	Program Office Furniture	9/101-20-29	70 000	70 000	45 908	-	(49 908)	1 700	10 293
	29-03-05-20-4010	New assemblies	5/101-02-02	235 000	235 000	60 170	19 852	(44 818)	-	174 951
	29-03-00-20-4008	New Furniture 14 Church Street, 47 Old Toll Road, Millwood flats, Protea flats, West View Court, 3 Civic Street	5/101-03-03	-	500 000	-	-	-	-	500 000
	29-04-00-20-4009	Replaceable components - municipal offices - Clyde Street, Sedgemoor, Khyalethu	9/101-04-04	800 000	1 100 000	-	-	-	-	1 100 000
	29-04-05-20-4012	Window blinds for Municipal Offices	9/101-72-72	50 000	50 000	4 500	50 000	-	-	45 500
	29-03-05-20-4013	Program Tools - Equipment	9/102-10-10	35 000	35 000	33 105	11 667	(21 488)	1 999	846
		Program Tools - Equipment - PPU	9/101-78-78	18 700	18 700	18 700	18 700	-	-	-
<b>INFORMATION TECHNOLOGY</b>	29-06-05-20-1007	UPS System	9/106-20-20	60 000	60 000	27 596	18 140	(4 458)	-	37 404
	29-06-05-20-1162	Program Computer Equipment - Replacement Desktop	9/106-4-9	130 000	130 000	-	29 305	29 305	-	130 000
		Program Computer Equipment - Replacement Laptops	9/106-4-8	160 000	160 000	521	48 375	47 854	-	159 479
	29-06-05-20-9004	Data Centre Upgrade	9/106-20-23	300 000	300 000	-	35 000	35 000	-	300 000
	29-06-00-20-9008	New Server and Switches	9/106-20-24	880 000	880 000	-	880 000	880 000	-	880 000
<b>Vote 3 - Financial Services</b>				445 000	445 000	-	394 575	394 575	369 135	55 865
<b>DIRECTOR - FINANCE</b>	29-02-05-20-8155	Program Office Furniture	9/101-2-16	35 000	35 000	-	12 475	12 475	-	35 000
	29-02-00-20-9004	Building Upgrade (BTO)	9/101-05-05	30 000	-	-	-	-	-	-
		Building Upgrade (BTO)	9/101-01-01	-	30 000	-	2 100	2 100	-	30 000
	29-02-00-20-9006	New TV	9/101-76-76	880 000	880 000	-	880 000	880 000	369 135	30 865
<b>Vote 5 - Planning &amp; Development</b>				2 536 995	2 643 695	1 241 702	1 192 071	(311 678)	-	1 931 924
<b>DIRECTOR - PLANNING - I.H.S</b>	29-70-05-20-9007	40 seater copier and printer	9/101-06-06	-	220 000	189 881	-	(189 881)	-	30 919
	29-70-05-20-9008	Office Furniture	9/101-07-07	24 900	24 900	-	-	-	-	24 900
<b>ENVIRONMENTAL MANAGEMENT</b>	29-03-00-20-7509	Rehabilitation of the Bongani near Phase 1 of implementation	9/103-2-2	500 000	200 000	-	162 047	-	-	200 000
	29-03-05-20-5154	Tools and Equipment	9/103-3-3	-	186 701	-	-	-	-	186 701
<b>HOUSING ADMINISTRATION</b>	29-40-05-22-4010	Service of 30 units on of 4732 Hanley	9/105-27-27	1 512 445	-	1 152 021	-	(1 152 021)	-	(1 152 021)
		Service of 30 units on of 4732 Hanley	9/106-40-40	-	1 512 445	-	867 977	867 977	-	1 612 445
	29-40-00-22-4011	Service area - Ward 6	9/105-30-30	500 000	500 000	-	162 047	162 047	-	500 000
<b>Vote 6 - Community Services</b>				18 370 217	21 626 919	3 482 336	4 405 892	(644 926)	1 918 642	16 826 141
<b>CEMETERY</b>	29-00-05-20-7008	Cemetery Woodhaasel	9/124-11-11	800 000	-	-	-	-	-	-
		Cemetery - Woodhaasel	9/124-09-09	-	800 000	-	62 000	62 000	-	600 000
<b>CLEANING REFUSE REMOVAL SERV</b>	29-72-00-20-9014	Acquisition of Compactor Trucks (2)	9/118-20-28	1 700 000	4 966 702	3 256 702	-	(9 286 702)	-	1 700 000
<b>HALLS / FACILITIES</b>	29-41-05-21-4002	Upgr. Stanton Hall - Underpinning	9/109-20-20	500 000	500 000	-	-	-	420 406	79 594
	29-41-05-21-4008	Furniture - Equipment	9/109-32-32	100 000	100 000	15 712	1 795	(17 977)	-	80 280
<b>PARKS - RECREATION</b>	29-03-05-20-5006	Small Fleet - Equipment	9/116-30-30	200 000	200 000	110 297	20 028	(90 271)	65 290	24 479
<b>SAFETY FIRE BRIGADE SERVICES</b>	29-06-00-24-2006	Construction of garaging bay	9/120-20-20	600 000	600 000	-	162 047	-	-	600 000
	29-06-00-24-2007	Establishment of fire stations - Khyalethu	9/120-22-22	1 000 000	1 000 000	-	500 000	-	-	1 000 000
	29-06-00-24-2008	Replacement of fire engine CK 10515 - CK 43051	9/120-23-23	1 200 000	1 200 000	-	-	-	717 762	482 248
	29-06-00-24-2009	Procurement of fire hose and pressure gauge meter kit	9/120-24-24	800 000	800 000	-	800 000	-	74 894	226 146
	29-06-00-24-2010	Procurement of portable household scale's	9/120-26-26	86 000	86 000	88 125	-	-	-	6 878
<b>SAFETY LAW ENFORCEMENT</b>	29-07-05-24-2060	CCTV camera Project	9/157-1-1	200 000	200 000	-	-	-	-	200 000
	29-07-05-24-2065	Balloon detarant equipment	9/157-4-6	100 000	100 000	47 500	100 000	-	-	52 500
<b>SAFETY TRAFFIC DEPARTMENT</b>	29-00-00-20-0001	New Motor Vehicles (Residential)	9/121-10-10	300 000	300 000	-	-	-	-	300 000
	29-00-00-20-0004	Weatherbeater - Sets	9/121-11-11	80 000	80 000	-	80 000	-	-	80 000
	29-00-05-20-0006	Motor Cycle Testing Equipment	9/121-13-13	100 000	100 000	-	100 000	100 000	40 200	59 800
<b>SPORT FIELDS</b>	29-00-04-20-5011	MIG 205770 Upgrade Sportsfield PFD (Bongani)	9/116-40-40	5 565 217	5 565 217	-	3 100 024	3 100 024	-	5 565 217
<b>TRANSFER STATION</b>	29-73-00-27-1012	Acquisition of Hooklift Truck	9/114-19-19	1 900 000	1 900 000	-	-	-	-	1 900 000
<b>Vote 7 - Electrical Services</b>				16 810 495	17 770 311	3 294 591	6 372 489	3 077 892	6 495 771	8 990 149
<b>ELECTRICITY DISTRIBUTION</b>	29-76-00-20-8016	Upgrade Workshop 5/5	9/104-00-10	-	349 268	-	26 640	(26 640)	-	322 628
	29-76-02-27-9120	Asset replacements - refurbishments	9/104-4-41	2 000 000	2 000 000	-	604 694	604 694	-	2 000 000
	29-76-05-27-8001	Electrification of informal areas	9/104-100-125	290 000	-	-	-	-	16 090	(16 090)
		Electrification of informal areas - Ward 7	9/104-208-208	-	290 000	-	26 408	26 408	89 290	100 770
	29-76-00-20-8003	Electrification of Formal Housing	9/104-112-138	-	126 887	-	-	-	47 250	80 637
	29-76-00-20-8004	Electrification of informal areas - Ward 4	9/104-105-111	790 000	871 297	-	252 862	252 862	706 994	164 300
	29-76-00-20-8006	Electrification of informal areas - Ward 8	9/104-107-135	-	124 255	-	87 489	-	(87 489)	36 766
	29-76-00-27-8004	Electrification of informal areas - Horizon (Ward 6)	9/104-110-146	-	72 987	-	20 486	-	(20 486)	52 501
	29-76-00-27-8005	Electrification of informal areas - Horizon (Ward 11)	9/104-111-137	500 000	656 547	-	95 515	-	-	383 076
	29-76-05-20-8055	Vehicle replacement CK35378 - R351AN 2.70	9/104-128-128	380 000	-	-	-	-	-	380 000
		Vehicle replacement CK35378 - R351AN 2.70	9/104-209-209	-	380 000	-	-	-	-	380 000
	29-76-00-27-8007	Electrification of informal areas - Ward 9	9/104-130-130	990 000	990 000	-	214 105	-	(214 105)	302 940
	29-76-00-20-8008	System Tester 11kV line refurbishments	9/104-141-141	800 000	800 000	475 840	162 847	(312 993)	-	24 460
	29-76-00-20-8002	convert 15 to Seven B/RMU replacement of OH to underground refurbishments	9/104-143-143	800 000	800 000	90 320	259 275	168 955	270 000	429 000
	29-76-00-20-8005	DMU Smart metering project	9/104-145-145	250 000	250 000	-	-	-	-	250 000
	29-76-04-27-9071	Electrification of Formal Houses (M69) - Ward 3	9/104-102-202	8 217 991	8 217 991	129 019	1 062 795	917 272	1 218 796	1 878 622
	29-76-04-27-9074	Electrification of Formal Houses (M69) - Ward 7	9/104-203-203	1 396 957	1 396 957	188 526	417 894	268 668	703 846	434 884
	29-76-04-27-9076	Electrification of Formal Houses (M69) - Ward 8	9/104-204-204	3 217 391	3 217 391	225 612	1 062 795	917 272	1 048 629	1 843 650
	29-76-04-27-9077	Electrification of Formal Houses (M69) - Ward 1	9/104-205-205	1 608 696	1 608 696	225 004	921 369	296 364	93 274	852 418





7.3

**REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT  
POLICY FOR THE PERIOD 1 APRIL 2022 TO 30 JUNE 2022**

**REPORT FROM THE ACTING CHIEF FINANCIAL OFFICER**

**PURPOSE OF THE REPORT**

To report on the Implementation of the Supply Chain Management Policy for the period from 1 April 2022 to 30 June 2022.

**PREVIOUS RESOLUTIONS**

None applicable.

**BACKGROUND**

A full report on the Supply Chain Management activities for the period 1 April 2022 to 30 June 2022 is attached as Annexure A with all the supporting information included.

**FINANCIAL IMPLICATIONS**

As per the report attached hereto.

**RELEVANT LEGISLATION**

- The Constitution of the Republic of South Africa (No. 108 of 1996).
- Local Government: Municipal Finance Management Act (No. 56 of 2003).
- Municipal Systems Act (Act 32 of 2000).
- Municipal Supply Chain Management Regulations (Government Gazette 27636 dated 30 May 2005).
- Knysna Municipality Supply Chain Management Policy (SCM Policy).

**DELEGATION**

Delegations to MM, CFO and Manager SCM.

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

- [a] That the report on the implementation of the SCM policy for the fourth quarter and SCM annual report, ending 30 June 2022, be noted;

[b] That the deviations to the value of R 2,896,402 for the period as indicated in [a] above, be noted; and

[c] That the report be made available to the public in terms of section 21A of the Municipal Systems Act, 2000.

### **APPENDIX / ADDENDUM**

Annexure A to Annexure D: Quarterly Supply Chain Management report for the period 1 April 2022 to 30 June 2022.

File Number: 8/1

Execution: Acting Director: Financial Services

### **COMMENTS FROM THE MUNICIPAL MANAGER**

No comments provided by comment due date.

### **COMMENTS FROM CORPORATE SERVICES**

No comments provided by comment due date.

### **COMMENTS FROM FINANCIAL SERVICES**

approved

### **COMMENTS FROM TECHNICAL SERVICES**

No comments provided by comment due date.

### **COMMENTS FROM COMMUNITY SERVICES**

### **COMMENTS FROM PLANNING AND DEVELOPMENT**

No comments provided by comment due date.

### **COMMENTS FROM INTEGRATED HUMAN SETTLEMENTS**

No comments provided by comment due date.

### **COMMENTS FROM LEGAL SERVICES**

No comments provided by comment due date.

7.4

**QUARTERLY INSURANCE REPORT - QUARTER 1 OF 2022/2023**

**REPORT FROM THE DIRECTOR FINANCIAL SERVICES**

**PURPOSE OF THE REPORT**

To present to the Financial and Corporate Services Committee the Quarterly Insurance Report for the quarter ending September 2022.

**PREVIOUS RESOLUTIONS**

**BACKGROUND**

Knysna Municipality is insured against various perils including fire, theft, storm and malicious damage to property. The Municipality has extensive public liability cover and the portfolio is updated as and when necessary.

**DISCUSSION**

The main classifications for claims are as follows:

- Public liability- the legal liability the Municipality may have toward members of the public.
- Property loss- coverage on incidents on Municipal property.

Year-to-Date Claims on main classifications are as follows:

<b>PUBLIC LIABILITY</b>	<b>Total Claims For Year</b>	<b>Active Claims</b>
Storm Water / Broken Water / Sewer Pipes		
Potholes / Poor Road Conditions	4	4
Electricity		
Glass & Other	2	1
<b>PROPERTY LOSS</b>	<b>Total Claims For Year</b>	<b>Active Claims</b>
Machinery Breakdown		
Theft & Vandalism		
House Owners	2	2

FINANCE AND GOVERNANCE COMMITTEE MEETING  
AGENDA  
23 NOVEMBER 2022

Glass / Windscreen	4	3
Vehicle Accidents	6	6
Business All Risk / Other	2	2

### **FINANCIAL IMPLICATIONS**

Various claims have not yet been finalised. The total cost to Council for these claims are therefore unknown at this stage

Should claims be below the excess value, the Municipality is liable for payment.

Excess amounts paid by the Municipality for the period 1 July 2022 to 30 September 2022:

<b>Public Liability</b>	<b>Excess Amount</b>
Storm Water / Sewerage	
Potholes and Poor Road Conditions	R285.00
Electricity	
Glass & Other	R13 968.27
<b>Cost to Council</b>	<b>R14 253.27</b>

<b>Property Loss</b>	<b>Excess Amount</b>
Machinery Breakdown	
Theft & Vandalism	
House Owners	
Glass/Windscreen	
Vehicle Accidents	R8 934.78
Business All Risk/Other	
<b>Cost to Council</b>	<b>R8 934.78</b>

### **RELEVANT LEGISLATION**

Municipal Finance Management Act, No. 56 of 2003;  
Asset Management Policy;  
Fleet Management Policy;  
Supply Chain Management Policy; and  
Information Technology Policy.

### **RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

- [a] That the Quarterly Insurance Report for the quarter ending September 2022 be noted.
  
- [b] That an Insurance workshop is currently in the process of being finalised.

### **APPENDIX / ADDENDUM**

FINANCE AND GOVERNANCE COMMITTEE MEETING  
AGENDA  
23 NOVEMBER 2022

Annexure A – Quarterly Insurance Report as at 30 September 2022.

File Number: 9/1/2/10

Execution: Director Financial Services

FINANCE AND GOVERNANCE COMMITTEE MEETING  
AGENDA  
23 NOVEMBER 2022

Knysna Municipality

Claims Register 1 July 2022 to 30 September 2022

Annexure A

No	Dept Description	Sec 80 Report Classification	Incident Description	Total quantum of claim (incl VAT)	Excess amount	Outstanding Documentation
18	Housing	Property Loss: Vehicle Accident	Accident CX39580			Claim registered with insurer
141	Refuse Removal	Public Liability: Glass & Other	Accident CX28385 - Damage to Carport (Hornlee)	3 600,00	25 000,00	Claim below excess dept to settle
144	Libraries	Property Loss: Vehicle Accident	Accident CX42220 & CX24863			Claim registered with insurers
145	Fire Dept	Property Loss: Business All Risk/Other	Car into Fence - Knysna Fire Station		25 000,00	Claim registered with insurers
147	Refuse Removal	Property Loss: Glass/Windcreens	Canopy CX9757		3 500,00	Arranged for repairs
148	P/W Streets	Public Liability: Poor road conditions	Fell on Pavement - Sedgefield (Ingrid Baker)		25 000,00	Claim registered with insurers
151	Workshop	Property Loss: Vehicle Accident	Accident CX44800 & CA762648			Claim registered with insurers
152	Water Reticulation	Property Loss: Vehicle Accident	Accident CX19189			Claim registered with insurers
153	Water Reticulation	Property Loss: Glass/Windcreens	Canopy CX10957			Vehicle went for fitment
155	P/W Streets	Public Liability: Poor road conditions	3rd Party Claim- Damage to Car- 7 Kloof Gardens			Requested a dept report
157	Council	Property Loss: Business All Risk/Other	Laptop- Councilor Skosana			Claim registered with insurers
158	Parks & Recreation	Public Liability: Glass & Other	3rd Party Claim- Damage to Window- Vigilance Drive- D Talmagies	3 127,97	25 000,00	Busy with settlement of this claim
159	Housing	Property Loss: House Owners	House Burnt- 07 DD Ngqol, Joodsekamp			Claim registered with insurers
1	IDP & Performance Mngt	Property Loss: Business All Risk/Other	Laptop Damage- C Chondrum		2 500,00	Claim registered with insurers
2	Water Reticulation	Property Loss: Vehicle Accident	Accident CX19680			Arranging for repairs
3	P/W Streets	Public Liability: Poor road conditions	3rd Party Claim- Pothole- Teemlemon Rd-K Oldfield		100 000,00	Requested info from TP
4	Water Reticulation	Property Loss: Glass/Windcreens	Windscreen CX68446			Registered claim with insurers
5	Housing	Property Loss: House Owners	House Burnt- 1023 Mole Street		10 000,00	Claim registered with insurers
6	Refuse Removal	Property Loss: Vehicle Accident	Accident CX62454 & HVCS50MP			Claim registered with insurers
7	Integrated Human Settlement	Property Loss: Business All Risk/Other	Laptop Damage- A Perent			Claim registered with insurers
8	P/W Streets	Public Liability: Poor road conditions	3rd Party Claim- Fell on Pavement- Bellrock Crescent, Cola Beach			Requested Dept Report
10	Water Reticulation	Property Loss: Glass/Windcreens	Windscreen CX10957			Claim registered with insurers

**8. CLOSURE**