LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

Raadslede van die Raad van die Langeberg Munisipaliteit

Kennis geskied hiermee van 'n Raadsvergadering
van die Raad van Langeberg Munisipaliteit wat gehou sal word op
22 AUGUSTUS 2025 om 10H00
in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson
om oorweging te verleen aan die items op die aangehegte agenda.

- - -

Councillors of the Council of the Langeberg Municipality

Notice is hereby given of a Council Meeting
of the Municipal Council of the Langeberg Municipality to be held on
22 AUGUSTUS 2025 at 10H00
in the Council Chambers, Municipal Offices,
Church Street, Robertson to discuss the items on the appended agenda.

P Hess
CLLR • RDL P HESS
SPEAKER

AGENDA

~ 22 AUGUST 2025 ~

1. Opening / Opening

2. Attendance / Bywoning

3. Applications for leave of Absence / Aansoeke vir verlof tot afwesigheid

4. Approval of Minutes / Goedkeuring van Notule

   4.1 Confirmation of the Minutes of an Ordinary Meeting of the Council of Langeberg Municipality held on 25 June 2025 at 10h01 in the Council Chambers, Church Street, Robertson **05 - 17**

   Bekragtiging van die Notule van 'n Gewone Vergadering van die Raad van Langeberg Munisipaliteit gehou op 25 Junie 2025 om 10h01 in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson.

   4.2 Confirmation of the Minutes of a Statutory Meeting of the Council of Langeberg Municipality held on 30 July 2025 at 09h59 in the Council Chambers, Church Street, Robertson **18 - 22**

   Bekragtiging van die Notule van 'n Statutêre Vergadering van die Raad van Langeberg Munisipaliteit gehou op 30 Julie 2025 om 09h59 in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson.

5. Statements & Announcements by the Speaker / Verklarings & Mededelings deur die Speaker

6. Interviews with Delegations / Onderhoude met Afvaardigings

7. Statements & Announcements by the Mayor / Verklarings & Mededelings deur die Burgemeester

8. Urgent Matters & Reports, Statements & Announcements submitted by the Municipal Manager
   Dringende Aangeleenthede & Verslae, Verklarings & Mededelings voorgelê deur die Munisipale Bestuurder

   8.1 Matters which must be handled in terms of Section 30(5) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), as amended. Aforesaid stipulation reads as follows: (5) Before a municipal council takes a decision on any of the following matters it must first require its executive committee or executive mayor, if it has such a committee or mayor, to submit to it a report and recommendation on the matter: (1) any matter mentioned in Section 160(2) of the Constitution; (2) the approval of an integrated development plan for the municipality, and any amendment to that plan; and (3) the appointment and conditions of service of the municipal manager and a head of a department of the municipality. *Sake wat hanteer moet word in terme van Artikel 30(5) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No 117 van 1998), soos gewysig. Voormelde bepaling lees as volg: (5) Alvorens 'n munisipale raad 'n besluit oor enige van die volgende aangeleenthede neem, moet hy eers sy uitvoerende komitee of uitvoerende burgemeester, indien hy so 'n komitee of burgemeester het, versoek om 'n verslag en aanbeveling oor die aangeleentheid aan hom voor te lê: (1) enige aangeleentheid genoem in Artikel 160(2) van die Grondwet; (2) die goedkeuring van 'n geïntegreerde ontwikkelingsplan vir die munisipaliteit, en enige wysigings van daardie plan; (3) die aanstelling en diensvoorwaardes van die munisipale bestuurder en 'n hoof van 'n departement van die munisipaliteit.*

   8.2 Matters which must be handled in terms of Section 32(1) and (2) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) as amended, and approved per Council Resolution A82 of 19 March 2001. / *Sake wat hanteer moet word in terme van die delegasies toegestaan ingevolge Artikel 32(1) en (2) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No 117 van 1998), soos gewysig en aanvaar per Raadsbesluit A82 van 19 Maart 2001.*

   8.3 Report on matters of concern by representatives at the Cape Winelands District Municipality. /
   Rapportering aangaande sake van belang deur verteenwoordigers by die Kaapse Wynland Distrikmunisipaliteit.

   8.4 Other Matters / *Ander Sake*

9. Consideration of Notice of Motions / *Oorweging van Kennisgewing van Mosies*

   None / Geen

10. Consideration of Notice of Questions / Oorweging van Kennisgewing van Vrae

None / Geen

11. Consideration of Urgent Motions / Oorweging van Dringende Mosies

None / Geen

12. Consideration of Reports / Oorweging van Verslae

12.1	Reports submitted to Council for consideration **(A Items)** Verslae voorgelê aan die Raad vir oorweging **(A Items)**	**24**
12.2	Reports submitted to Council for consideration **(AA Items)** Verslae voorgelê aan die Raad vir oorweging **(AA-Items)**	...
12.3	Reports dealt with in terms of the delegated powers by the Mayoral Committee (**B & BB Items)** Verslae afgehandel deur die Burgemeesterskomitee in terme van gedelegeerde bevoegdhede **(B & BB-Items)**	...

A ITEMS

FRAUD & RISK MANAGEMENT COMMITTEE – FRAUD & RISK MANAGEMENT COMMITTEE REPORT FOR QUARTER 4 OF 2024 / 2025 AND ANNUAL RISK ASSESSMENT REPORT WITH UPDATED RISK REGISTER FOR 2025/26 – (5/14/R) (ACTING CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Fraud & Risk Management Committee report for quarter 4 of 2024/25 and the annual risk assessment report with updated risk register for 2025/26 to Council for noting.

Background

Section 62 (1) (c) (i) of the MFMA states that:
"*The Municipal Manager of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and* ***risk management*** *and internal control*".

Furthermore, it is also stated in the Risk Management Policy that:
"*Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Langeberg Municipality against significant risks*".

The Fraud & Risk Management Committee (FARMCO) report for quarter 4 of 2024/25 and the annual risk assessment report with updated risk register for 2025/26 financial year were submitted to the FARMCO and Audit & Performance Committee.

The FARMCO report for quarter 4 of 2024/25 and the annual risk assessment report with updated risk register for 2025/26 **are attached to this report.**

Comments: Director: Community Services

Content of report noted and supported.

Comments: Director: Corporate Services

The recommendation is supported.

Comments: Director: Engineering Services

The content of the FAMRCO report for quarter 4 is noted and supported.

Comments: Director: Economic, Social and Integrated Development Services

The content of the report is noted and supported

Comments: Director: Financial Services

Content of the report is noted and supported.

Comments: Municpal Manager

The content of the report is noted with appreciation and the recommendation supported.

Recommendation

That the contents of the Fraud & Risk Management Committee report for quarter 4 of 2024/25 and the annual risk assessment report with updated risk register for 2025/26 financial year be noted by Council.

(A4957)

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

KANTOOR VAN DIE MUNISIPALE BESTUURDER
OFFICE OF THE MUNICIPAL MANAGER

INTERNAL AUDIT DEPARTMENT
INTERNE OUDITAFDELING
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Ons verw nr / Our Ref No
Isalathiso Sethu

FARMCO Q4 – 2024/25

Navrae / Enquiries
Internal Audit Activity

11 June 2025

Municipal Manager

Audit & Performance Committee
Council

FRAUD & RISK MANAGEMENT COMMITTEE QUARTERLY REPORT – QUARTER 4 OF 2024/25

PURPOSE
The purpose of this report is to present to the Municipal Manager (MM), the Audit and Performance Committee (A&PC) and Council an overview on progress of the risk management processes and the evaluation of the adequacy of the internal controls and to identify any improvement opportunities.

SCOPE
In terms of the approved Fraud & Risk Management Committee Charter and Risk Management Operational Plan, a Fraud & Risk Management Committee (FARMCO) meeting was held on 10 June 2025.

PERFORMANCE INFORMATION
The performance of the municipality to date has been reviewed and evaluated by FARMCO. Each directorate assessed progress against their respective Key Performance Indicators (KPIs), providing clarity on which targets remain achievable. It was noted that some targets are time- or period-specific, and that compliance after the set period does not constitute full compliance.

A key concern raised was the overall underperformance in capital expenditure (CAPEX), which was flagged as a significant risk area by the committee. As the performance reports submitted to FARMCO reflect the status of deliverables and expenditure as at 30 April 2025, the committee further assessed developments over the past five weeks to determine whether targets remain on track for achieving the planned CAPEX objectives.

It was agreed that management will prioritise the completion of all capital projects and ensure that supplier invoices are obtained for work that has been duly completed, to support the achievement of the relevant KPIs. The committee emphasised that reliance should not be placed solely on purchase orders issued.

Furthermore, management has been requested to revise the performance reporting and submit an updated progress report to the Audit, Performance and Compliance Committee (AP&C), particularly in light of the planned meeting taking place shortly before the end of the financial year. Management is positive that corrective measures might result in an overall CAPEX performance of 80% - 82% for the financial year ending 30 June 2025.

A key contributing factor to the missed deadlines and overall underperformance has been the slow pace of supply chain processes, particularly delays in the appointment of service providers. Ineffective or incomplete tender procedures have led to procurement delays, resulting in a substantial backlog in CAPEX spending. To prevent a recurrence of this issue, corrective measures should be prioritised and implemented in the first quarter of the 2026 financial year.

RISK MANAGEMENT ACTIVITIES

RISK PROFILE OF THE MUNICIPALITY (RISK REGISTER)

The committee revisited all risks identified throughout the year and reassessed each one as at the meeting date to ensure that they have not reoccurred and do not pose a threat to the municipality's current or planned operations.

1. **Pension Fund non-compliance**

The outstanding interest payable to the SALA Pension Fund should be thoroughly investigated. It is recommended that the contract entered into with the fund be reviewed to establish the agreed terms and conditions. Additionally, a cost-benefit analysis should be conducted to compare the total interest payable with the legal costs incurred in disputing the matter, in order to assess whether the course of action taken was economically sound. It is important to note that the outstanding balance continues to accrue interest on a cumulative basis.

2. **Transnet matters**

The efforts undertaken to obtain all necessary approvals for the construction of the sewer lines are acknowledged. Management is encouraged to continue pursuing these actions diligently, particularly in light of the planning of two additional sewer lines.

Risk Register

The committee has noted the risk management activities, progress made, and reports submitted.

RISK MANAGEMENT AND IMPLEMENTATION

The progress report on the implementation of the Risk Management Operational Plan was noted.

The committee noted and approved the Risk Management Operational Plan for 2025/2026.

INCIDENT REPORTING

The Incident Report for the quarter has been duly noted. Of particular concern are the recurring sewer blockages. Management has commenced work on a masterplan to map the affected lines, with completion targeted for August 2025. The committee is optimistic that this initiative will lead to a reduction in such incidents.

BUSINESS CONTINUITY MANAGEMENT

The development of the Enterprise Business Continuity Plan remains a top priority. The approval and noting of the plans submitted lays the foundation for additional inputs and research.

COMPLIANCE UNIVERSE

The compliance verification performed during the quarter was noted.

FRAUD MANAGEMENT

It is recommended that all management meetings include a dedicated agenda item for attendees to raise any concerns. A consolidated report of these concerns should be submitted to the Fraud and Risk Management Committee (FARMCO). for review.

....

Dr. Marilene van Biljon
FARMCO CHAIRPERSON

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

ANNUAL RISK IDENTIFICATION & ASSESSMENT REPORT FOR THE 2025/2026 FINANCIAL YEAR

Legislative Requirement

Section 62(1)(c)(i) of the Municipal Finance Management Act states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and for this purpose takes all reasonable steps to ensure the municipality has and maintains effective and efficient and transparent systems of financial and risk management and internal control".

Introduction

Risk identification and assessment is a deliberate and systematic effort to identify, document, quantify or qualify the municipality's key risks. The objective of risk identification is to understand what is at risk within the context of the municipality's objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives. On the other hand, the main purpose of the risk assessment is to assist the municipality to prioritise the most important risks as the municipality is not expected to have the capacity to deal with all risks in an equal manner.

Risk Identification Approach

Comprehensive identification and recording of risks are critical, because a risk that is not identified may not receive the appropriate risk treatment and impact negatively on the achievement of municipal objectives. In order to ensure for a rigorous and complete process of risk identification, information from numerous sources was considered and SDBIP sessions for setting of key performance indicators (KPIs) were attended by the Internal Audit & Risk Management Unit. In essence, the strategic objectives (SO's) from the revised IDP and KPI's from the draft SDBIP for the 2025/26 financial year, as well as the information from the existing risk register for the 2024/25 financial year were used as the basis for developing the risk register for the 2025/26 financial year.

The risk identification process that was followed included:

- Risk identification templates that were developed by the Internal Audit & Risk Management based on the SO's and its related KPI's and disseminated to all departments for completion.
- The risk identification templates were designed in a manner to prompt KPI / risk owners to identify new or emerging risks and to determine any changes to risks identified and documented previously for their area of responsibility.
- The Internal Audit & Risk Management Unit identified, collated and analyzed various sources of information to strengthen the process by means of providing insight and advice on any risk areas that may have been identified for the Municipality in the available sources of information.

Risk Assessment Process

The risk identification process was followed with a risk assessment process which was as follows:

- Risk assessment sessions were held during May 2025 with KPI / risk owners to review the information on the existing risk register against the information sourced through the risk identification templates and other available sources.
- The risks that were identified as relevant for the 2025/26 financial year were assessed in terms of impact and likelihood on the achievement of municipal objectives and the effectiveness of current controls in place to mitigate the risks was evaluated. Where applicable, action plans have been revised and/or additional action plans have been developed for implementation and monitoring during the 2025/26 financial year.
- The information on the existing risk register was updated accordingly and any new risks identified were included or risks that are no longer relevant were removed as agreed upon with the KPI / risk owners.
- The draft strategic and operational risk registers for the 2025/26 financial year with the changes to the risk profile were submitted to the SMT members for their review and input, and further discussion where required.
- After acceptance of the SMT, the draft strategic and operational risk registers for the 2025/26 financial year are submitted to FARMCO for final review prior to submission to the A&PC and Council for approval.

Risk Identification and Assessment Sources

The sources considered during the risk identification and assessment processes include the following documents:

- Latest Auditor-General report,
- Internal Audit reports, including compliance monitoring reports for the 2024/25 financial year,
- A&PC meeting minutes for the 2024/25 financial year,
- FARMCO meeting minutes for the 2024/25 financial year,
- BCC meeting minutes for the 2024/25 financial year,
- Prior year annual report,
- Provincial Treasury reports applicable to Langeberg Municipality for the 2024/25 financial year,
- IDP, draft 2025/26 Annual Budget and SDBIP,
- Comments received by the Municipality during the public participation process for IDP review,
- Current organizational structure,
- Draft Spatial Development Plan 2024-2029,
- Incident reports for the 2024/25 financial year,
- 2025 Budget - National Treasury,
- Latest SIME Assessment for Langeberg Municipality,
- Latest TIME Report,
- Municipal Economic Review and Outlook report 2024/2025,
- CRO and Forums - Risk management and internal audit presentations for the 2024/25 financial year,
- IPAP Assessment report 2023/24 & Action Plan for Langeberg Municipality,
- Water & Sanitation Annual Report,
- National and global risk reports such as those issued by the World Economic Forum and IRMSA, and
- Existing (2024/25) risk register of the Municipality

Conclusion

The approved risk registers will be continuously monitored, reviewed and maintained throughout the financial year, at least on a quarterly basis and risk assessment sessions will be conducted with risk owners, especially on the high and/or emerging risk areas. The results and changes will be reported quarterly to the FARMCO, MM, A&PC and Council. The draft 2025/26 risk registers are attached as Annexure C to this report with changes highlighted in red for ease of reference.

Yours sincerely,

Donald Engelbrecht
Acting Chief Audit Executive
28 May 2025

FRAUD & RISK MANAGEMENT COMMITTEE: FRAUD & RISK MANAGEMENT COMMITTEE CHARTER, RISK MANAGEMENT POLICY, RISK MANAGEMENT STRATEGY, RISK IDENTIFICATION & ASSESSMENT METHODOLOGY, RISK MANAGEMENT ANNUAL OPERATIONAL PLAN, COMBINED ASSURRANCE FRAMEWORK, FRAUD PREVENTION POLICY, AND FRAUD PREVENTION PLAN & STRATEGY – 2025 / 2026 (5/14/R) (ACTING CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Fraud & Risk Management Committee Charter, Risk Management Policy and Fraud Prevention Policy for 2025/26 to Council for approval and the Fraud Prevention Plan & Strategy, Risk Management Strategy, Risk Identification & Assessment Methodology and Risk Management Annual Operational Plan for 2025/26 to Council for noting.

Background

Section 62 (1) (c) (i) of the MFMA states that:

"(1) *the Municipal Manager of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure –*
(c) that the municipality has and maintains effective, efficient and transparent systems –
(i) of financial and ***risk management*** *and internal control*".

Furthermore, it is also stated in the Risk Management Policy, that:

"*Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Langeberg Municipality against significant risks*".

The Fraud & Risk Management Committee (FARMCO), Municipal Manager (MM) and Audit & Performance Committee (A&PC) accepted the Fraud & Risk Management Committee Charter, Risk Management Policy and Fraud Prevention Policy, and approved the Fraud Prevention Plan & Strategy, Risk Management Strategy, Risk Identification & Assessment Methodology and Risk Management Annual Operational Plan for 2025/26.

Comments: Director: Community Services

Content of the report noted and supported.

Comments: Director: Corporate Services

The recommendation is supported.

Comments: Director: Engineering Services

The content of the related documents are noted and supported.

Comments: Director: Economic, Social and Integrated Development Services

The content of the report is noted and supported

Comments: Director: Financial Services

Content of the report noted and supported.

Comments: Municpal Manager

The content of the report is noted with appreciation and the related recommendation supported.

Recommendations

1. That the Fraud Prevention Policy, Fraud & Risk Management Committee Charter and Risk Management Policy for 2025/26 be approved by Council; and

2. That the approved Fraud Prevention Plan & Strategy, Risk Management Strategy, Risk Identification & Assessment Methodology and Risk Management Annual Operational Plan for 2025/26 be noted by Council.

(A4958)

LANGEBERG

MUNISIPALITEIT MUNICIPALITY MASIPALA

FRAUD PREVENTION PLAN & STRATEGY

2025/26

Reviewed and approved by Council on August 2025

Contents

1. Introduction

Langeberg Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent manner. Consequently the municipality is committed to fighting fraudulent behaviour at all levels within the municipality. This Fraud Prevention Plan & Strategy is premised on the municipality's core ethical values driving the business of Langeberg Municipality, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the municipality.

2. Objectives

The objectives of the Fraud Prevention Plan & Strategy are:

- To reduce the risk of fraud and corruption from occurring;
- To provide for mechanisms of detection of fraud and corruption when it occurs;
- To outline corrective actions and remedy the harm caused by fraud and corruption.
- To raise awareness of the principles and benefits of an effective fraud risk management process and to obtain staff commitment to the principles of fraud risk management and mitigation.
- To outline actions to be taken to address fraud and corruption at strategic and operational levels.
- To develop a fraud response plan for all allegations received.
- To provide independence to the fraud response plan such that all allegations are subject to an independent preliminary review which results in them being concluded in the correct manner.

3. Responsibilities of fraud and corruption risk management

The following sections outlines the fraud and corruption risk management responsibilities associated with different roles within the Langeberg Municipality.

Municipal Manager (MM)

The Municipal Manager bears the ultimate responsibility for fraud and corruption risk management within the Langeberg Municipality. This includes the coordination of fraud risk assessments, overseeing the preventative steps for fraud and corruption, and facilitation for the achievement of fraud mitigation within acceptable risk appetite levels.

The Audit & Performance Audit Committee (A&PC)

In terms of Section 166 of the MFMA (2) An audit committee is an independent advisory body which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to risk management.

Fraud & Risk Management Committee (FARMCO)

The role of the Fraud & Risk Management Committee is to oversee the Langeberg Municipality's approach to fraud prevention and fraud mitigation strategies.

Senior Management

Senior management is to be committed to eradicating fraud and corruption and ensuring that the Langeberg Municipality strives to be perceived as ethical in all its dealings with the public and other related parties. In this regard, senior management, under the guidance of the MM, will ensure that it does not become complacent in reporting all suspected fraud and corruption and that it will ensure the Langeberg Municipality's Fraud Prevention Plan and Strategy are reviewed and updated regularly. Furthermore, senior management will ensure that all employees and stakeholders are made aware of its overall anti - fraud and corruption strategies through various initiatives of awareness and training and must ensure implementation of all fraud policies and procedures where applicable.

4. Assessment of fraud and corruption risk

Langeberg Municipality, under the guidance of the MM will conduct at least annually fraud and corruption risk assessments to identify potential fraud and corruption risk exposures to the Langeberg Municipality. This process will ensure that actions to address the identified fraud and corruption risk exposures will be implemented to mitigate these exposures. The above will be formulated into a risk assessment which will provide an indication of how fraud and corruption risks are manifested and, the risk register will include all risks, including fraud and corruption risks and indicate actions to mitigate these risks.

5. Employee awareness

The main purpose of fraud and corruption awareness workshops / training is to assist in the prevention, detection and reporting of fraud and corruption by raising the level of awareness as to how fraud and corruption is manifested in the workplace. In this regard, all employees will receive training/awareness on the following:

- Risk Management Policy,
- Risk Management Strategy;
- Fraud Prevention Policy;
- Fraud Prevention Plan and Strategy;
- Municipal Code of Conduct;
- Declaration of interest;
- How to respond to fraud and corruption;
- Manifestations of fraud and corruption in the workplace; and
- Placing of fraud and corruption posters on the municipal website, newsletter articles and at all municipal facilities and other social media platforms.

The Internal Audit Activity of the municipality is responsible for employee awareness and will arrange and schedule awareness sessions throughout the year.

6. Reporting of fraud and corruption

Any suspicion of fraud and corruption will be treated seriously and will be reviewed, analysed, and if warranted, investigated. If any person becomes aware of suspected fraud, corruption or any irregularity or unethical behaviour, such issues should be reported in terms of the Municipal Finance Management Act (MFMA) 56 of 20023 and section 6.4 of the Fraud Prevention Policy.

7. Investigating fraud and corruption

Dealing with suspected fraud and corruption:
In the event that fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated.
The following procedure has been adopted by Langeberg Municipality as a process to be followed in the investigation of fraud and/or any unlawful related incidents.

Preliminary Investigation:
All Managers are responsible for the detection, prevention and investigation of fraud and corruption, within their areas of responsibility.

It is also the responsibility of every employee to report all incidents of fraud and corruption that may come to his / her attention to his / her direct manager.

All suspected fraudulent activities should be reported to Accounting Officer, Alternatively, such reports can be made by way of submitting a report through the prescribed whistle blowing mechanism (anonymous hotline), where the incident will be assessed and allocated to the delegated official/ department/ authority for a investigation or refer it Risk Management Unit, depending on the implicated officials/ parties. This assessment will be done to ensure independence and objectivity of the investigation.
(Consider conflict of interest, transparency and potential suppression of incidents reported when deciding on the above process, other Institutions charge the Internal Investigation full investigation).

If the decision is taken not to investigate the matter, full and appropriate reasons will be provided.

Full Investigation:

The results of the preliminary investigation will determine what corrective actions will be taken. Investigations will be undertaken by appropriately qualified and experienced persons who are independent of the department / section where investigations are required. All investigations performed and evidence obtained will be in accordance with acceptable practices and legal requirements. Independence and objectivity of investigations should be maintained.

Any investigation initiated must be concluded by the issue of a report by the person/s appointed to conduct such investigations. Such reports will only be disseminated to those persons required to have access thereto in order to implement whatever action is deemed appropriate as a result of the investigation.

8. Resolutions

Disciplinary proceedings:
The ultimate outcome of disciplinary proceedings may involve a person/s receiving written warnings or the termination of their services. All disciplinary proceedings will take place in accordance with the procedures as set out in the disciplinary procedures of the Municipality.

Prosecution:
Should investigations uncover evidence of fraud or corruption in respect of an allegation or series of allegations, the Audit & Performance Committee Chairperson will review the facts at hand to determine whether the matter is one that ought to be reported to the relevant law enforcement agency for investigation and possible prosecution. Such reports must be submitted to the South African Police Service in accordance with the requirements of all applicable acts. The municipality will give its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted. This reporting requirement includes reporting to the Auditor General and Treasury where laws or regulation requires this.

Recovery action:
Where there is clear evidence of fraud or corruption and there has been a financial loss to Langeberg Municipality, recovery action will be instituted to recover any such losses. The municipality will actively pursue the recovery of any money or property lost through fraud, provided there is a strong prospect of a net benefit to the municipality from such action. The decision for the net benefit will be based on a motivation by the CFO and handled within the levels of authority for debt write off.

Internal control review after discovery of fraud:
In each instance where fraud is detected, Line Management will reassess the adequacy of the current internal control environment (particularly those controls directly impacting on the fraud incident) to consider the need for improvements. The responsibility for ensuring that the internal control environment is re-assessed and for ensuring that the recommendations arising out of this assessment are implemented will lie with the Line Management of the department / section concerned. These findings will be included in the audit findings and followed up as part of that process by Internal Audit.

9. Detailed implementation plan & strategy

No.	Activity	Outcome / Output	Responsibility	Due Date
1.	Obtain input from management on the Fraud Prevention Policy	Consider input from management and update the document	IAA	When deemed necessary
2.	Submit Fraud Prevention Policy to the Audit & Performance Committee (A&PC) for input and recommendations.	Consider input by the A&PC and update the document before submission to Council	IAA	When deemed necessary

No.	Activity	Outcome / Output	Responsibility	Due Date
		for approval		
3.	Update A&PC Charter to include monitoring of fraud risk management	Updated A&PC Charter	IAA	When deemed necessary
4.	Submit Fraud Prevention Policy and Fraud Prevention Plan & Strategy to Council for approval	Obtain Council approval for the Fraud Prevention Policy and Fraud Prevention Plan & Strategy	IAA	When deemed necessary
5.	Train selected municipal officials on Fraud Prevention Policy and Fraud Prevention Plan & Strategy	Trained personnel on municipal Fraud Prevention Policy and Fraud Prevention Plan & Strategy	IAA	30 June each year
6.	Establish and popularise internal whistle blowing hotline numbers, by means of: • placing of posters at municipal buildings; • municipal website • municipal newsletter	Publicised numbers and informed stakeholders	IAA	30 June each year
7.	Attend Fraud Risk Assessment and Investigation Course	Effectively perform Fraud Risk Assessments and Investigations	IAA	30 June 2026
8.	Conduct a Fraud Risk Assessment Workshop	Completed Risk Register with relevant action plans	IAA	30 June each year
9.	A&PC reports to include a summary of fraud cases which were discovered during the reporting period	Quarterly and annual Audit & Performance Committee reports	Chairperson of the A&PC	Quarterly and Annually

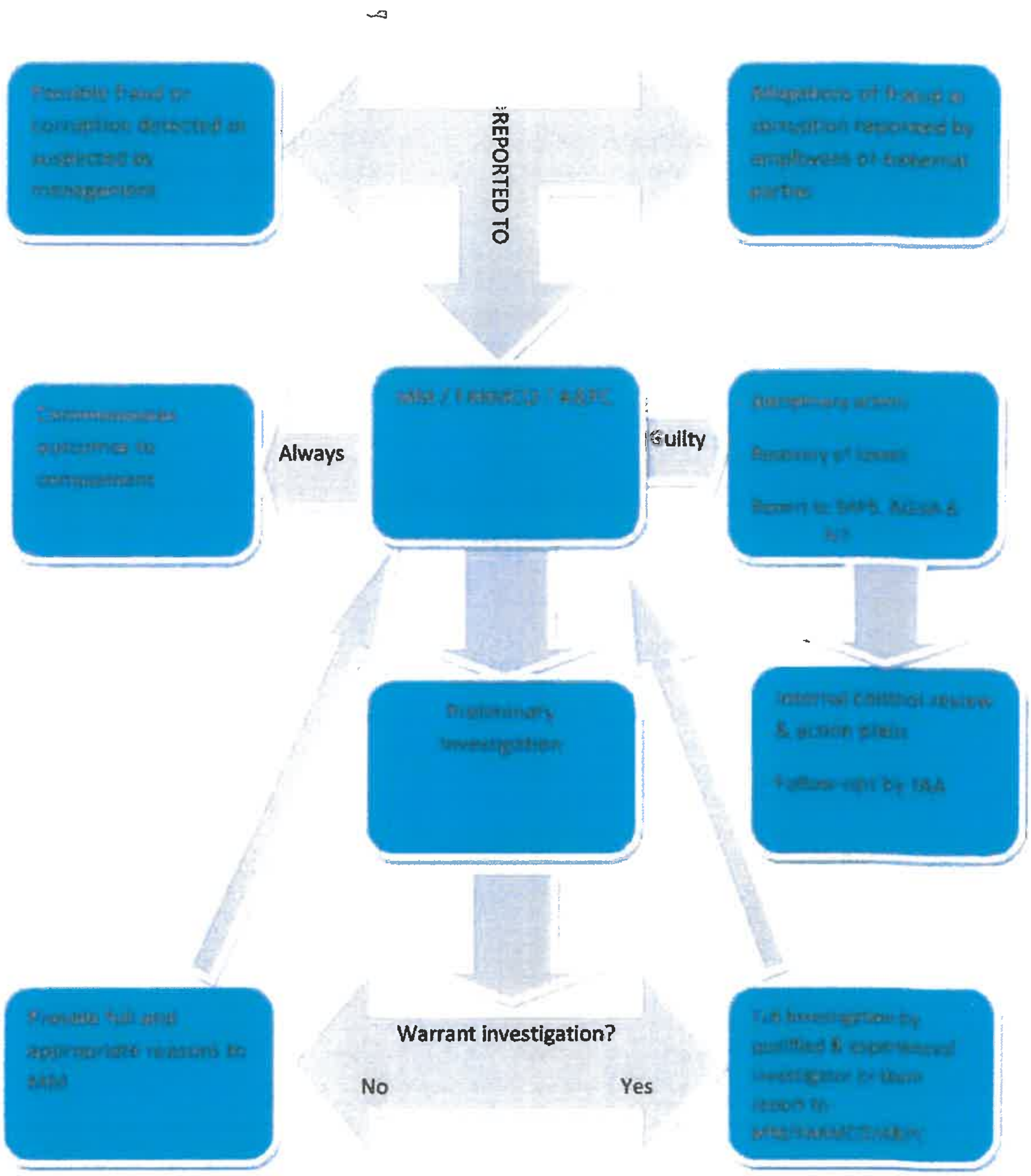
10. Implementation structure

Langeberg Municipality has established the Fraud & Risk Management Committee whose responsibility will include fraud and corruption prevention and mitigation policies and procedures.
The Audit & Performance Committee and its Chairperson will provide independent oversight to the allegation response plan and function in accordance with its Charter to ensure fraud and corruption is dealt with to the extent that evidence becomes available.

11. Review of plan

This plan shall be reviewed as necessary but at least once every Council term.

12. Schematic Presentation of Investigation Cycle



13. Approval of the plan

The approval of this plan lies with the Langeberg Municipality Council on the recommendations of the Fraud & Risk Management Committee, the Municipal Manager and Audit & Performance Committee. This document will remain effective until a new one is approved.

Acknowledgement of approval

Recommended by the Fraud & Risk Management Committee:

Position:	Chairperson
Signature:	______________
Name in Print:	______________
Date:	______________

Accepted by the Municipal Manager:

Position:	Municipal Manager
Signature:	______________
Name in Print:	______________
Date:	______________

Approved by Council Resolution:

Report No.:	______________
Date:	______________

LANGEBERG

MUNISIPALITEIT MUNICIPALITY MASIPALA

FRAUD PREVENTION POLICY

2025/26

Reviewed and approved by Council on August 2025

Contents

1. Introduction

Fraud represents a significant potential risk to the Municipality's assets and reputation. Langeberg Municipality subscribes to the principles of good governance which requires the conducting of business in an honest and transparent manner and is committed to protecting its funds and other assets. Consequently, the Municipality will not tolerate corrupt or fraudulent activities whether internal or external to the Municipality, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

All employees of Langeberg Municipality and even external stakeholders must be guided by this policy as the point of reference for their conduct in relation to the municipality. In addition to promoting ethical conduct within and outside the municipality, this policy is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

2. Definitions

2.1 Fraud

In South Africa, the Common Law offence of fraud is defined as "the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another". The term "fraud" is also used in a wider sense by the general public. In this regard, the term is used in this document in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty. In other words, fraud can be described as any conduct or behaviour of which a dishonest representation and/or appropriation forms an element.

2.2 Actions constituting fraud and corruption

Fraud manifests itself in a number of ways and varying degrees of intensity. These include, but are not limited to:

- Unauthorised private use of municipal assets, including vehicles;
- Falsifying travel and subsistence claims;
- Operating a private business in working hours;
- Taking unrecorded leave;
- Substituting of new goods with old ones;
- Conspiring unfairly with others to obtain a tender;
- Disclosing proprietary information relating to a tender to outside parties;
- Accepting inappropriate gifts from suppliers;
- Employing family members or close friends;
- Stealing equipment or supplies from work;
- Accepting bribes or favours to process requests;
- Accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- Submitting or processing false invoices from contractors or other service providers; and
- Misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers.

2.3 Corruption

Corruption in its wider meaning, and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

2.4 Forms of corruption

Corruption takes various forms in the public service and elsewhere in society. The following are examples of different types of corruption:

- **Bribery:**
  Bribery involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of public servants.
- **Fraud:**
  Any conduct or behaviour of dishonest representation and/or appropriation forms an element.

- **Abuse of power:**
The use by a public servant of his or her vested authority to improperly benefit another public servant, person or entity.
- **Conflict of Interest:**
The failure by a public servant to act or to consciously fail to act on a matter where the public servant has an interest or another person or entity that has some form of relationship with the public servant that has an interest.
- **Abuse of privileged information:**
This involves the use, by a public servant of privileged information and knowledge that a public servant possesses as a result of his/ her office to provide unfair advantage to another person or entity to obtain a benefit.
- **Nepotism:**
A public servant ensuring that family members are appointed to public service positions or that family members receive contracts from the state is regarded as nepotism.
- **Embezzlement:**
This involves theft of resources by persons who control such resources.
- **Extortion:**
Coercion of a person or entity to provide a benefit to a public servant, another person or an entity, in exchange for acting (or failing to act) in a particular manner.
- **Favouritism:**
The provision of services or resources according to person affiliation (for example cultural or religious) of public servant.

These manifestations are by no means exhaustive as corruption appears in many forms and it is virtually impossible to list all of these.

3. Objective

The policy is intended to encourage staff and facilitate the disclosure of information by staff relating to criminal and other irregular conduct in the workplace in a responsible manner. It provides clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure; and promotes the eradication of criminal and other irregular conduct within Langeberg Municipality.

4. Fraud risk management

Langeberg Municipality has a zero tolerance towards fraud and corruption. Hence, cases of fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention and detective controls are developed based on fraud risk assessments and include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of the municipality. The objective of the fraud risk management within Langeberg Municipality is to identify where the exposures to fraud exist within the Municipality's current operating system and procedures. It is also to provide the richer understanding of the environment in which fraud is likely to occur. Fraud risk assessments should be conducted at least annually and the results should be reported to the Fraud Risk Management Committee (FARMCO).

4.1 Context of fraud risk

Three conditions are generally present when fraud occurs – Incentive/pressure, opportunity and attitude/rationalism.

4.2 Context examples

- **Incentive/Pressure**
An incentive to commit fraud is not only limited to misappropriation of assets, i.e. cash but can also consist of manipulating information regarding key performance indicators to with the objectives of reaping financial rewards.
Personal issues, e.g. financial pressures, can increase the occurrence of fraud. Unnecessary business related pressures, e.g. pressure to reach set objectives and targets, also add to the likelihood of fraud occurring.
- **Opportunity**

Lack of internal control, poor control environment, lack of proper segregation of duties, etc. are all examples of opportunities in a work environment which increase the likelihood of fraud occurring.

- **Attitude/Rationalisation**

A work culture that embraces and rewards dishonesty can be a fertile breeding ground for fraudulent activities.

5. Fraud strategy

5.1 Building fraud strategy

Deciding on the appropriate strategy to address fraud, the Fraud & Risk Management Committee (FARMCO) of Langeberg Municipality shall consider the context of fraud as outlined above in context example.

Incentive/Pressure
This is to a greater extent not responsive to management's interventions. Management can howeverr, through an increased focus on the control environment and internal control, increase the incentive/pressure threshold. Incentive/Pressure threshold is the cut-off before a person commits fraud. Although we acknowledge that each person has a different incentive/pressure threshold, management can raise the average threshold of an entity by their attitude and response towards the occurrence of fraud.

Opportunity
Opportunity to commit from within a municipality is under the control of management. The implementation of internal control (both detective and prevention) is one of the mechanisms available to management. Occurrence of fraud within a department should call for a redesign, or if appropriate reestablishment of related internal controls.

Attitude/Rationalism
Attitude/Rationalism is to a lesser extent under the control of management. Incorporation a zero percent tolerance attitude and culture within the municipality will act as a powerful deterrent towards fraud.
Leading by example will be one of the tools used by management to create such a culture of zero tolerance towards fraud.

5.2 Key Pillars of Fraud Prevention Strategy

Prevention

- Should lower the likelihood that fraud occurs
- Prevention efforts should focus on identifying controls to prevent all three conditions (opportunity, rationalism and pressure) that have to occur for fraud to take place, e.g. Policy, Strategy and Plan

Detection

- Fraud risk management processes should be embedded in the Municipality's systems, ensuring that the responses to fraud and corruption risks remain current and dynamic.
- This include the internal controls, internal audits and reporting structures.

Investigation

- Should take place when actual fraud has been committed or there is suspicion that fraud has occurred.
- Investigation policy should be implemented and focus on:
  Manner in which incidents should be reported
  Roles and responsibilities in the process
  Procedures in carrying preliminary investigations which will help to establish reasonable grounds on whether investigation is justified or not
  Procedures in taking resolutions after preliminary findings i.e. who decides on escalation of cases to internal investigation units.
  Involvement of law enforcements

Resolution

- Post investigation activities which can include the following:
  Disciplinary action
  Criminal Charges

Termination of employment
Awareness and communication
Updating the incidents database for future reference
Reporting

6. Reporting procedure and resolution of reported incidents

6.1 How will allegations of fraud and corruption be dealt with?

For issues raised by employees of the municipality, members of the public and or service providers, action taken will depend on the nature of the concern. The matter raised will be screened and evaluated and may subsequently:

- Be investigated internally; or
- External investigation (be referred to a law agency).

Any fraud and corruption committed by an employee or any other person will be pursued through investigation and to the full extent of the law, including (where appropriate) consideration of the following:

- In case of employee, disciplinary action after a reasonable period of time after the incident;
- Instituting civil action to recover the loss;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency;
- Any other appropriate legal remedy available.

6.2 Recovery of losses

Managers are required to ensure that losses or damages suffered by Langeberg Municipality as a result of all reported acts committed or omitted by employees if they are found to be liable for such losses.

6.3 Feedback to reporters of fraud

The Municipal Manager will, upon receiving a report of fraud from an external person, write to the person making the report:

- Acknowledging that the concern has been received;
- Indicating how he proposes to deal with the matter and whether any initial enquiries have been made;
- Giving an estimate of how long it will take to provide a final response; and
- Informing them whether any further investigations will take place, and if not, why not.

6.4 What should an employee or member of the public or providers of goods and/or services do if he/she suspects fraud, corruption, theft, misconduct or unethical behaviour?

It is the responsibility of all employees to manage fraud risks and to immediately report all allegations or incidents of fraud and corruption to their immediate Manager or the Municipal Manger. If an employee is concerned that the Manager is involved; the report can be made to any other member of Management, the Municipal Manager and/or the Chairperson of the Fraud & Risk Management Committee and/or Audit & Performance Committee. Should employees wish to report allegations of fraud and corruption anonymously, they can contact any member of Management, the Municipal Manager, the Fraud & Risk Management Committee, Chairperson of the Audit & Performance Committee, report to matter to the Langeberg Municipality's Call Centre or call the Municipality's Whistleblowing Hotline using the contact details below.

Municipality's Whistleblowing Hotline:

- WhatsApp: 0860 004 004
- Fax toll-free: 0860 004 003
- Send a secure email: langebergmun@behonest.co.za
- SMS Number: 48691
- Free Post: BNT165, Advance Call Pty (Ltd), Brooklyn Square, 0075
- Online and chat: www.behonest.co.za

7. Confidentiality

All information received and investigated relating to fraud and corruption will be treated confidential. The progression of the investigation will be handled in a confidential manner and will not be disclosed or discussed to any person(s) other than those who have legitimate right to such information. This is important in order to avoid harming the reputation of the suspected person who is subsequent found innocent of wrong doing.

8. Publication of sanction

The Municipal Manager will decide whether any information relating to corrective actions taken or sanctions imposed, regarding incident of fraud and corruption should be brought to direct attention of any person or should be made public through any other means.

9. Application of prevention controls and detection mechanisms

In respect of all reported incidents of fraud and corruption, management is required to immediately review, where possible improve the effectiveness of the controls, which have been breached in order to prevent similar irregularities from taking place in the future.

10. Implementation structure

Langeberg Municipality has established the Fraud & Risk Management Committee whose responsibility will include the implementation of this Policy.

11. Policy review

The policy shall be reviewed whenever required to reflect the current stance on fraud and corruption prevention within the Langeberg Municipality.

12. Approval of the policy

The approval of this policy lies with the Langeberg Municipality Council on the recommendations of the Fraud & Risk Management Committee and the Municipal Manager. This document will remain effective until a new one is approved.

13. Acknowledgement of approval

Recommended by the Fraud & Risk Management Committee:

Position:	Chairperson
Signature:	________
Name in Print:	________
Date:	________

Accepted by the Municipal Manager:

Position:	Municipal Manager
Signature:	________
Name in Print:	________
Date:	________

Approved by Council Resolution:

Report No.:	________

Date:

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COMBINED ASSURANCE FRAMEWORK

2025/26

Reviewed and approved by Council on August 2025

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Langeberg_Muni Langeberg Municipality Langeberg_Muni

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1. Introduction

According to the Local Government Risk Management Framework of 2021, Combined Assurance is defined as "a process that seeks to optimise the scope of assurance to the Municipality by harmonising the work of various providers of assurance through eliminating fragmentation and duplication of efforts."

Combined Assurance provides a coordinated approach to all assurance activities to ensure that assurance provided by the various assurance providers adequately address significant risks facing the Municipality and that suitable controls exist to mitigate and reduce these risks. These assurance providers, amongst others, are as follows:

- Management.
- Internal assurance providers (Inter alia, Risk Management, Compliance Management and Legal Services); and
- Internal Audit,
- External assurance providers (Inter alia, External Audit and Regulators),
- Audit & Performance Committee.

2. Purpose

The purpose of the combined assurance framework is to enable improvement and sustain performance by enhancing the system of risk management and combined assurance within the Municipality to protect it against adverse outcomes and optimise opportunities

3. Background

The Global Internal Audit Standards (Standard 9.5) prescribes that the Chief Audit Executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.

If unable to achieve an appropriate level of coordination, the Chief Audit Executive must raise any concerns with Senior Management, and if necessary, the FARMCO and/or the A&PC.

The concept of combined assurance is supported by the King Report (King IV) which recommends that the audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities. Audit committees in the public sector are required to review coordination between internal and external audit, reports of significant investigations, as well as management responses to specific recommendations.

4. Benefits of Combined Assurance

- Identifying all direct and indirect assurance providers
- Coordinated and relevant assurance efforts are directed to the risks that matter most.
- Commitment to enhance controls is demonstrated.
- Dashboards that provide an integrated, insightful view.

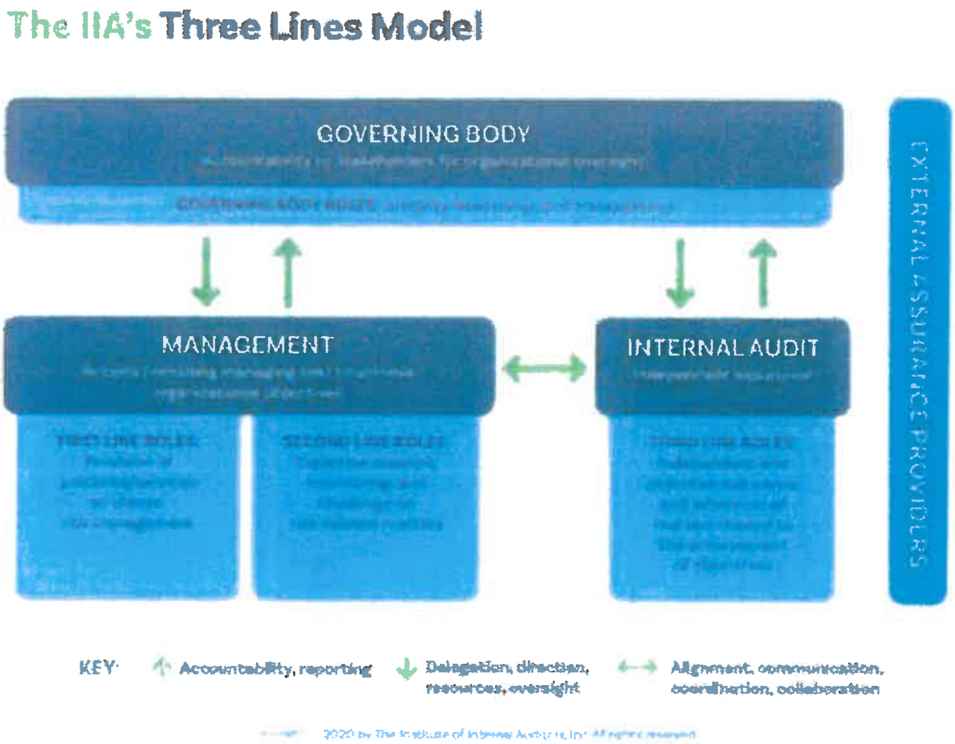
- Assurance activities produce valuable, integrated data, based on collaboration and not silos.
- Reduction in assurance costs through elimination of duplication and improved resource allocation.
- Minimise business and operational disruption
- A reduction in the repetition of reports by different role players, resulting in improved and more efficient reporting and oversight.
- A comprehensive and prioritised approach in tracking of remedial actions on identified opportunities and risk.
- Optimised assurance spent in that auditors are assisted in giving opinions on residual risk status, prevention of assurance fatigue, minimised overlap between the lines of defence, and the prevention of possible 'blind spots'

5. Langeberg's Combined Assurance Model

A Combined Assurance Model aims to incorporate and optimize all assurance services and functions so that, taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision-making by management, the governing body, and its committees.

Langeberg Municipality adopted the Institute of Internal Auditors (IIA) three (3) lines model:

Diagram 1 The IIA's Three Lines Model (2024)



3

The IIA recently adjusted their combined assurance model, and it was redesigned as the three lines model (previously known as the three lines of defence model). The model can be successfully applied to the municipal environment, as the role players can be grouped as follows:

Council is the governing body who should take accountability to all stakeholders for organizational oversight. Their role is designed around integrity, leadership, and transparency.

Management will include the Accounting Officer, the executive management, and the process owners in the first line roles. Their role is designed around the provisioning of products and services to their clients, establishing a system of financial management and internal control; and to actively manage risk within their areas of responsibility.

Risk Management, Fraud Risk Management, Compliance Management, Occupational Health and Safety, Legal Services, Environmental Services, *inter alia* will operate as the second line and their role is designed around their risk management, compliance and monitoring expertise, and specifically around ongoing monitoring of risks and to challenge the first line on risk related matters.

The internal auditors form the third line and provides independent and objective assurance and advice on all matters related to risk management, internal control and governance aimed towards the achievement of municipal objectives; and

The External Auditors and Regulators (e.g., National and Provincial Treasury) are included as an additional source of assurance, although their legal mandate positions them outside the organization

The relationships between the lines have also been documented. One key difference is the gearing towards the certainty of the achievement of objectives rather than a primary focus on reducing risk. It includes the following:
Council delegates responsibility to management, directs the organisation towards the achievement of its objectives, provides resources (assets, human and funding), and provides effective oversight. It also directs, through the Audit & Performance Committee, responsibility to internal audit, direct their audit plan towards a risk-based audit approach, provides resources and oversight regarding their effectiveness.

Management reports to Council on pre-determined times and is held accountable for their responsibilities.

Internal Audit reports to the Audit & Performance Committee on pre-determined times and is held accountable for their responsibilities in terms of Section 165 of Municipal Finance Management Act (MFMA): and

External assurance providers and regulators, who are independent from the organisation, provide assurance to Council as well as senior management.

The combined assurance approach targets improved coordination and communication of timely and accurate information to Council to aid in better decision making. It requires collaboration and high correlation to reduce duplication of effort and more cost-effective assurance.

Furthermore, the Three Lines Model can also be supplemented by the Five Lines Model as it addresses how specific duties related to risk and control should be assigned and coordinated within a municipality. These additional lines are seen as the:

The fourth line of assurance are External auditors to provide assurance regarding the financial statements and the corresponding transactions, as well as assurance on compliance with key legislation, regulations, policies, and procedures. External assurance providers also provide additional assurance to satisfy legislative and regulatory expectations that serve to protect the interest of the public and satisfy requests by Management and Council (Council governing bodies) to complement internal sources.

The Audit & Performance Committee fulfils the fifth line of assurance, enabling Council to fulfil its responsibilities. Senior management and the Council collectively have responsibility for establishing a municipality's objectives, defining high-level strategies to achieve those objectives, and establishing governance structures to best manage risk.

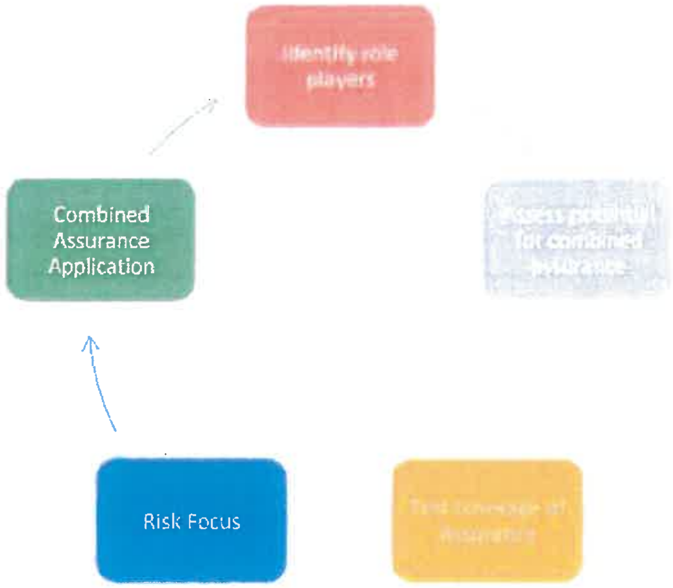
6. Role players in Combined Assurance

Some of the role players in combined assurance include the following:

- Fraud & Risk Management Committee (FARMCO)
- Audit and Performance Committee (A&PC)
- Internal Audit Activity
- External Auditor / Auditor-General South Africa
- Performance Management Unit
- Information and Communication Technology Department
- Management
- Occupational Health & Safety Function
- Government departments, entities and regulators
- Municipal Council

7. Combined Assurance Process

Therefore, a five-stage process should be employed in ensuring the success of a combined assurance model. This process is depicted as follows (read clockwise):



7.1. Stage 1: Identifying Role Players

Stage 1 entails the Municipal Manager identifying and appointing a combined assurance champion and an executive sponsor.

The champion will coordinate the process and ensure process continuity. The executive sponsor must be appointed to provide the authority, oversee the process and ensure that cooperation is provided throughout the initiative.

The Municipal Manager appoints the Chief Audit Executive (CAE), as per standard 9.5 or Risk Management as the combined assurance champion to coordinate the process and its continuity. Internal Audit and Risk Management are usually the best placed to take on the combined assurance champion role based on their understanding of the assurance concepts and a strong vested interest to making sure that the approach is effective.

Other second line functions can take on the championing role, such as Compliance Management or Legal Services.

7.2. Stage 2: Assess potential for combined assurance

The second stage entails establishing a high-level understanding of who the assurance providers are for the risk exposures facing the municipality. Combined Assurance in Langeberg Municipality will be based on a three lines of defence approach. That is assurance providers are separated in terms of first, second and third line of defence i.e. management-based assurance, risk and compliance-based assurance and independent assurance respectively.

The three lines of defence are elaborated as follows:

7.2.1. The first line of defence (Management based assurance):

Managers, the risk owners are responsible for ensuring the managing of the risk and are termed the "first line" assurance providers. The first line of defence is best suited to offer broader assurance coverage.

Management is ultimately responsible and accountable for establishing, maintaining and ensuring proper control, risk management and governance processes. Management must assess risk and, determine how much risk is acceptable and strive to maintain risks within those levels using various management tools including self-assessments. A key element of Management's responsibility is the extent of Management reviews and the actions that follow. Management reports and associated representations should offer the various role players reasonable assurance.

Reporting lines: Strategic Management Team

7.2.2. The second line of defence (Risk and compliance based assurance):

The second line of defence comprises corporate functions such as Risk Management, and Compliance Units. It is recommended that the Chief Audit Executive whom is heading the Internal Audit Activity be selected as the combined assurance champion.

Reporting lines: Fraud & Risk Management Committee

7.2.3. The third line of defence (Independent Assurance):

The third line of defence may be categorized in terms of audit and oversight. Internal Audit and Auditor-General are examples of independent assurance providers that form the third line of defence.

Reporting lines: Audit and Performance Committee

7.2.4. Key Role Players to Combined Assurance

The Municipality has identified the following key role players with specific roles and responsibilities regarding the implementation of the Combined Assurance in the Municipality.

The table below summarizes the roles and responsibilities as discussed throughout the framework:

Role	Responsibility
Accounting Officer	Appoint the champion and executive sponsor
Management	Management will always be the first line of defence. They must determine which activities need to be included in the Combined Assurance Plan, taking responsibility for identifying and confirming assurance providers and agreeing with them on the objective, scope and timing of assurance required.
Champion	It is recommended that the Chief Audit Executive be selected to champion combined assurance in Langeberg Municipality. Obtain annual input from assurance providers. Complete the template in terms of risks facing the municipality and identifying the assurance providers.
Internal Audit	Verify the capability of the assurance providers. Test for under or over assurance coverage. Recommend the adjustment of coverage.
Auditor-General of South Africa (AGSA)	Provide Independent assurance, monitor compliance, provide independent assurance and oversight and, obtain agreement on plan and scope to prevent duplication of costs.
Audit and Performance Committee (A&PC)	Monitor the coordination and effectiveness of combined assurance and report to Council. Approve the Combined Assurance Framework and Plan.
Fraud and Risk Management Committee (FARMCO)	Monitor the coordination and effectiveness of combined assurance and report to the Accounting Officer and/or Council. Review and approve the Combined Assurance Framework on an annual basis.

7.3. Stage 3: Stage Risk Focus

In the third stage a full understanding is established of what assurance is currently being provided and what needs to be provided based on the strategic and operational risk profiles of the organisation. This step will allow a detailed gap analysis to be developed and to inform the next stage in the process.

Here the different lines of defence will be mapped to the identified risks and detail work performed and the expected assurance.

It becomes important for the risk profile to be relevant to the business that is managed on a consistent basis. Risk information should be regularly and centrally maintained.

It is not feasible to consider all identified risks in the Combined Assurance Model. It is recommended that the limit is set in terms of risk severity (top 5 strategic and operational risks). The risk rating will therefore be the criteria for incorporation in the Combined Assurance Model. This approach will simultaneously ensure that the assurance is worth the cost.

7.4. Stage: Test Coverage of Assurance

The fourth stage in the process is to test the coverage of assurance provided through interaction with recipients and assessment of reports to establish what is being done and for what reasons. This test will ensure coordination of efforts and eradicate duplication.

The Global Internal Standard 9.1, the Internal Audit Activity must coordinate the activities of and communicate information among the board, external and internal auditors and management. Accordingly, the fourth stage in the process should be assigned to the Internal Audit Activity.

7.5. Stage 5: Combined Assurance Application

The final stage requires stakeholder acceptance of the approach and respective responsibilities through identifying and recommending the areas of assurance and articulating the nature of the assurance activities.

The detailed gap analysis should highlight areas of extensive assurance, adequate assurance, inadequate assurance and no assurance.

Assurance coverage is defined as follows:

Coverage	Definition
Extensive Assurance	All lines of defence are responding to the risk to the extent that coverage is duplicated.
Adequate Assurance	There is a balance between risk severity and assurance coverage.
Inadequate Assurance	The assurance coverage is insufficient to ensure effective risk management.
No Assurance	The risk has eluded all lines of defence and action is needed to respond to the risk.

Extensive assurance, inadequate assurance, and no assurance coverage must be addressed either by reducing or increasing the assurance coverage. This should be done by the Combined Assurance Champion in conjunction with the Executive Sponsor.

The third line of defence will then be responsible for reporting on the adequacy of assurance provided by the implementation of combined assurance.

Lastly, the assurance provided must be credible. It is recommended that Management and Council ensure that both internal and external assurance providers are appropriately skilled and experienced to follow an adequate approach. The independence, objectivity, conflicts of interest, skills, experience and qualifications of the assurance provider must be considered holistically to determine whether the assurance provided is credible.

The following assessment criteria will apply:

Category	Minimum requirements
Independence/objectivity	Independent reporting lines, no recent involvement and/or work done in the areas/aspects to be audited
Conflict of interest	In the areas/aspects which assurance is to be provided there should not be any conflict of interest (could require declaration in this regard)
Skill and experience	The assurance provider should have the appropriate skills and experience to effectively conduct the assignment
Qualification	The assurance provider should hold appropriate qualifications
Assurance methodology	A sound audit/review methodology should be adopted by the assurance provider. Ideally a risk-based approach should be followed. The reported findings and opinions should be supported by adequately documented working papers/audit trails
Accreditation body/registration	Ideally, the assurance provider should be accredited or registered with a recognised accreditation body for the areas/aspects over which he/she is providing assurance

8. Conclusion

The aforementioned process will be documented and reflected in a Combined Assurance Plan and included in the Multi-Year Internal Audit Strategy.

The Combined Assurance Plan details the three lines of defence which is mapped to the risk profile of Langeberg Municipality. The cross reference will then detail the assurance coverage. Judgement can be made on over and under assurance and adjustments may be made accordingly. The Combined Assurance Plan can also be used for reporting processes. An annual process must be developed to evaluate and report to management on the adequacy, effectiveness and efficiency of the development and implementation of the combined assurance framework. The Combined Assurance Framework and Plan should be recommended for approval by the Fraud & Risk Management Committee and approved by the Audit and Performance Committee on an annual basis or as required.

The approved Combined Assurance Framework and Plan should be also submitted to Council for noting.

9. Glossary

Framework	A conceptual structure intended to serve as a guide for the building of something that expands the structure into something useful. This is document will be regarded as a framework for combined assurance
Assurance	A declaration that inspires or is intended to inspire confidence.
Combine Assurance Champion	The individual appointed to coordinate the combined assurance process and ensure process continuity.
Executive Sponsor	The senior individual appointed to provide authority, oversee the combined assurance process and ensure cooperation throughout the initiative.
First line of defence	"Risk owners" responsible for ensuring the management of the risk. This line of defence has direct involvement, as the executing leg and will therefore offer broader assurance coverage.
Second line of defence	Internal assurance functions (internal risk and compliance units) such as Enterprise Risk Management, Health and Safety, Legal services etc.
Third line of defence	Independent (external or not line function) assurance function e.g., Internal Audit

10. Review of the Combined Assurance Framework

The Combined Assurance Framework will be reviewed by the Fraud & Risk Management Committee and approved by the Audit & Performance Committee at least every Council term, or shorter should significant changes be required. This document will remain effective until a new one is approved.

Acknowledgement of Approval

Accepted and Recommended by the Fraud & Risk Management Committee

Position: Chairperson
Name in print: ____________________
Signature: ____________________
Date: ____________________

Approved by the Audit & Performance Committee

Position: Chairperson
Name in print: ____________________
Signature: ____________________
Date: ____________________

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RISK IDENTIFICATION AND ASSESSMENT METHODOLOGY

2025/26

Reviewed and approved by Council on August 2025

Contents

1. Introduction

This document is designed to assist in achieving the objective of implementing an effective risk management process by describing the methodology for identifying risks, completing risk assessments and documenting the risks identified, using the Langeberg Municipality's risk assessment systems (BarnOwl) and processes. It also seeks to assist the municipality in ensuring that good governance principles with regard to risk management are applied throughout the municipality.

2. Objectives and benefits

Objectives

The Langeberg Municipality is committed to implementing and maintaining an effective, efficient and transparent system of risk management. This methodology is designed to assist management in –

- Developing a mutual understanding of risk management;
- Speaking a common language in relation to risk management;
- Assessing and documenting risks; and
- Putting corrective action plans in place to manage the risk exposure in a consistent manner.

The benefits of risk management include:

- A more sustainable and reliable delivery of services, in order to achieve the strategic goals and objectives of the municipality as set out in its Integrated Development Plan (IDP);
- Enhanced decision making, by promoting a more innovative, less risk averse culture in which calculated risks are taken in pursuit of opportunities to the benefit of the municipality;
- Reduced redundancies, inconsistencies and gaps in the municipality's policies, procedures and any other guidelines.
- The minimisation of fraud and corruption;
- Improved performance, outputs and outcomes;
- The achievement of better value for money through more effective, efficient and economic use of scarce resources;
- Decreasing surprises and calamities by placing management in a position to effectively deal with new and emerging risks that may create uncertainty;
- Avoiding damage to the reputation of Langeberg Municipality; and
- Assisting management in ensuring more effective reporting, compliance with applicable laws, regulations and other corporate governance requirements.

3. Risk management methodology

The risk management methodology to identify and assess risks consists of the following steps:

Step 1 - Communication and consultation

Communication and consultation with process owners, management and senior management should take place during all stages of the risk management process.

Step 2 - Establishing context

The environment in which the Langeberg Municipality functions sets the foundation for the components of risk management. By understanding the needs, responsibilities and environment in which the Langeberg Municipality operates, the municipal Council sets its strategic objectives to be included in the municipality's IDP. Key Performance Indicators are developed and included in the municipality's Top Layer and Departmental SDBIP's to assist in achieving the overall strategic objectives.

Step 3 - Risk Assessment

Risk identification

Risk identification is a deliberate and systematic effort to find, recognise, describe and document Municipality's risks, with the main focus being on the risks that have a significant impact to the Langeberg Municipality's objectives.

The purpose of risk identification is to understand what is at risk within the context of the Municipality's explicit and implicit objectives and to generate a comprehensive inventory of such risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives. The risk identification process must be able respond to the typically dynamic nature of the risk environment by being able to timeously detect new and emerging risks, as well as risks that are no longer relevant.

The risk identification process should cover all risks, regardless of whether or not the sources of such risks are within the direct control of the Municipality. A risk must not be ignored because the Municipality does not have control over it.

Risk identification should be strengthened by supplementing management's perceptions of risks with independent information and quantitative analysis. Depending on the risk being considered the following could provide useful information:

a) review of external and internal audit reports;
b) financial analyses;
c) historic data analyses;
d) actual loss data;
e) incident reports;
f) insurance survey reports;
g) health and safety surveys;
h) fraud risk assessment reports;
i) operational research;
j) scenario analyses;
k) forecasting and stress testing;
l) interrogation of trends in key performance indicators;
m) benchmarking against peer group or quasi peer group;
n) market and sector information;
o) specialist and expert judgements;
p) oversight reports issued by relevant authorities such as National Treasury, Provincial Treasury and others, and
q) national and global risk reports such as those issued by the World Economic Forum and the Institute of Risk Management South Africa.

Risk evaluation (ratings)

Uncertainty around potential future events relevant to Langeberg Municipality and its activities are evaluated from two perspectives, namely likelihood and impact. By calculating the risk exposure (risk rating), management gets to understand the extent to which potential events might impact on their objectives. The Langeberg Municipality uses a 5 to 5 rating scale as per the following steps to calculate the inherent risk rating.

Step 1:
Impact represents the effect of a potential event. Consider and evaluate the impact or consequence of exposure to the risk. Use the table below to determine and quantify the severity ranking of the impact.

Severity Ranking	Continuity of Supply	Safety & Environmental	Technical Complexity	Financial
Catastrophic (5)	Risk event will result in widespread and lengthy reduction in continuity of supply to consumers of greater than 48 hours	Major environmental damage. Serious injury (permanent disability) or death of personnel or members of the public. Major negative media coverage.	Use of unproven technology for critical system / project components High level of technical interdependencies between system / project components	Significant cost overruns of >20% over budget. Effect on revenue / asset base of >10%. Effect on operating surplus for the year >5%.
Critical (4)	Reduction in supply or disruption for a period ranging between 24 & 48 hours over a significant area.	Significant injury of personnel or public. Significant environmental damage. Significant negative media coverage.	Use of new technology not previously utilised by Your company for critical systems / project components.	Major cost overruns of between 10 % & 20 % over budget. Effect on revenue / asset base of between 5% & 10%. Effect on surplus for the year of between 3% & 5%.
Serious (3)	Reduction in supply or disruption for a period between 8 & 24 hours over a regional area.	Lower level environmental, safety or health impacts. Negative media coverage.	Use of unproven or emerging technology for critical systems / project components.	Moderate impact on revenue and assets base.
Significant (2)	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations.	Little environmental, safety or health impacts Limited negative media coverage	Use of unproven or emerging technology for systems / project components	Minor impact on revenue and assets base
Minor (1)	No impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Insignificant financial loss

Step 2:
Likelihood represents the possibility that a given event will occur. Consider and evaluate the likelihood of the exposure to the risk occurring. Using the table below, determine the likelihood rating of the risk occurring.

Probability Factor	Qualification Criteria	Rating
Almost Certain	The risk is almost certain to occur in the current circumstances	5
Likely	More than an even chance of occurring	4
Possible	Could occur quite often	3
Unlikely	Small likelihood but could happen	2

Rare	Not expected to happen - Event would be a surprise	1

Step 3:
Inherent risk is the risk to the municipality in the absence of any actions management might take to alter either the risk's likelihood or impact. To calculate the "Inherent Risk rating", use the following formula:
Inherent Risk Rating = Impact (determined in Step 1) **X Likelihood** (determined in Step 2).

Risk analysis

Risk analysis consists of the documentation of the "current control processes" that are in place to address the identified risks and root causes (contributing factors), as well as assessing management's assurance in the effectiveness of the control mechanisms. Internal Controls can be preventative, detective or corrective by nature. The following table is used to determine the effectiveness of the "current control processes" in place to mitigate the risk:

Effectiveness Factor	Qualification Criteria	Rating
Very Good	Risk exposure is effectively controlled and managed	90%
Good	Majority of risk exposure is effectively controlled and managed	80%
Satisfactory	There is room for some improvement	65%
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies	40%
Unsatisfactory	Control measures are ineffective	20%
No Control	No control measures are in place	0%

Residual risk is the risk that remains after management responds to the risk. Risk assessment is applied first to inherent risks. After determining the control effectiveness, the following formula is applied to determine the "Residual Risk" rating:

Residual Risk Rating = Inherent Risk Rating X (1 -Control Process Effectiveness)

Step 4 - Risk treatment

Where the management of the risk is within the control of the Municipality, the response strategies should consider:
- avoiding the risk by, for example, choosing a different strategy or terminating the activity that produces the risk;
- treating the risk by, for example, implementing or improving the internal control system;
- transferring the risk to another party more competent to manage it by, for example, contracting out services, establishing strategic partnerships and buying insurance;
- accepting the risk where cost and strategy considerations rule out alternative strategies; and
- exploiting the risk factors by implementing strategies to take advantage of the opportunities presented by such risk factors.

Step 5 - Reporting, Monitoring and Review

Risk management is not static and changes over time. Risk responses that were once effective may become irrelevant; control activities may become less effective or no longer relevant; or the Langeberg Municipality's objectives may change. When changes come into effect, management needs to determine whether functioning of each risk management component continues to be effective.
Risk and action woners are required to review and update the risk details of their directorates / departments on an ongoing basis for the review of the IAA.

The IAA is responsible to perform continuous reviews on the risk register and monitoring on the implementations of identified action plans on the risk management system. Quarterly reporting on risk assessments/risk register is required to the Municipal Manager, Fraud & Risk Management Committee (FARMCO) and the Audit & Performance Committee.

4. Review of methodology

This methodology shall be reviewed when deemed necessary to reflect the current stance on the risk management within the Langeberg Municipality.

5. Approval of the methodology

The approval of this methodology lies with the Langeberg Municipality Council on the recommendations of the Fraud & Risk Management Committee, the Municipal Manager and Audit & Performance Committee. This document will remain effective until a new one is approved.

6. Acknowledgement of approval

Recommended by the Fraud & Risk Management Committee:

Position:	Chairperson
Signature:	______________
Name in Print:	______________
Date:	______________

Accepted by the Municipal Manager:

Position:	Municipal Manager
Signature:	______________
Name in Print:	______________
Date:	______________

Adopted by Council Resolution:

Report No.:	______________
Date:	______________

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

RISK MANAGEMENT POLICY

2025/26

Reviewed and approved by Council on August 2025

Contents

1 Risk management philosophy

Langeberg Municipality is committed to the optimal management of risks in order to achieve its vision, deliver on its core business and key objectives. In the course of conducting our day-to-day business operations, we are exposed to a variety of risks. These risks include strategic and operational risks that are material and require comprehensive controls and on-going oversight.

To ensure business success we have adopted an enterprise-wide integrated approach to the management of risks. By embedding the risk management process into key business processes such as planning, operations and new projects, we will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite. To further implement the enterprise-wide approach, we have taken a number of steps to reinforce a culture of disciplined risk-taking.

Council is responsible for oversight of the risk management process and has delegated its day-to-day implementation to the Municipal Manager (MM). The Internal Audit Activity will ensure that the policy is implemented, monitored and reviewed and that Council and the Fraud & Risk Management Committee (FARMCO) receive appropriate reporting on the municipality's risk profile and risk management process. Management will execute their responsibilities outlined in the Risk Management Strategy. All other officials are responsible for incorporating risk management into their day-to-day activities.

As the MM of Langeberg Municipality, I am responsible for enhancing corporate governance within the municipality and to ensure that appropriate focus is placed on important tasks.

Signature of municipal manager:

D Lubbe

Date:

2 Glossary of terms

Term/ Abbreviation	Description
Assurance	A declaration that inspires or is intended to inspire confidence.
A&PC	Audit and Performance Committee
Business Continuity Management	Business Continuity Management (BCM) is the process by which Langeberg Municipality prepares for future incidents that could jeopardise the municipality's core mandate and its long-term viability. Therefore, the purpose of the BCM is to provide a framework that will build organisational resilience and establish an effective response that preserves the value given by the municipality.
Combined Assurance	A process that seeks to optimise the scope of assurance to the Municipality by harmonising the work of various providers of assurance through eliminating fragmentation and duplication of efforts.
Enterprise Risk Management	A systematic, co-ordinated and inclusive process which uses the Municipality's strategy and objectives as the focal point to manage the range of risks and optimisation of opportunities to enhance the achievement of the strategy and objectives.
FARMCO	Fraud and Risk Management Committee
Risk	a) The effect of uncertainty on the achievement of the Municipality's IDP and SDBIP caused by the presence of risk factors; and/or b) The failure to optimise opportunities to enhance the achievement of the IDP and SDBIP.
Governing body	The structure that has the primary accountability for the governance and performance of the municipality. This refers to Municipal Council and/ or its committees.
Risk Management	A systematic, coordinated set of activities and methods used to direct an organization and to control risks, including a set of principles, a framework and a process.
Risk Management Framework	A systematic, coordinated set of activities and methods used to direct an organization and to control risks, including a set of principles, a framework and a process.
Risk Profile/Register	The risk profile will outline the number of risks, type of risk and potential effects of the risk. This outline will allow the municipality to anticipate additional costs or disruptions to operations. It also describes the willingness of the municipality to take risks and how those risks will affect the operational strategy of the municipality.
Risk Assessment	The overall process of analysing and evaluating risks.
Risk measurement	The impact and the likelihood of risk to happen.
Risk appetite	The level of risk which is established through a rigorous analytical process (including consideration of cost versus benefit) that the Municipality is prepared and able to accept in furtherance of its objectives.
Risk Response	The strategies developed by management to reduce or eliminate the threats and events that create risks.

Term/ Abbreviation	Description
Risk tolerance	Organization's readiness to bear the risk, after treatments in order to achieve its objectives.
Inherent Risk	The exposure arising from risk factors in the absence of deliberate management intervention(s) to exercise control over such factors.
Residual Risk	The exposure remaining after the mitigating effects of management intervention(s) to control such exposure, i.e. the remaining risk after management has put in place measures to control the inherent risk.
Risk Assurance	The functions that are performed by the Auditor-General of South Africa and other assurance providers in providing assurance with regard to risk management.
Risk Owner	The person accountable for managing a particular risk linked to the objective(s) he/she is responsible for.
CAE	Chief Audit Executive and the driver of the risk management process.
Risk Champion	The official nominated by the Executive director of a specific directorate to co-ordinate and manages risks within the directorate.

3 Introduction

The Langeberg Municipality is committed to implementing and maintaining an effective, efficient and transparent system of risk management. The process of risk management is aligned to the principles as set out in the King IV Report on Governance for South Africa and as supported by the Municipal Finance Management Act (MFMA), Act no 56 of 2003. Langeberg Municipality does not have a risk management department to establish and manage risk management processes and as a result these responsibilities reside with the Internal Audit Activity (IAA) which is headed by the Chief Audit Executive (CAE). This is in line with the International Standards for the Professional Practice of Internal Auditing, which states that the Chief Audit Executive may be asked to take on additional roles and responsibilities outside of internal auditing.

The necessary safeguards that must be in place to limit impairments to independence and objective of the Internal Audit Activity and Chief Audit Executive, respectively are documented in the Internal Audit Charter in line with the Standards.

4 Legislative background

Section 62(1)(c) (i) of the MFMA, requires the Accounting Officer to ensure that their municipality have and maintains effective, efficient and transparent systems of risk management.

In terms of principle 11 of the KING IV of Corporate Governance, the governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The above is further supported by other sections of the Act, viz. Section 165 (2) (a); (2) (b)(iv) and Section 166 (2)(a)(ii).

The Local Government Risk Management Framework also aims to support municipalities to improve and sustain their performance by enhancing their systems of risk management to protect against adverse outcomes and optimise opportunities.

Regulation 41 of the Municipal Supply Chain Management Regulations states that a supply chain management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.

5 Purpose of the risk management

Through this policy, Langeberg Municipality puts into practice its commitment to implement risk management and embed a culture of risk management within the municipality. This policy forms the basis for the accompanying Risk Management Strategy, which is designed to help achieve the objective of implementing an effective Enterprise Risk Management (ERM) process. The municipality's policy must have a positive approach to risk management, which means that it will not only look at the risk of things going wrong, but also the impact of not taking opportunities or not capitalizing on municipal strengths. By adopting this positive approach and taking into consideration the Integrated Development Plan (IDP) it will enable the municipality to fulfil its performance expectations.

The purpose of the Enterprise Risk Management Framework also includes:

- Contributing in building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence;
- Providing a comprehensive approach to better integrate risk management into strategic decision making through aligning the risk-taking behaviour to better achieve the goals and related objectives;
- Promoting a risk awareness ethic in all departments and improve risk transparency to stakeholders;
- Identifying risk improvement opportunities that will maximise business opportunities and sustainable delivery of services and programmes;
- Achieving better value for money through more efficient use of resources;
- Improving outputs and outcomes through better projects' programmes and departmental management;
- Ensuring informed decisions underpinned by appropriate thoroughness and / or rigour analysis;
- Assisting with prevention of fraud and corruption; and
- Providing guidance to the MM and management when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the context of Langeberg Municipality.

6 Benefits of the risk management framework

The benefits of the Risk Management Framework are as follows:

- **Aligning risk appetite and strategy** – The Langeberg Municipality management will consider their risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.
- **Providing an ability to prioritise the risk management activity** – Risk quantification techniques assist management in prioritising risks to ensure that resources and capital are focussed on standard and significant risks faced by the Municipality.
- **Enhancing risk response decisions** – Enterprise Risk Management provides the basis for management to identify and select alternative risk responses –transfer the risk, tolerate, treat, or terminate.
- **Seizing opportunities** - By considering a full range of potential events, Langeberg Municipality's management will be in a position to identify and proactively realise opportunities.
- **Ensuring compliance with laws and regulations** – Risk Management helps to ensure effective reporting and compliance with laws and regulations, and helps to avoid damage to Langeberg Municipality's reputation and associated consequences.

Risk management helps our municipality achieve its performance targets and prevent loss of resources. It helps ensure effective reporting and that our municipality complies with laws and regulations, avoiding damage to its reputation and other consequences. In short, it helps Langeberg Municipality get to where it wants to go and avoid pitfalls and surprises along the way.

7 Detailed roles and responsibilities

All personnel within the Langeberg Municipality have a responsibility for maintaining good internal control and managing risks in order to achieve the Municipality's objectives; however, the primary responsibility for the identifying and management of risks lies with Management.

7.1 Risk management oversight

7.1.1 Council

Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Langeberg Municipality against significant risks. Responsibilities of the Council in risk management include:

- ensuring that the municipal strategy and objectives are aligned to the government mandate and community's priorities;
- insisting on the achievement of objectives, effective performance management and value for money.
- understand the municipality's risk profile;
- being aware of and concurring with the municipality's risk appetite;
- understanding the priority risks, especially those where Council can play a role in risk mitigation without interfering with the mandate of the Accounting Officer;
- obtaining assurance from management that the municipality's strategic choices were based on a rigorous assessment of risk;
- obtaining assurance that priority risks inherent in the municipality's strategies were identified and assessed, and are being properly managed;
- assisting the Accounting Officer with fiscal, intergovernmental, political and other risks beyond his/her control and influence;

Audit & Performance Committee (A&PC)

The Audit & Performance Committee is responsible for the independent oversight of:

- reviewing and recommending disclosures on matters of risk in the annual financial statements and annual report;
- reviewing and providing regular feedback to the Accounting Officer on the adequacy and effectiveness of risk management in the municipality, including recommendations for improvement;
- ensuring that the Internal Audit and Auditor-General plans are aligned to the risk profile of the municipality;
- providing oversight over the combined assurance process;
- reviewing and concurring with the municipality's risk appetite;
- receiving and considering reports from the FARMCO;
- satisfying itself that it has appropriately addressed the following areas:
    - financial reporting risks, including the risk of fraud;
    - internal financial controls; and
    - IT risks as they relate to financial reporting.
    - evaluate the effectiveness of Internal Audit in its responsibilities for risk management.

7.1.2 Fraud & Risk Management Committee (FARMCO)

The Fraud & Risk Management Committee is appointed by the MM and is responsible for the oversight of:

The duties of the FARMCO shall be to:

- Review and recommend for the approval of the MM, A&PC and Council, the:
  - risk management policy;
  - risk management strategy and implementation plan;
  - risk appetite framework;
- Evaluate the extent and effectiveness of integration of the risk management framework within the municipality;
- Evaluate the effectiveness of the mitigating strategies implemented to address the priority risks of the municipality;
- Review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
- Develop key performance indicators for its own performance for approval by the Accounting Officer;
- Collaborate with the A&PC on all matters concerning risks and risk management; and
- Provide timely and useful reports to the MM and A&PC on the state of risk management, together with recommendations to address any deficiencies identified

7.2 Risk management implementers

7.2.1 Municipal Manager

The MM is ultimately responsible for risk management within the municipality and high-level responsibilities include:

- Setting an appropriate tone by supporting and being seen to be support the municipality's aspirations for effective risk management;
- Delegating responsibilities for risk management to Management and internal functions such as the Fraud and Risk Management Committee, and holding them accountable;
- Holding Management accountable for designing, implementing, monitoring and integrating risk management into their day-to-day activities;
- Providing leadership and guidance to enable Management and internal structures responsible for various aspects of risk management to properly perform their functions;
- Ensuring that the control environment supports the effective functioning of risk management;
- Considering the inputs and recommendations of the A&PC and FARMCO to approve:

  i. the risk management policy, strategy, and implementation plan;

  ii. the fraud prevention policy, strategy and implementation plan

  iii. risk appetite framework
- Devoting personal attention to overseeing management of the priority risks;
- Leveraging the Audit and Performance Committee, Internal Audit Activity, Auditor-General and Fraud and Risk Management Committee for assurance on the effectiveness of risk management;
- Ensuring appropriate action in respect of the recommendations of the Audit and Performance Committee, Internal Audit, Auditor-General and Fraud and Risk Management Committee to improve risk management; and
- Providing assurance to relevant stakeholders that priority risks are properly identified, assessed and mitigated.

Strategic Management Team (SMT)
The SMT is responsible for:

- Executing their responsibilities as set out in the risk management strategy;
- Empowering officials to perform effectively in their risk management responsibilities through proper communication of responsibilities, comprehensive orientation and ongoing opportunities for skills development;
- Aligning the functional risk management methodologies and processes with the Municipal process;
- Devoting personal attention to overseeing the management of priority risks within their area of responsibility;
- Maintaining a co-operative relationship with the Internal Audit Activity;
- Providing risk management reports;
- Reporting to the FARMCO and A&PC as may be requested;
- Maintaining the proper functioning of the control environment within their area of responsibility;
- Monitoring risk management within their area of responsibility; and
- Holding officials accountable for their specific risk management responsibilities.

7.2.2 Other Officials

Supervisors and Managers are responsible for ensuring that all risks in their areas of operations are identified and managed appropriately. They are also responsible for integrating risk management into their day-to-day activities by ensuring conformance with controls and include following:

- applying the risk management processes in their respective functions;
- implementing the delegated action plans to address the identified risks;
- informing their supervisors and/or the Risk Management Unit of new risks and significant changes in risks;
- escalating instances where management of risk is beyond their control; and
- co-operating with other role players in the risk management process and providing information as required.

7.3 Risk management support

7.3.1 Internal Audit Activity (IAA)

The CAE is the custodian of the Risk Management Strategy and a coordinator of risk management activities for the Langeberg Municipality.

Responsibilities of the CAE include:

- Championing the formulation of the municipality's Enterprise Risk Management in a manner that fulfils the mission and strategic goals of the municipality while complying with legislative requirements;
- Co-ordinate Enterprise Risk Management process;
- Giving advice on identifying and evaluation of risks;
- Facilitate risk workshops;
- Facilitating management's response to risks;
- Monitor all risks and mitigating controls;
- Report to the FARMCO in a predetermined format and content;
- Educate and train the leadership, staff and business associates as to the risk management program, and their respective responsibilities in carrying out the risk management program;

- Lead, facilitate and advise departments in designing ERM programs within their own departments;
- Help identify corrective actions where appropriate;
- Maintain risk register, indicating risk responses and risk owners;
- Educate staff and promote risk awareness throughout the Municipality.

7.3.2 Risk champions

The Risk Champion is an official with skills, knowledge, leadership qualities that is required to champion a particular aspect of risk management.

Responsibilities of the Risk Champion in risk management include:

- Applying the risk management processes in their respective functions;
- Implementing the delegated action plans to address the identified risks;
- Informing their supervisors and/or the IAA of new risks and significant changes in risks;
- Escalating instances where management of risk is beyond their control; and
- Co-operating with other role players in the risk management process and providing information as required.

7.3.3 Risk management assurance providers

7.3.3.1 Internal Audit Activity

Langeberg Municipality does not have a separate risk management department to establish and manage risk management processes and as a result these responsibilities reside with the Internal Audit Activity (IAA) which is headed by the Chief Audit Executive (CAE). This is in line with the International Standards for the Professional Practice of Internal Auditing, which states that the Chief Audit Executive may be asked to take on additional roles and responsibilities outside of internal auditing. The CAE has assumed risk management responsibilities of a Chief Risk Officer (CRO) and, as a result, the IAA will not be able to provide assurance on risk management.

Hence, alternative arrangements will be made for another suitably qualified independent party to exercise the following responsibilities:

- Providing assurance that management processes are adequate to identify and monitor significant risks;
- Providing assurance on the evaluation of risks;
- Providing objective confirmations that the MM and A&PC and FARMCO receive the right quality of assurance and reliable information from management regarding risk;
- Providing assurance regarding the effectiveness and efficiency of risk management process; and
- Further providing assurance as to the completeness and accuracy of risk management reporting.

7.3.3.2 External Auditors (AGSA)

Auditor-General of South Africa highlights weaknesses and deficiencies concerning controls and provides an independent opinion on the effectiveness of the risk management activities of the Langeberg Municipality. This include
a) determining whether the risk management policy, strategy and implementation plan are in place and are appropriate;
b) assessing the implementation of the risk management policy, strategy and implementation plan;

c) reviewing the risk identification process to determine if it is sufficiently robust to facilitate the timely, correct and complete identification of significant risks, including new and emerging risks;

d) reviewing the risk assessment process to determine if it is sufficiently robust to facilitate timely and accurate risk rating and prioritisation; and

e) determining whether the management action plans to mitigate the priority risks are appropriate, and are being effectively implemented.

Risk management methodology

The Risk management process consists of the eight (8) components below.

7.4 Internal environment

The internal environment encompasses the tone of Langeberg Municipality, influencing the risk consciousness of its people. It is the foundation for all other components of risk management, providing discipline and structure.

7.5 Objective Setting

- This is the strategic, organizational and risk management context against which the risk management process in the Langeberg Municipality will take place.
- Risk management ensures that management has a process in place to both set objectives and align the objectives with Langeberg's mission and vision.
- The setting of these objectives is usually completed during the, "Strategic planning and Budgetary process."

7.6 Risk Identification

- Risk identification is a deliberate and systematic effort to identify and document the Municipality's key risks.
- The objective of risk identification is to understand what is at risk within the context of the Municipality's explicit and implicit objectives and to generate a comprehensive inventory of risks
- The Municipality should adopt a rigorous and on-going process of risk identification that also includes mechanisms to identify new and emerging risks timeously.
- The risk identification process should cover all risks, regardless of whether or not such risks are within the direct control of the Municipality.
- Risk workshops and interviews are useful for identifying, filtering and screening risks but it is important that these judgement based techniques be supplemented by more robust and sophisticate methods where possible, including quantitative techniques. Risk identification should be strengthened by supplementing Management's perceptions of risks, inter alia, with:

a) review of external and internal audit reports;

b) financial analyses;

c) historic data analyses;

d) actual loss data;

e) incident reports;

f) insurance survey reports;

g) health and safety surveys;

h) fraud risk assessment reports;

operational research;

j) scenario analyses;

k) forecasting and stress testing;

l) interrogation of trends in key performance indicators;

m) benchmarking against peer group or quasi peer group;

n) market and sector information;

o) specialist and expert judgements;

p) oversight reports issued by relevant authorities such as National Treasury, Provincial Treasury and others, and

q) national and global risk reports such as those issued by the World Economic Forum and the Institute of Risk Management South Africa.

The categories of Risks:

Strategic Risks - These are risks of a strategic nature, which include the following issues:

Corporate governance

Business continuity planning

Service delivery

Management responsibility

Streamlined procedures

Communication / Public Relations / Reputational Management

Organisational Structure / Change Management

Operational Risks - Operational risk is the risk that there is a loss as a result of failures/inadequacies in e.g., procedures, office space, personnel, electricity supply, and business relations. This includes losses as a result of errors, omissions and delay. The risk can be due to the following actions:

- Service delivery

Business processes

Regulatory trends

Procurement / Budgeting / Funding / Project Management

Fraud

Methods and techniques

Standards and Education

7.7 Risk Assessment

- Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Municipality.
- The main purpose of risk assessment is to help the Municipality to prioritise the most important risks, as the Municipality is not expected to have the capacity to deal with all risks in an equal manner based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives. The positive and negative impacts of potential events should be examined, individually or combined, across the municipality.

- Risks should be assessed based on the likelihood of the risk occurring and the impact of its occurrence on the particular Municipality objective(s) it is likely to affect.

Annual and quarterly risk assessments allow the Municipality to consider the extent to which potential events might have an impact on the achievement of objectives. Annual risk assessments will be done on both operational and strategic levels. Langeberg Municipality assess events from two perspectives, namely impact and likelihood and normally uses the quantitative method i.e. risk rating scales for both the inherent and residual basis.

Inherent Risk

The exposure arising from risk factors in the absence of deliberate management intervention(s) to exercise control over such factors.

Inherent Risk = Impact x likelihood of risk to happen

Residual risk

The remaining exposure after management has considered and taking into account the adequacy of the risk mitigating controls

Residual Risk = Inherent Risk – Control Adequacy

7.8 Risk Response

- Management identifies risk response strategy options hereafter referred to more specifically as risk responses, and consider their effect on event likelihood and impact, in relation to risk tolerances, costs versus benefits, and thereafter design and implement response options.
- After the risks have been identified and the contributing factors or root causes have been established, the control strategy should be identified for the various risk exposures. Risk responses fall within the categories of risk avoidance, active management and acceptance.
- The following should be used to identify the control strategies considered by management:

  Transfer through insurance cover;

  Tolerate;

  Treat/ mitigate through rigorous management practices; or

  Terminate the risk by eliminating a process, a product, a service or a geographical zone.
- After the control strategy decision, the current controls to manage the risk in question are identified. It is necessary to assess the adequacy of these controls. This is a measure of how well management perceives the identified controls to be designed to manage the risks.

7.9 Designing Control Activities to mitigate the risks

7.9.1 Risk Appetite and Risk tolerance

The term "Risk Appetite" can be defined as the acceptable level or amount of risk the Langeberg Municipality is willing to accept, before action is needed to reduce it. The Langeberg Municipality will set the risk appetite level and commit to aggressively pursue managing risk to be within the risk appetite to avoid exposure to losses and to manage actions that could have a negative impact on the reputation of the Municipality.

The Municipality's risk appetite will be reassessed on a yearly basis, based on the annual risk assessment exercise results and adjusted if required. The ultimate goal is to reduce the risk level of the Municipality to acceptable levels. The Municipality has committed itself to aggressively pursue managing risks to be within its risk appetite to avoid exposures to losses and to manage actions that could have a negative impact on the reputation of the municipality.

Risk Tolerance refers to the maximum level or amount of risk that the Municipality can bear, before action is needed to reduce it. All risks above the Municipality's risk tolerance will receive attention until it is mitigated to below the risk tolerance level

7.9.2 Control Activities

This is determination of the current controls (systems and processes) and the analysis of risks in terms of the impact and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. The impact and likelihood of an event to happen should be combined to produce as estimated level of risk.

Internal controls are instituted by management and personnel to achieve their objectives by:

- Conducting their business in an orderly, ethical, economic, effective and efficient manner.
- Safeguarding their assets and resources against loss, misuse and damage.
  (Deterring and detect errors, fraud and theft).
- Fulfilling accountability obligations by:
  Ensuring accuracy and completeness of its accounting and performance data.
  Producing reliable and timely financial and performance management information.
- Complying with applicable laws, regulations and policies.

Internal Controls can be preventative, detective or corrective by nature.

- **Preventative Controls** are designed to keep errors or irregularities from occurring in the first place.
- **Detective Controls** are designed to identify errors or irregularities that may have occurred.
- **Corrective Controls** are designed to correct errors or irregularities that have been detected.

Note: Management evaluates controls to ensure they are still appropriate, relevant, economical (cost effective) and efficient.

7.9.3 Communication and Consultation

- Relevant information, which is properly and timeously communicated, is essential to equip the relevant officials to identify, assess and respond to risks.
- Effective external and internal communication and consultation should take place to ensure that those accountable for implementing the risk management process and stakeholders understand the basis on which decisions are made, and the reasons why particular actions are required.

- Communication and consultation should facilitate truthful, relevant, accurate and understandable exchanges of information, taking into account confidential and personal integrity aspects.
- Management must keep the executive authority up-to-date on performance, developments, risks and the functioning of risk management, and other relevant events and issues. The more effective the communication, the more successful the executive authority will be in carrying out its oversight responsibilities, in acting as a sounding executive authority on critical issues and in providing advice, counsel and direction.

7.9.4 5.8 Risk Monitoring

- Monitoring concerns checking on a regular basis to confirm the proper functioning of the entire risk management system.
- Monitoring should be effected through on-going activities or separate evaluations to ascertain whether risk management is effectively practised at all levels and across the Langeberg Municipality in accordance with the risk management policy, strategy and the implementation plan.

8 Reporting

The following minimum reports will be compiled and presented to the Accounting Officer, Audit & Performance Committee, and the Risk Management Committee:

- A summary of risks broken down into operating units. (Risk Register)
- A summary of existing gaps in the capabilities for managing significant risks. (Risk Assessment)
- A report of emerging issues or risks that requires immediate attention. (Action Plans)
- Integrated reporting and disclosure (Quarterly Reports and Annual Report)

9 Fraud prevention policy

Langeberg Municipality is responsible for developing and implementing its own Fraud Prevention Policy. Confidential reporting of potential breaches and actual investigations should be reported to the MM, FARMCO and /or A&PC.

10 Combined assurance

Combined assurance will optimise and maximise the level of risk, governance and control oversight over the Municipality's risk landscape, by integrating, coordinating and aligning the risk management and assurance processes within the Municipality. A Combined Assurance Model should be developed and updated quarterly to ensure the Municipality's most significant risks receive adequate assurance. The combined assurance activities of the Municipality will be conducted in accordance with the Combined Assurance Policy Framework.

11 Business continuity

Business continuity is an integral part of risk management. In the event of extended service outages caused by factors beyond the Municipality's control, the Municipality must be able to restore services to the widest extent possible in a minimum time frame. A Business Continuity Framework should be developed to direct business continuity activities of the Municipality and the Business Continuity Committee (BCC) should oversee the execution of those activities.

12 Implementation of the policy

The policy is applicable and covers the entire Langeberg Municipality and the Risk Management Strategy and Risk Management Operational Plan guide its implementation. The policy will be communicated throughout the Langeberg Municipality by means of posters, emails and circulars. The policy will also be publicised on the Municipal website for purpose of ease of accessibility by the users.

13 Policy review

The policy shall be reviewed whenever required to reflect the current stance on the risk management within the Langeberg Municipality.

14 Approval of the policy

The approval of this policy lies with the Langeberg Municipality Council on the recommendations of the Fraud & Risk Management Committee and the Municipal Manager. This document will remain effective until a new one is approved.

Acknowledgement of approval

Recommended by the Fraud & Risk Management Committee:

Signature:	______________
Name in Print:	______________
Date:	______________
Position:	Chairperson

Approved by the Municipal Manager:

Signature:	______________
Name in Print:	______________
Date:	______________
Position:	Municipal Manager

Adopted by Council Resolution:

Report No.:	______________
Date:	______________

LANGEBERG
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RISK MANAGEMENT STRATEGY

2025/26

Reviewed and approved by Council on August 2025

Contents

1 Overview

1.1 Introduction

Langeberg Municipality has undertaken to embed a culture of Enterprise Risk Management (ERM) within the municipality to identify, assess, manage, monitor and report risks to ensure the achievement of objectives as identified in the Integrated Development Plan (IDP).

Langeberg Municipality has established an operational and strategic risk profile to manage the risk management process. As a result, it is each responsible manager's and director's responsibility to identify, assess and treat their relevant risks.

The Internal Audit Activity (IAA) is responsible for facilitating and coordinating the implementation of risk management processes which is headed by the Chief Audit Executive. This is in line with the International Standards for the Professional Practice of Internal Auditing, which states that the Chief Audit Executive may be asked to take on additional roles and responsibilities outside of internal auditing. The necessary safeguards that must be in place to limit impairments to independence and objective of the Internal Audit Activity and Chief Audit Executive, respectively are documented in the Internal Audit Charter in line with the Standards.

1.2 Purpose of this Document

The purpose of the risk management strategy is to take what is in the risk management policy and apply it in strategy and sets out all risk management activities planned for the Langeberg Municipality. This document also provides insight as to how the municipality will implement risk management.

2 Implementation of risk management

2.1 Langeberg municipality reporting structure

The structure through which risk management will be reported within the Langeberg Municipality is set out below:

2.2 Roles and responsibilities

All personnel within Langeberg Municipality have a responsibility for maintaining good internal control and managing risks in order to achieve the municipality's objectives. To assist personnel with understanding their roles and responsibilities, the following tables of guidelines per role player have been included:

2.2.1 Executive authority (Council)

Council is responsible for the governance of risk and will report to the community, on the municipality's system of internal control to provide comfort that the municipality is protected against significant risks to ensure the achievement of objectives as detailed in the Service delivery and Budget Implementation Plan (SDBIP). To fulfil its mandate with regards to ERM, council must:

Ref.	Activity	Frequency
1	Approve the risk management policy by council resolution;	As required
2	Approve the risk management strategy by council resolution;	As required
3	Note the risk management operational plan by council resolution;	Annually
4	Approve the fraud prevention policy by council resolution;	As required
5	Approve the fraud prevention plan and strategy by council resolution;	As required
6	Approve the combined assurance framework by council resolution;	As required
7	Approve the business continuity policy by council resolution	As required
8	Ensure that IT, fraud and Occupational Health and Safety (OHS) risks are considered as part of the municipality's risk management activities;	Annually
9	Ensure that risk assessments (strategic and operational) are performed by reviewing the FARMCO reports;	Quarterly
10	Ensure that management implements, monitors and evaluates performance through the FARMCO reports;	Quarterly
11	Ensure that assurance regarding the effectiveness of the ERM process is received from the FARMCO; and	Quarterly
12	Disclose how they have satisfied themselves that risk assessments, responses and interventions are effective as well as undue, unexpected or unusual risks and any material losses (the annual report to include a risk disclosure).	Quarterly

2.2.2 Audit & Performance Committee (A&PC)

The Audit & Performance Committee is vital to, among other things, ensure that financial, IT and fraud risks related to financial reporting are identified and managed. To fulfil its mandate with regards to ERM, the A&CP must:

Ref.	Activity	Frequency
1	Formally define its responsibility with respect to risk management in its charter;	Annually
2	Meet on a quarterly basis (minutes of the FARMCO meeting should be a standard agenda item at these meetings);	Quarterly
3	Review and recommend disclosures on matters of risk in the annual report;	Annually
4	Include statements regarding risk management performance in the annual report to stakeholders;	Annually
5	Provide an independent and objective view of the municipality's risk management effectiveness;	Annually
6	Evaluate the effectiveness of Internal Audit Activity in its responsibilities for risk management; and	Annually

Ref.	Activity	Frequency
7	Ensure that a combined assurance framework is applied to provide a coordinated approach to all assurance activities;	On-going
8	Review the internal and external audit plans and ensure that these plans address the risk areas of the municipality; and	Annually
9	Review the risk registers/ dashboard at each A&PC meeting.	Quarterly
10	Review any changes to any component of the business continuity management framework for oversight purposes.	As required

2.2.3 Fraud & Risk Management Committee (FARMCO)

The FARMCO is appointed by the Municipal Manager (MM) to assist him/ her in discharging his duties. To fulfil its mandate, the FARMCO must:

Ref.	Activity	Frequency
1	Formally define its roles and responsibilities with respect to risk management in its charter/ terms of reference	As required
2	Meet on a regular basis;	Quarterly
3	Review and recommend for the approval of the MM, the risk appetite framework;	As required
4	Review and recommend for the approval of the MM, the risk appetite statement;	As required
5	Review and recommend for the approval of the MM, the risk management policy;	As required
6	Review and recommend for the approval of the MM, the risk management strategy;	As required
7	Review and recommend for the approval of the MM, the risk management operational plan;	Annually
8	Review and recommend for the approval of the MM, the fraud prevention policy;	As required
9	Review and recommend for the approval of the MM, the fraud prevention plan and strategy;	As required
10	Review and recommend for the approval of the MM, the combined assurance framework;	As required
11	Review and recommend for the approval of the MM, the business continuity management framework	As required
12	Arrange for top risks to be formally re-evaluated;	Annually
13	Advise council on how to improve management of the municipality's risks;	Annually
14	Review risk management progress;	Quarterly
15	Provide a timely and useful ERM report to the MM and A&PC. The report should contain the state of ERM within the municipality accompanied by recommendations i.e. • The key strategic risks facing the municipality (All extreme and high inherent risk exposures); • The key operational risks per directorate/department; • Any risk developments (changes) / incidents / losses; and recommendations to address any deficiencies identified.	Quarterly

Ref.	Activity	Frequency
16	Measure and understand the municipality's overall exposure to IT risks and ensure that proper processes are in place;	Quarterly
17	Review the risk registers/ dashboard at each meeting and update the register's contents to reflect any changes without formally reassessing the risks; and	Quarterly
18	Provide guidance to the MM, Internal Audit Activity (IAA) and other relevant risk management stakeholders on how to manage risks to an acceptable level.	On-going

2.2.4 Municipal Manager (MM)

The Municipal Manager is ultimately responsible for ERM and is accountable for the overall governance of risk within Langeberg Municipality. To fulfil his mandate with regard to ERM, the MM must:

Ref.	Activity	Frequency
1	Appoint an official(s) responsible for driving the risk management process and/or Risk Champions;	As required
2	Appoint a FARMCO with the necessary skills, competencies and attributes;	As required
3	Approve the FARMCO charter	As required
4	Approve the risk appetite framework;	As required
5	Approve the risk appetite statement;	As required
6	Approve the risk management policy;	As required
7	Approve the risk management strategy;	As required
8	Approve the risk management operational plan;	Annually
9	Approve the fraud prevention policy;	As required
10	Approve the fraud prevention plan and strategy	As required
11	Approve the combined assurance framework	As required
12	Approve the business continuity management framework	As required
13	Ensure appropriate action in respect of recommendations of the Audit and Performance Committee, Internal Audit Activity, External Audit and FARMCO to improve the ERM; and	Annually
14	Provide assurance to relevant stakeholders that key risks are properly identified, assessed and mitigated by reviewing the report issued by the FARMCO which should contain the state of ERM within the municipality accompanied by recommendations i.e. • The key strategic risks facing the municipality (All extreme and high inherent risk exposures); • The key operational risks per directorate / department; Any risk developments (changes) / incidents / losses; and recommendations to address any deficiencies identified.	Quarterly

2.2.5 Internal audit assurance on ERM

The Chief Audit Executive (CAE) is responsible for risk management within the Langeberg Municipality which is in line with the Internal Audit Standards. Hence, the CAE should make the necessary arrangements to obtain from another assurance provider a written assessment of the effectiveness of the municipality's system of internal control and risk management. The appointed assurance provider will be responsible to:

Ref.	Activity	Frequency
1	Provide assurance on the ERM process design and its effectiveness;	Annually
2	Provide assurance on the management of "key risks" including, the effectiveness of the controls and other responses to the "key risks;	Annually
3	Provide assurance on the assessment and reporting of risk and controls; and	Annually
4	The IAA of Langeberg Municipality will prepare a rolling three (3) year Internal Audit plan based on its assessment of key areas of risk.	Annually

2.2.6 Strategic Management Team (SMT)

Management is accountable for designing, implementing, monitoring and integrating ERM into their day-to-day activities. To fulfil its mandate with regard to ERM, the SMT must:

Ref.	Activity	Frequency
1	Empower officials to perform effectively in their risk management responsibilities;	On-going
2	Devote personal attention to overseeing the management of key risks within their area of responsibility;	On-going
3	Maintain a co-operative relationship with the Internal Audit Activity and Risk Champions;	On-going
4	Draft a risk management report for submission to the FARMCO; This will focus on the following: • the operational risks per directorate / department; and • any risk developments (changes) / incidents / losses;	Quarterly
5	Report to the FARMCO regarding the performance of internal controls for those risks in the operational risk registers;	Quarterly
6	Maintain the proper functioning of the control environment within their area of responsibility;	On-going
7	Continuously monitor the implementation of risk management within their area of responsibility; and	On-going
8	Hold officials accountable for their specific risk management responsibilities.	On-going

2.2.7 Head of Risk Management (CAE)

The primary responsibility of the Head of Risk Management is to bring specialist expertise to assist the municipality to embed risk management and leverage its benefits to enhance performance. The CAE assumed the roles and responsibilities which is normally allocated to a Chief Risk Officer (CRO) and to fulfil his mandate with regard to ERM, the CAE must:

Ref.	Activity	Frequency
1	Assist the FARMCO determine/review the risk appetite; for the approval by the MM	As required
2	Draft the risk management policy for review by FARMCO	As required
3	Draft the risk management strategy for review by FARMCO	As required
4	Draft the risk management operational plan for review by FARMCO	Annually
5	Draft and/or review the fraud prevention policy for review by FARMCO	
6	Draft and/or review the fraud prevention plan and strategy for review by FARMCO	As required
7	Draft and/or review the combined assurance framework for review by FARMCO	As required
8	Draft and/or review the business continuity management framework for review by FARMCO	As required
9	Coordinate and facilitate the risk assessments	As per the Operational Plan
10	Consolidate risk identified by the various Risk Champions;	As per the Operational Plan
11	Prepare ERM registers, reports and dashboards for submission to the FARMCO and other roles players;	As per the Operational Plan
12	Ensure that all risk information is updated;	As per the Operational Plan
13	Ensure that all IT, fraud, OHS risks are considered as part of the municipality's ERM activities;	As per the Operational Plan
14	Coordinate the implementation of action plans;	As per the Operational Plan
15	Ensure that risk assessments are performed and reported to the FARMCO; and	Quarterly

2.2.8 Risk Champions

Risk Champions assists the CAE to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. To fulfil their responsibilities with regard to ERM, Risk Champions must:

Ref.	Activity	Frequency
1	Facilitate all operational risk assessments;	As per the Operational Plan
2	Ensure that each key risk has a nominated risk owner;	As per the Operational Plan
3	Populate the risk registers/dashboard;	As per the Operational Plan
4	Ensure that all risk information is updated;	As per the Operational Plan

Ref.	Activity	Frequency
5	Provide assurance regarding the risk's controls; and	As per the Operational Plan
6	Co-ordinate the implementation of action plans for the risk and report on any developments regarding the risk	As per the Operational Plan
7	Provide input and assist in performing and analysing the results of the business impact analysis.	As per the Business continuity model

2.2.9 Other Officials

Other officials are responsible for integrating risk management into their day-to-day activities. To fulfil their responsibilities with regard to ERM, other officials within the municipality must:

Ref.	Activity	Frequency
1	Take the time to read and understand the content in the risk management policy but more importantly their roles and responsibilities in the risk management process;	On-going
2	Apply the risk management process in their respective functions;	On-going
3	Inform their supervisors and/or the Internal Audit Activity (IAA) of new risks and significant changes;	On-going
4	Co-operate with other roles players in the risk management process; and	On-going
5	Provide information as required.	On-going

2.3 Risk management process

2.3.1 Step 1: Internal Environment

The municipality's internal environment is the foundation of all other components of risk management. There are 10 factors to consider with regard to the internal environment:

- Risk Management Philosophy
- Risk Appetite
- Risk Culture
- Integrity and Ethical Values
- Commitment to Competence
- Managements Philosophy and Operating Style
- Organisational Structure
- Assignment of Authority and Responsibility
- Human Resource Policies and Practices
- Differences in Environment

2.3.2 Step 2: Objective Setting

Objective setting is a precondition to event identification, risk assessment, and risk response. There must first be objectives before management can identify risks to their achievement and take necessary actions to manage the risks. There are 5 factors to consider with regards to objective setting:

- Strategic Objectives
- Related Objectives
- Selected Objectives
- Risk Appetite
- Risk Tolerance

2.3.2.1 Strategic Objectives

The mission of Langeberg Municipality is to provide "cost effective quality services to the Citizens, exercising good leadership, ensuring accountable governance and maintaining sound financial management". It sets out in broad terms what the municipality aspires to achieve. From this, management sets its strategic objectives, formulates strategy and establishes related objectives for the municipality. Strategic objectives are high-level goals, aligned with and supporting the municipality's mission/vision. Strategic objectives reflect management's choice as to how the Langeberg Municipality will seek to create value for its stakeholders.

2.3.2.2 Related Objectives

Establishing the right objectives that support and aligned with the selected strategy, relative to all the municipality's activities, is critical to success. By focusing first on strategic objectives and strategy, a municipality is positioned to develop related objectives at operational levels, achievement of which will create and preserve value.

Objectives need to be readily understood and measurable. Langeberg Municipality's risk management requires that personnel at all levels have a requisite understanding of the municipality's objectives as they relate to the individual's sphere of influence. All employees must have a mutual understanding of what is to be accomplished and a means of measuring what is being accomplished.

There are three (3) categories of related objectives:

Operations Objectives - These pertain to the effectiveness and efficiency of the municipality's operations, including performance and profitability goals and safeguarding resources against loss.

Reporting Objectives – These pertain to the reliability of reporting. They include internal and external reporting and may involve financial or non-financial information.

Compliance Objectives – These pertain to adherence to relevant laws and regulations.

2.3.2.3 Selected Objectives

As part of risk management, management ensures that the Langeberg Municipality has selected objectives and considers how they support the municipality's strategy and mission/vision. The municipality's objectives also should align with the municipality's risk appetite. Misalignment could result in the municipality not accepting enough risk to achieve its objectives or, conversely, accepting undue risks.

2.3.2.4 Risk Appetite and Risk Tolerance

Frequently, the terms risk appetite and risk tolerance are used interchangeably, although they represent related, but different concepts. Risk appetite is a broad-based description of the desired level of risk that the municipality will take in pursuit of its mission. Risk tolerance reflects the acceptable variation in outcomes related to specific performance measures linked to objectives the municipality seeks to achieve. Langeberg Management determines the risk appetite of the Municipality as a whole.

2.3.3 Step 3: Event Identification

During the event identification, the Management of Langeberg Municipality will identify risks for their departments to be added in the Risk Profile of Langeberg Municipality. An event is an incident or occurrence emanating from internal or external sources that could affect implementation of strategy or achievement of objectives. Events may have positive or negative impacts, or both. As part of event identification, management recognises that uncertainties exist, but does not know when an event may occur, or its outcome should it occur. To avoid overlooking relevant events, identification is best made apart from the assessment of the likelihood of the event occurring, which is the topic of Risk Assessment.

2.3.4 Step 4: Risk Assessment

In risk assessment, management considers the mix of potential future events relevant to the municipality and its activities. This entails examining factors including the municipality's size, complexity of operations and degree of regulation over its activities that shape the municipality's risk profile and influence the methodology it uses to assess risks. Risk Assessment will be done quarterly by the managers or delegated officials in collaboration with the risk champion of the directorate.

2.3.4.1 Inherent and Residual Risk

Management considers both inherent and residual risk. Inherent risk is the risk to the municipality in the absence of any actions management might take to alter either the risk's likelihood or impact.

Residual risk is the risk that remains after management responds to the risk. Risk assessment is applied first to inherent risks.

2.3.4.2 Impact and Likelihood

Uncertainty of potential events is evaluated from two perspectives likelihood and impact. Likelihood represents the possibility that a given event will occur, while impact represents its effect.

Risk assessment allows the municipality to consider how potential events might affect the achievement of objectives. Management assesses risk events by analysing the impact and likelihood using the scales below:

2.3.4.3 *Impact Parameters*

Severity Ranking	Continuity of Supply	Safety & Environmental	Technical Complexity	Financial
Catastrophic (5)	Risk event will result in widespread and lengthy reduction in continuity of supply to consumers of greater than 48 hours	Major environmental damage. Serious injury (permanent disability) or death of personnel or members of the public. Major negative media coverage.	Use of unproven technology for critical system / project components High level of technical interdependencies between system / project components	Significant cost overruns of >20% over budget. Effect on revenue / asset base of >10%. Effect on operating surplus for the year >5%.
Critical (4)	Reduction in supply or disruption for a period ranging between 24 & 48 hours over a significant area.	Significant injury of personnel or public. Significant environmental damage. Significant negative media coverage.	Use of new technology not previously utilised by Your company for critical systems / project components.	Major cost overruns of between 10 % & 20 % over budget. Effect on revenue / asset base of between 5% & 10%. Effect on surplus for the year of between 3% & 5%.
Serious (3)	Reduction in supply or disruption for a period between 8 & 24 hours over a regional area.	Lower level environmental, safety or health impacts. Negative media coverage.	Use of unproven or emerging technology for critical systems / project components.	Moderate impact on revenue and assets base.
Significant (2)	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations.	Little environmental, safety or health impacts Limited negative media coverage	Use of unproven or emerging technology for systems / project components	Minor impact on revenue and assets base
Minor (1)	No impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Insignificant financial loss

2.3.4.4 Likelihood Parameters

Probability Factor	Qualification Criteria	Rating
Almost Certain	The risk is almost certain to occur in the current circumstances	5
Likely	More than an even chance of occurring	4
Possible	Could occur quite often	3
Unlikely	Small likelihood but could happen	2
Rare	Not expected to happen - Event would be a surprise	1

2.3.5 Step 5: Risk Response

Identifying Risk Responses

In Langeberg Municipality, the risk responses fall within the following four categories:

1. **Avoidance** – Action is taken to exit the activities giving rise to risk. Risk avoidance may involve exiting a product line, declining expansion to a new geographical market, or selling a division.
2. **Reduction** – Action is taken to reduce the risk likelihood or impact, or both. This may involve any of a myriad of everyday business decisions.
3. **Sharing** – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.
4. **Accept** – No action is taken to affect likelihood or impact.

Evaluating Effect of Response on Likelihood and Impact

In evaluating response options, management considers the effect on both risk likelihood and impact, and understands that a response might affect likelihood and impact differently. The potential response to assessment of likelihood and impact may consider past events and trends, and potential future scenarios. In evaluating alternative responses, management determines their potential effect typically using the same units of measure for the objective and associated risks as established in the risk assessment component.

2.3.6 Step 6: Control Activities

Control activities are policies and procedures, which are the actions of people to implement the policies, to help ensure that management's risk responses are carried out.

Types of Control Activities

Many different descriptions of types of control activities have been put forth. Internal Controls can be preventative, detective or corrective by nature. These controls can be directly or indirectly linked to the process, manual or semi-automated.

- Preventative Controls are designed to keep errors or irregularities from occurring in the first place.
- Detective Controls are designed to identify errors or irregularities that may have occurred.
- Corrective Controls are designed to correct errors or irregularities that have been detected.

Controls over Information Systems

With widespread reliance on information systems, controls are needed over significant systems. Two broad groupings of information systems control activities can be used. The first is general controls, which apply to many if not all application systems and help ensure their continued, proper operation. The second is application controls, which include computerised steps within application software to control the technology application. Combined with other manual process controls where necessary, these controls ensure completeness, accuracy and validity of information.

General Controls

General controls include controls over information technology management, information technology infrastructure, security management and software acquisition, development and maintenance. These controls apply to all systems from mainframe to client/server to desktop computer environments.

Application Controls

Application controls are designed to ensure completeness, accuracy, authorisation and validity of data capture and processing. Individual applications may rely on effective operation of controls over information systems to ensure that data is captured or generated when needed, supporting applications are available and interface errors are detected quickly. One of the most significant contributions of computers is the ability to prevent errors from entering the system, as well as detecting and correcting them once they are present. To do this, application controls depend on computerised edit checks. These consist of format, existence, reasonableness and other checks on the data that are built into an application during development. When properly designed, they can provide control over entered data.

2.3.7 Step 7: Information and Communication

The Langeberg Municipality identifies and captures information financial and non-financial, relating to external as well as internal events and activities relevant to managing the municipality. This information is delivered to personnel in a form and timeframe that enable them to carry out their risk management and other responsibilities.

2.3.8 Step 8: Monitoring

Risk management changes over time. Risk responses that were once effective may become irrelevant; control activities may become less effective, or no longer be performed; or the municipality's objectives may change. This can be due to the arrival of new personnel, changes in the municipal structure or direction, or the introduction of new processes. In the face of such changes, management needs to determine whether the functioning of each risk management component continues to be effective. In Langeberg Municipality, monitoring will be done in two ways: through on-going activities or separate evaluations.

On-going Monitoring Activities

Management, the Internal Audit Activity and Audit and Performance Committee, will do the on-going monitoring.

Separate Evaluations

While on-going monitoring procedures usually provide important feedback on the effectiveness of other risk management components, it may be useful to take a fresh look from time to time, focusing directly on risk management effectiveness.

3 Conclusion

The Risk Management Strategy is an operational document and as defined; the purpose of the risk management strategy is to take what is in the risk management policy, apply it strategically, and sets out all risk management activities planned for the Langeberg Municipality.

The Municipal Manager and Council will approve the risk management policy and this document will be reviewed whenever required by the Fraud & Risk Management Committee and the Audit & Performance Committee. This document will remain effective until a new one is approved.

4 Acknowledgement of approval

Recommended by the Fraud & Risk Management Committee:

Signature:	______________
Name in Print:	______________
Date:	______________
Position:	Chairperson

Approved by the Municipal Manager:

Signature:	______________
Name in Print:	______________
Date:	______________
Position:	Municipal Manager

Adopted by Council Resolution:

Report No.:	______________
Date:	______________

LANGEBERG

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FRAUD AND RISK MANAGEMENT COMMITTEE CHARTER

2025/26

Reviewed and approved by Council on August 2025

Contents

Abbreviation	**Definition**
A&PC	Audit & Performance Committee
CAE	Chief Audit Executive
FARMCO	Fraud & Risk Management Committee
IAA	Internal Audit Activity
MM	Municipal Manager. MM is also the Accounting Officer of the Municipality.

1. Constitution

The Fraud & Risk Management Committee (FARMCO) has been established by the Langeberg Municipality to assist the Municipal Manager (MM) to fulfil his duties on risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. Objectives

The primary objective of the FARMCO is to assist the MM in discharging his accountability for risk management by reviewing the effectiveness of the Langeberg Municipality's risk management systems, practices and procedures, and providing recommendations for improvement.

3. Composition

The MM shall formally appoint permanent members of the FARMCO. The members, as a collective, shall possess the blend of skills, expertise and knowledge of the Municipality, including familiarity with the concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the Langeberg Municipality.

Membership of the Fraud & Risk Management Committee will comprise of:

- Independent external Chairperson
- Director: Engineering Services
- Director: Financial services (CFO)
- Director: Economic, Social and Integrated Development Services
- Director: Corporate Services
- Director: Community Services
- Standing invitees to the FARMCO shall be the members from the Internal Audit Activity (IAA), the risk champion of each directorate and any other person who may be co-opted to provide specialist skills, advice and counsel.

4. Authority

The MM shall appoint the Chairperson of the FARMCO as an independent external person.

The FARMCO shall have the requisite authority to request management to appear before it to account for their delegated responsibilities in respect of risk management.

The Chairperson shall monitor the compliance to the approved charter and ensure that feedback is provided to the MM and A&PC. The Chairperson of the FARMCO shall be invited to quarterly A&PC meetings to report on and respond to risk management and fraud prevention related matters.

5. Roles and responsibilities

The duties of the FARMCO shall be to:

- Review and recommend for the approval of the MM, A&PC and Council, the:
  a) risk management policy;
  b) risk management strategy and implementation plan;
  c) risk appetite framework;
- Evaluate the extent and effectiveness of integration of the risk management framework within the municipality;
- Review the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register and recommend to the MM, A&PC and Council for approval;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Municipality;
- Report quarterly to the MM any material changes to the risk register of the Municipality;
- Review the fraud prevention policy and fraud prevention plan & strategy and recommend to the MM, A&PC and Council for approval;
- Evaluate the effectiveness of the implementation of the fraud prevention policy and fraud prevention plan & strategy;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
- Develop goals, objectives and key performance indicators for the FARMCO for approval by the MM;
- Develop goals, objectives and key performance indicators to measure the effectiveness of the CAE in discharging his allocated risk management responsibilities;
- Set out the nature, role, responsibility and authority of the IAA in terms of its risk management function within the Municipality for acceptance by the MM, and oversee the performance of the IAA in terms of risk management activities;
- Provide proper and timely reports to the MM on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.

6. Meetings

The Committee shall meet at least four times per annum and therefore the Committee shall approve a year planner with the scheduled dates annually before 30 June of each year. The Chairperson of the Committee or a majority of the permanent members of the Committee may convene additional meetings as circumstances may dictate.

Electronic/ virtual meetings are preferred but if meetings are in person, members of the Committee are allowed electronic attendance when a member cannot physically be present in a meeting. i.e., by telephone or through other electronic means of communication (which are available to all attended parties)

7. Administrative duties

The CAE, as the designated driver of the risk management process or his delegate shall be the secretary of the FARMCO. The secretary shall forward the notice of each meeting of the FARMCO to all members and standing invitees after the approval of the year planner. The notice shall confirm the venue (if applicable), time, date and the agenda, including the documents for discussion which will be distributed five (5) or more days before the date of the meeting.

The minutes of the meetings shall be completed by the secretary and sent to all relevant officials for comment within seven working days after the meeting.

The minutes shall be approved at the following meeting, whereupon the approved minutes will be safeguarded by the Internal Audit Activity.

8. Quorum

The majority of members shall form a quorum.

9. Performance evaluation

The Committee shall be evaluated by the MM and the Committee through a self-assessment at least annually on its performance in terms of its charter and its duties and responsibilities.

10. Review of the charter

The Committee shall review the Charter whenever required and recommend to the MM for approval of any amendments that may be required. This document will remain effective until a new one is approved.

ACKNOWLEDGEMENT OF APPROVAL

Approved by Council Resolution:

Report No.:

Date:

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

DRAFT RISK MANAGEMENT ANNUAL OPERATIONAL PLAN

2025/2026

LANGEBERG MUNICIPALITY: RISK MANAGEMENT ANNUAL OPERATIONAL PLAN 2025/26

1. LEGISLATIVE BACKGROUND

Section 62(1)(c)(i) of the Municipal Finance Management Act states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and for this purpose takes all reasonable steps to ensure the municipality has and maintains effective and efficient and transparent systems of financial and risk management and internal control".

2. INTRODUCTION

The Risk Management Annual Operational Plan is a tool that defines how the various risk management strategies, policies and procedures are to be implemented to address risks faced by the Langeberg Municipality. It sets how and when risk management activities will be performed, recorded and monitored throughout the 2025/26 financial year.

3. APPROACH

The development of the risk management operational plan has taken into consideration the risk management policy; risk management strategy; fraud prevention and response plan; and the available resources. The plan is reviewed on a quarterly basis prior to each FARMCO meeting to confirm its relevancy in terms of the planned activities and to obtain approval should any material amendments be required.

4. MONITORING, CONTROLLING AND REPORTING

The implementation of activities in the Risk Management Annual Operational Plan will be tracked, monitored and reported throughout the implementation of the plan.

Monitoring:

The Fraud & Risk Management Committee and Audit & Performance Committee has the overall responsibility to monitor the various components as outlined in the Risk Management Annual Operational Plan. Monitoring will include identification of any threats or opportunities that have the potential to impact the success of the plan.

Controlling:

Control activities and action plans will be reported by management and feedback on the implementation of the plan will be provided by the Internal Audit Activity during Fraud & Risk Management Committee meetings.

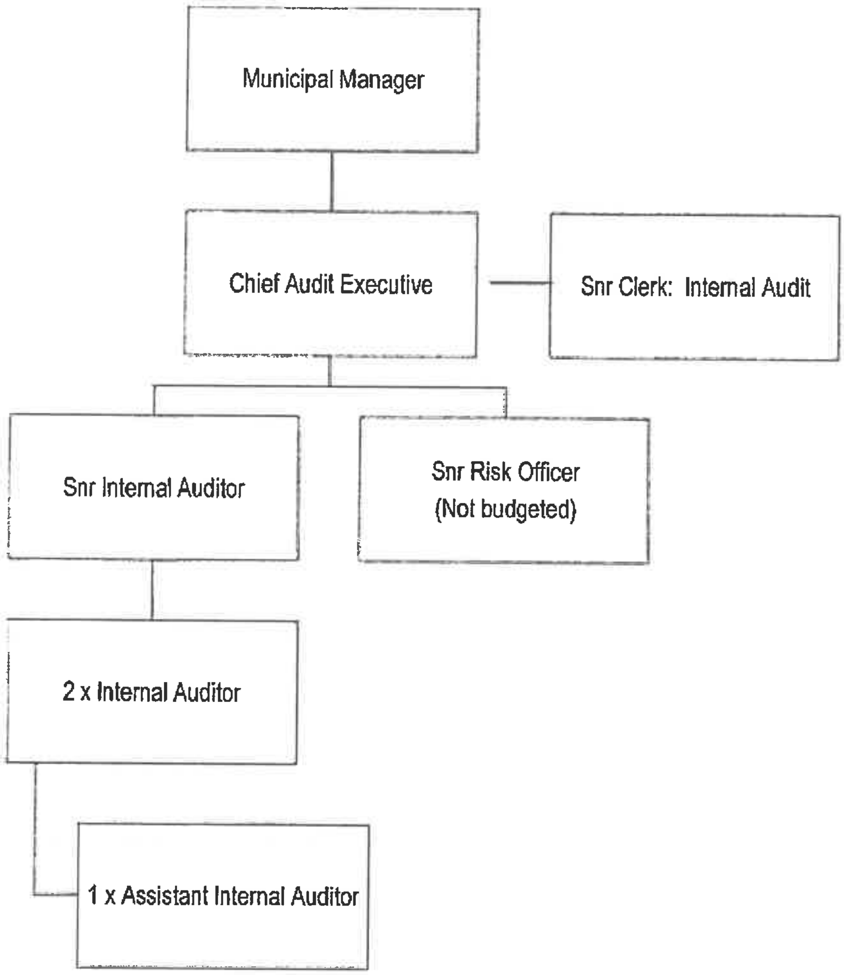
Reporting:

Quarterly reports from the FARMCO on the implementation of the Risk Management Annual Operational Plan will be submitted to the Municipal Manager and Audit & Performance Committee.

5. ORGANISATIONAL STRUCTURE

The current organisational structure of the Internal Audit Activity is as follows:

Please note as per the current structure of the Internal Audit Activity unit that one Internal Auditor will be responsible for the risk management duties and responsibilities in the Municipality. Therefore, resources as per hours available are noted in the Risk Based Internal Audit Plan and hours are budgeted for the Chief Audit Executive, Senior Internal Auditor and Internal Auditor (Risk Management) in this plan.



6. ANNUAL OPERATIONAL PLAN

Sections	Activities	Timelines	Allocated hours		
			Internal Auditor	Senior Internal Auditor	Chief Audit Executive
Training & Awareness	Create and enhance risk management, fraud, and/or ethics within the municipality in collaboration with the Communications and/or any other relevant department.	Quarterly	60	20	10
	Facilitate orientation and training for new municipal staff by conducting risk management presentations during induction sessions.	Monthly, on request from HR	6	4	2
	Arrange and attend risk management training.	31-May-26	16	16	8
	Arrange or provide risk management training to other officials.	31-May-26	8	8	8
Risk Appetite and Risk Tolerance	Develop risk appetite and tolerance statement and submit to FARMCO, A&PC and Council.	31-Aug-25	8	2	1
Performance evaluation of FARMCO	Facilitate the performance evaluation of the FARMCO for the period 2024/2025.	30-Aug-25	16	8	6
Compliance Monitoring	Monitoring and reporting monthly on compliance by the municipality as per specific relevant legislation.	30-Apr-26	40	12	8
Incident Reporting	Compile incident report from the incidents logged by departments and complaints reports from the Call Centre and submit for comments to the relevant departments.	15-May-26	48	12	8
Ethics Management	In collaboration with HR, arrange and coordinate training on the Code for Ethical Leadership in Local Government to Councillors and SMT.	30-Nov-25	0	0	8
Climate Change Adaption Strategy	Perform Climate Change Adaption Strategy Committee responsibilities.	As and when required	0	0	40
IAA Budget	Compile budget for risk management.	28-Feb-26	16	8	4
Maintaining Risk Register	Alignment of strategic / operational risks with objectives in revised IDP and SDBIP. Proactively researching and communicating key strategic and	31-May-26	120	90	60

Sections	Activities	Timelines	Allocated hours		
			Internal Auditor	Senior Internal Auditor	Chief Audit Executive
	operational issues to management and other stakeholders and make recommendations. Continuously updating of risk register by identifying changes in the environment that impact the municipality. Document progress made by the individual risk owners against their treatment action plans. Prompt risk owners for emerging risks for inclusion in the risk register. Communicate risk profile to risk owners.				
Strategic Documentation	Review the following documentation:				
	1. Risk Management Policy	31-Mar-26	6	4	2
	2. Risk Management Strategy; ensure it focusses on recommended areas as per the best practice documents circulated.	31-Mar-26	6	4	2
	3. Fraud Prevention Policy	31-Mar-26	6	4	2
	4. Fraud Prevention Plan & Strategy	31-Mar-26	6	4	2
	5. Fraud & Risk Management Committee Charter	31-Mar-26	6	4	2
	6. Risk identification and assessment methodology	31-Mar-26	6	4	2
	7. Combined Assurance Framework & Plan	31-Mar-26	20	20	16
Integration of risk management into the IDP and Disaster Management Process	Analyse all available sources for risk identification purposes.	31-Mar-26	40	40	20
	Attend SDBIP sessions as part of the annual risk identification processes for the 2026/27 financial year.	30-Apr -26	40	40	40
	Facilitate risk identification and assessment workshops and generate an annual risk assessment report to be submitted to the FARMCO.	31-May-26	30	32	36
Risk Management Planning	Develop risk management annual operational plan for 2026/27.	31-May-26	16	16	16
Risk indicators	Assess key risk indicators (KRI's) and identify any new KRI's.	31-May-26	35	35	24

Sections	Activities	Timelines	Allocated hours		
			Internal Auditor	Senior Internal Auditor	Chief Audit Executive
Fraud Prevention Plan & Strategy	Implementation of activities in the Fraud Prevention Plan & Strategy.	30-Jun-26	40	32	16
Progress Meetings	Estimated time allocated for weekly progress meetings held for risk management.	30-Jun-26	30	30	30
ICT Review	Quarterly reviews performed for the activities performed by Super Users.	30-Apr-26	64	16	8
District CRO Forum	Attend CRO Forum meetings held by Cape Winelands District Municipality	When required	32	0	32
Provincial CRO Forum	Attend CRO Forum meetings held by provincial treasury	When required	0	16	16
MGAP / MGRO	Complete the MGAP/MGRO assessments that are conducted by PT	19-Dec-25	24	8	4
Reporting	Compile FARMCO reports and present in FARMCO and A&PC meetings.	Quarterly	16	16	16
	Submit quarterly reports to the FARMCO on complaints received via the Whistle Blowers Hotline.	Quarterly	16	16	16
Annual performance evaluation of CAE	Facilitate bi-annual performance evaluations of the CAE in terms of discharging CRO responsibilities	Bi-annual	16	8	16
Self-assessments to monitor compliance with strategic risk management documents	Completion of checklist for quarter 4 of 2024/25.	31-Jul-25	8	1	1
	Completion of checklist for quarter 1 of 2025/26.	31-Oct-25	8	1	1
	Completion of checklist for quarter 2 of 2025/26.	31-Jan-26	8	1	1
	Completion of checklist for quarter 3 of 2025/26.	30-Apr-26	8	1	1
Total allocated hours:			**825**	**533**	**483**

7. APPROVAL

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Dr. M van Biljon

FARMCO Chairperson

....

Date

SUBMISSION OF THE 2026/2027 THE BUDGET AND IDP PROCESS PLAN &TIME-SCHEDULE INCLUDING PMS (5/1/1/) (DIRECTOR: ECONOMIC, SOCIAL & INTEGRATED DEVELOPMENT SERVICES)

Purpose of the report

To submit the 2026/ 2027 **Budget and IDP process plan** and time-schedule to Council for consideration.

Legal Framework

Relevant documentation **is attached to this report**

Section 21 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

21. Budget preparation process

(1) The mayor of a municipality must—

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for—

(i) the preparation, tabling and approval of the annual budget;

(ii) the annual review of—

(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and

(bb) the budget-related policies;

(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

Section 28 of the Local government: Municipal Systems Act, 2000 (Act No. 32 of 2000) stipulates as follows:

28. Adoption of process

(1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 29 of the Local government: Municipal Systems Act, 2000 (Act No. 32 of 2000) stipulates as follows:

29. Process to be followed

(1) The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must—

(a) be in accordance with a predetermined programme specifying time-frames for the different steps;

(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for—

  (i) the local community to be consulted on its development needs and priorities;
  (ii) the local community to participate in the drafting of the integrated development plan; and
  (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;

(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
(d) be consistent with any other matters that may be prescribed by regulation.

Section 34 of the Local government: Municipal Systems Act, 2000 (Act No. 32 of 2000) stipulates as follows:

34. Annual review and amendment of integrated development plan — a municipal council—

(a) must review its integrated development plan—

  (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and
  (ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process

Section 27 of the Local government: Municipal Systems Act, 2000 (Act No. 32 of 2000) stipulates as follows:

27. **Framework for integrated development planning**

(1) Each district municipality, within a prescribed period after the start of its 40 elected term and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole.

(2) A framework referred to in subsection (1) binds both the district municipality and the local municipalities in the area of the district municipality, and must at least—

  (a) identify the plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
  (b) identify the matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
  (c) specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters:

  (d) and determine procedures—

    (i) for consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
    (ii) (ii) to effect essential amendments to the framework

Recommendation

That the 2026/2027 Budget and IDP Process plan and Time-schedule be approved

LANGEBERG
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2026/27 Time Schedule of Key Deadlines

IDP & BUDGET PROCESS PLAN

INTRODUCTION & BACKGROUND

1.1. INTRODUCTION

The Integrated Development Plan (IDP) serves as the Municipality's principal tool for fulfilling its developmental mandate. It represents a continuous cycle of planning, implementation, monitoring, review, and is revised annually throughout its five-year term. The current 5th Generation IDP, adopted in July 2022, guides the strategic planning efforts of the Municipality through to 2027.

Complementing the IDP is the Annual Budget, which sets out the Medium-Term Revenue and Expenditure Framework (MTREF) for the following three years. The MTREF outlines the financial strategy required to implement the Municipality's developmental priorities as identified in the IDP.

Together, the IDP, Budget (MTREF), and the Performance Management System (PMS) form a coherent framework that enables the Municipality to track its progress toward achieving strategic objectives. This integration also informs financial and institutional planning and ensures accountability.

In collaboration with the Provincial Authority, local municipalities engage in a continuous process of reviewing, improving, and updating their IDPs. This ensures alignment with both the MTREF and evolving developmental needs.

This IDP and Budget Process Plan seek to address, *inter alia*, the following key areas:

- Identification of areas requiring additional attention in terms in relation to legislative compliance, effective planning processes and sound financial management;
- Inclusion of the most recent Census and own statistical data;
- Consideration and incorporation of any relevant new information or development;
- Addressing comments received from the various role-players;
- Shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Updating of the 5-year Financial Plan; and
- Preparation and finalization of the annual Budget in terms of the relevant legislation.

1.2. LEGISLATIVE FRAMEWORK

In terms of Section 21 of the MFMA, the Executive Mayor must co-ordinate the process for the adoption of the annual Budget and the review of the IDP and related policies so that he/she can ensure mutual consistency and credibility.
The second part of the afore-mentioned Section of the MFMA stipulates that a Process Plan with timeframes must be tabled to Council for consideration at least 10 months prior to implementation of the annual Budget. National Treasury has provided further guidance by the issuing of MFMA Circular 10. That circular provides specific guidance with regard to six distinct steps in compilation of the IDP and Budget.

The table below highlights the six steps, with a concise description of each step:

Steps		Process
1	**Planning**	Schedule key dates, establish consultation forums, review previous processes
2	**Strategizing**	Review the IDP, set service delivery objectives for next 3 years, consult on tariffs, indigents, credit control, free basic services etc., and consider local-, provincial- and national issues, the previous year's performance and current economic and demographic trends etc.
3	**Preparing**	Prepare the Budget, revenue and expenditure projections; draft Budget policies; consult and consider local-, provincial- and national priorities
4	**Tabling**	Table the draft IDP, the draft Budget and Budget-related policies before council; consult and consider local-, provincial- and national inputs or responses
5	**Approving**	Council approves the IDP, the Budget and related policies
6	**Finalizing**	Publish the IDP, Budget and approve the SDBIP and performance targets

Local municipalities are required by the Municipal System Act (Act 32 of 2000) to consult and report back to communities on their planned activities as well as their performances so that communities can be afforded an opportunity to voice their opinions on the day-to-day functioning of the Municipality.

MSA Section 34: Annual review and amendment of integrated development plan

A municipal council-

(a) must review its integrated development plan-

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process

Purpose of a review

The IDP has to be reviewed annually in order to:

 Ensure its relevance as the municipality's strategic plan;

 inform other components of the municipal business process including institutional and financial planning and budgeting; and

 inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant the municipality must assess implementation performance and the achievement of its targets and strategic objectives. In the light of this assessment the IDP is reviewed to reflect the impact of successes as well as corrective measures to address problems. The IDP is also reviewed in the light of changing internal and external circumstances that impact on the priority issues, outcomes and outputs of the IDP.
The annual review must inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget. It must be completed in time to properly inform the latter.

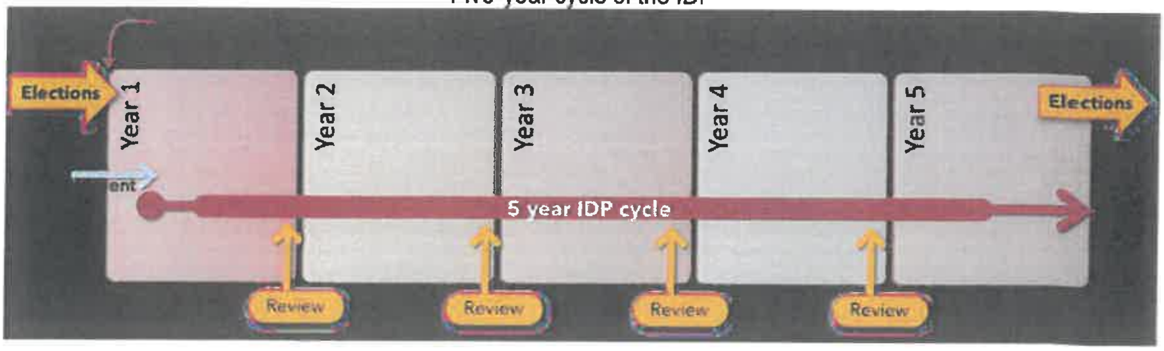
The purpose of the annual review is therefore to -

- reflect and report on progress made with respect to the strategy in the 5-year IDP;
- make adjustments to the strategy if necessitated by changing internal and external circumstances that impact on the appropriateness of the IDP;
- determine annual targets and activities for the next financial year in line with the 5-year strategy; and
- inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

2. AREA OF THE IDP

The IDP will be applicable to the Langeberg Municipal Area which includes the following towns: Robertson, Ashton, Bonnievale, Montagu and McGregor.

Five-year cycle of the IDP



3. PHASES OF THE ANNUAL PROCESS

PHASE 1 - PLANNING

The Process Plan is divided into activities, and for each activity a timeframe is allocated as well as a linkage to the responsible person for each activity.

The Process Plan is compiled via a process of consultation with all the role-players.

PHASE 2 – ANALYSIS AND STRATEGY

Phase 2 consists of two key stages: Analysis and Strategy Formulation. Effective forward planning requires a thorough understanding of the current situation as well as historical trends. This necessitates a comprehensive assessment of both external and internal influences. Given that all strategies and interventions are to be ward-based, all analyses should, as far as possible, be disaggregated and reported at the ward level.

A proper analysis includes consultation with the whole spectrum of stakeholders, including the general public, as well as a thorough institutional assessment. It is important that all the stakeholders must have a common understanding of the gaps as well as the available resources – i.e., human, financial, property, plant and equipment.

Once the current resources and needs assessment has been completed, then only the formulation of a credible strategy to cover those gaps is possible.

External analysis:
Spatial
Social
Economic
Environmental
Sector needs and issues

Compilation of area plans:

- Ward profiles
- Services backlogs
- Priority Issues

Internal Analysis:

- Critical Issues / challenges
- Minimum service level

Inter-governmental alignment:

Align with National and Provincial Policies

Strategy and action plan

Council and Management discuss strategic issues such as vision and mission, future directions, strategic goals and objectives, as well as programmes, actions, key performance indicators and targets for each strategic objective.

PHASE 3 – PREPARATION AND TABLING

- Preparation of draft Capital program (Next 3 years)
- Preparation of draft Operational Budget (Next 3 years)
- Preparation of draft Adjustment Budget, if necessary, and the
- Finalising and approve draft IDP

PHASE 4 – CONSULTATION AND INTEGRATION

- Make public the draft IDP and draft annual budget for comments and submissions
- Submit the draft annual budget to National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the budget
- Consult the District Municipality on the draft IDP
- Consult the local community and other stakeholders

PHASE 5 – APPROVAL

Once the IDP and Budget documents are tabled, Council considers it for approval. Approval must take place before the start of the new financial year.

PHASE 6 – FINALIZATION

Once the IDP and Budget have been approved, the final documents are published. The Service Delivery and Budget Implementation Plan (SDBIP) is then developed. The performance agreements are also drafted, based on the approved documents.

4. PREPARATION FOR THE PROCESS

- The result of the preparation process should not only be a document (the Process Plan), but also a well-prepared council and management, confident about the task ahead. In the Process Plan
- Organisational arrangements are established and the membership of committees and forums is clarified
- Roles and responsibilities are clarified and internal human resources allocated accordingly.
- The legal requirements, principles and functions of community and stakeholder participation during the IDP process are clarified.
- Mechanisms and procedures for alignment with external stakeholders such as other municipalities, districts and other spheres of government are looked at.
- An example of a table of contents for the IDP is provided.

- Legislation and policy requirements that have to be considered in the course of the IDP process are provided. The list contains documents, guidelines, plans and strategies from the provincial and national sphere of government

This preparation for the IDP compilation process is a task of municipal management. Individual tasks may be delegated but the process remains the accountability of the Management Team

5. INVOLVEMENT OF THE COMMUNITY AND STAKEHOLDERS

5.1 Organisational arrangements

The municipality needs to establish a set of organisational arrangements to -

- *institutionalise the participation process;*
- *effectively manage outputs; and*
- *give affected parties access to contribute to the decision-making process*

The Municipality should consider existing arrangements, use and adapt them if necessary, and avoid duplication of mechanisms

5.2 Structured participation

- ➢ Inputs with key role-players e.g. business sector, social sector
- ➢ Inputs from ward committees
- ➢ Inputs from sector representatives and community members
- ➢ Perception and opinion surveys (e.g. Questionnaires & Survey Monkey)
- ➢ Mass communication e.g. press articles, Facebook, newsletters

5.3 Ward committees

The role of the Ward Committees with respect to the IDP is to –

- ➢ Assist the ward councillor in identifying challenges and needs of residents.
- ➢ Provide a mechanism for discussion and negotiation between the stakeholders within the ward.
- ➢ Advise and make recommendations to the ward councillor on matters and policy affecting the ward.
- ➢ Disseminate information in the ward.
- ➢ Ensure constructive and harmonious interaction between the Municipality and community.
- ➢ Interact with other forums and organisations on matters affecting the ward.
- ➢ Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward.
- ➢ Monitor the implementation process concerning its area

The chairperson of the Ward Committee is the Ward Councilor of that particular ward

6. ROLES AND RESPONSIBILITIES

6.1 Activities and outputs

It is one of the pre-requisitions of a smooth and well organised IDP process that all role players are fully aware of their own and of other role players' responsibilities. Therefore, it is one of the first preparation requirements for the IDP process to ensure that there is a clear understanding of all required roles, and of the persons or organisations that can assume those roles. This section deals with:
The roles which the municipality has to play in the IDP process in relation to the roles which external role players are expected to play.

The further specification of roles within the Municipality and the responsibilities related to that role in detail

6.2 Roles and responsibilities within Government

Role Player	Roles and Responsibilities
Local Municipality	• Prepare and adopt the IDP Process Plan. Undertake the overall management and co-ordination of the IDP process which includes ensuring that: o all relevant role-players are appropriately involved; o appropriate mechanisms and procedures for community participation are o applied; o events are undertaken in accordance with the approved time schedule; o the IDP relates to the real burning issues in the municipality; and o the sector planning requirements are satisfied. • Prepare and adopt the IDP. • Adjust the IDP in accordance with the MEC's proposal. • Ensure that the annual business plans, budget and performance management system are linked to and based on the IDP
District Municipality	Same roles and responsibilities as local municipalities but related to the preparation of a District IDP. The District Municipality must also prepare a District Framework (Sec 27 of the MSA). • Fulfil a coordination and facilitation role by - o ensuring alignment of the IDP's of the municipalities in the district council area; o ensuring alignment between the district and local planning; o facilitation of alignment of IDP's with other spheres of government and sector departments; and o preparation of joint strategy workshops with local municipalities, provincial and national role-players and other subject matter specialists.
Provincial Government	• Ensure horizontal alignment of the IDP's of the district municipalities within the province. • Ensure vertical/sector alignment between provincial sector departments/ provincial strategic plans and the IDP process at local/district level by - o guiding the provincial sector departments' participation in and their required contribution to the municipal IDP process; and o guiding them in assessing draft IDP's and aligning their sector programmes and budgets with the IDP's. • Efficient financial management of provincial IDP grants. • Monitor the progress of the IDP processes. • Facilitate resolution of disputes related to IDP. • Assist municipalities in the IDP drafting process where required. • Organise IDP-related training where required. • Co-ordinate and manage the MEC's assessment of IDP's

6.3 Roles and responsibilities - Municipality and stakeholders

Objectives

- Increased ownership and accountability
- More appreciation of the merit of the process/ plan
- More openness to new / different ideas
- Greater commitment to the process / plan
- Be more accessible to the public
- Get buy-in from the community
- Improved communication to manage expectations
- Communicate limited resources

Role Players:

I. **Mayoral Committee**
   - o Decide on planning process: nominate persons in charge
   - o Monitor planning process
   - o Responsible for the overall management, co-ordination and monitoring of the process and drafting of the IDP (to make sure that all relevant actors are involved)

II. **Councillors and ward committee members**
   - Link integrated development planning process to their respective wards
   - Organise public participation

III. **Municipal Manager and Management Team**
   Provide technical/sector expertise and information
   Provide inputs related to the various planning steps
   Summarise / digest / process inputs from the participation process
   Discuss / comment on inputs from specialists

IV. **Strategic Partners**
   - Public sector organisations
   - Key business people
   - Business and agricultural societies
   - NGO's and NPO's
   - Sector representatives

V. **Citizens**
   - Represent interests and contributing knowledge and ideas

7. INTER-GOVERNMENTAL ALIGNMENT

The IDP requires alignment with other spheres of government at different stages during the process. Before starting with the IDP process municipalities need to understand where alignment should take place and through which mechanism this can best be achieved. Alignment is the instrument to synchronize and integrate the IDP process between different spheres of government. The alignment process must reveal how National and Provincial Government and the District Municipality could tangibly assist this Municipality in achieving its developmental objectives.
The desired outcome of inter-governmental alignment is –

- ▯ to make government as a whole work together;
- ▯ to improve the impact of its programmes; and
- ▯ to work towards achieving common objectives and outcomes,

particularly with respect to economic growth for job creation and addressing the needs of the poor.
Efficient performance of government, integration and alignment across all spheres of government can be realized through focused implementation.
The alignment process is coordinated by the Cape Winelands Municipality. Alignment meetings take place on district level, but with the involvement of all local municipalities

8. IDP CONTENT

8.1 Legally required content of a five-year IDP

Section 26 of the MSA: Core components of integrated development plans
An integrated development plan must reflect-

(a) the municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
(b) an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
(c) the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
(d) the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
(e) a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
(f) the council's operational strategies;
(g) applicable disaster management plans;
(h) a financial plan, which must include a budget projection for at least the next three years; and
(i) the key performance indicators and performance targets determined in terms of section 41.

Regulation 2 of the 2001 Municipal Planning and Performance Management Regulations: Detail of integrated development plan
(1) A municipality's integrated development plan must at least identify-
(a) the institutional framework, which must include an organogram, required for-
(i) the implementation of the integrated development plan; and
(ii) addressing the municipality's internal transformation needs,
(2) as informed by the strategies and programmes set out in the integrated development plan;
(b) any investment initiatives in the municipality;
(c) any development initiatives in the municipality, including infrastructure, physical, social, economic and institutional development;
(d) all known projects, plans and programmes to be implemented within the municipality by any organ of state; and
(e) the key performance indicators set by the municipality.

An integrated development plan may-
(a) have attached to it maps, statistics and other appropriate documents; or
(b) refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the Offices of the municipality in question.

(3) A financial plan reflected in a municipality's integrated development plan must at least-
(a) include the budget projection required by section 26(h) of the Act;

(b) indicate the financial resources that are available for capital project developments and operational expenditure; and

(c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:

(i) Revenue raising strategies;
(ii) asset management strategies;
(iii) financial management strategies;
(iv) capital financing strategies;
(v) operational financing strategies; and
(vi) strategies that would enhance cost-effectiveness.

(4) A spatial development framework reflected in a municipality's integrated development plan must-

(a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995);
(b) set out objectives that reflect the desired spatial form of the municipality;
(c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-

(i) indicate desired patterns of land use within the municipality;
(ii) address the spatial reconstruction of the municipality; and
(iii) provide strategic guidance in respect of the location and nature of development within the municipality;

(d) set out basic guidelines for a land use management system in the municipality;
(e) set out a capital investment framework for the municipality's development programs;
(f) contain a strategic assessment of the environmental impact of the spatial development framework;
(g) identify programs and projects for the development of land within the municipality;
(h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and

(i) provide a visual representation of the desired spatial form of the municipality, which representation -
(i) must indicate where public and private land development and infrastructure investment should take place;
(ii) must indicate desired or undesired utilisation of space in a particular area;
(iii) may delineate the urban edge;
(iv) must identify areas where strategic intervention is required; and
(v) indicate areas where priority spending is required.

8.2 AMENDMENT OF THE IDP

(1) Only a member or committee of a municipal council may introduce a proposal for amending the municipality's integrated development plan in the council.
(2) Any proposal for amending a municipality's integrated development plan must be-

(a) accompanied by a memorandum setting out the reasons for the proposal; and
(b) aligned with the framework adopted in terms of section 27 of the Act.

(3) An amendment to a municipality's integrated development plan is adopted by a decision taken by a municipal council in accordance with the rules and orders of the council.
(4) No amendment to a municipality's integrated development plan may be adopted by the municipal council unless-

(a) all the members of the council have been given reasonable notice

(b) the proposed amendment bas been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment;

(c) the municipality, if it is a district municipality, has complied with sub regulation (5); and

(d) the municipality, if it is a local municipality, has complied with sub regulation (6)

(5) A district municipality that considers an amendment to its integrated development plan must:

(a) consult all the local municipalities in the area of the district municipality on the proposed amendment; and

(b) take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment

(6) A local municipality that considers an amendment to its integrated development plan must:

(a) consult the district municipality in whose area it falls on the proposed amendment; and

(b) take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

IDP Amendment Process

Langeberg Municipality adopted a new MDF on 28 May 2025 as an amendment of its IDP. In terms of the procedures to be followed in respect of the compilation and adoption of an IDP amendment, the guidelines that regulate the process were followed during 2024/25, including:

- Develop draft Process Plan and submit to Mayco
- Finalize Process Plan for council approval (31 August)
- Publish notice of the Process Plan and Time schedule
- Call for Public Inputs on the IDP September 2025 till Nov 2025
- Plan, arrange and facilitate the engagements with the community and relevant stakeholders
- Request Inputs from (Directors & OMT's) Dec 2025 till Jan 2026
- Compile the amended IDP making use of the last adopted or amended IDP
- Compile draft memorandum to be submitted to Council
- Table draft IDP amendment to Council together with the memorandum
- Advertise the draft IDP amendment for public comment for a period of 21 days
- Consult with the district municipality on the proposed amendments
- Forward copy of draft amended IDP to the Department of Local Government and Provincial Treasury
- Consider public input received on the IDP amendment and what of these should be factored into the amended IDP submitted for adoption
- Consider any proposals received from the district municipality
- Update draft amended IDP in preparation for submission to Council
- Submit final amended IDP to Council for adoption together with the memorandum
- Submit adopted amended IDP within 10 days of adoption to the MEC for Local Government together with the summary of the process

8.3 ANNUAL REVISION OF THE IDP

What the review is not

The Review is not a replacement of the 5-year IDP.

The Review is not meant to interfere with the long-term strategic orientation of the municipality to accommodate new whims and additional demands.

9. TIME SCHEDULE: KEY DATES AND RESPONSIBILITIES IN THE PHASES OF THE PROCESS PLAN

ACTIVITIES	RESPONSIBLE DIRECTORATE	LEGISLATIVE REFERENCE	DATE
SEPTEMBER 2025			
Advertise budget and IDP time schedule in terms of budget consultation policy.	Financial Services / Economic, Social & Integrated Development Services	MFMA Guidance	12/09/2025
Determine strategic objectives for service delivery and development including backlogs for next three-year budget including reviews of other municipal, provincial, and national government sector and strategic plans	Council and SMT	Municipal planning Guidance	30/09/2025
Implement budget and IDP time schedule of key deadlines	Economic, Social & Integrated Development Services	MFMA Guidance	30/09/2025
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working day of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	12/09/2025
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	12/09/2025
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	12/09/2025
Submit monthly report for period ending 31 July for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	30/09/2025
Conclude initial consultation and review, establish direction and policy, confirm priorities, identify other financial and non-financial budget parameters including government allocations to determine revenue envelope, and financial outlook to identify need to review fiscal strategies.	Financial Services	MFMA Guidance	30/09/2025
Consider monthly (section 71) report, review implementation of budget and service delivery and budget implementation plan, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of month.	Financial Services	MFMA 54 (1)	30/09/2025

District Managers IDP Forum	Economic, Social & Integrated Development Services	MFMA Guidance	30/09/2025
OCTOBER 2025			
Commence preparation of departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers.	SMT	MFMA Guidance	31/10/2025
Commence preparation of annual report utilizing financial and non-financial information first reviewed as part of the budget and IDP analysis.	SMT	MFMA Guidance	31/10/2025
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/10/2025
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	14/10/2025
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	14/10/2025
Submit monthly reports for period ending 30 September for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	31/10/2025
Submit quarterly report for period ending 30 September on implementation of the supply chain management policy to the Mayor and make report public.	Financial Services	SCM Reg 6 (3) & (4)	31/10/2025
Review quarterly projections for period ended 30 September for the SDBIP and compare actual performance to objectives, in conjunction with preparation of section 52 report.	Financial Services	MFMA Guidance	31/10/2025
Table in council quarterly consolidated report for period ending 30 September of all withdrawals not approved in the budget and submit report to the Provincial Treasury and the Auditor-General.	Financial Services	MFMA 11 (4)	31/10/2025
Submit quarterly (section 52) report for period ending 30 September on implementation of the budget and financial affairs of the municipality to council.	Financial Services	MFMA 52 (d)	31/10/2025
Conclude first budget draft and policies for initial council discussion.	Financial Services	MFMA Guidance	31/10/2025
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of month.	Financial Services	MFMA 54 (1)	31/10/2025
Commence public participation process on IDP and Budget	Economic, Social & Integrated Development Services	MFMA Guidance MSA Guidance	16/10/2025

Municipal quarterly response to Strategic Integrated Municipal Engage 1 report from the Western Cape Department of Local Government	SMT	MFMA Guidance	29/10/2025
NOVEMBER 2025			
Ward Based Plan Review	Corporate Services	MSA Guidance	28/11/2025
Commence community and stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Further council and management discussion and debate.	SMT	MFMA Guidance	28/11/2025
Place quarterly (section 52) report on budget implementation on the municipal website.	Financial Services	MFMA 75 (1) (k)	07/11/2025
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/11/2025
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	14/11/2025
Submit monthly reports for period ending 31 October for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	28/11/2025
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	28/11/2025
Strategic Integrated Municipal Engagement 1 – Engagement between the Western Cape Government and municipalities	SMT	MFMA Guidance	28/11/2025
DECEMBER 2025			
Dept Finance provide working papers for adjustment Budget	Financial Services	MFMA Guidance	05/12/2025
Departments provide responses to Adjustment Budget	Financial Services	MFMA Guidance	19/12/2025
Financial inputs from bulk resource providers and agree on proposed price increase.	Financial Services	MFMA Guidance	19/12/2025
Review whether all bulk resource providers have lodged a request with National Treasury and SALGA seeking comments on proposed price increases of bulk resources.	Financial Services	MFMA Guidance	19/12/2025
Finalize first draft of departmental operational plans and SDBIP for review against strategic priorities.	Financial Services Economic, Social & Integrated Development Services	MFMA Guidance	19/12/2025
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	12/12/2025
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	12/12/2025

Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	12/12/2025
Finalize first draft of the annual report incorporating financial and non-financial information on performance, audit reports and annual financial statements.	Financial Services	MFMA Guidance	19/12/2025
Submit monthly reports for period ending 30 November for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	19/12/2025
Receive audit report on consolidated annual financial statements from the Auditor-General (for municipalities with a municipal entity).	Financial Services	MFMA 126 (3)	19/12/2025
Ensure that the Accounting Officer addresses any issues raised by the Auditor-General in the audit report, prepare action/audit plans to address and incorporate into the annual report (for municipalities with a municipal entity).	MM	MFMA 131 (1)	19/12/2025
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	19/12/2025
District Managers IDP Forum	Economic, Social & Integrated Development Services	MFMA Guidance	19/12/2025
Provincial IDP Managers Forum	Economic, Social & Integrated Development Services	MFMA Guidance	05/12/2025
JANUARY 2026			
Inputs for Operational Budget (Directors & OMT's)	Financial Services	Municipal Strategic Planning	23/01/2026
Approval of Organizational Structure for Budgetary Purpose by MM	Municipal Manager	Municipal Strategic Planning	30/01/2026
Submit Electricity Tariffs to NERSA	Financial Services	Municipal Strategic Planning	30/01/2026
Submit quarterly report for period ending 31 December on implementation of the supply chain management policy to the Mayor and make report public.	Financial Services	SCM Reg 6 (3) & (4)	30/01/2026
Review quarterly projections for period ending 31 December for SDBIP and compare actual performance to objectives, in conjunction with preparation of section 72 report.	Financial Services Economic, Social & Integrated Development Services	MFMA Guidance	30/01/2026

Ensure any written comments made to bulk resource providers by the municipality on the proposed increase of bulk resources are included in any submission made by the bulk resource providers to the required organs of state.	Financial Services	MFMA Guidance	30/01/2026
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/01/2026
Submit monthly statement to the provincial or national organ of state of municipality on allocations received – within 10- working days of the start of the month.	Financial Services	MFMA 71 (5)	14/01/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	14/01/2026
Submit monthly reports for period ending 31 December for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	30/01/2026
Ensure that any municipal entity submits report for period ending 31 December on compliance with the prescribed minimum competency levels to council.	Financial Services	Competency Reg 14 (3) & (4)	30/01/2026
Note the President's State of the Nation Address for further budget priorities.	Financial Services	MFMA Guidance	30/01/2026
Review whether comments from National Treasury and SALGA have been received on proposed price increases of bulk resources.	Financial Services	MFMA Guidance	30/01/2026
Finalize annual performance report, assessments of arrears on taxes and service charges and an assessment of municipal performance together with recommendations from the council audit committee and details of corrective action undertaken arising from audit report, and minimum competency compliance for inclusion in the annual report.	Economic, Social & Integrated Development Services	MFMA 121 (3)(c) & (e) to (k) MSA 46 (2) MFMA Guidance	23/01/2026
Assess the performance of the municipality to 31 December and submit a (section 72) report on the assessment to the Mayor, Provincial Treasury and National Treasury. Consider an adjustments budget if necessary.	Financial Services	MFMA 72 (1)	23/01/2026
Further review all aspects of budget including any unforeseen and unavoidable expenditure in light of need for an adjustments budget.	Financial Services	MFMA 29	30/01/2026
Where necessary consider tabling and approval of an adjustments budget and submit to provincial and national treasury and other relevant organs of state.	Financial Services	MFMA 28 MFMA 22 (b) MFMA 24 (3)	23/01/2026
Table in council quarterly consolidated report for period ending 31 December of all withdrawals not approved in the budget and submit report to the provincial treasury and the Auditor-General	Financial Services	MFMA 11 (4)	23/01/2026
Table in council quarterly consolidated report for period ending 31 December on compliance with the prescribed minimum competency levels to council, Provincial Treasury and National Treasury.	Financial Services	Competency Reg 14 (2) (a) & (4)	23/01/2026
Submit quarterly (section 52) report for period ending 31 December on implementation of the budget and financial situation of the municipality to council.	Financial Services	MFMA 52 (1)	23/01/2026
Consider monthly and mid-year (Section 71 and 72) reports for the period ended 31 December, review implementation of SDBIP,	Financial Services	MFMA 54 (1)	23/01/2026

identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP - due end of the month.	Economic, Social & Integrated Development Services		
Table to council the annual report of the municipality and any municipal entity for the year ended 30 June.	Economic, Social & Integrated Development Services	MFMA 127 (2)	23/01/2026
Make public the annual report and invite comments from the local community, submit report to the Auditor-General, Provincial Treasury and Western Cape Department of Local Government.	Economic, Social & Integrated Development Services	MFMA 127 (5)	30/01/2026
Finalize detailed operating and capital budgets in the prescribed formats incorporating national and provincial budget allocations, integrated and aligned to IDP and draft SDBIP, finalize budget policies including tariff policy.	Financial Services	MFMA Guidance	30/01/2026
Report to council on status of next three-year budget, previous year's annual report (including annual financial statements, audit report) and summarize overall findings of previous year's annual performance report – reinforce upcoming process of budget approval and oversight.	Financial Services	MFMA Guidance	30/01/2026
Municipal quarterly response to Strategic Integrated Municipal Engage 1 report from the Western Cape Department of Local Government	SMT	MFMA Guidance	28/01/2026
FEBRUARY 2026			
Make public the annual report and invite comments from the local community, submit report to the Auditor-General, Provincial Treasury and Western Cape Department of Local Government.	Economic, Social & Integrated Development Services	MFMA 127 (5)	04/02/2026
Place annual report on the municipal website.	Economic, Social & Integrated Development Services	MFMA 75 (1) (c)	04/02/2026
IDP Office to provide draft IDP document for scrutiny by departments	Economic, Social & Integrated Development Services	Municipal Strategic Planning	13/02/2026
Departments provide inputs on draft IDP	Economic, Social & Integrated Development Services	Municipal Strategic Planning	20/02/2026
Project alignment between Provincial, District and Local municipalities. Prepare draft IDP document	Economic, Social & Integrated Development Services	Municipal Strategic Planning	27/02/2026
Receive proposed budget from the board of directors of any municipal entity under the sole or shared control of the municipality.	Financial Services	MFMA 87 (1)	27/02/2026
Place quarterly (section 52) report on budget implementation on the municipal website.	Financial Services	MFMA 75 (1) (k)	04/02/2026
Consider proposed budget of municipal entity and assess entity's priorities and objectives and make recommendations to the board of directors as necessary.	Financial Services	MFMA 87 (2) MFMA Guidance	27/02/2026

Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	13/02/2026
Submit monthly statement of the provincial or national organ of state of municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	13/02/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	13/02/2026
Submit monthly reports for period ending 31 January for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	27/02/2026
Note National budget for provincial and National allocations to municipalities for incorporation into budget.	Financial Services	MFMA Guidance	27/02/2026
Submit tabled adjustments budget to the Provincial Treasury, National Treasury and other affected organs of state.	Financial Services	MFMA Guidance	27/02/2026
Submit the approved adjustments budget to the Provincial Treasury and National Treasury.	Financial Services	MFMA Guidance	27/02/2026
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	27/02/2026
Finalize corrective measures from audit report.	SMT	MFMA Guidance	27/02/2026
Technical Integrated Municipal Engagement – Mid-year budget assessment engagement between the Municipality and the Provincial Treasury.	SMT	MFMA Guidance	27/02/2026
MARCH 2026			
Receive notification of any transfers that will be made to the municipality from other municipalities in each of the next three financial years.	Financial Services	MFMA 37 (2)	06/03/2026
Provide notification of any transfers that will be made by the municipality to other municipalities in each of the next three financial years.	Financial Services	MFMA 37 (2)	06/03/2026
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	13/03/2026
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	13/03/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	13/03/2026
Receive bulk resource providers' price increased as tabled in Parliament for the Western Cape Provincial Legislature.	Financial Services	MFMA 42	06/03/2026
Submit monthly reports for period ending 28 February for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	31/03/2026
Receive revised budget of municipal entity from board of directors.	Financial Services	MFMA 42	06/03/2026

Incorporate transfers to be made to or received from other municipalities.	Financial Services	MFMA 37 (2) MFMA Guidance	06/03/2026
Incorporate changes in prices for bulk resources and finalize tariff proposals for all charges.	Financial Services	MFMA 42 MFMA Guidance	06/03/2026
Print and distribute all budget documentation prior to meeting at which budget is to be tabled.	Financial Services	MFMA Guidance	20/03/2026
Table to council the draft annual budget and IDP supporting documents.	Executive Mayor	MFMA 16 (2), 17 & 87 (3)	31/03/2026
Consider and approve, reject or refer back the annual report at a council meeting.	Economic, Social & Integrated Development Services	MFMA 121 (1)	31/03/2026
Adopt an oversight report providing comments on the Annual Report.	Economic, Social & Integrated Development Services	MFMA 129 (1)	31/03/2026
Attend council and committee meetings where Annual Report is discussed and respond to questions	Economic, Social & Integrated Development Services	MFMA 129 (2) (a)	31/03/2026
Submit minutes of meetings where Annual Report is discussed to the Provincial Treasury and Western Cape Department of Local Government.	Economic, Social & Integrated Development Services	MFMA 129 (2) (b)	31/03/2026
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP – due end of the month.	Economic, Social & Integrated Development Services	MFMA 54 (1)	31/03/2026
District Managers IDP Forum	Economic, Social & Integrated Development Services	MFMA Guidance	31/03/2026
APRIL 2026			
Make public the tabled annual budget and accompanying budget documentation, and IDP, invite the community to submit representations and submit to the Provincial Treasury, National Treasury and other affected organs of state.	Financial Services Economic, Social & Integrated Development Services	MFMA 22	03/04/2026
Commence process of consultation on tabled budget, publicize and conduct public hearings and meetings with wards, Provincial Treasury and other organs of state making a budget submission. Publish ward based information for ward councilors.	Financial Services / Economic, Social & Integrated Development Services	MFMA 23 MFMA Guidance	06/04/2026
Confirm provincial and national budget allocations	Financial Services	MFMA Guidance	30/04/2026
Make public the oversight report.	Economic, Social & Integrated Development Services	MFMA 129 (3)	03/04/2026
Submit the annual report and oversight report to the Western Cape Provincial Legislature.	Economic, Social & Integrated Development Services	MFMA 132 (1) & (2)	07/04/2026

Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/04/2026
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	14/04/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	14/04/2026
Submit monthly reports for period ending 31 March for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	30/04/2026
Submit quarterly report for period ending 31 March on implementation of the supply chain management policy to the Mayor and make report public.	Financial Services	SCM Reg 6 (3) & (4)	24/04/2026
Table to council quarterly consolidated report for period ending 31 March of all withdrawals not approved in the budget and submit report to the Provincial Treasury and Auditor-General.	Financial Services	MFMA 11 (4)	24/04/2026
Submit quarterly (section 52) report for period ending 31 March on implementation of the budget and financial state of affairs of the municipality to council.	Financial Services	MFMA 52 (d)	24/04/2026
Conclude process of consultation on tabled budget and IDP with community and other stakeholders and assist Mayor to revise budget following feedback, taking into account the results of the third quarter (section 52) report.	Financial Services Economic, Social & Integrated Development Services	MFMA 68 MFMA Guidance	24/04/2026
Consider the views of the community and other stakeholders.	Financial Services Economic, Social & Integrated Development Services	MFMA 23 (1)	30/04/2026
Respond to submissions received and if necessary, revise the budget and table amendments for council consideration.	Financial Services Economic, Social & Integrated Development Services	MFMA 23 (2)	30/04/2026
Consider monthly (section 71) report, review implementation of SDBIP, identify problems and amend or recommend appropriate mechanisms. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	30/04/2026
SIME LG MTEC: IDP and assessments – Provincial Government and Municipality to discuss findings and recommendations emanating from IDP and Budget assessment. Integrated input into draft IDP and Budget.	SMT	JDMA Processes	30/04/2026
MAY 2026			
Preparing final IDP and Budget documentation for final approval by council, review any other comments from National, or Provincial Government or organ of state.	Financial Services Economic, Social & Integrated Development Services	MFMA 68 MFMA Guidance	29/05/2026

Respond to submissions received and if necessary, revise the budget and table amendments for council consideration.	Financial Services Economic, Social & Integrated Development Services	MFMA Guidance	15/05/2026
Place quarterly (section 52) report on budget implementation of the municipal website.	Financial Services	MFMA 75 (1) (k)	01/05/2026
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/05/2026
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	14/05/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working day of the start of the month.	Financial Services	MFMA 66	14/05/2026
Submit monthly reports for period ending 30 April for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	29/05/2026
Print and distribute all budget documentation including draft IDP and SDBIP documentation prior to meeting at which budget and IDP is to be approved.	Financial Services Economic, Social & Integrated Development Services	MFMA Guidance	29/05/2026
Council to consider approval of the IDP and annual budget	Council	MFMA 24 (1)	29/05/2026
Develop plan of action to start on preparation of annual financial statements, communicate what is to be done.	Financial Services	MFMA Guidance	29/05/2026
Distribute adopted IDP and associated supplementary documents to the MEC for Local Government.	Economic, Social & Integrated Development Services	MFMA Guidance	29/05/2026
Consider monthly (section 71 report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	29/05/2026
JUNE 2026			
Submit draft SDBIP to the Mayor – final date under legislation 14 July.	Economic, Social & Integrated Development Services	MFMA 69 (3) (a)	12/06/2026
Submit draft annual performance agreements for the next year to the Mayor – final date under legislation 14 July.	Economic, Social & Integrated Development Services	MFMA 69 (3) (b)	12/06/2026
Approve SDBIP – final date under legislation 28 July.	Economic, Social & Integrated Development Services	MFMA 53 (1) (c) (ii)	25/06/2026

Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	12/06/2026
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	12/06/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working day of the start of the month.	Financial Services	MFMA 66	12/06/2026
Submit monthly reports for period ending 31 May for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	30/06/2026
Approve annual budget and IDP by council resolution, including taxes, tariffs, measurable performance objectives, changes to the IDP and budget related policies, include service delivery agreements and long-term contracts where appropriate.	Economic, Social & Integrated Development Services	MFMA 16 (1), 24 (2) & 53 (1) (c) (i)	30/06/2026
Submit approved budget to National and Provincial Treasury	Financial Services	MFMA 24 (3)	30/06/2026
Consider monthly (section 71 report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	30/06/2026
Ensure board of directors of a municipal entity approve entity budget after taking account of any hearings or recommendations of council.	Financial Services	MFMA 87 (4)	30/06/2026
District Managers IDP Forum	Economic, Social & Integrated Development Services	MFMA Guidance	30/06/2026
Consider the comments raised by the MEC of Local Government on the quality of the IDP as per section 32 of the Local Government: Municipal Systems Act 32 of 2000.	Economic, Social & Integrated Development Services	MFMA Guidance	30/06/2026
JULY 2026			
Make public the service delivery budget implementation plan – final date under legislation	Economic, Social & Integrated Development Services	MFMA 53 (3) (a)	10/07/2026
Make public annual performance agreements and ensure copies are provided to council.	Economic, Social & Integrated Development Services	MFMA 53 (3)(b)	10/07/2026
Place annual performance agreements on the municipal website.	Economic, Social & Integrated Development Services	MFMA 75 (1) (d)	10/07/2026
Place approved annual budget and policies on the municipal website	Economic, Social & Integrated Development Services	MFMA 75 (1) (a) & (b)	03/07/2026
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working days of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/07/2026
Submit monthly statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	14/07/2026

Submit monthly report on salaries and wages expenditure to council – within 10 working day of the start of the month.	Financial Services	MFMA 66	14/07/2026
Submit monthly reports for period ending 30 June for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	31/07/2026
Submit quarterly report for period ending 30 June on implementation of the supply chain management policy to the Mayor and make report public.	Financial Services	SCM Reg 6 (3) & (4)	31/07/2026
Review quarterly projections for period ending 30 June for service delivery and budget implementation plan and compare actual performance to objectives, in conjunction with preparation of section 52 report	Economic, Social & Integrated Development Services	MFMA Guidance	31/07/2026
Table to council quarterly consolidated report for period ending 30 June of all withdrawals not approved in the budget and submit report to the Provincial Treasury and Auditor-General.	Financial Services	MFMA 11 (4)	31/07/2026
Submit quarterly (section 52) report for period ending 30 June on implementation of the budget and financial affairs of the municipality to council	Economic, Social & Integrated Development Services	MFMA 52 (d)	31/07/2026
Table in council quarterly consolidated report for period ending 30 June on compliance with the prescribed minimum competency levels to council, Provincial Treasury and National Treasury.	Financial Services	Competency Reg 14 (2) (a) & (4)	31/07/2026
Submit annual report on implementation of the supply chain management policy to the Mayor and make report public	Financial Services	SCM Reg 6 (2) (a) (i)	31/07/2026
Consider monthly (section 71 report, review implementation of SDBIP, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	31/07/2026
AUGUST 2026			
Place quarterly (section 52) report on budget implementation on the municipal website.	Financial Services	MFMA 75 (1) (k)	29/08/2026
Submit monthly report statement to the provincial or national organ of state or municipality on allocations received – within 10 working days of the start of the month.	Financial Services	MFMA 71 (5)	14/08/2026
Submit monthly report on salaries and wages expenditure to council – within 10 working days of the start of the month.	Financial Services	MFMA 66	14/08/2026
Submit monthly report for period ending 31 July for each contract awarded and signed above the prescribed amount.	Financial Services	MFMA Guidance	29/08/2026
Submit the IDP & Budget draft process plan with time schedule to SMT	Financial Services / Economic, Social & Integrated Development Services	Municipal planning Guidance	22/08/2026
Table in council budget and IDP Process Plan/time schedule of key deadlines.	Financial Services Economic, Social & Integrated Development Services	MFMA 21 (1) (b) & 53 (1) (b)	22/08/2026
Previous Year's Financial Statements – Compile and submit municipal audit file to Auditor – General for auditing.	Financial Services	MFMA Guidance	29/08/2026

Consider monthly (section 71) report, review implementation of budget and service delivery and budget implementation plan, identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendment to the SDBIP – due end of the month.	Financial Services	MFMA 54 (1)	29/08/2026
Submit monthly report on the budget to the Mayor, Provincial Treasury and National Treasury – within 10 working day of the start of the month.	Financial Services	MFMA 71 (1) MFMA Guidance	14/08/2026
Conclude initial consultation and review, establish direction and policy, confirm priorities, identify other financial and non-financial budget parameters including government allocations to determine revenue envelope, and financial outlook to identify need to review fiscal strategies.	Financial Services	MFMA Guidance	29/08/2026
Establish appropriate committees and consultation forums and plan programme of internal and public meetings, to update community needs analysis and obtain feedback on past year's performance.	Council and SMT	MFMA Guidance	29/08/2026

10. Public Participation Action Implementation Plan

Introduction

This plan outlines the Municipality's strategy for engaging the community in the Integrated Development Plan (IDP) review process. It details the schedule, mechanisms, and phases to ensure effective public participation.

1. **Public Participation Schedule**

Phase 1: October – Input

1. Community Engagements:

- Conduct community meetings in all 12 wards to gather initial input and feedback.
- Organize block meetings facilitated by ward committee representatives for more localized discussions.
- Work through the 12 months ward committee meeting minutes

2. Advertising and Notifications:

- Media: Announce upcoming meetings and engagement activities through local newspapers, internal and external newsletters.
- Social Media: Use the Municipality's website, Facebook, Twitter, Instagram, and WhatsApp groups to promote events and share updates. Post all relevant documents for public download.

3. Submission Channels:

- Email: Collect additional inputs through email at idp@langeberg.gov.za.

- Social Media: Encourage feedback via social media platforms.
- Questionnaires: Distribute and collect completed questionnaires through Ward Committee members.

4. Engagement with Sector Departments:
- Align the process with National, Provincial, and Municipal transversal planning structures.
- Participate in Provincial IDP engagements and district/local IGR forums.
- Engage with the Western Cape District Integrated Forum for broader input.

5. Organized Community Organizations:
- Invite and collaborate with organized community organizations for targeted input sessions.

Phase 2: April – Feedback

1. Community Feedback Meetings:
- Host follow-up meetings in all 12 wards to present the revised IDP based on the input received during the October phase.

2. Advertising and Notifications:
- Media: Update the community on the progress and outcomes through local newspapers, newsletters, and the Municipal website.
- Social Media: Share detailed feedback and final IDP documents on social media platforms.

3. Submission Channels:
- Email: Continue accepting feedback and comments through email at idp@langeberg.gov.za.
- Social Media: Provide updates and gather final thoughts via social media.

4. Final Adjustments:
- Incorporate any additional feedback received during the feedback phase into the final IDP.

Mechanisms to be used

1. Media:
- Utilize local newspapers and newsletters to keep the community informed about the IDP process and progress.

2. Social Media:
- Regularly update and engage with the community via the Municipality's website and social media platforms. Ensure all relevant documents are accessible online for review and download.

3. SMS Line:
- Maintain an open, automated SMS line for residents to provide feedback and ask questions.

4. Ward Committee Meetings:
- Facilitate discussions and collect inputs through Ward Committee meetings and block meetings.

Monitoring and Evaluation

1. Participation Tracking:

- Monitor attendance and feedback received during community meetings and through other channels.

2. Feedback Analysis:

- Analyse feedback and inputs to assess community needs and priorities

3. Reporting:

- Compile and present a report summarising the community feedback received and how it influenced the final IDP.

4. Review and Adjust:

- Review the public participation process and make necessary adjustments for future engagement.

This action plan aims to ensure that the IDP review process is inclusive, transparent, and responsive to community needs. The Municipality is committed to maintaining open communication channels and actively involving the public throughout the process.

WARD	DATE	PLACE	TIME	COUNCILLORS ATTENDING	MANAGEMENT
WARD 1	23 September 2025	Robertson Town Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor C Steyn	
WARD 2	16 September 2025	Nkqubela Community Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor L Gxowa	
WARD 3	17 September 2025	Robertson Civic Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor P Hess	
WARD 4	16 October 2025	Happy Valley Community Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor	
WARD 5	02 October 2025	McGregor Community Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor M Kraukamp	
WARD 6	06 October 2025	Robertson Civic Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor D Janse	
WARD 7	07 October 2025	Willem Thys (Civic) Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor D Felix	
WARD 8	30 September 2025	Chris Van Zyl Hall	**10H00 - 16H00** **Open Day Session**	Mayor S Van Eeden	
WARD 9	01 October 2025	Barnard Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor Y Siegel	

WARD	DATE	PLACE	TIME	COUNCILLORS ATTENDING	MANAGEMENT
WARD 10	29 September 2025	Rholihlahla Community Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor A Ndongeni	
WARD 11	18 September 2025	Callie De Wet Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor J Coetzee	
WARD 12	22 September 2025	Ashbury Library, Montagu	**10H00 - 16H00** **Open Day Session**	Ward Councillor Pokwas	

WARD	DATE	VENUE	TIME	COUNCILLORS ATTENDING	MANAGEMENT
1	15 April 2026	Callie de Wet, Robertson	**10H00 - 16H00** **Open Day Session**	Ward Councillor C Steyn	
2	13 April 2026	Nkqubela Hall, Robertson	**10H00 - 16H00** **Open Day Session**	Ward Councillor L Gxowa	
3	27 April 2026	Civic Hall, Robertson	**10H00 - 16H00** **Open Day Session**	Ward Councillor P Hess	
4	23 April 2026	Happy Valley Hall, Bonnievale	**10H00 - 16H00** **Open Day Session**	Ward Councillor	
5	07 April 2026	McGregor Town Hall	**10H00 - 16H00** **Open Day Session**	Ward Councillor M Kraukamp	
6	08 April 2026	Civic Hall, Robertson	**10H00 - 16H00** **Open Day Session**	Ward Councillor D Janse	
7	09 April 2026	Willem Thys Hall, Montagu	**10H00 - 16H00** **Open Day Session**	Ward Councillor D Felix	
8	16 April 2026	Chris van Zyl Hall, Bonnievale	**10H00 - 16H00** **Open Day Session**	Mayor S Van Eeden	
9	14 April 2026	Barnard Hall, Ashton Town Hall, Ashton	**10H00 - 16H00** **Open Day Session**	Ward Councillor Y Siegel	

WARD	DATE	VENUE	TIME	COUNCILLORS ATTENDING	MANAGEMENT
10	22 April 2026	Rholihlahla Hall, Zolani, Ashton	**10H00 - 16H00** **Open Day Session**	Ward Councillor A Ndongeni	
11	20 April 2026	Callie de Wet, Robertson	**10H00 - 16H00** **Open Day Session**	Ward Councillor J Coetzee	
12	21 April 2026	Ashbury Library, Montagu	**10H00 - 16H00** **Open Day Session**	Ward Councillor Pokwas	

A4976

FINANCIAL REPORTING IN TERMS OF SECTION 71 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 – JULY 2025 (9/2/1/3) (CHIEF FINANCIAL OFFICER)

Purpose of report

To submit a report in terms of the Monthly Budget Statement of the Local Government: Municipal Finance Management Act, 2003 to Council for information.

Comments

The report, as submitted to the Executive Mayor, National Treasury and Provincial Treasury, **is attached to this report.**

Aanbeveling / Recommendation

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

A4978

ROLL-OVER FROM 2023/2024 FINANCIAL YEAR – ADJUSTMENTS BUDGET 2025/2026 (DIRECTOR: FINANCIAL SERVICES - CFO)

Purpose of Report

To submit an adjustment budget for the 2025/2026 financial year as a result of projects rolled over from the 2024/2025 financial year to the Council for consideration.

Background

The Medium-Term Revenue & Expenditure Framework (MTREF) report, which is compiled in terms of the Municipal Budgeting and Reporting Regulations (MBRR), was distributed prior to the Council meeting of the 22nd of August 2024.

The adjustment budget incorporates all own funded projects that were not completed in the previous financial year and now being rolled over to the current financial year.

Legal Framework

Section 28 (2) (e) of the MFMA states the following:

An adjustments budget – "*may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*"

In terms of the Budget and Reporting Regulations, regulation 23(5) in Government Gazette No: 32142 (Notice No: 393 of 2009) states that:
An adjustments budget referred to in section 28(2) (e) of the MFMA may only be tabled after the end of the financial year to which the roll-overs relate and must be approved by the municipal council by the 25th of August of the financial year, following the financial year to which roll-overs relate."

Furthermore, section 30 of the MFMA states that:
"*The appropriation of funds in an annual or adjustments budget lapses to the extent that those funds are unspent at the end of the financial year to which the budget relates, except in the case of an appropriation for expenditure made for a period longer than that financial year in terms of section 16 (3).*"

Summary of adjustments is as follows:

ADJUSTMENTS - AUGUST 2025 ADJB

ADJUSTMENT BUDGET SUMMARY - AUGUST 2025

OPERATIONAL REVENUE

Description	Department	Funding	Original Budget 202526	Adjustment Own Funds	Adjustment Grants	AUGUST 2025 Adjustments Budget
CWDM (Department of Police Oversight and Community Safety)	ESIDS_ICT	CWDM	-		240 000.00	240 000.00
CWDM Grant - EPWP projects Operating Rev	COMMUNITY_Community Facilities	CWDM	500 000.00		326 352.87	826 352.87
			500 000.00	**-**	**566 352.87**	**1 066 352.87**
			Own funds	**-**		**MFMA s28(2)(e)**
			PT / NT	**566 352.87**		**MFMA s28(2)(e)**

OPERATIONAL EXPENDITURE

Description	Department	Funding	Original Budget 202526	Adjustment Own Funds		AUGUST 2025 Adjustments Budget
River Clearing and Firebreaks	COMMUNITY_Community Facilities		490 669.00		283 785.10	774 454.10
			490 669.00	**-**	**283 785.10**	**774 454.10**
			Own funds	**-**		**MFMA s28(2)(e)**
			PT / NT	**283 785.10**		**MFMA s28(2)(e)**

CAPITAL EXPENDITURE

Description	Department	Funding	Original Budget 202526	Adjustment Own Funds	Adjustment Grants	AUGUST 2025 Adjustments Budget
General ICT Needs	ESIDS_ICT	CRR	1 500 000.00	137 175.39		1 637 175.39
Two-Way Digital Radio Communication Network	ESIDS_ICT	CRR	2 000 000.00	786 710.31		2 786 710.31
NEW netball court construction Zolani sports field	COMMUNITY_Community Facilities	CRR	-	535 031.00		535 031.00
Equipment Community Facilities	COMMUNITY_Community Facilities	CRR	600 000.00	86 615.00		686 615.00
New WTW McGregor:CRR	ENGINEERING_Water treatment w	CRR	2 700 000.00	1 814 125.00		4 514 125.00
Replacement of the siphon pipeline from the Robertson canal to Gumgrove Dam	ENGINEERING_Water Distribution	CRR	1 000 000.00	4 000 000.00		5 000 000.00
LM High Mast Lighting	ENGINEERING_Electricity	CRR	-	194 814.78		194 814.78
Water Pipe Replacement (Bonnievale main supply to Lactalis, Bonnievale Winery and Uitsig)	ENGINEERING_Water Distribution	CRR	1 000 000.00	6 634 619.06		5 500 000.00
Paving of Barlinka Street, Montagu	ENGINEERING_Roads	CRR	-	4 500 000.00		8 381 880.00
Ashton road upgrade (Alwyn st, Industrial/ area, Zolani curbs)	ENGINEERING_Roads	CRR	2 723 767.98	8 381 880.00		11 105 647.98
Jetting Tanker	ENGINEERING_Stormwater	CRR	-	3 499 699.76		3 499 699.76
The Rehabilitation/Upgrading of existing tar roads in 5 towns	ENGINEERING_Roads	CRR	-	6 176 454.89		6 176 454.89
Upgrading of Robertson Transfer station – Roof	ENGINEERING_Solid Waste	CRR	-	400 000.00		400 000.00
ICT Infrastructure - Camera System	ESIDS_ICT	CWDM	-	-	208 695.65	208 695.65
Replace 66Kv Transformers at Robertson Main Substation	ENGINEERING_Electricity	CRR	8 625 000.00	800 000.00		9 425 000.00
			20 148 767.98	**37 947 125.19**	**208 695.65**	**60 051 849.76**
			Own funds	**37 947 125.19**		**MFMA s28(2)(e)**
			PT / NT	**208 695.65**	**38 155 820.84**	**MFMA s28(2)(e)**

Financial implications

Financial implications are contained in the **detailed report attached separately**.

Legal context

1. The MFMA Section 28, 30 and 16(3)
2. Municipal Budget and Reporting Regulations
3. Municipal Council Budget related Policies

Recommendation

That in respect of:

The roll-over adjustment budget 2025/2026: August 2025

1. Council approves the adjustment budget for 2025/2026 financial year as set out in the following:
   i. Municipal Budget tables B1 – B10
   ii. Municipal Budget Supporting Documentation SB1 – SB19
2. The items rolled over become key performance indicators in the Service Delivery Budget Implementation Plan for 2025/26 financial year.
3. The amended Service Delivery Budget Implementation Plan be submitted to Council in September 2025 to reflect the changes.

ASSESSMENT REPORT ON PROGRESS MADE IN ADDRESSING CRITICAL ISSUES RAISED ON IMPLEMENTATION OF THE ERP PROJECT (DIRECTOR – FINANCIAL SERVICES (CFO))

Purpose of the report

The purpose of this report is to provide an update to Council on the progress made by CCG Systems (Pty) in addressing critical issues raised on the implementation of the Enterprise Resource Planning (ERP) project.

Legal framework

Municipal Finance Management Act, No. 56 of 2003

Implementation of the system

115. (1) The accounting officer of a municipality must - (a) implement the supply chain management policy of the municipality; and (b) take all reasonable steps to ensure that proper mechanisms and separation duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.
(2) No person may impede the accounting officer in fulfilling this responsibility.

Contracts and contract management

116. (1) A contract or agreement procured through the supply chain management system of a municipality must-
(a) be in writing;
(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for

(i) the termination of the contract or agreement in the case of non- or underperformance;
(ii) dispute resolution mechanisms to settle disputes between the parties;
(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
(iv) any other matters that may be prescribed.

(2) The accounting officer of a municipality must-
(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality entity is properly enforced;
(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
(c) establish capacity in the administration of the municipality-
(i) to assist the accounting officer in carrying out the duties set out in paragraphs *(a)* and *(b)*
(ii) to oversee the day-to-day management of the contract or agreement; and
(d) regularly report to the council of the municipality, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

(3) A contract or agreement procured through the supply chain management policy may be amended by the parties, but only after-
(a) the reasons for the proposed amendment have been tabled in the council of the municipality; and
(b) the local community-
(i) has been given reasonable notice of the intention to amend the contract or
(ii) has been invited to submit representations to the municipality.

Councillors barred from serving on municipal tender committees

117. No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

Interference

118. No person may- (a) interfere with the supply chain management system of a municipality or (b) amend or tamper with any tenders, quotations, contracts or bids after their submission.

Municipal Supply Chain Management Regulations, as amended
Chapter 1 -Establishment And Implementation of Supply Chain Management Policies
2. Supply chain management policies

(1) Each municipality must in terms of section 111 of the Act, have and implement a supply chain management policy that-
(a) gives effect to (i) section 217 of the Constitution; and (ii) Part 1 of Chapter 11 and other applicable provisions of the Act.
(b) is fair, equitable, transparent, competitive and cost-effective.

Background

Item A4889 already served before an ordinary meeting of Council on 26 March 2025, whereby Council unanimously resolved:

1. That the administration must be allowed to follow their processes to manage and monitor the implementation of the service level agreement and contract with CCG Systems (Pty) Ltd in terms of section 116 of the MFMA, and that the following immediate steps be noted:

1.1 The period of extension requested by CCG ends on 3 April 2025.

1.2 That after 3 April 2025, an assessment will be conducted on progress made by CCG on the critical focus areas as listed in the letter to them.

1.3 The outcome of performance in terms of the assessment will determine the way forward in applying provisions and measures in terms of the contractual agreement.

1.4 That a progress report will be submitted at the next Council meeting.

2. That Council notes the content of this report.

This report should be read in conjunction with items A4889, A4917 and A4946 for context and further background.

Summary of issues raised:

1. Incorrect billing of customer accounts.
2. Difficulty with monthly reconciliations.
3. Incorrect leave balances.
4. Difficulty in generating reports on the PMS module.
5. ICT governance challenges.
6. Turn-around time to enquiries raised by Municipal Staff.

In the meeting that was held on 17 February 2025, the following interventions were proposed and agreed upon to address the issues raised:

No.	Intervention	Progress comments
1.	Deploy and implement a dedicated help desk platform for all staff to log all complaints and/or requests to ensure that there is a centralised and dedicated communication platform.	Activity completed. Help desk was deployed to log queries.
2.	Rollout refresher training to all staff to ensure that they are up-to-date with system upgrades – In progress; this activity is continuous. Refresher training is provided when required by staff.	In progress, this activity is continuous. Refresher training is provided when required by staff.
3.	Complete the process of transferring the take-on balances from the Promun system to SAGE 200 Evolution.	Transfer of the take-on balances from the Promun system to SAGE 200 Evolution is completed.
4.	Allocate skills and resources to the development and set-up of parameters for mSCOA compliant transacting and reporting on the system, such as Software Developers and Business Analysts.	The following skills and resources were allocated to attend to matters raised: • 2 X Senior Developer. • 1 X Lead Developer. • 1 X Business Analyst. • 2 X Senior Consultant. • 1 X Project Manager.
5.	CCG Systems (Pty) Ltd created a sub-project to address these issues and allocated resources to work on addressing the issues raised by the Municipality.	Sub-project still in progress as some issues remain unresolved.

In addition, Langeberg Municipality has placed CCG Systems (Pty) on formal notice in terms of the signed service level agreement. Based on the formal notice, CCG Systems (Pty) was instructed to provide a comprehensive written plan detailing specific steps and timelines to rectify all identified system deficiencies. Herewith, below is the progress report on the comprehensive written plan as of Friday, 15 August 2025:

Complete	Action resolved, and Langeberg LIVE proving done.
In Progress	Working towards issue resolution
Planned	Milestone dates planned
N/A	No action required
Approval Required / On hold	Proposed date requiring Langeberg approval

PRIORITY 1 3.1 Billing and Customer Account Management Failures	Development/ Configuration Completion Date	CCG Quality Assurance Testing	Langeberg Change Request (CR) Status (Langeberg User Acceptance Test (UAT) Environment)	E-2-E UAT (CCG & Langeberg)	Langeberg CR Status (LIVE Environment)	LIVE PROVING (Langeberg & CCG)	PROGRESS NOTES 07/07/2025 - 15/08/2025

Incorrect billing on consumer accounts: The system continues to issue accounts with incorrect amounts to residents.	Complete	Complete	Complete	In Progress Due 21/07/25	Planned Due 23/07/25	Planned Due 31/07/25	**IN PROGRESS** ***E-BILLING: INTEGRATIONS** Citizen App - Development for third-party integrations (meter readings and Citizens App) completed and currently under testing on the Municipality's Test Environment. Testing between Collaborator and CCG System has been concluded, and it has been agreed to deploy the API on the production environment whilst Collaborator works on development on their side. Meter readings - tested an update on the CCG Test Server, which worked correctly. Deployed an update on the Langeberg test environment and have requested Routemaster to test. Testing is now at 95% success and will be concluded this week. **COMPLETED** *e-Billing Upgrade was done on 14 July 2025. * Solution for Tariffs Bulk Upload. **OUTSTANDING FROM CCG & LANGEBERG** * Meter clock overs remain a problem; both parties (CCG and Municipality) need to explore other options for obtaining meter dials for each meter. * Payment Allocations are to be done daily to avoid delays in billing.
Communication failures: Residents do not receive their accounts via e-mail, despite this functionality being configured in the system	Complete	Complete	Complete	Complete	Complete	In Progress	* Email statements being sent out twice - (Issue being investigated)
Payment allocation failures: The system fails to allocate payments received from customers to their accounts timeously, resulting in numerous complaints from residents	Complete	Complete	Complete	Complete	Complete	In Progress	* Duplicates of the arrangements - Resolved and a new build with improved efficiency provided, UAT completed with Revenue Manager.

PRIORITY 2 3.2 Financial Reconciliation Deficiencies Monthly reconciliation failures: The finance directorate cannot reconcile bank accounts, trade payables, VAT accounts, inventory accounts, property, plant and equipment, and salaries accounts due to incorrect system parameter setup and erroneous transactions	Development/ Configuration Completion Date	CCG Quality Assurance Testing	Langeberg Change Request (CR) Status (Langeberg User Acceptance Test (UAT) Environment)	E-2-E UAT (CCG & Langeberg)	Langeberg CR Status (LIVE Environment)	LIVE PROVING (Langeberg & CCG)	PROGRESS NOTES 07/07/2025 - 15/08/2025
Creditors Reconciliation	N/A	N/A	N/A	N/A	N/A	In Progress (95%)	**IN PROGRESS (CCG & LANGEBERG)** *Payables Reconciliation done with the following breakdown: transactions causing issues were communicated for the municipality to resolve, and CCG Systems is currently assisting with Clearing Accounts: *Agency fees payable * Trade payables and accruals * Salary clearing and control account * Unallocated deposits **COMPLETED** * Consumer deposits * Retention * VAT payable/receivable
Accounts Receivables	N/A	N/A	N/A	N/A	N/A	In Progress (90%)	**IN PROGRESS** * June 2025 Reconciliation is 95 % completed. Split between availability and metered services to be concluded this week.

Payroll	N/A	N/A	N/A	N/A	N/A	In Progress Due 31/07/25	**IN PROGRESS (CCG & LANGEBERG)** * Reconciliation of GL Employee Related Costs and the Payroll from July 2024 to June 2025 has been completed, and currently reconciling the actual payments made against the Salary Clearing and Control Accounts. The root cause of differences identified between the 12-month report and the payments made was identified, and the reconciliation will continue for the rest of the month. **OUTSTANDING FROM LANGEBERG** *N/A
Inventory	Complete	Complete	N/A	N/A	N/A	In Progress 31/07/25	**IN PROGRESS (CCG)** * Inventory UAT Results reported 01 August 2025: 1. Failed Requisition Process (Passed on 11 Aug UAT). 2. Rejection Functionality Missing (Passed on 11 Aug UAT). 3. Approved Requisitions Not Usable (Passed on 11 Aug UAT). 4. Missing Financial Transactions (Passed on 11 Aug UAT). 5. Reports Verification Needed (Passed on 11 Aug UAT). 6. Layout Clarification (Passed on 11 Aug UAT). * Upgrade to be scheduled * Year-end Reconciliations are in progress, standing at 90 %. OUTSTANDING FROM LANGEBERG *N/A

Data integrity issues: Incorrect leave balances are being rolled forward every month, and incorrect leave credit balances are being allocated to new appointees: 10 Days Sick Leave Credit	Complete	Complete	N/A	N/A	N/A	In Progress	**COMPLETED** *10 Days Sick Leave Credit The decision from the leave and ESS rollout discussion meeting was to continue with manual reconciliation of long-service sick leave balances until historical data is fully aligned. * The system has been set up to give the additional 10 days of sick leave correctly, and the system uses the actual days taken by the employee in the preceding leave cycle, and only leave days taken from Sage 300 are considered. CCG Systems is able and willing to import historical sick leave taken before Take-ons to be provided by the Municipality for the calculation to be 100% correct.
Accrual of Annual Leave at the end of the month	Complete	Complete	N/A	N/A	N/A	In Progress	**IN PROGRESS LANGEBERG** * The decision from the leave and ESS rollout discussion meeting was to schedule a session with the CFO and Director of Corporate Services to discuss ESS rollout and address control concerns. The due date for the decision is 14 August 2025. **COMPLETED** * The system has been set up to accrue leave at the end of the month. The 2 days that are accrued at the end of the month appear on the enquiry, but they are only available to be taken after the month end.
PRIORITY 2 3.3 Reporting and Performance Management Failures	**Development/ Configuration Completion Date**	**CCG Quality Assurance Testing**	**Langeberg Change Request (CR) Status (Langeberg User**	**E-2-E UAT (CCG & Langeberg)**	**Langeberg CR Status (LIVE Environment)**	**LIVE PROVING (Langeberg & CCG)**	**PROGRESS NOTES 07/07/2025 - 15/08/2025**

			Acceptance Test (UAT) Environment)				
PMS module dysfunction: The performance management unit cannot generate performance reports with graphs as required for municipal operations	Complete	Complete	Complete	Complete	Complete	Complete	**COMPLETED** * The issue of calculation types was confirmed to be emanating from the input of information by users. * Refresher Training conducted on the week ending 11 July 2025. * Removal of zeros on Not Applicable KPI completed. **IN PROGRESS FROM CCG & LANGEBERG** Review of 2025 ADJB M01-M13. * Review of 2025 ADJB M01-M13. * The review session of the report focused on improving billing accuracy, data integrity, and compliance across several modules. Key actions involve clarifying mSCOA reporting, correcting budget mappings, enhancing training, and ensuring proper VAT and revenue reconciliation. These improvements are prioritised for completion by specific teams and deadlines.
Critical operational reports unavailable: The system fails to generate essential reports required for daily municipal operations	Complete	Complete	Complete	Complete	Complete	In Progress	

PRIORITY 3 3.4 ICT Governance Challenges	DEV / Configuration Completion Date	CCG Quality Assurance Testing	Langeberg CR Status (Langeberg UAT Environment)	E-2-E UAT (CCG & Langeberg)	Langeberg CR Status (LIVE Environment)	LIVE PROVING (Langeberg & CCG)	PROGRESS NOTES 07/07/2025 - 15/08/2025
The payment file from Sage 200 for supplier payments is not encrypted.	In Progress	In Progress Due 14/07/25	Planned Due 16/07/25	Planned Due 11/09/25	Planned Due 18/09/25	Planned Due 25/09/25	**IN PROGRESS (CCG SYSTEMS)** * These 3 Issues required a major development and significant modification of the General Ledger and Payables Module. The Developments are currently in progress, Standing at 80 % and full testing and deployment to the Municipality's Production Environment is planned. * Development for the e-Ledger Module for Journal Approvals is completed and ready for UAT. * The e-Payables Module for segregation of duties on editing Supplier master files and securing the payment files is still in progress, standing at 70 %.
No segregation of duties for Supplier Master File Updates (Banking Details).	In Progress	In Progress Due 14/07/25	Planned Due 13/08/25	Planned Due 15/08/25	Planned Due 22/08/25	Planned Due 31/07/25	
No segregation of duties for Journals capturing and processing in the System.	Complete	Complete	Planned Due 16/07/25	Planned Due 11/09/25	Planned Due 18/09/25	Planned Due 25/09/25	
System Architecture is still outstanding.	N/A	Complete	N/A	N/A	N/A	In Progress	**IN PROGRESS (CCG SYSTEMS)** *Second Draft of The System Architecture was submitted, and inputs have been provided from the municipality, with more information to be added to the architecture. * Audit Trail Reports provided to the I.T. Department and are reflective of the information requested by AG.

The reporting status of the ERP system implementation is that all system modules are operational, with issues being currently addressed. There are also post-system implementation issues which are reported in the modules, General Ledger, Revenue and Billing, Supply Chain Management, Expenditure and Trade Payables, HR and Payroll, Performance Management, and ICT Administration.

Priority has been given to issues affecting Revenue and Billing, as these were affecting the largest number of external stakeholders of the Municipality. As most of the billing issues have now been resolved, focus will now be more on the other modules to ensure that all issues raised are resolved.

Overall, some corrective measures have been implemented, but the progress of those corrective measures is still being closely monitored. The municipality is also process of preparing annual financial statements and an annual performance report for submission to the Auditor-General by 31 August 2025.

Project costs- budget versus actual expenditure incurred to implement the project remain the same

Contract Amount:	R59 660 684.29 (VAT Inclusive)
Actual Expenditure to date:	R23 300 421.42 (VAT Inclusive)
Budget to date:	R23 300 421.42 (VAT Inclusive)

The expenditure was for implementation fees, annual licence fees, sub-system licence fees, annual support licence fees, user group/development fees, and disbursement fees. The contract is effective from 1 July 2023 until 30 June 2033.

Comments: Director – Corporate Services

The contents of the progress report and progress reported is noted.

Comments: Director – Engineering Services

The interaction and management of the service provider related to the improvement of the ERP system with proposed action is noted and supported.

Comments: Director – Community Services

Progress report be noted

Comments: Director - Economic, Social and Integrated Development Services

Progress report is noted

Comments: Municipal Manager

Progress on the implementation of the ERP Project is a standing item on our SMT Agenda, where the CFO discuss the latest progress made, as well as related strategic and operational matters affecting directorates. The recommendation as submitted, is supported.

Recommendation

1. That the administration continues to manage and monitor the implementation of the service level agreement and contract with CCG Systems (Pty) Ltd in terms of section 116 of the MFMA.
2. That a progress report will be submitted at the next Council meeting.
3. That Council notes the content of this report.