WITZENBERG
Municipality • Munisipaliteit • UMasipala Wase

2019/20

ANNUAL REPORT

WITZENBERG

MUNICIPALITY

2019/20

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AUDITOR-GENERAL REPORT

PERFORMANCE, RISK & AUDIT COMMITTEE REPORT

CHAPTER 1: MAYOR'S FORWARD & EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FORWARD

"Witzenberg Municipality - A municipality that cares for its community, creating growth and opportunity"

When the National President, Honourable Cyril Ramaphosa declared the Covid 19 pandemic as a National State of Disaster on the 15th of March 2020, very few understood and/or appreciated the devastating impact that the Covid 19 pandemic will have on our National, Provincial and Local Economy. Whilst preparing for the last quarter of the 2019/20 financial year, the Municipality suddenly had to change course and was compelled to direct its resources to manage and curtail the spread of the virus. We were in the unfortunate situation that our Municipality was the first outside of the Cape Metro to show a rapid increase in the prevalence of positive corona virus cases. From April until the end of June the Municipal area had 1230 positive cases, 43 deaths and numerous people in quarantine. The Municipality were suddenly phased with various social problems and addressing unforeseen Covid 19 expenses.

Our Law Enforcement was redirected from their normal tasks to conduct various road blocks for extended period of times. The first initial period also saw a general non adherence to the Regulations by our broader community. The Western Cape Provincial Government together with the Witzenberg Municipality drafted a response plan for the combatting of the virus and I can unequivocally state that as a result of the plan we successfully stabilised the spread of the virus in our Municipal area. I wish to express my thanks and appreciation to the Premier of the Western Cape as well as the MEC of Agriculture, Minister Ivan Meyer who personally led numerous initiatives with myself to ensure that we effectively and efficiently address the Covid 19 challenges. Various community leaders were also instrumental in communicating to our community to adhere to the Covid 19 Regulations. Without the commitment of our Council and the Administration the impact and the consequences of the Covid 19 would have been much more severe. Together with the Ceres Business Initiative we distributed more than 5 000 food parcels in our whole municipal area to the most needy and vulnerable members of our community.

It is with the above in mind that I can state that this Annual Report, in my respectful opinion, presents a fair assessment of the activities and state of affairs of the Municipality for the 2019/20 financial year. I want to express my sincere gratitude to the Speaker, Deputy Executive Mayor, members of the Executive Mayoral Committee, Chairperson of MPAC and all Councillors for their concerted effort to make Witzenberg a better place and commitment to serve our community and different constituencies to the best of their ability. We have achieved our eight consecutive clean audit from the Auditor General of South Africa. The report however highlights the material impairments of receivables from exchange and non-exchange transactions to the value of R220.4 Million. The further downside was the low spending on our capital projects. Extensive reasons are provided for this on our performance section of this Report. The recoverability of municipal debt remains a major concern for Council and a special task team was appointed to make recommendations to Council for the recovery of same. The water situation in Tulbagh is still gloomy and mostly

as a result of the Department of Water Affairs inability to sign off on the project despite the Gazetting and approval by National Treasury of the funding of the construction of a new dam over a three year period. Despite the challenges the Municipality remains committed to the provision of quality water to all its citizens on the same standard and conditions, and for which it has received many accolades, for the years to come.

We have continued to align our budget with our key performance areas and objectives as set out in our IDP namely:

- Essential Services
  - Sustainable provision and maintenance of basic infrastructure
  - Provide for the needs of informal settlements through improved services
- Governance
  - Support institutional transformation & development
  - Ensure financial viability
  - To maintain and strengthen relations with international-, inter-governmental partners, as well as the local community through the creation of participative structures.
- Communal Services
  - Provide and maintain facilities that make citizens feel at home.
- Socio-Economic Support Services
  - Support the poor and vulnerable through programmes and policy
  - Create an enabling environment to attract investment and support local economy

Conclusion

In conclusion, Witzenberg Municipality faces the future with optimism. I would like to take this opportunity to thank and acknowledge all for their commitment, focus and perseverance to develop our home into a flourishing hub for tourism, business development and agricultural expansion. It gives me great pride to serve Witzenberg as Executive Mayor and I welcome the challenges to come as I know that we will overcome them together.

BARNITO KLAASEN
EXECUTIVE MAYOR WITZENBERG

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

Report of the Accounting Officer (Municipal Manager) in terms of Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 (the MFMA).

Mr. David Nasson, Municipal Manager

The Municipal Finance Management Act (herein referred to as the MFMA) requires the Accounting Officer to do an assessment of any arrears on municipal taxes and service charges as well as the municipality's performance against the measurable performance objects referred to in Section 17 (3)b of the said Act. The latter assessment is dealt with in Chapter 5.1 of the Annual Report.

Arrears Assessment

The Auditor General of South Africa has, in its report on the 2019/2020 financial statements of the Municipal Council, emphasised the material impairment of R171.3 Million on receivables from exchange transactions as well as R49,1 Million on receivables from non-exchange transactions As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2020 is as set out below:

- the gross outstanding service debtors in total increased with 22.8% in relation to the 2018/2019 financial year.
- the leading contributors to the outstanding debt are water at 30.3% and sanitation and refuse at 31.2%.
- the effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors. Council has approved that prepaid water meters be installed in these areas which will assist in the recouping of the service charges.
- the majority of households are working in the Agricultural sector which has been adversely affected by drought.
- the Municipality will continue to exercise all legal avenues to collect its outstanding debt.
- concerted efforts are therefore being made, inter alia through capacitating our own debt collection to recover debts older than 90 days which constitutes 67.2% of total outstanding debt.

Credit control measures are progressively tightened up, e.g. service provider to perform disconnection on defaulters.

Revenue Collection

The municipality's performance for revenue collection decreased from at 94.8% in 2018/19 to 88.4% in the 2019/2020 financial year. We are mindful that the Municipality's financial sustainability is dependent on its ability to optimally collect the budgeted revenue. Public participation is being done on installation of water management devices and the disconnection of illegal electricity meters.

Material losses / Impairments

Electricity

There was an increase in the electricity losses including technical and non-technical losses. The total loss for the financial year was 10.68% compared to the loss of 10.51% in the previous financial year. The electricity losses are mainly the result of ageing infrastructure and theft of electricity in certain areas within the Municipality. The upgrade of the electrical infrastructure will continue in the new financial year which will hopefully lead to a further decrease in electricity losses. As part of Council's on-going programme to cut down on energy losses the following corrective measures will be undertaken:

- conducting an audit of all meters in Municipal area
- replacing conventional pre-paid meters with split meters
- updating GIS data to monitor electrical distribution
- regular special operations to clamp down on electricity theft.
- setting of competitive feed in tariffs to encourage bulk consumers to feed electricity into our municipal grid for re-sale

Water

The calculated water loss is 15.04%. This is lower than the 17.73% that was recorded in the 2018/2019 financial year. The technical department is robust and vigorously busy improving the effectiveness of water provision by:

- -installing water meters at unmetered communal taps
- -replacing and repairing bulk meters

- -installing data loggers at strategic sites
- -collecting and calculating monthly data
- -replacing badly leaking/eroded pipes on a program within certain areas.

Incidents of Theft / Fraud / Gross Negligence

No incidents of fraud or gross negligence were reported.

Eskom Network

The Eskom Network providing bulk electricity to our Municipality is under severe pressure to such an extent that no new developments can be approved. The network was due for upgrade in the 2019 financial year, but Eskom indicated that this might not happen before 2030. This will be catastrophic not only for our Municipality but also for the Agricultural Sector which is the biggest employer of human resources within our Municipality. The Municipality have reached its maximum amount in terms of its allocation and we have applied for additional capacity for which a response is still being awaited. Eskom is threatening to impose penalties if the Municipality exceeds its capacity which will further impact negatively on the Municipality's already constraint financial viability.

General and Closing Comments

The maintenance of municipal infrastructure remains a major challenge for the municipality. The poor state of our roads, in some areas, and our inability to rehabilitate same is still a major concern. The economic challenges of our Municipal financial resources and effective management of municipal labour will be crucial for Council to overcome the tough economic challenges. I would further like to take this opportunity to thank our Executive Mayor and Political leadership as well as our Directors and other colleagues for their continuous hard work and effort to lift the bar of Good Governance and Service Delivery.

D NASSON
MUNICIPAL MANAGER

1.2 Municipal Functions, Population & Environmental Overview

This report addresses the performance of Witzenberg Municipality, Western Cape, with respect to their core legislative obligations. Local Government has an obligation to create the participatory framework that defines and enhances the relationships between elected leaders and communities. This requires that the Council of the municipality provides regular and predictable reporting concerning performance programmes and the general state of affairs in their locality.

The 2019/20 Annual Report reflects the performance of Witzenberg Municipality for the period 1 July 2019 to 30 June 2020. The Annual report is prepared in terms of Section 121 (1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual report for each financial year.

1.2.1 Vision & Mission

Our Vision

A municipality that cares for its community, creating growth and opportunities.

Our Mission:

Witzenberg Municipality is committed to improve the quality of life for the community by:

- Providing and maintaining affordable services.
- Promoting social and economic development
- The effective and efficient use of available resources
- Effective stakeholder and community participation

Value System:

- Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
- We commit ourselves to the Code of Conduct for Councillors and Officials in terms of the Municipal Systems Act.
- We commit ourselves to the principles of sound financial management.

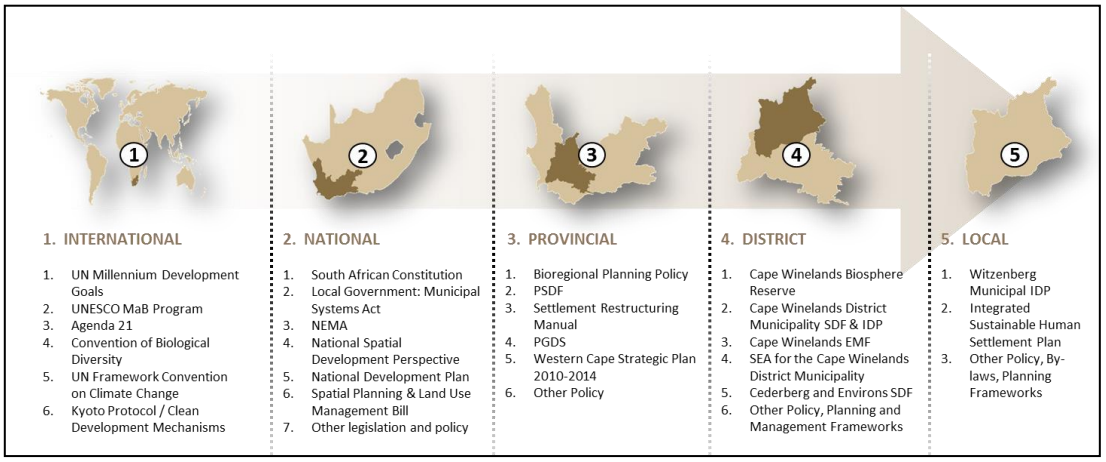
1.2.2 Demographic Information

Witzenberg Local Municipality (LM) was founded in 2000 and is classified as a Category B municipality and is responsible for basic service provision in the demarcated municipal area that includes the towns of Ceres, Tulbagh, Prince Alfred's Hamlet, Wolseley and Op-die-Berg. The rural areas within the municipal boundary are Ceres Valley, Koue Bokkeveld, Agter-Witzenberg, Ceres/Tankwa Karoo and the northern portion of Breede River Valley (Land van Waveren).

<u>Municipal geographical information:</u>

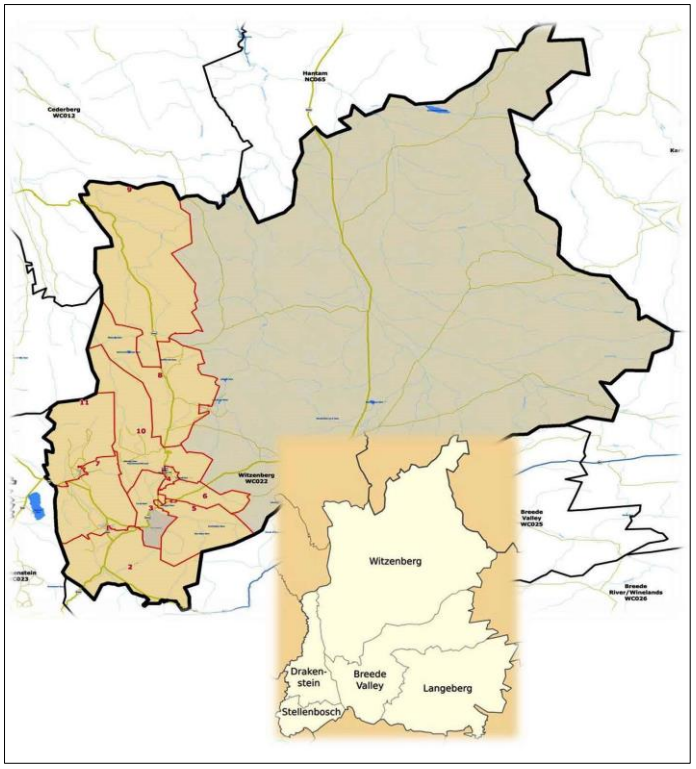
The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

Located in the picturesque and fertile Breede Valley, Witzenberg is renowned for export quality fruit and wine products. The region is also well-known for producing other agronomical products such as olives and grain, and meat products such as beef and pork. Horse and cattle stud farms are also found within the municipal area.



Witzenberg Municipality in geographical context.

Witzenberg LM comprises an area of 10 753 km², and is situated about 150 kilometres North-East of Cape Town. The region is surrounded by three mountain ranges: the Obiqua Mountains to the west, the Winterhoek Mountains to the north and the Witzenberg range to the east. These mountain ranges often receive significant winter snowfall. Witzenberg's natural surroundings are characterized by endemic fauna and flora, forest wilderness and include the catchment areas of three river systems.



Location of Witzenberg Municipality in the Cape Winelands District.

From a spatial perspective, some of the challenges facing the various areas of the municipality are:

- Op-die-Berg and the Koue Bokkeveld: Limited space for human settlement expansion due to bio-physical conditions and the competition for land for various social and agricultural needs.
- Prince Alfred Hamlet: A low overall density of development, with definite bio-physical constraints to expansion such as the need to protect biodiversity resources.
- Ceres: Main administrative centre with largest industrial developments. Low density development with limited opportunities for diversification.
- N'Duli: The scarcity of land to address social needs, and conflict with surrounding agricultural uses.

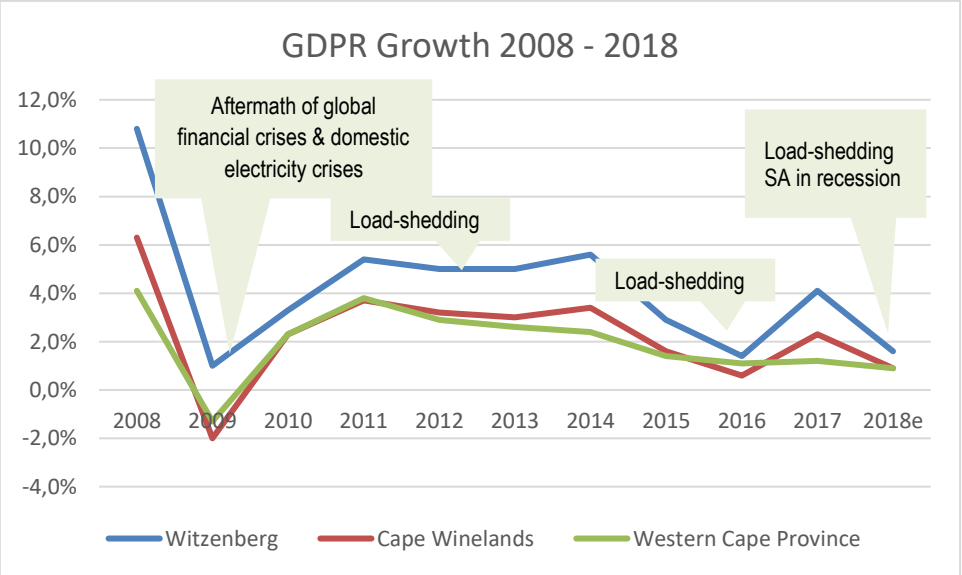
- Wolseley: Situated alongside major road- and rail transport corridors with the main focus on industrial development. Located on a watershed complicates the provision of services, and the wetland area is unsuitable for development.
- Tulbagh: Historical town with focus on tourism development and heritage conservation.
- Bella Vista: High density development with under-provision of formal business opportunities.

1.2.3 Socio-Economy Summary

As of 2018, Witzenberg economy was valued at R 9.3 billion, in current prices, which is was a contribution of 13.8 % to the GDPR of the Cape Winelands District Western and 1,6 % to the GDPR of the Cape Province. Witzenberg municipal area realised the highest average annual growth rate 3.1 per cent. However, estimates for 2019 indicate that the Witzenberg municipal area's real GDPR growth (0.4 per cent) was significantly lower than the averages observed in the preceding five years. The strong growth in the Witzenberg municipal area boosted the overall growth in the District in 2019.

Area	R million value	Contribution to GDPR (%)	Trend	Real GDPR growth
	2018	2018	2014-2018 (%)	(%) 2019e
Witzenberg	R9 320,30	**13.8**	**3,1**	**0,4**
Drakenstein	R22 022,40	32.6	1,4	0
Stellenbosch	R16 176,00	24.0	1,4	0,1
Breede Valley	R12 936,80	19.2	1,7	0
Langeberg	R6 995,60	10.4	1,9	-0,3
Total Cape Winelands District	**R67 451,10**	**100**	**1,7**	**0,1**
Western Cape Province	R589 443,70	-	1,4	0,3

Over the ten-year period, areas with the smallest economies within the CWD - the Witzenberg and Langeberg municipal areas - had higher growth rates than other municipal areas in the District. This is due to the economies of the Witzenberg and Langeberg municipal areas growing from a smaller base than the bigger economies within the District.

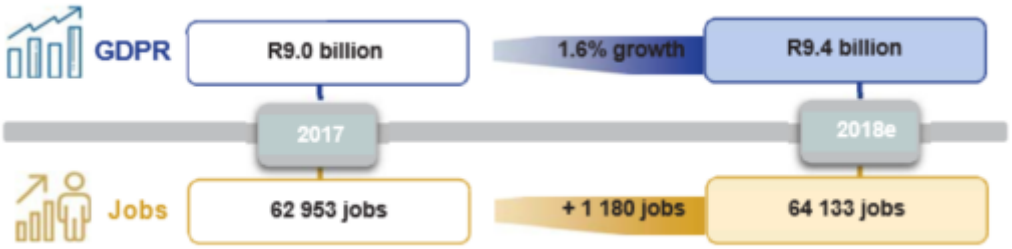


Source: Quantec Research, 2019 (e denotes estimate)

Between 2008 and 2017, the Witzenberg municipal area experienced the highest growth rates relative to the other local municipal areas in the CWD. Although the estimated growth rate for 2018 was lower than that of 2017, the

Witzenberg municipal area continued to exceed the CWD's and Western Cape Province's average growth rates. With reference to the above table, the high growth patterns evident in the Witzenberg municipal area are indicative of the economy growing from a small base.

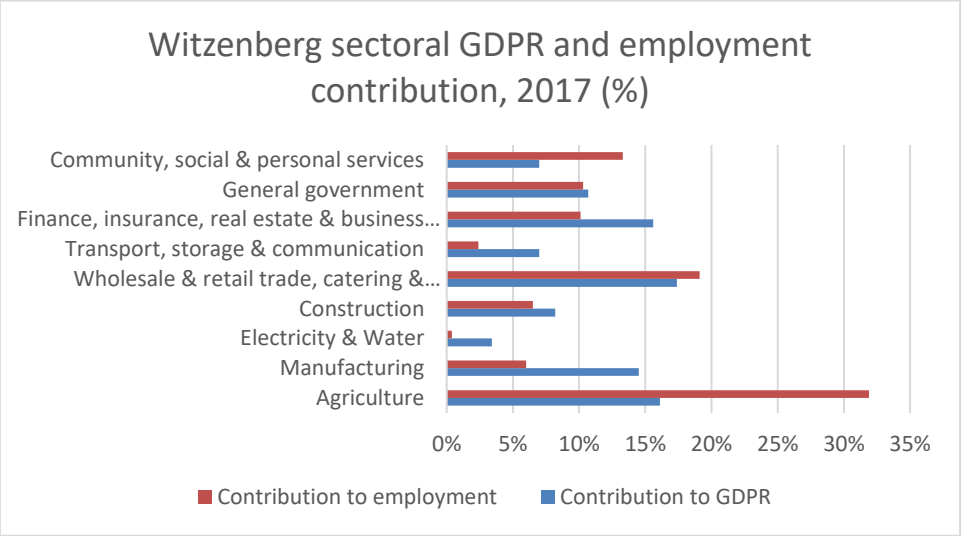
The economy of the Witzenberg municipal area, which was was valued at R9.0 billion in 2017, was expected to grow by 1.6 per cent in 2018, creating an additional 1 180 jobs in the process. Notably, estimated growth for 2018 is higher than both the average growth rate of the CWD and the Western Cape Province (0.9 per cent each).



Witzenberg GDPR (current prices) and employment, 2017 & 2018e
Source: Quantec Research, 2019 (e denotes estimate)

In terms of employment, the agriculture and wholesale and retail trade and catering and accommodation sectors are the two segments which have absorbed most of the working persons in the municipal area. These sectors are also the two largest contributors to the economy. The finance, insurance, real estate and business services sector also make a significant contribution to GDPR relative to the other sectors.

The table below shows that some sectors make a significant contribution to GDPR while having a smaller labour absorption rate, while the opposite is evident in the other sectors. The manufacturing sector contributed 14.5 per cent to GDPR in 2017, while its contribution to employment was less than half as much in the same year. This differs from the agriculture-related activities, where the contribution to employment was twice the contribution to GDPR in the municipal area. This means that the agriculture sector is highly labour-intensive, while the manufacturing sector is more capital-intensive.



Source: Quantec Research, 2019 (e denotes estimate)

COVID-19 IMPACT

The economy of the CWD is estimated to contract by 6.1 per cent in 2020 given the economic climate as a result of the impact of the COVID-19 pandemic. Most of the sectors in the CWD economy are estimated to contract as a result of the lack of economic activity during the lockdown period. The agriculture, forestry and fishing sector is estimated to grow by 13.5 per cent, as agricultural activities were allowed with restrictions during the lockdown period, and

favourable trading conditions for some crops boosted exports prior to lockdown. All the sectors in the secondary sector are expected to contract. The manufacturing sector is anticipated to contract by 17.4 per cent and this is primarily due to manufacturing facilities being brought to a halt during the lockdown period. Partial recovery is anticipated for the sectors in the secondary sector in 2021 – the manufacturing sector is expected to grow by 9.3 per cent and the construction sector is expected to grow by 15.4 per cent. The wholesale and retail trade, catering and accommodation sector is expected to have the third largest decline, contracting by 17.3 per cent in 2020. The CWD is a popular domestic and international tourism destination and the lockdown has affected the tourism sector, restricting the use of accommodation as well as the various tourism activities in the CWD. The wholesale and retail trade sector significantly contributes to the economy
and to employment in the CWD, and the expected contraction is therefore anticipated to negatively impact employment prospects in the sector.

Employment Growth

On average, the CWD created 8 925 jobs per annum between 2014 and 2018, which were mainly driven by employment opportunities in the Drakenstein municipal area (an average of 2 355 jobs per annum) and the Witzenberg municipal area (an average of 2 054 jobs per annum). The Stellenbosch municipal area was the second largest contributor to the CWD's GDPR but was the third largest source of employment in the CWD. Employment creation declined in the District in 2019, as it is estimated that only 751 job opportunities were created, which is significantly lower than the average experienced in the previous five years. Estimates for 2019 further indicate that the Witzenberg and Breede Valley municipal areas had the highest estimated positive net change – 754 and 210 jobs respectively. It is interesting to note that although the Witzenberg municipal area was one of the municipal areas with fewer jobs in 2018 compared with the other municipal areas, the estimated employment figures for 2019 are significantly higher.

MUNICIPALITY	Number of jobs 2018	Contribution to employment (%) 2018	Average annual change 2014 – 2018	Net change 2019e
Witzenberg	64 859	16.4%	2 054	754
Drakenstein	112 778	28.4%	2 355	117
Stellenbosch	78 701	19.9%	1 480	-107
Breede Valley	86 047	21.7%	1 924	210
Langeberg	54 041	13.6%	1 112	-223
Cape Winelands District	**396 426**	**100.0%**	**8 925**	**751**
Western Cape	2 589 080	-	46 746	-4 421

Source: Quantec Research, 2020 (e denotes estimate)

Income Inequality (Gini coefficient): The National Development Plan has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has been on the increase in Witzenberg between 2012 and 2018 and currently stands at 0.59. The income inequality for Cape Winelands and the Western Cape Province respectively stands at 0.602 and 0.614.

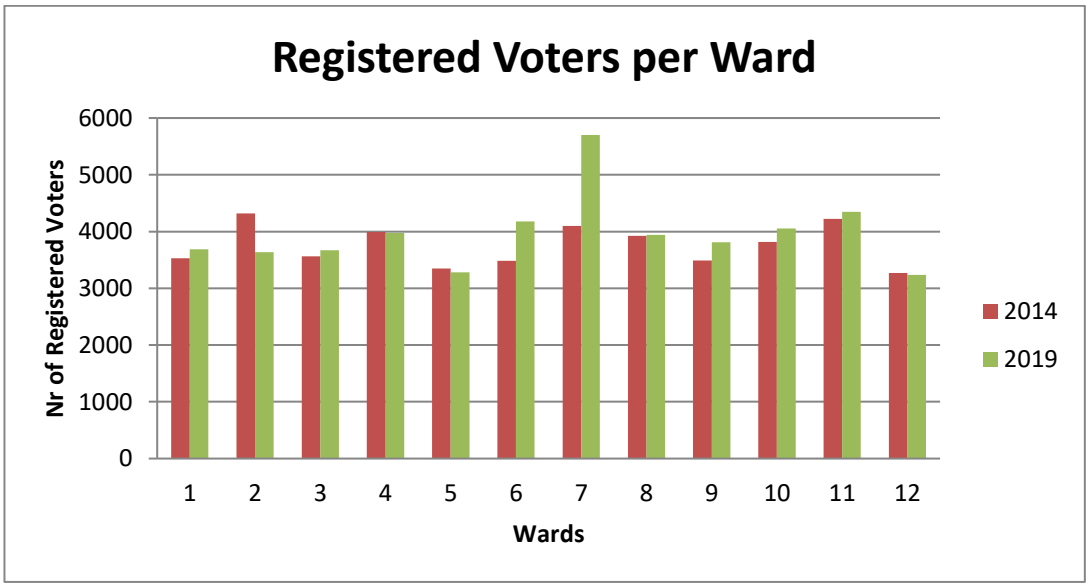
HDI (Human Development Index): The United Nations uses the Human Development Index (HDI)1 to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health. Per capita income is the average income. It is income per head of the population per year. Per Capita Income might not be the income of every individual. Life expectancy and Infant Mortality Rate are other important criteria for measuring development. Although improvements have been noted since 2012, households in the Witzenberg municipal area, with an HDI of 0.66, had the lowest standard of living in the CWD,
followed by the Langeberg municipal area, which had an HDI of 0.67.

Wards:

The municipality is currently structured into the following 12 wards:

Ward	Areas	Registered Voters 2014	Registered Voters 2019
1	N'Duli - Polo Cross & Primary School	3529	3688
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante	4318	3637
3	Ceres - Primary School, Stadsaal, Fairfield School	3564	3671
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels	3994	3976
5	Ceres Vallei Church Hall, Achtertuin Primary school	3347	3282
6	Bella Vista - URC Hall & Community Hall	3484	4177
7	Tulbagh - Community Hall. Wolseley - Primary & Secondary School	4098	5700
8	Op-die-Berg, Koue Bokkeveld - Môrester, Bronaar, Rocklands.	3925	3943
9	Tandfontein, Wydekloof, Voorsorg, Kromfontein	3488	3812
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.	3818	4053
11	Tulbagh - Town Hall & werkestoor, De Agen, Twee Jonge Gezellen.	4222	4346
12	N'Duli - Polo Cross & Primary School	3270	3237
TOTAL Registered Voters		45 057	47 522

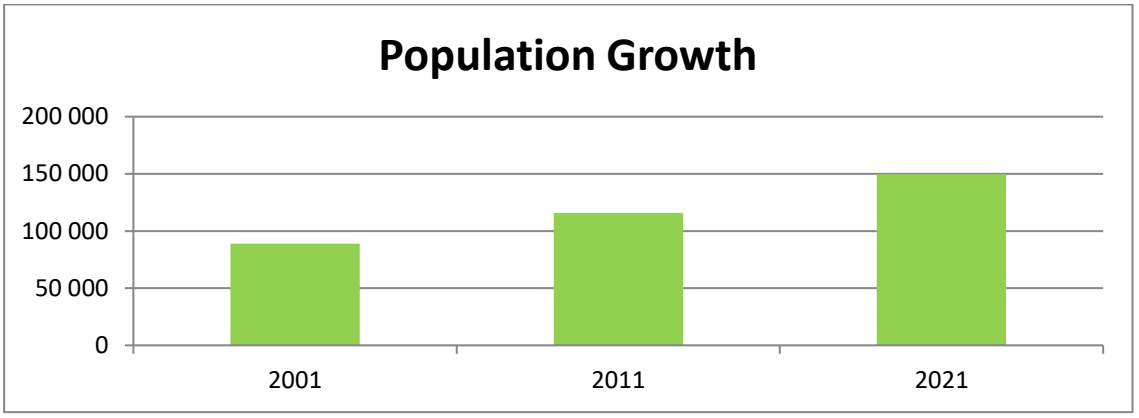
Note: In 2014 the norm to determine the size of a ward was 3755 registered voters with a 15% maximum (4318) and minimum (3265).



1.2.4 Population

Witzenberg currently has a population of 145 812, rendering it the second smallest municipal area within the Cape Winelands District. This total is estimated to increase to 157 143 by 2024. Witzenberg municipal area is expected to have the highest population growth rate, with the population expected to increase by 2.5 per cent per annum over the

reference period. This is higher than the average annual growth rate of the CWD of 1.6 per cent. It should, however, be noted that the high growth rate exhibited by the Witzenberg municipal area is a result of its population growing from a low base compared to the Drakenstein, Stellenbosch and Breed Valley municipal areas. The CWD and the Western Cape Province have similar estimated population growth rates, 1.6 per cent and 1.7 per cent, respectively. . *(Western Cape DSD, 2019)*



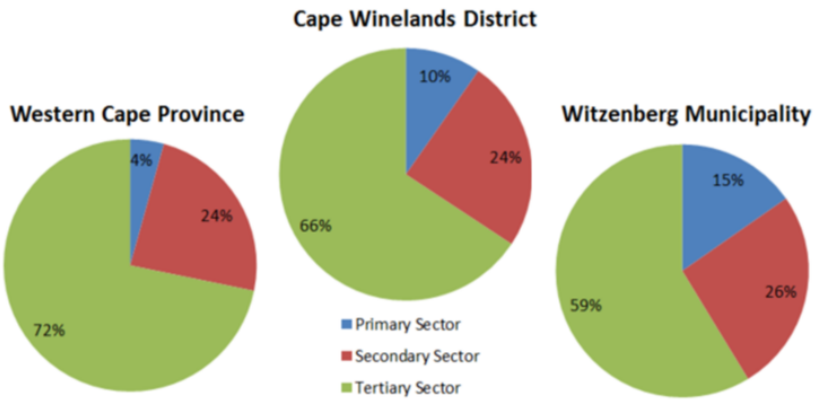
1.2.5 Households

There are 35 976 households in the municipality, with an average household size of 3.6 persons per household. *(Western Cape DSD, 2019)*

1.2.6 Key Economic Activities

Witzenberg have a larger primary sector relative to their economy due to the agricultural dominance and therefore have a smaller tertiary sector. Municipal areas with a higher degree of urbanisation and therefore larger towns that serve as service centres for the broader areas, such as Drakenstein and Stellenbosch, have larger tertiary sectors, and larger economies.

The secondary sector forms an important component of any local economy, as it utilises inputs from the primary industry to generate new products and add additional value to raw material – thus creating an opportunity to attract new investment and create jobs. This sector is mainly driven by the manufacturing sector. Witzenberg with the support of the Department of Rural Development has invested significantly especially with regards to the upgrading of roads in the Skoonvlei Industrial Area. The Skoonvlei area has been identified as as Agri-Hub as part of the National AgriParks Concept and has since attract numerous secondary sector initiatives such as packaging facilities and cold storage.



The Perdekraal East Wind Farm commenced with construction in 2018 and start with commercial operations at the end of July 2020. It is situated in the Ceres Karoo and the wind farm spans an area of 3055 hectares and was chosen

because of its excellent wind resource and its proximity to national roads for wind turbine transportation. Once complete, the 110MW Perdekraal Wind Farm will comprise forty-eight, 115m-high wind turbines. When operating at full capacity, Perdekraal East Wind Farm will generate around 368.8 GWh/year of clean renewable energy per year and is expected to supply electricity to power up to 111 118 South African homes.

During the construction phase of Perdekraal East Wind Farm, the communities of Ceres, Nduli, Bella Vista and Prince Alfred Hamlet had access to skills and training opportunities, as well as more job and business opportunities than was previously available in the area. Once the operations phase commences, Perdekraal East Wind Farm will spend 2.8% of its revenue on socio-economic welfare and 0.2% on local enterprise development, within the beneficiary communities, for a period of 20 years. The residents of Ceres, Nduli, Bella Vista and Prince Alfred Hamlet, within the Witzenberg Municipality, will be the beneficiaries of community initiatives carried out for the 20 year life-span of the wind farm. Socio-economic development projects will include academic support programmes and early childhood development initiatives that will help to alleviate illiteracy and increase participation in STEM subjects. Added to this, healthcare initiatives; community awareness campaigns; infrastructure development; women

Perdekraal East Wind Farm will assist and accelerate the sustainability of local enterprises owned by previously disadvantaged people, with BBB-EE Recognition Levels, women-owned vendors and QSE's and EMEs.

1.2.7 Municipal Challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Bulk electricity supply from Eskom. The recent growth in the local agro-economy has resulted in the expansion of agro-processing industries in the rural and built environment. Our notified maximum demand limits by Eskom is under pressure and cannot be increased due to the under-capacity of the bulk supply infrastructure managed by them. This has restricted further economic expansion which can only be addressed with the bulk supply infrastructure.	Various deliberations have taken place between the municipality, Eskom, local business and the agricultural sector to address the issue. Intergovernmental engagements needed to compell Eskom to comply with NERSA distribution license. Municipality also investigating options of alternative energy.
Waste Management. The operating of the municipal landfill sites and overall management of waste has become a major challenge due to drastically increased maintenance cost of the sites, vandalism, theft and public ignorance on the by-laws. The delay in the establishment of a regional waste site at Worcester also contributes to the uncertainty of strategy to be followed in terms of investment into the current sites or towards a material recovery facility aligned with the regional site. Legal	The municipality has started with the implementation of a long-term strategy for waste management in the municipal area. The construction of a Material Recovery Facility with a budget of R 25m will commence in 2021 with completion expected by May 2022. The facility will be located at Ceres and will receive all solid waste collected.

Challenges	Actions to address
challenges and public ignorance with regards to existing landfill sites contributes to this challenge..	
Outstanding Water Use License approval from Dept Water and Sanitation for the construction of a storage3 dam at Tulbagh.	Funding has been secured from DWS for the construction of the raw water dam at Tulbagh. The service provider has been appointed and they are currently busy with designs and tender documentation. Contractor appointed in February 2021 but construction can only proceed after approval of a Water Use Lisence by DWS,
Maintenance and upgrading of municipal roads. The condition of bituminous pavements (roads) has drastically decreased over the past couple of years in certain areas, due to historically poor construction practices and insufficient funding for road maintenance. The existing backlog amounts to R 80 million, with 36% of these roads located in Tulbagh in a poor to very poor structural condition. Many of these roads have deteriorated to the point that they need to be rebuilt	Continued funding through municipal budget.
Debt collection on municipal rates and taxes. The outstanding debt has increased rapidly over the past few years in certain towns due to the inability to implement the debt collection policy. This is especially evident in towns where Eskom supply electricity and the policy cannot be implemented. In certain areas, public hostility has reached fever-pitch and officials are at risk when investigating illegal connections and meter tampering. This is causing a culture of non-payment and apathy towards financial obligations.	The municipality has budgeted for the implementation of water management devices that will limit water flow to supplement the Debt Collection Policy. Water use for humanitarian purposes will still be available, but excessive water usage and non-payment will be addressed.
Maintenance and upgrading of electrical network. The condition of electrical network has drastically decreased over the past couple of years in certain areas, mainly in the older towns. The existing backlog amounts to R 221 million. The old network has the effect that unplanned interruptions occur, which leaves customers without electrical supply for some unannounced periods.	Continued funding through municipal budget is essential.

The maintenance of the electrical network remains a major challenge especially with regards to illegal connections which result in unplanned interruptions as networks becomes overloaded.

1.3 Service Delivery Overview

The investment in municipal infrastructure has been historically influenced by existing backlogs and this is a consideration for the sustainable service delivery for new developments as well as general upgrading and maintenance. The developmental potential of urban areas plays a major role in guiding infrastructure investment to ensure sustainable service delivery to human settlements. Basic services that include water, sanitation, electricity, refuse, roads and storm water and should be a major focus area for infrastructure budgeting and investment.

Our previous and current investment into services has been well-supported with funding from the Department of Energy (INEP), COGTA (MIG), the Department of Human Settlements (funding for bulk services), Department of Rural development (with regards to infrastructure investment to the AgriPark), funding from Essen in Belgium and inherent municipal funding.

In terms of bulk services, the following challenges are prominent;

Bulk electrical supply: Eskom cannot currently supply any additional bulk electricity to Ceres via their proposed Romansriver overhead line upgrade which is yet to begin at an unknown date. Tulbagh and Wolseley were recently allocated a slight NMD increase, but concern for the future upgrades remains since Eskom does not even have a proporsal on the table on how to address their network capacity deficiency on that network. We are already exceeding our Notified Maximum Demand in Ceres and Eskom can only upgrade their bulk network by 2030, if they can allocate the requisite funds. All new developments in Witzenberg are now jeopardised, as Eskom cannot supply additional bulk electrical supply. This is having a major impact on the growth of the economy and intervention at National level is required. For the 2019/20 financial year Ceres exceeded it's NMD by just under 5%, therfor avoiding an enourmous penalty.

A new raw water storage dam needs to be constructed at Tulbagh to alleviate the storage capacity problem. This will ensure that we do have adequate storage during times of drought and in summer months. Funding to the tune of R29M has been secured and construction will commence during 2021 subject to the recieval of a Water Use Lisence from The Department of Water and Sanitation.

Upgrade of bulk roads and storm water, electricity, sewerage and water mains for the new Vredebes development are well underway. These services will ensure sustainable capacity for the development and should be completed within the next 3 years. Upgrade of the new roads, storm water, electrical bulk provision, water and sanitation networks, however remain underfunded and should be capacitated through budget allocation and investment.

1.3.1 Basic Services Delivery Highlights

Highlight	Description
Witzenberg Spatial Development Framework (WSDF) adopted.	Municipality adopted the WSDF as a core component of its '4th generation' IDP's that will span the 5 year period beginning on 1 July 2017 and ending on 30 June 2022.
Final Draft Zoning Scheme By-Law prepared.	Consolidation of 3 old Zoning Schemes into a single Scheme concluded.
New Construction of Ablution Facility at Op Die Berg	Service all residents op Op Die Berg and Farmworkers.
Vredebes New Storm Water Channel & Detention	New Stormwater Channel adjacent to R46 and attenuation facility (1.400km in length).
Vredebes Ph1 Bus routes	Widened roads to accommodate bus routes
Network Street	Resealed street in Ceres, Tulbagh and Prince Alfred Hamlet
Upgrade of Skoonvlei roads and stormwater	Upgraded 1.6km of gravel roads with a tarred surface
Vredebes internal electrical network and LED streetlights.	Completion of electrical network and supply to 188 more stands
Infrastructure & upgrades	Replacement of various sewer networks within Witzenberg.

Highlight	Description
	Replacement of various water networks within Witzenberg.
Security upgrades at pump stations & WWTW	Security fencing erected at various pump stations and WWTW. This is an ongoing project, and we have also started with security upgrades of the buildings at various sites.
Vredebes Phase 2 Internal Civil Services	Completed internal civil services to 635 RDP erven at Vredebes.

New public ablution facility at Op-Die-Berg

1.3.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Streets & Stormwater	Funding backlogs on bituminous pavements	Pavement Management System 2019, all bituminous pavements, 10% is in a poor to very poor condition
Water	Tulbagh - Severe drought	Implementation of water restrictions according to our drought management plan is on going. Funding for the construction of a new raw water dam at Tulbagh was secured in order to address storage capacity shortcomings.
Technical Services	Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.
Electricity	Eskom unable to increase Notified Maximum Demand	Regular interactions with Eskom to speed up their bulk upgrades. Renewable energy policy approved by Council to assist with the demand shortage. Eskom completed their EIA process for the bulk upgrades, whilst the project initiation is subject to available approved funding.
Solid Waste	Limited storage capacity at Tulbagh landfill	Regional Landfill Site in Worcester (Waste license issued) , construction to commence after agreement with relevant municipalities. Land owner appealed against variation license amendments submitted to DEADP to obtain height increase for additional volume to increase the storage capacity at Tulbagh landfill.
Town Planning & Building Control	Land Use Control	Zoning contraventions and illegal building work a challenge Litigation not done. Council does not have a demolition team, equipment & suitable vehicles especially to remove structures/containers.

1.3.3 Proportion of urban households with access to basic services

The table below indicates the number of urban households with access to a minimum level of basic services:

Description	2015/16	2016/17	2017/18	2018/19	2019/20
Electricity - service connections	12 730	12 893	12 543	12 878	12 977
Water - available within 200m from dwelling	14 301	14 329	14 242	14 593	16 247
Sanitation - Households with at least VIP service	14 380	14 380	14 558	15 714	16 650
Waste collection - kerbside collection once a week	13 871	14 057	14 292	14 259	17 106

Note: Decrease in 2017/18 figures due to counting of structures in informal areas in previous year and not households.

1.4 Financial Health Overview

1.4.1 Financial viability highlights

Highlight	Description
Debt coverage ratio 233 : 1	The number of times debt payments can be accommodated within operating revenue. This represents the ease with which debt payments can be accommodated by the municipality
Cost coverage ratio 3.3 months	It explains how many months' expenditure can be covered by cash and other cash equivalents available to the municipality

1.4.2 Financial viability challenges

Challenge	Action to address
Service debtors to revenue 0.71 : 1	A report will be submitted to council to consider the writing off of long outstanding / unrecoverable debt.Employees from the finance and social services departments visit the various towns to assist the community in applying for indigent support and to make arrangements for paying off arrear debt in instalments.

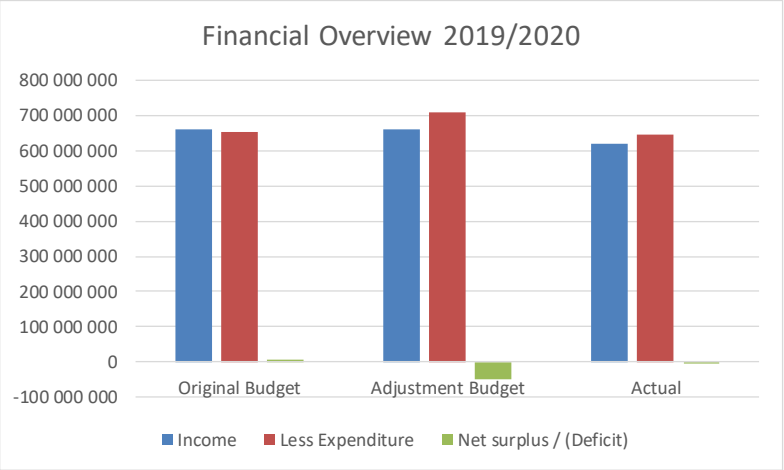
1.4.3 National Key Performance Indicators – Financial Viability (ratio's)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators, required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area, Municipal Financial Viability and Management.

KPA & Indicator	2017/18	2018/19	2019/20	Comments
Debt coverage (Total operating revenue - operating grants received: debt service payments due within the year)	90.2 : 1	154 : 1	233:1	This indicator is to determine if the municipality generates sufficient cash to cover outstanding debtors, the higher the ratio, the better
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	0.49 : 1	0.57 : 1	0.71:1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	2.97 : 1	2.7 : 1	3.3:1	This is the percentage that cash on hands will be able to cover monthly expenditure, the higher, the better

1.4.4 Financial Overview

Details 2019/20	Original Budget	Adjustment Budget	Actual
	R	R	R
Income	**660 803 319**	**660 262 302**	**620 177 790**
Grants	181 870 301	187 543 140	144 456 379
Taxes, Levies & Tariffs	419 368 714	414 588 713	419 769 530
Other	59 564 304	58 130 449	55 951 881
Less Expenditure	**654 678 637**	**708 637 994**	**646 051 319**
Gains / (Losses)			**23 199 475**
Net surplus / (Deficit)	**6 124 682**	**-48 375 692**	**-2 674 054**



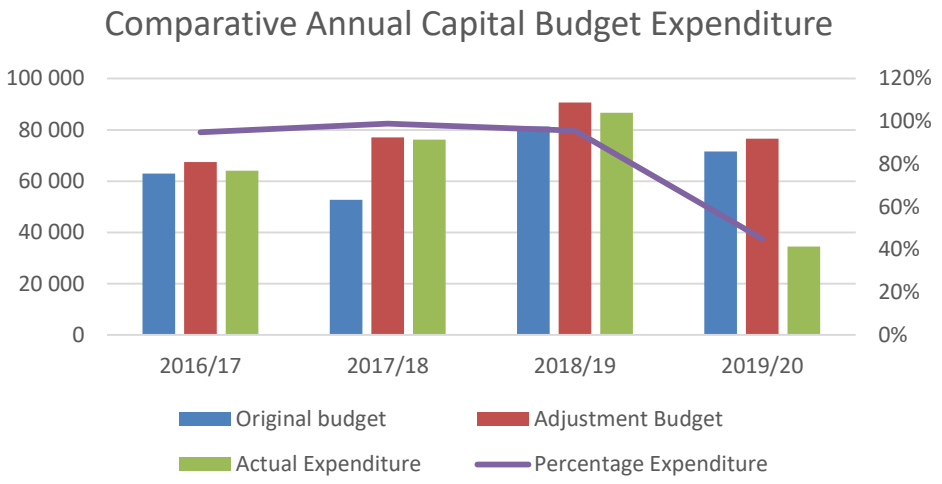
1.4.5 Operating ratio's as a percentage of operating expenditure

Detail	Expected norm	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	Variance 2019/20 from norm
Employee Cost	30%	26%	29%	30%	29%	1%
Repairs & Maintenance	20%	4%	4%	3%	2%	18%
Finance charges & depreciation	10%	8%	8%	8%	7%	3%

1.4.6 Total Capital Expenditure

The lockdown regulations implemented as a result of the COVID19 pandemic had a severe influence on expenditure especially with regards to capital projects.

Detail	2016/17	2017/18	2018/19	2019/20
	R'000			
Original budget	62 922	52 768	81 321	71 613
Adjustment Budget	67 466	77 104	90 639	76 594
Actual Expenditure	64 040	76 258	86 657	34 468
Percentage Expenditure	95%	99%	96%	45%



1.5 Organisational Development Overview

1.5.1 Municipal transformation and organisational development highlights

Highlight	Description
Embarking on TASK process. Review of all job descriptions.	Various positions and departments have been evaluated and audited
Realisation of public participation with all relevant wards	Five (5) channels of communication between the municipality and communities
Creation of awareness on Corruption and Fraud Policy	Communication of whistle blower process on a quarterly basis to the community and to personnel
Skilling, capacitating and building of essential personnel	Minimum competency realisation for all key staff and continuous capacity building for strategic personnel

1.5.2 Municipal transformation and organisational development challenges

Challenge	Actions to address
Gap in filling employment equity targeted groups in managerial positions	Specify the recruitments to the targeted in terms of the Employment Equity Plan segment
Low salary (remuneration) equals to lack of attraction of specialized skills	Embarking on salary scale reviews (TASK)
Limited capital budget	Requiring financial support for auxiliary functions from supporting organs of state

1.6 Auditor-General Report

1.6.1 Audited outcomes

The table below detail the audit outcomes for the past eight financial years:

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Status	Unqualified with no findings						

1.7 Statutory Annual Report Process

The Minister of Finance exempted municipalities from submitting key reports with a Ministerial Exemption that was issued in terms of section 171(1)(b) of the MFMA in Gazette published on the 5th of August 2020. The notice allows for a two-months delay in the submission of Annual Financial Statements, Annual Reports, Audit Opinions, Oversight reports and associated processes.

The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus. Following the initial announcements of the national state of disaster, subsequent extensions and different levels were communicated.

No	Activity	Timeframe (new exemption deadlines in brackets)
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Municipal entities submit draft annual reports to MM	
5	Submit draft Annual Performance Report including consolidated annual financial statements to Internal Audit and Auditor-General	August (October)
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	September (November)
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	October
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	October - December
10	Municipalities receive and start to address the Auditor General's comments	December
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	March
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	May
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	May

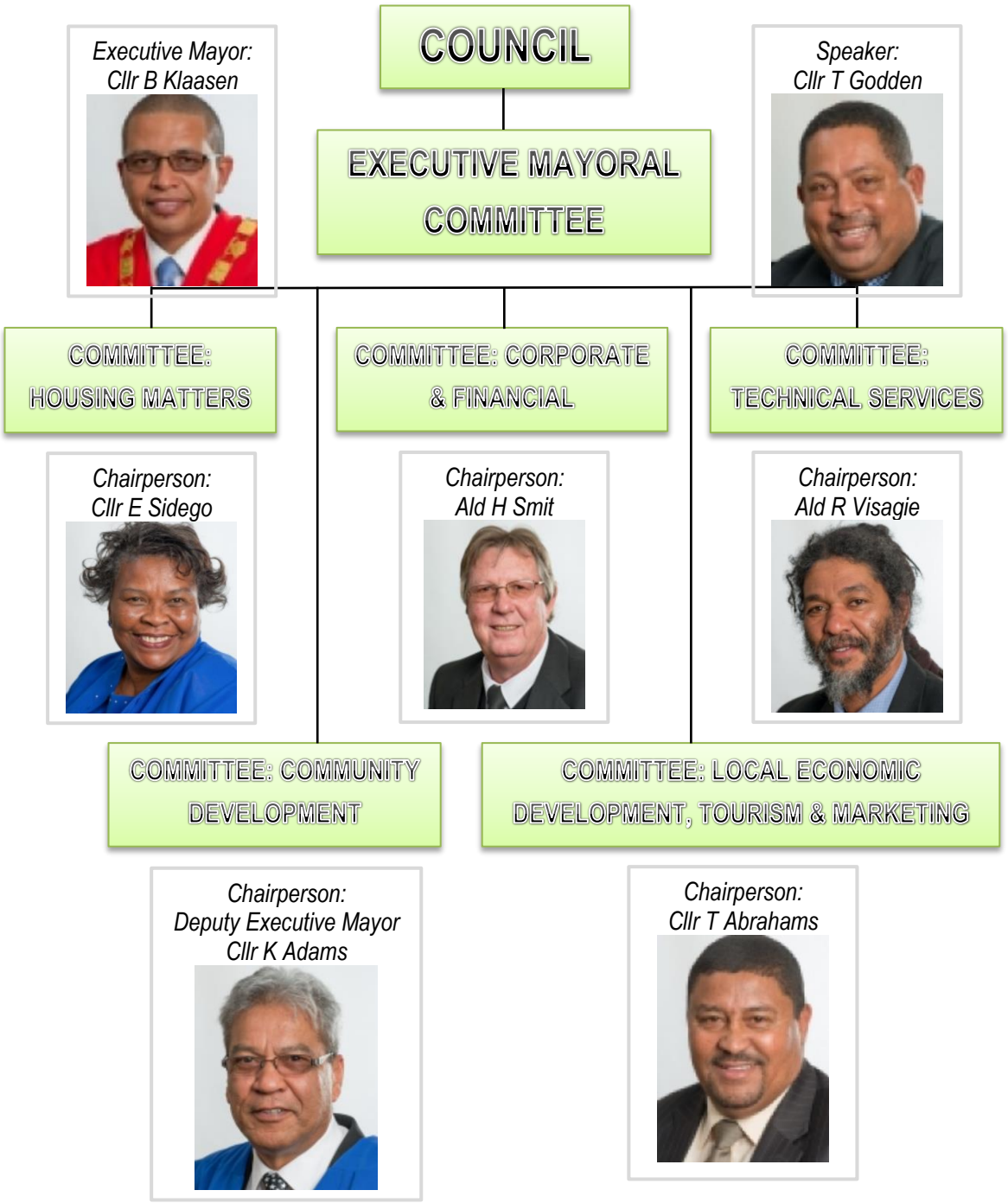
CHAPTER 2: GOVERNANCE

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard during decision-making. It is also responsive to the current and future needs of society.

COMPONENT A: POLITICAL & ADMINISTRATIVE GOVERNANCE

2.1 Political Governance Structure

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, councillors are also actively involved with community work and various social programmes in the municipal area.



2.1.1 Council

The Witzenberg municipal council consist of 23 Councillors of which 12 are Ward Councillors and 11 Proportional Councillors.

Below is a table that categorises councillors within their specific political parties and wards:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
TE Abrahams	Mayco Member 03/08/2016-	DA	Proportional
K Adams	Alderman: Deputy Executive Mayor 03/08/2016-	DA	Ward 6
P Daniels	Councillor 03/08/2016-	DA	Ward 7
TT Godden	Alderman: Speaker 03/08/2016-	Cope	Proportional
P Heradien	Councillor 03/08/2016-	ICOSA	Proportional
DM Jacobs	Councillor 03/08/2016-	EFF	Proportional
D Kinnear	Councillor 03/08/2016-	DA	Proportional
BC Klaasen	Executive Mayor 03/08/2016-	DA	Proportional
GG Laban	Councillor 03/08/2016-	Witzenberg Aksie	Proportional
C Lottering	Councillor 03/08/2016-	DA	Ward 2
M Mdala	Councillor 03/08/2016-	ANC	Ward 12
TP Mgoboza	Councillor 03/08/2016-	ANC	Ward 10
ZS Mzauziwa	Councillor 03/08/2016-	DA	Proportional
MJ Ndaba	Councillor 05/12/2018-	ANC	Ward 9
N Phatsoane	Councillor 03/08/2016-	ANC	Ward 1
JT Phungula	Alderlady 03/08/2016-	ANC	Proportional
JW Schuurman	Alderman 03/08/2016 -	ANC	Proportional
EM Sidego	Mayco Member 03/08/2016-	DA	Ward 11
RJ Simpson	Councillor 03/08/2016-	ANC	Proportional
HJ Smit	Alderman Mayco Member 03/08/2016-	DA	Ward 5
D Swart	Councillor 03/08/2016-	DA	Ward 3
HF Visagie	Councillor 03/08/2016-	ANC	Ward 8
JJ Visagie	Alderman Mayco Member 03/08/2016-	DA	Ward 4

Below is a table which indicates the number of items submitted to Council and meeting attendance for the 2019/20 financial year:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
31 July 2019	41	78%	80%
23 August 2019	5	74%	83%
4 October 2019	9	78%	60%
30 October 2019	48	96%	100%
11 December 2019	28	100%	N/A
28 January 2020	19	87%	33%
25 February 2020	15	78%	80%
25 March 2020	6	83%	25%
27 May 2020	7	57%	11%
11 June 2020	1	78%	60%

Appendix A: List of Councillors, Committee allocations & attendance of Council Meetings

2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, Councillor BC Klaasen, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the legislative powers assigned to these parties. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in collaboration with the Mayoral Committee.

Name of member	Capacity
Mayco Member Alderman H Smit 17/08/2016-	Chairperson: Committee for Corporate and Financial Services
Mayco Member Alderman JJ Visagie 17/08/2016-	Chairperson: Committee for Technical Services
Mayco Member Councillor TE Abrahams 17/08/2016-	Chairperson: Committee for Local Economic Development, Tourism and Marketing
Mayco Member Deputy Executive Mayor Alderman K Adams 17/08/2016 -	Chairperson: Committee for Community Development
Mayco Member E Sidego 17/08/2016 -	Chairperson: Committee for Housing Matters

2.1.3 Portfolio Committees

In terms of section 80 of the Municipal Structures Act 1998, if a Council has an executive committee; it may appoint, in terms of Section 79, committees of councillors to assist the executive committee or Executive Mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2019 / 2020 financial year:

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Councillor E Sidego 03/08/2016-	6	23 July 2019 28 August 2019 15 October 2019 19 November 2019 27 February 2019 20 March 2020
Committee for Community Development	Alderman K Adams 03/08/2016-	5	25 July 2019 22 August 2019 17 October 2019 21 November 2019 13 February 2020
Committee for Corporate and Financial Services	Alderman H Smit 03/08/2016-	4	25 July 2019 22 August 2019 17 October 2019 21 November 2019
Committee for Technical Services	Alderman J Visagie 03/08/2016-	2	24 July 2019 20 November 2019
Committee for Local Economic Development, Tourism and Marketing	Councillor T Abrahams 03/08/2016	3	28 August 2019 16 October 2019 20 November 2019

Appendix B: Committees & Committee purposes

2.1.4 Municipal Public Accounts Committee (MPAC)

An Audit Committee has been established that includes Risk- & Performance functionality and is referred to as the Performance-, Risk & Audit Committee (PRAC). A Municipal Public Accounts Committee as an oversight committee has been established compromising from non-executive councillors with the specific purpose of providing Council with comments and recommendations on the Annual Report. The report from the MPAC on the Annual Report for 2018/19 will be provided as an attachment to this report.

Council appointed the Chairperson and members of the MPAC at a Council meeting held on 16 January 2017.

The members of the MPAC are as follows:

Position	Councillor	Political Party
Chairperson	Clr DM Jacobs	EFF
Member	Clr P Heradien	ICOSA
	Ald JW Schuurman	ANC
	Clr GG Laban	Witzenberg Aksie
	Clr C Lottering	DA

Councillor DM Jacobs: Chairperson of MPAC

2.2 *Administrative Governance Structure*

The Municipal Manager is the Accounting Officer of the municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his directorship, which constitutes the management team below:

		KEY AREAS
MUNICIPAL MANAGER ✓ *Performance Agreement Signed*	*D Nasson* 	*Head of administration* *Integrated Development Planning* *Internal Audit* *Legal Services* *Performance & Risk* *Strategic Planning*
DIRECTOR: CORPORATE SERVICES *Performance Agreement Signed*	*M Mpeluza* 	*Human Resources* *Archives* *Administration* *Traffic* *Law Enforcement* *Communication* *Marketing* *Information Technology*
DIRECTOR: TECHNICAL SERVICES ✓ *Performance Agreement Signed*	*J Barnard* 	*Water & Sanitation* *Roads & Storm water* *Waste Removal & Cleansing* *Town Planning* *Building Control* *Electricity* *Fleet Management*
DIRECTOR: FINANCIAL SERVICES	*Vacant*	*Budget Office* *Financial Administration* *Payroll* *Income: Rates & Taxes* *Supply Chain Management* *Expenditure* *Assets & Valuations*
DIRECTOR: COMMUNITY SERVICES	*Vacant*	*Facilities & Amenities* *Human Settlements (Housing)* *Social Development* *Local Economic Development* *Fire & Disaster Management* *Resorts & Swimming Pools* *Libraries & Environment*

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another, in mutual trust and good faith, fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.3.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipals Managers Forum	SALGA, neighbouring municipality's MMs	District based initiatives
SALGA Working Groups	SALGA, Neighbouring municipality's Technical Directors and experts	Municipal wide information sharing
IDP Managers Forum	Department of Local Government (DPLG), All municipalities in the Western Cape (WC), IDP Managers	Provincial wide information sharing
LED Managers Forum	Cape Winelands Regional LED Forum	Sharing information and best practises on Economic Development, Providing report back of projects implemented, lobbying of support for programmes and projects
WMO Forum	DEADP, All municipalities in the Western Cape (waste management officers), and experts	Municipal wide information sharing with all 3 spheres of government.
Strategic Integrated Municipal Engagement (SIME)	All provincial sector departments, all municipalities in the Western Cape	Provincial, District & local based planning.
Technical Integrated Municipal Engagement (TIME)	All provincial sector departments, all municipalities in the Western Cape	Provincial, District & local based planning.
Ministerial Technical Committee	Provincial Government and Municipal Managers	Provincial programmes and initiatives aligned with municipal performance
Ministerial Mayoral Committee	Provincial Government and Mayors	Provincial programmes and initiatives aligned with municipal performance
District Public Participation and Communication Forum (DPPCOM)	All municipalities in the Cape Winelands District Municipality, DPLG, IDP Manager, local stakeholders for National Government Departments	District wide information sharing
Provincial Public Participation and Communication Forum (PPPCOM)	DPLG, GCIS, all municipalities in the WC, IDP Manager	Provincial wide information sharing
Provincial CommTech	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Discussion, trend monitoring, training and workshops concerning government communication and technology
SALGA National Communicators Forum	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Nationwide information sharing and calibration with the strategic focus of the NDP
Internal Audit Forum	All municipal Chief Audit Executive of the province	National, District and Municipal wide information sharing
Risk Management Forum	All municipal Chief Risk Officers of the province	National, District and Municipal wide information sharing

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Joint District Approach	Local municipalities in District, District Municipality, Provincial Sector departments	District wide strategic planning

2.3.2 Joint projects and functions with sector departments

All the functions of government are divided between the different spheres namely National, Provincial and Local. The municipality therefore shares their area and community with other spheres of government as well as their various sector departments. This means that the municipality has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
Intergovernmental Steering Committee Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	• Mobilising resources • Implementing projects to reduce poverty • Sharing information
Small Town Regeneration Program	Revitalization of towns through creating an enabling environment & infrastructure for economic growth	SALGA Provincial & National, COGTA, Social Development, Education, Business, NGO's	• Establish Town Steering Committees in Ceres, Wolseley and Tulbagh • Town Steering committees drafting and implementing Community base projects to reduce unemployment and build social cohesion. • Forcing strong partnerships with IGR partners

COMPONENT C: PUBLIC ACOUNTABILITY & PARTICIPATION

MSA section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff. Section 16(1) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(1) requires a municipality to supply its community with information concerning municipal governance, management and development.

A Municipal Public Accounts Committee has been established. The internal audit function is capitated with three qualified auditors, employed on a permanent basis, one trainee and one intern. The audit function reports functionally to the Performance Risk and Audit Committee and administratively to the Municipal Manager. The capacity of the Performance, Risk and Audit Committee has been increased with the appointment of qualified and specialized members. A representative from the business sector is also invited to participate in Mayoral Committee meetings. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.4 Public Meetings

Apart from bi-annual community meetings & jamborees held in each town, the municipality also communicates through monthly newsletters, loud-hailing, distribution of pamphlets, text messages and public service announcements via community radio.

Nature and purpose of the meeting	Date of events	Number of participating Municipal Councillors	Number of participating municipal administrators	Number of community members attended
IDP & Budget Public Meetings and Municipal Service Delivery Jamborees				
IDP Review Public Participation	Ward 4 & 6 Bella Vista - 01/10/2019	3	6	45
	Ward 1 & 12 N'Duli - 02/10/2019	5	8	21
	Ward 7 & 11 Tulbagh -03 /10/2019	3	7	22
	Ward 2 & 7 Wolseley -07/10/2019	5	7	9
	Ward 4 & 10 P A Hamlet -08/10/2019	2	7	50
	Ward 3 & 5 Ceres - 09/10/2019	3	8	6
	Ward 8 &9 Op-Die-Berg - 10/10/2019	2	6	50
IDP & Budget Public meetings				
IDP Review Public Participation	Ward 4 & 6 Bella Vista	All public meetings were cancelled due to the national lockdown regulations prohibiting meetings. Various media platforms were utilised to advertise draft IDP and budget for community inputs.		
	Ward 1 & 12 N'Duli -			
	Ward 7 & 11 Tulbagh			
	Ward 3 & 5 Ceres -			
	Business & Agriculture			
	Ward Committees			
	Ward 8 &9 Op-Die-Berg			

2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2018/19 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	
B Klaasen	Executive Mayor	
E Sidego	Mayco Member	
K Adams	Deputy Mayor	
D Nasson	Municipal Manager	
H Kritzinger (ended 31 December 2018)	Director Finance	
A Raubenheimer (from January 2019)	Acting Director Finance	
Vacant	Director Community Services	
M Mpeluza	Director Corporate Services	
J Barnard	Director Technical Services	
I Swartbooi	Senior Manager Human Resources	26 July 2019
M. Arendse-Smith	Acting Head: Human Resources	
W Davids	Senior HR Officer: Training & Development	11 September 2019
O Msutu	Senior HR Officer: Health & Safety	06 November 2019
C Titus	Committee Officer	
A Christians	IMATU Secretary	28 November 2019
J Noble	IMATU Chairperson	05 February 2020
D Boer	IMATU	
Loyiso Ntanjana	IMATU Deputy Chairperson	
M Pieterse	IMATU	
S Joseph (resigned January 2020)	IMATU Chairperson	
R Onrust	IMATU	
K Ntanjana (term ended August 2019)	SAMWU Acting Chairperson	
C Appolis (term ended August 2019)	SAMWU Deputy Chairperson	
A Morkel (term ended August 2019)	SAMWU Secretary	
L Silver	SAMWU Full-time shopsteward	
R Frans (resigned March 2020)	SAMWU	
J Goedeman (resigned 2018)	SAMWU	

2.4.2 Ward Committees

The purpose of a ward committee is:

- to encourage better participation from the community and to inform council decisions;
- to make sure that there is effective communication between the Council and the community;
- to assist the ward councillor with consultation and feedback to the community.

Ward committees need to be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented in the membership contingent. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they act as an

advisory body to the ward councilor, which enables them to make specific submissions directly to the Council. These committees play a pivotal role in the development and annual revision of the IDP of the area.

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Appendix E: Ward Committee Governance & Functionality

Appendix F: Ward Committee Performance per Ward

2.5 IDP Participation & Alignment

Refer to item 2.4 for IDP participation meetings.

Refer to items 3.1.4, 3.1.5 & 3.1.6 for IDP alignment.

Municipal Key Performance Area	Strategic Objective	
Essential Services	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

Strategic Alignment between IDP & Service Delivery & Budget Implementation Plan

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also encompasses the relationships amongst the various stakeholders involved and the strategic goals governing the institution.

2.6 Risk Management

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

Witzenberg Municipality is committed to the optimal management of risk in order to protect our core public service values, achieve our vision, objectives and deliver on our core business functions.
In the course of conducting our daily business operations, we are exposed to a variety of risks. These risks include operational and other material risks which require comprehensive controls and on-going oversight to be properly managed.

To ensure business success the Municipality 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, the municipality will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite.

The top 10 inherent strategic risks of Witzenberg Municipality are:

- Impact of COVID on service delivery & financial and social stability
- Eskom's inability to provide increased electricity supply to the municipal area
- Un-recoverability of outstanding receivables
- Inability to provide bulk water storage capacity to the Tulbagh area
- Inability to provide landfill facility in Witzenberg municipal area
- Major unplanned not disaster related interruptions to service deliver
- Growth in informal settlements
- Illegal invasion and occupation of municipal land
- Poor growth in revenue base
- Escalation in vulnerable and indigent households

2.7 Anti-Corruption & Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i), identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

The municipality's Audit Committee (Performance, Risk & Audit Committee) recommendations for 2018/19 are set out in **Appendix G.**

2.7.1 Developed strategies

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Fraud and Corruption Strategy	Yes	December 2019
Fraud and Corruption prevention policy and response plan	Yes	December 2019

2.7.2 Implementation of strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Fraud Prevention Policy	Supply Chain Management	Roll-out of Anti-Fraud and Corruption Policy to internal stakeholders through presentations and internal newsletters
Ethics Awareness Programme	Possible loss of income at traffic due to inactive follow-up on traffic violations	Roll-out of Anti-Fraud and Corruption Policy to external stake holders through outreach programmes
Outreach programme on fighting fraud and corruption	Lack of awareness of fraud amongst staff	Investigation of fraud and corruption cases
Whistle blowing through the National Fraud Hotline	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
To ensure that all employees and councillors in service of the Witzenberg Municipality has declared all interest/ownership/directorship.	Avoid doing business with employees in service of the municipality who does not declare that they are in service of the municipality	Use Trans Union in order to identify all employees that have interest/ownership/ directorship in companies
Regular update of the fraud risk register	Detection and prevention of fraud in the municipality	Monitoring key controls to alleviate fraud and corruption

2.8 Performance, Risk & Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –
(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

Section 14(2)(c) of the Local Government Municipal Planning and Performance Management Regulations (R796 dated 24 August 2001) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee of the said municipality.

The Public Sector Risk Management framework states that the committee should review and recommend for approval the:

- risk management policy;
- risk management strategy;
- risk management implementation plan; and
- risk appetite

2.8.1 Functions of the Performance, Risk & Audit Committee

Council noted its Performance, Risk and Audit Committee charter on 31 October 2018.
In order to fulfil its role, the Committee advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal financial control and internal audits;
- Risk management;
- Accounting policies;
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Effective governance;
- Compliance with the MFMA, Division of Revenue Act (DoRA) and any other applicable legislation;
- Performance evaluation; and

- Any other issues referred to it by the municipality.

2.8.2 Members of the Performance, Risk & Audit Committee

Name of representative	Capacity	Meeting dates					
		02/08/2019	16/08/2019	13/09/2019	25/10/2019	29/11/2019	07/02/2020
Mr J. George (Appointed for 2nd 3-year term w.e.f. 1 November 2019)	Chairperson	✓	✓	✓	✓	✓	✓
Mr J. Basson Appointed for second term w.e.f. 1 August 2018	Member		✓	✓	✓	✓	✓
Mr. T. Lesihla Appointed for second term w.e.f. 1 August 2018	Member						✓
Mr F. Redelinghuys (Appointed for 2nd 3-year term w.e.f. 1 November 2019)	Member	✓	✓	✓	✓	✓	✓
Ms C. Fagan Appointed w.e.f. 1 August 2018	Member	✓	✓		✓		✓

2.8.3 Performance, Risk & Audit Committee (PRAC) recommendations

Appendix G: Audit Committee Recommendations

2.9 Internal Auditing

An annual risk assessment update was performed during April/June 2019 and all relevant risks were populated into the Witzenberg risk register. Updates were performed on a continuous basis. This risk assessment forms the basis to review the 2019/20 Risk Based Audit Plan.

The results of the 3-year strategic internal audit plan are included below:

Audit Activity	2017/18	2018/19	2019/20
Statutory Internal Audits			
DORA compliance	√	√	√
Performance Management System (quarterly)	√	√	√
Follow-up Audits			
Management Audit Action Plan (MAAP)	√	√	√
Follow up internal Audit findings	√	√	√
Risk based audits			
Income & Debtors		√	
Supply Chain Management		√	√
Human Resources (Including Leave and Training)			√

Audit Activity	2017/18	2018/19	2019/20
Asset Management	√		√
Inventory		√	
Maintenance Management	√		
Project & Contract Management	√		
Indigent Management			
ICT Governance			√
Cash Handling		√	√
Fleet Management	√		
Traffic Services		√	
Disaster Management & Business continuity	√		
Overtime			
Debt Collection and Credit Control			
Time and attendance	√		
Property valuations			

Annual Audit Plan

The Audit Plan for 2019/20 was implemented and the table below provides detail on audits completed:

Audit Activity	Estimated hours	Quarter	Status
Statutory Audits			
DORA compliance	300	3	Completed
Performance Management System	1300	All	Completed
Follow up audit work			
Follow up Internal Audit Findings	200	All	Completed
Management Audit Action Plan	200	All	Completed
Risk based audits			
Human Resources (time and Attendance)	500	-	Work in Progress
Asset Management (Questionnaire)	50	All	Work in Progress
Cash handling (Cash Receipting)	400	4	Completed
Cost Containment	300	3	Completed
Supply Chain	500	4	Work in Progress
ICT Governance	450	4	Work in Progress
AD-Hoc audits			
Year-end stock count	100	4	Completed
Annual Financial Statement Review (2018/2019)	50	1	Completed
Indigent verification	100	2	Completed
Other			
Legislative/Advisory/Committees	416	All	Completed

Audit Activity	Estimated hours	Quarter	Status
IA Quality Assessment	200	-	Work in Progress
Compliance System	100	All	Completed
Risk Management	400	All	Completed

2.10 By-Laws

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation conducted prior to adoption of policy (Yes/No)	Date of Publication
House Shop By-Law	25 Julie 2018	Yes	14 September 2018.

2.11 Supply Chain Management

2.11.1 Competitive bids in excess of R 200 000

Bid Committee meetings

The following table details the number of Bid Committee meetings held for the 2019/20 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
40	47	33

Attendance of members of the Bid Specification Committee, are as follows:

Member	Percentage attendance (%)
Manager Income / Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Manager Supply Chain	100
Relevant technical expert responsible for a function	100

Attendance of members of the Bid Evaluation Committee, are as follows:

Member	Percentage attendance (%)
Manager Income / Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Manager Supply Chain	100
Relevant technical expert responsible for a function	100

Attendance of members of the Bid Adjudication Committee, are as follows:

Member	Percentage attendance (%)
Director Financial Services (Chairperson) / Deputy Director Finance	100
Director Technical Services	100
Director Community Services	100
Director Corporate Services	100
Manager Supply Chain/Deputy Director: Finance	100

Note: The percentages as indicated above include the attendance of those officials acting in the position of a Bid Committee Member.

Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 35 bids of an estimated value of R 61 799 597

The five highest bids awarded by the Bid Adjudication Committee, are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/17/39	Upgrade of Ceres Sportsfield	Community - Parks	C Devine t/a Blue Wood Landscaping	7 409 311
08/2/17/07	Electrical and Mechanical Maintenance of water and sewer pump stations and treatment works in Witzenberg area for a period of 24 months	Technical – Water & Sewerage	Viking Pony Africa Pumps (PTY) Ltd t/a Tricom Africa	6 500 000
08/2/17/40	Ceres Sportsfields concrete stands (Re-Advertisement)	Community - Parks	Martin & East (Pty) Ltd	5 340 000
08/2/16/71	Disconnection, reconnection, inspection and replacement of Electricity supply at pole and meter box in Witzenberg municipal area	Finance – Income	Mernel (PTY) LTD t/a DJ Electric	4 198 950
08/2/17/86	Shortterm Insurance (1 year contract)	Finance – Fin Admin	Silver Lake Trading 305 (PTY) Ltd t/a Opulentia Financial Services	4 016 797

Awards made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

The following bid was awarded by the Accounting Officer during the 2019/20 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/16/69	Supply and delivery of Fuel on Ad hoc basis	Technical - Workshop	Kaap Agri Bedryf Beperk	12 667 280
08/2/16/55	Revenue Enhancement Services	Technical – Electricity	ONTEC Systems (Pty) Ltd	10 908 115

Awards made by the Bid Adjudication Committee

No bid was awarded by the Bid Adjudication Committee in terms of paragraph 45 (2) of the Supply Chain Management Policy and paragraph 37 (2) of the Supply Chain Regulations.

Appeals lodged by aggrieved bidders

The following appeals were lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000):

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Dismissal	Dealt by
08/2/16/72	Supply and Installation of Rigid mesh Security fencing at Municipal depots, Ceres	19-Aug-19	Jonty Engineering and Trading SA CC	Reason for non-compliance	Appeal was dismissed by the Accounting Officer	Accounting Officer
08/2/17/40	Ceres Sportsfields concrete stands (re-advertisement)	3-Mar-20	Gem Con (Pty) Ltd	Reason for non-compliance	Appeal was dismissed by the Accounting Officer	Accounting Officer
08/2/15/91	Professional engineering services for Witzenberg municipality	06 Nov 2018	RHDHV	Reason for non-compliance	Appeal is being dealt with by the Accounting Officer	Accounting Officer
		06 Nov 2018	EOH Industrial Technologies (Pty) Ltd	Calculation of cluster points		
		08 Nov 2018	Bigen Africa Services (PTY) Ltd	Reason for non-compliance		

Awards made to enterprises within the Witzenberg municipal area

The following table details the value of competitive bids awarded to enterprises within the Witzenberg Municipal Area during the 2019/20 financial year:

Number of contracts awarded to enterprises within the Witzenberg municipal area	Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)	Value of contracts awarded to enterprises within the Witzenberg municipal area R	Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)
9	24.32	22 240 051	26.04

2.11.2 Formal written price quotations between R 30 000 and R 200 000

Awards made to enterprises within the Witzenberg municipal area

A total of 26 formal written price quotations amounting to R 2 758 359 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2019/20 financial year:

Number of contracts awarded to enterprises within the Witzenberg municipal area	Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)	Value of contracts awarded to enterprises within the Witzenberg municipal area R	Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)
9	34.61	887 446	32.17

2.11.3 Deviation from normal procurement processes

Paragraph 44 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R 7 950 870 were approved by the Accounting Officer. The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value (%)
Single supplier	63	1 339 932	16.85
Impossible	0	0.00	0.00
Impractical	28	4 087 074	51.41
Emergency	26	2 523 863	31.74

This amount shows a decrease of R 3 171 317 compared to the previous year's figure of 11 122 188.

2.11.4 Logistics management

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, Drommedaris Street, is coded and listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper. Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order to gear them to order stock in excess of the normal levels. Internal controls are in place to ensure that goods and service that are received, are certified by the responsible person, which is in line with the general conditions of contract. Regular checks are performed to determine the condition. Quarterly stock counts are performed so that surpluses, deficits, damaged and redundant stock items are identified and reported to Council. As at 30 June 2020, the value of the stock at the municipal stores is calculated at R 10 169 809, with a satisfactory stock turnover rate of 1.24. For the 2019/20 financial year, a total of R 1 219.02 was accounted for as damaged and deficit inventory.

2.11.5 Disposal management

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices, except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices; whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates, except when the public interest or the plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property is reviewed annually;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

- In the case of the free disposal of computer equipment, the Provincial Department of Education is first approached to indicate within 30 days whether any of the local schools require this equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets.

No disposals took place during the 2019-2020 financial year.

2.11.6 Performance management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes has been updated and are awaiting approval for implementation. Monthly reporting concerning appeals received by aggrieved bidders is also done to measure the performance of the bid specification and bid evaluation committees.

The Accounting Officer has appointed the Internal Auditor as the independent observer to attend bid committee meetings. This further enhances transparency with regard to our bid committee system and compliance to all relevant legislation.

No companies were listed as restricted suppliers during the 2019/20 financial year.

2.12 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's Communication Strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2019/20	Yes
Adjusted Budget 2019/20	Yes
Asset Management Policy	Yes
Customer Care, Credit control and Debt collection Policy	Yes
Indigent Policy	Yes

Description of information and/or document	Yes/No
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Veriment Policy	Yes
Petty Cash Policy	Yes
Long Term Financial Policy	Yes
Borrowing Policy	Yes
SDBIP 2019/20	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2019/20	Yes
IDP Process Plan for 2019/20	Yes
Supply Chain Management (Sections 14(2), 33, 37 and75(1)(e)and(f) and 120(6)(b)of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
Reports (Sections 52(d), 71, 72 and75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2018/19	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes
Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)	
Audit Committee charter	Yes
Risk Management Policy	Yes

2.13 Communication & Public Satisfaction

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all. Good customer care is of fundamental importance to government organisations due to their constant interaction with members of the public. All local government entities strive to uphold the following Constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:

- Promoting and maintaining high standards of professional ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs; the citizens are encouraged to participate in policy-making; and

- Rendering an accountable, transparent, and development-oriented public administration.

These ideals are achieved through always adhering to the 8 principles of Batho Pele:

Consultation
Consultation is done through various tools is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.
Setting service standards
This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.
Increasing access
One of the primary aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services.
Ensuring courtesy
This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves.
Providing information
As a requirement, available information about services should be at the point of delivery, but for residents who are located far from the point of delivery, other arrangements will be needed.
Openness and transparency
A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge.
Redress
This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.
Value for money
Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

2.13.1 Communication strategy

The Witzenberg Municipality Communication Strategy illustrates the views of local residents regarding communication and perceptions of the municipality. Many views expressed display dissatisfaction levels with aspects related to elements beyond the scope of local government, for example access to housing, employment opportunities, education and healthcare. However, local government acts as the conduit to expedite issues of this nature to the correct government entities as well as support and invest in various programmes aimed at skills development, youth development, social development and short term temporary employment. Levels of literacy, understanding of language, public apathy, level of education, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how they communicate and assimilate communication, especially within rural environs. A successful communication strategy therefore links local demographics to the municipality's action plan and influences budgetary expenditure according to the needs of the public. The Communication strategy is up for review.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Part of the Strategy
Media communication	Yes
Public participation and ward committees	Yes

Communication activities	Yes/No
Online communication	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

2.13.2 Communication and query/complaint management

Witzenberg Municipality runs a 24 hour emergency control centre that provides assistance to the public, 7 days a week, 365 days a year. The control centre offers the dual function of escalating service delivery queries to the correct departments such as water and sewerage, electrical, streets and storm water, as well as escalates emergency service queries to police, ambulance, fire and traffic. They also perform the function of informing senior management and Council concerning high priority incidents such as shack fires, housing issues, motor vehicle accidents, obstructions and health hazards. This ensures that decisions regarding expenditure and overtime can be executed and monitored. Complaints are also received via email, website, social media, telephonically and letters and this communication is routed to the correct sections and personnel to address. Speedy turnaround times and feedback towards clients ensure that they are not disgruntled and have a realistic expectation of when the service will be delivered, its delivery method and how the query will be resolved. This greatly aids in educating the public on how the municipality conducts its operations, how to use the municipality to address issues as well as creating public support. Failure to validate complaints and communicate the reasons for service interruptions can result in discord and protest.

2.13.3 Communication and municipal marketing

The cornerstone of municipal marketing is the quality of service which includes speed of initial response, workmanship of service rendered, duration of address before resolution, feedback to the complainant, professional closure/finishing of the problem addressed. Branding is associated with all types of municipal marketing (logos, uniforms, public engagement, etc.) and as illustrated in the present Communication Strategy, the public do not have a negative perception of services rendered by the municipality, but neither do they have a positive perception of the municipality. Thus, marketing efforts will focus upon logo placement on all infrastructure, creation of printed collateral, monthly newsletters, social media engagement, media statements, corporate gifting, etc. The overarching theme projected with communication is to offer the public easy access to services, information, personnel and complaint resolution.

2.13.4 Communication and international relations

Witzenberg Municipality is open towards establishing mutually beneficial partnerships with international organisations and municipalities aimed at skills development, knowledge sharing, local economic empowerment and job creation. The municipality regularly conducts meetings with visiting international delegations to discuss aspects of operations and best practice models. Some of these engagements have resulted in twinning agreements offering developmental support to our vulnerable communities.

2.13.5 Communication and investor relations

Witzenberg Municipality consistently markets it service delivery levels and infrastructure in a bid to attract investors to the area through the promotion of its facilities, management, political stability, water and air quality, natural environment and unskilled and semi-skilled labour force.

2.13.6 Emergency and disaster communication

In the event of an emergency or disaster being declared by the District, Witzenberg Municipality is able to provide communication support through mechanisms of communications relay to line functions within its competence, able to source landscape and geographical mapping of the area in question, gather inputs from visceral line functions and services, perform communication reports to monitor the situation, act as spokesperson, manage and support media relations, drafting articles/statements and providing photographic evidence of the situation if so required.

2.13.7 Financial communication

Witzenberg Municipality engages frequently with the public regarding its expenditure on projects, financial legislation, anti-fraud and corruption mechanisms, the bid and tender processes, through social media and printed collateral. The aim of financial communication is to create transparency regarding our expenditure and asset management. As a municipality our ultimate goal is to comply and, where possible, to exceed the audit standards set forth for local government and maintain our clean audit status. Due to the regulatory nature of financial management, Witzenberg Municipality aims to make this information freely available for the public to access as well as make use of language calibration to ensure that the information disseminated is simple and easily assimilated. Use of graphics and household comparisons are frequently used to illustrate technical information.

2.13.8 Electronic communication

Social media is a cost effective resource used to convey information and is an effective method of relaying municipal communication as many residents are in possession of a cell phone. However, this mode of communication is labour intensive and does not have great penetration in our rural environs due to limited connectivity and access to mobile data/wifi. We sometimes make use of text message communication to residents to convey urgent updates concerning power outages, water interruptions, road closures, dangerous weather conditions, municipal jamborees, etc. Witzenberg Municipality also uploads Council information, minutes of meetings and tender information onto our corporate website.

2.13.9 Interpersonal communication

Witzenberg Municipality conducts internal communication with employees to promote and convey our organisational policies and procedures to staff through internal newsletters. This newsletter covers employee related information concerning long service awards, retirement, information regarding their salary structures and benefits, births, marriages, deaths, sporting achievements, training and educational accolades, health and safety, anti-fraud strategies and whistle blowing. The communication aimed at employees, carries a monthly theme concerning employee wellness to promote better health management and personal welfare. It is also a platform for senior management to engage with employees and relay important information.

2.13.10 Media communication

Witzenberg Municipality creates, promotes and liaises with local and regional media regarding project and programme launches, milestones, municipal issues, local events. We also respond to media queries and requests for statements. All external communication is approved by the Municipal Manager as per his delegation; however, he may appoint spokespersons within the organisation at his discretion.

2.13.11 Communication and legislation

Witzenberg Municipality liaises with the public regarding decisions by Council and Portfolio Committees with impact upon local regulations and by-law generation. The municipality often engages with the public for initial commentary and feedback to aid the municipality with their decision-making on issues highlighted by the public. The municipality also performs official communication to residents and businesses concerning contravention of established by-laws and regulations. The municipality always strives to be open, consistent and transparent regarding legal issues and aims to engage with the parties involved to ensure clarity, mutual understanding and respect of heritage, cultural and religious beliefs, as long as it does not infringe upon the rights of other residents.

2.13.12 Visual communication

Visual communication is pivotal to our Communication Strategy as a large sector of our demography have poor literacy levels and relies upon visual communication to understand municipal messages. Visual communication is performed through the use of correspondence, branding, photographs, marketing collateral, videos, industrial theatre, animation and events. Municipal vehicles are branded with decal which identifies them as official conveyances and inspires trust with residents that the work being administered by employees or the information being disseminated by employees is accurate and reliable. It is for this reason that 'loud hailing' is an effective communication practice to relay urgent notifications to the public in the Witzenberg district.

2.13.13 Communication challenges

The Witzenberg Municipality communicates regularly with its target public, but faces financial challenges which hamper the following areas of our communication initiatives:

- Branding of assets, employees and infrastructure
- Limited brand collateral available
- Inability to perform outsourced media scanning
- Development of our intranet
- Poor network coverage due to the topography
- Limited to no free Wi-Fi access
- Access to better technology for our communication systems, brand development, feedback mechanisms and reporting
- No access to communication or perception-specific research regarding language usage and message penetration
- Neglect or exclude small pockets of the community which are located in remote, rural environs

Local government is frequently criticised on their lack of communication and engagement with the community, but although our municipality faces adversity, Witzenberg Municipality is successful in our good governance as we progress each year in this field, due to prioritising the needs of all our residents; commercial, residential, rural and informal. Our communities are vocal and hold the municipality accountable for our performance and our areas for improvement in our departments. The reputation of the municipality is that we are approachable and accessible to the public and this is largely as a result of our frequent interaction with the public, addressing issues raised by the public, admitting fault, limitation where relevant and building a trust relationship with the public based upon reliability and quality services.

2.13.14 Communication milestones

Witzenberg Municipality strive to continuously communicate municipal related information and news to the Witzenberg community in order to promote the Witzenberg Municipality brand, positively influence perceptions of service delivery, as well as the level of satisfaction with services, rating of communication, suggestions for improvement and utilise the most effective communication channel/s. The Communication Strategy is currently under review.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 Overview of Performance within the Organisation

3.1.1 Introduction

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 2001. Regulation 7(1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a Performance Management Framework that was approved by Council on 13 December 2012. A revision was accepted by Council on 25 July 2018.

The Top Layer SDBIP for 2019/20 was approved by the Mayor on 5 June 2019. Revisions to the SDBIP Top Layer targets was approved by Council on 25 February 2020 and the Adjusted Top Layer SDBIP approved by the Mayor on 3 March 2020. Below are the considerations in the development of the Top Layer SDBIP:

- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the budget
- Oversight Committee Report on the Annual Report of 2018/19
- The risks identified by the Internal Auditor during the municipal risk analysis
- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the audit

Other additional information with regards to performance:

- Functions of the municipality **Appendix D**
- Performance of entities & service providers **Appendix I**
- Service delivery performance at ward level **Appendix F**

3.1.2 Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP. An operating procedure for the management and implementation of the SDBIP has been developed. The operating procedure was work-shopped with the relevant KPI owners and senior management. The procedures can be summarised as follows:

- The Performance Administrator informs the relevant KPI owners, senior management and departmental secretaries of the closure date to submit actuals achieved for the preceding month. By the 10th of each month KPI owners must submit their actuals achieved performance information or evidence to the Manager: Projects & Performance. If a specific target was not reached, reasons with corrective measures must be provided.
- The Performance Administrator captures the result on an excel spreadsheet which is updated on a monthly basis after the closure date.
- Within 10 working days after the closure date, the Performance Administrator generate a report from excel and distribute via email to Senior Management for discussion at Senior Management- and Directorate Meetings.
- Results on the Top Layer SDBIP Key Performance Indicators are submitted to the CFO for inclusion in the quarterly Section 52D report that is tabled at Council.
- The quarterly performance report as included in the Quarterly Budget Statement (Section 52d Report), was tabled at Council as follows:
    - 1st Quarterly Budget Statement 11 December 2019
    - 2nd Quarter Budget Statement 28 January 2020

- Section 72 Midyear report 28 January 2020
- 3rd Quarterly Budget Statement 25 August 2020
- 4th Quarterly Budget Statement 25 August 2020

3.1.3 Individual Performance

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2019/20 financial year were signed on 29 July 2019.

The appraisal of the actual performance in terms of the 2018/19 signed agreements, took place twice per annum as regulated. The final evaluation of the 2018/19 took place on 20 March 2020. The mid-year performance of 2019/20 took place on the same date with the final evaluation after the auditing of the 2019/20 Annual Performance Report and Annual Financial Statements.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805. The panel included the following people:

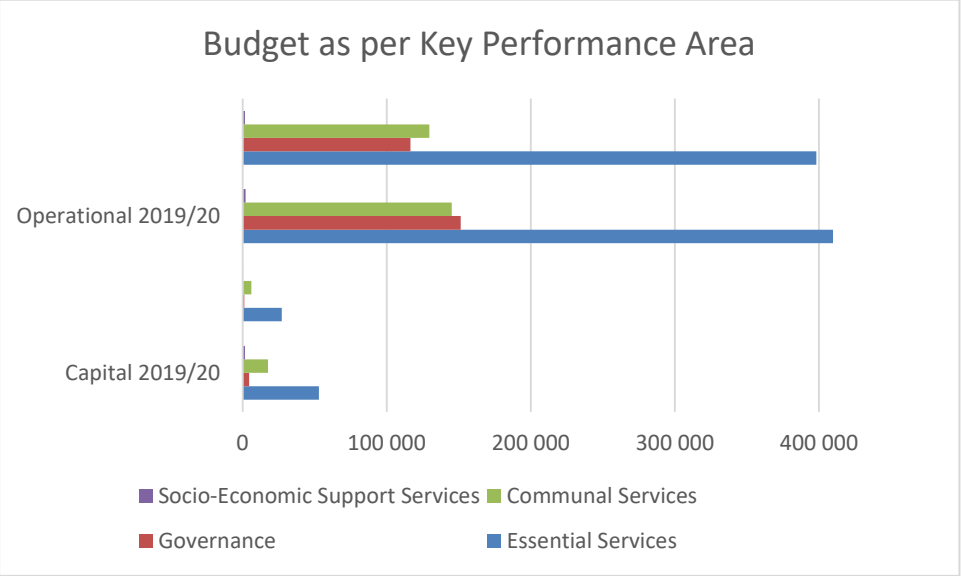
- Executive Mayor
- Portfolio Chairperson
- Chairperson of the Performance, Risk and Audit Committee
- Municipal Manager
- Manager: Human Resources
- Mr. D McThomas, Municipal Manager of Breede Valley Municipality, took part in the review of the Municipal Manager

3.1.4 The Integrated Development Plan and the Budget

The IDP for 2019/20 was reviewed and approved on 30 May 2019, whilst the budget for 2019/20 was approved by Council on the same day. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The table below provides an analysis of the budget allocation and expenditure per Municipal Key Performance Area (Operational expenditure excludes internal transfers):

Municipal Key Performance Area R'000	Capital 2019/20		Operational 2019/20	
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure
Essential Services	52 946	27 161	409 725	398 361
Governance	4 475	1 135	151 478	116 484
Communal Services	17 619	6 095	145 264	129 598
Socio-Economic Support Services	1 554	76	2 172	1 609
TOTAL	76 594	34 468	708 638	646 051



3.1.5 Strategic Alignment

Municipal Key Performance Area	Strategic Objective	
Essential Services *Direct service delivery such as the provision of water, sanitation, electricity & solid waste removal. Also include roads & storm water management and subsidised serviced sites.*	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance *Includes human resources, finance management, strategic- and town planning, law enforcement, public participation, fire- and disaster services, policy and Council.*	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services *Indirect public services such as community halls, sports fields, open spaces, parks, resorts, swimming pools, environment.*	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services *Non-core/municipal functions that includes subsidised housing (top structures), Local Economic Development- and Social Development support.*	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

3.1.6 Key Performance Indicators in approved 2019/20 Top Layer SDBIP

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
TecDir1	Percentage expenditure on the preventative maintenance budget of the Technical Department	25%	50%	75%	98%	**98%**	98%	99%	99%	99%
TecDir3	% Expenditure on Capital Budget by Technical Directorate	10%	40%	60%	95%	**95%**	96%	97%	97%	97%
TecWat21	Percentage compliance with drinking water quality standards.	98%	98%	98%	98%	**98%**	98%	98%	98%	98%
TecWat36	Percentage of valid water connection applications connected by reporting period end	95%	95%	95%	95%	**95%**	95%	96%	97%	97%
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	95%	95%	95%	95%	**95%**	95%	96%	97%	97%
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	95%	95%	95%	95%	**95%**	95%	96%	97%	97%
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	7	7	7	7	**7**	7	7	7	7
TecWat20	Decrease unaccounted water losses.	18%	18%	18%	18%	**18%**	18%	16%	16%	16%
TecEl37	Decrease unaccounted electricity losses.	10%	10%	10%	10%	**10%**	10%	10%	10%	10%
TecRo7	Kilometres of roads upgraded & rehabilitated	0	1	2	4	**4**	3	4	4	4

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved services

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
TecDir2	Number of subsidised serviced sites developed.	0	0	0	0	**0**	400	0	200	200
TecWat22	Provide basic services - number of established informal areas with sufficient communal water services points (taps).	3	3	3	3	**3**	3	3	2	2
TecSan13	Provide basic services - number of established informal areas with sufficient communal sanitation services points (toilets).	3	3	3	3	**3**	3	3	2	2
TecRef31	Improve basic services - number of established informal settlements receiving a periodic area cleansing programme.	3	3	3	3	**3**	3	3	2	2
TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	95%	95%	95%	95%	**95%**	95%	95%	95%	95%

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.1 Support institutional transformation and development

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	25%	50%	75%	96%	**96%**	96%	96%	96%	96%
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	1	1	1	1	**4 Reports**	4 Reports	4 Reports	4 Reports	4 Reports

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.2 Ensure Financial Viability

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	90	90	200	200	**200**	90,0	90,0	90,0	90,0
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	2,8	2,8	**2,8**	2,8	2,8	2,8	2,8
FinFAdm11	Financial viability expressed outstanding service debtors	44%	44%	44%	44%	**42%**	42%	42%	40%	40%
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.			1		**Unqualified**	Unqualified	Unqualified	Unqualified	Unqualified
FinInc15	Increased revenue collection	95%	95%	95%	95%	**95%**	95%	95%	95%	95%
MM1	Percentage expenditure on the preventative maintenance budget of the whole of the municipality.	25%	50%	75%	98%	**98%**	98%	99%	99%	99%
MM2	Percentage spend of capital budget for the whole of the municipality.	10%	40%	60%	95%	**95%**	96%	97%	97%	97%

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.3 To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
MMIDP9	Number of IDP community engagements held.		7		14	**14**	14	14	14	14
ComSoc49	Number of meetings with inter-governmental partners.	3	6	9	12	**12**	12	12	12	12

Municipal Key Performance Area: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and maintain facilities that make citizens feel at home.

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
ComAm34	Report on annual customer satisfaction survey on community facilities.		1			**1 Report**	1 Report	1 Report	1 Report	2 Report
ComDir1	Percentage expenditure on the preventative maintenance budget of the Community Department.	25%	50%	75%	98%	**98%**	98%	99%	99%	99%
ComDir2	% Expenditure on Capital Budget by Community Directorate	10%	40%	60%	95%	**95%**	96%	97%	97%	97%

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor and vulnerable through programmes & policy

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	4500	4500	4500	4500	**4500**	4500	4400	4300	4300
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	100	200	300	400	**400**	410	410	420	420
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	5	10	15	20	**20**	20	20	20	20
ComHS14	Number of housing opportunities provided per year.	40	90	150	199	**199**	200	200	100	100
ComHS15	Number of Rental Stock transferred	10	20	30	40	**40**	45	50	50	50

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to attract investment and support to the local economy.

QUARTERLY- AND 5-YEAR SCORECARD TARGETS (Adjusted 2019/20 SDBIP)										
Ref	Key Performance Indicator	Target for 2019/20					Future Targets			
		Q1	Q2	Q3	Q4	Annual	20/21	21/22	22/23	23/24
ComLed19	Quarterly report to Mayco on investment incentives implemented.	1	1	1	1	**4 Reports**	4 Reports	4 Reports	4 Reports	4 Reports
ComLed20	Quarterly report to Mayco on the Small Business Entrepreneurs Development Programme.	1	1	1	1	**4 Reports**	4 Reports	4 Reports	4 Reports	4 Reports
ComLed21	Quarterly report to Mayco on the progress of the Ceres Business Initiative (CBI) Entreprenuer Programme for SMME's	1	1	1	1	**4 Reports**	4 Reports	4 Reports	4 Reports	4 Reports
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	1	1	1	1	**4 Reports**	4 Reports	4 Reports	4 Reports	4 Reports

3.1.7 Strategic Performance (Top Layer SDBIP) for 2019/20

Strategic performance of the municipality is measured in terms of the municipality's performance on its key performance indicators (KPI) set in the Top Layer SDBIP.

Actual strategic performance (Top Layer) and corrective measures that will be implemented

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
TecDir1	Percentage expenditure on the preventative maintenance budget of the Technical Department	Percentage of budget spent.	All	99% /99,6%	**98%**	**95%**
Reason for under-performance: Due to national lockdown, only emergencies were attended to during the lockdown period, hence under expenditure						
Corrective measures: Although no major outstanding operational activities, maintenance programmes to be adjusted.						
Note: The name of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The name was adjusted to include "preventative" to be aligned with mSCOA maintenance definitions. For the purpose of measurement, preventative maintenance & corrective planned maintenance are measured and excludes emergency corrective maintenance as it can not be planned in advance.						
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	96%/98,3%	**95%**	**50%**
Reason for under-performance: Due to national lockdown, a number of capital projects, came to a halt. The major contributing fact on the low expenditure, was the Reconstruction of the Tulbagh Dam, which did not realise, as no compliant tenders were received.						
Corrective measures: Tenders have been awarded & construction was started again on contracts stopped , which was delayed due to the national lock down. The construction of the Tulbagh raw water dam will be re-advertised.						
TecWat21	Percentage compliance with drinking water quality standards.	Percentage compliance.	All	98%/100%	**98%**	**100%**
TecWat36	Percentage of valid water connection applications connected by reporting period end	Percentage valid applications connected.	All	<1%/0%	**95%**	**100%**
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Percentage valid applications connected.	All	<1%/0%	**95%**	**100%**
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	Percentage electrical connections with Certificate of Completion for valid applications received in reporting period.	All	<1%/0%	**95%**	**100%**
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	Number of towns where service are delivered.	All	<1%/0%	**7**	**7**
TecWat20	Decrease unaccounted water losses.	Percentage water losses.	All	18%/17,7%	**18%**	**15%**
TecEl37	Decrease unaccounted electricity losses.	Percentage electricity losses.	All	10%/10,5%	**10%**	**10,7%**
Reason for under-performance: Increase can be attributed mainly to the theft of electricity in the informal areas of Witzenberg.						
Corrective measures: Addressed in terms of the "Illegal Connection Strategy" that is in the process of being implemented.						

TecRo7	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	3 / 7,3	**4,0**	**4,4**
Note: The KPI target was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The target increased from 3 km to 4 km.						

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved services

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
TecDir2	Number of subsidised serviced sites developed.	Number of serviced plots.	All	529/526	**No Target**	
TecWat22	Provide basic services - number of established informal areas with sufficient communal water services points (taps).	Number of informal settlemens.	All	3/3	**3**	**3**
TecSan13	Provide basic services - number of established informal areas with sufficient communal sanitation services points (toilets).	Number of informal settlements.	All	3/3	**3**	**3**
TecRef31	Improve basic services - number of established informal settlements receiving a periodic area cleansing programme.	Number of informal settlements.	All	3/3	**3**	**3**
TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	Percentage electrical connections with Certificate of Completion for valid applications received in reporting period.	All	95%/none received	**95%**	**99%**

NOTE:The indicators listed above with reference numbers TecWat22, TecSan13 and TecRef31 refers specific to the relevant services which is accessible in the three demarcated informal areas of Nduli, Tulbagh (Chris Hani) and Wolseley (Pine Valley). It is reported that all informal households in these three demarcated areas have access to water and sanitation services which is located within 200m from households.

Also refer to the following paragraphs for more detail on specific service delivery levels:

Water Services – Chapter 3 Paragraph 3.2.4
Sanitation – Chapter 3 Paragraph 3.3.4
Electricity – Chapter 3 Paragraph 3.4.4
Waste removal – Chapter 3 Paragraph 3.5.4

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.1 Support institutional transformation and development

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	96%/96%	**96%**	**65%**
Reason for under-performance: Due to lockdown trainings could not be implemented.						
Corrective measures: Virtual trainings will be investigated for future.						
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	Quarterly report	All	4/4	**4 Reports**	**4 Reports**

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.2 Ensure Financial Viability

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Ratio	All	90/250,8	**200**	**233**
Note: The KPI target was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The target increased from 90 to 200. The result as at end of December 2019 stood at 279. The main reason being that no new loans have been taken up to-date and therefor the target is increased.						
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Ratio	All	2,8/2,67	**2,8**	**3,3**
FinFAdm11	Financial viability expressed outstanding service debtors	Ratio	All	44%/50%	**42%**	**71%**
Reason for under-performance: The majority of outstanding debt is in respect of prescribed debt and debt of indigent households.						
Corrective measures: Improve Credit Control & Debt Collection Mechanisms & the Implementation of Marketing strategies i.e. Jamborees, Bulk SMS's & Consumer Web Portal roll-out. Data Cleansing required in terms Indigent Register. Collectability of Long outstanding debt must be investigated, i.e. prescribed debt.						
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Auditor-General opinion for previous financial yera.	All	1/1	**Unqualified**	**Unqualified**
FinInc15	Increased revenue collection	Percentage revenue collected.	All	94%/94%	**95%**	**88%**
Reason for under-performance: The Covid 19 pandemic had negative impact on the collection rate month to month, which also impacted the accumulative collection rate.						
Corrective measures: As soon at the situation allows stringent implementation of the credit control policy.						
MM1	Percentage expenditure on the preventative maintenance budget of the whole of the municipality.	Percentage of budget spent.	All	99%/99,6%	**98%**	**88%**
Reason for under-performance: Lockdown regulations has severely impacted operational maintenance projects.						
Corrective measures: Although no major outstanding operational activities, maintenance programmes to be adjusted..						
Note: The name of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The name was adjusted to include "preventative" to be aligned with mSCOA maintenance definitions. For the purpose of measurement, preventative maintenance & corrective planned maintenance are measured and excludes emergency corrective maintenance as it can not be planned in advance.						
MM2	Percentage spend of capital budget for the whole of the municipality.	Percentage of budget spent.	All	96%/95,6%	**95%**	**45%**
Reason for under-performance: Tulbagh Dam tender cancelled due to non-complaint bidders. Tender for pavillions had to be re-advertised and appeal lodged further delayed appointment. National Lock down brought all projects/bids to a stand still.						
Corrective measures: Tulbagh Dam tender to be re-advertised. National Lock down to be lifted.						

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.3 To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
MMIDP9	Number of IDP community engagements held.	Number of engagements held.	All	14/14	**14**	**7**
Reason for under-performance: Due to lockdown regulations no public meetings were arranged. Draft IDP and budget was advertised for public to provide inputs.						
Corrective measures: Advertisements for comments placed in local paper, notice boards of all seven towns and other social media.						
ComSoc49	Number of meetings with inter-governmental partners.	Number of meetings attended.	All	12/13	**12**	**9**
Reason for under-performance: No IGR meetings could be attended due to lockdown regulations						
Corrective measures: Virtual meetings to be held in future until restrictions on meetings end.						

Municipal Key Performance Area: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and maintain facilities that make citizens feel at home.

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
ComAm34	Report on annual customer satisfaction survey on community facilities.	1 Report	All	1/1	**1 Report**	**1 Report**
ComDir1	Percentage expenditure on the preventative maintenance budget of the Community Department.	Percentage of budget spent.	All	99%/99%	**98%**	**54%**
Reason for under-performance: Lockdown regulations has influenced expenditure as services is not deemed essential.						
Corrective measures: All relevant tenders has been advertised and appointments has been made.						
Note: The name of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The name was adjusted to include "preventative" to be aligned with mSCOA maintenance definitions. For the purpose of measurement, preventative maintenance & corrective planned maintenance are measured and excludes emergency corrective maintenance as it can not be planned in advance.						
ComDir2	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	96%/63,7%	**95%**	**29%**
Reason for under-performance: Delayed approval of policy on Cost-Containment Regulations has resulted in planned cashflows not being achieved. Tender for pavillions had to be re-advertised and appeal lodged further delayed appointment. National Lock down brought all projects/bids to a stand still.						
Corrective measures: All relevant tenders has been advertised and apart from a tender that had to be re-advertised, appointments has been made. Projects to continue after lockdown.						

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor and vulnerable through programmes & policy

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders.	All	4500/3701	**4500**	**3093**
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	390/397	**400**	**409**
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	Number of programmes.	All	20/25	**20**	**25**
ComHS14	Number of housing opportunities provided per year.	Number of top structures.	All	30/30	**199**	**199**
Note: The KPI target was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.3 of Council Meeting held on the 25th of February 2020. The target decreased from 200 to 199. Project total is reduced from 230 to 229 due to technical difficulties to construct a house on one of the plots. 30 Houses was completed in the previous financial year and therefor the target for 2019/20 is reduced from 200 to 199.						
ComHS15	Number of Rental Stock transferred	Number of properties transferred.	All	40/40	**40**	**30**
Reason for under-performance: Due to lockdown a huge backlog at deeds office exist						
Corrective measures: We are not able give any corrective measurements because the backlog at the Deeds Office has an influence on the whole Province						

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to attract investment and support to the local economy.

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
ComLed19	Quarterly report to Mayco on investment incentives implemented.	Quarterly Reports	All	New	**4 Reports**	**4 Reports**
ComLed20	Quarterly report to Mayco on the Small Business Entrepreneurs Development Programme.	Quarterly Reports	All	New	**4 Reports**	**4 Reports**
ComLed21	Quarterly report to Mayco on the progress of the Ceres Business Initiative (CBI) Entreprenuer Programme for SMME's	Quarterly Reports	All	New	**4 Reports**	**4 Reports**
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	Quarterly Reports	All	4/4	**4 Reports**	**4 Reports**

3.2 Water Services

3.2.1 Introduction

All the towns in the Witzenberg municipal area are equipped with independent water services with their own resources, distribution systems and treatment works.

Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply. Water quality from the Koekedouw is good and it is only chlorinated before distribution. Two reservoirs (3 and 5 Ml) serve as storage reservoirs to the 114km distribution network, with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes 2 X 2 Ml service reservoirs, a booster pump station to the pressure tower (500kl) at Bella Vista, as well as a 750 kl service reservoir, 4.5Ml reservoir and booster pump station at N'Duli. Three additional boreholes were drilled in Ceres and the Koekedouw borehole equipped.

The Ceres Koekedouw has overflowed for the 1st time in a 4 year drought period during September 2018

Tulbagh

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh. Construction of the Kleinberg pipeline has been completed to provide an additional supply of 1.2 x 10^6m3/annum from the Klein Berg River. The project will also include a storage dam with a capacity of approximately 1 200 000 m3. Funding applications has been approved by the Department of Water and Sanitation (DWS) for the construction of the dam. All the water is stored in a 570 Ml raw water dam at present. Two reservoirs (800 kl and 1 Ml) serve as a clear

water storage reservoir to the 29km distribution network, with 2 pressure zones. The network includes a booster pump station to the pressure tower (500 kl). A new reservoir for extra storage capacity is planned for construction at a later stage.

Wolseley

Wolseley receives its water supply from the Tierhokkloof weir. No storage facility exists and the dependency on the Tierhokkloof River as a sustainable supply without storage has been identified as a critical risk in water provision for growth in Wolseley. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and the newly constructed 6 Ml Wolseley Reservoir serves as a storage reservoir to the 44km distribution network, with two pressure zones. The network includes a 4.5 Ml services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of "lei" water during periods of low flow, from the Artois Canal to this reservoir. The project also allows for treatment at the reservoir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, 1 borehole and a supply line from the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the 32km distribution network, with only 1 pressure zone.

Op-die-Berg

Op-die-Berg has three water sources, a fountain and 2 boreholes. Due to the quality of the water, only chlorination is required. A 50kl, 60kl and 500kl reservoir serve as storage reservoirs to the 6km distribution network, with only 1 pressure zone. The new storage reservoir is planned for Op-die-Berg to ensure adequate storage capacity, as well as meeting the peak demands of the town.

All drinking water systems located in the towns within Witzenberg have attained Blue Drop status and have also scored nationally in the top ten rankings.

3.2.2 Highlights

Highlights	Description
Upgrading & replacement of infrastructure	Replacement of various pipe networks and valves. Water Demand Study to minimise Un-accounted water losses

3.2.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.
Vandalism	Vandalism at various water reservoirs and pump-stations

3.2.4 Water Service Delivery Levels

Total use of water by sector (cubic meters)

Year	All	Unaccountable water losses	Percentage losses
	Cubic meters		
2014/15	7 079 144	1 463 304	20.7%
2015/16	6 088 276	962 345	16%
2016/17	6 508 218	1 259 772	19.36%
2017/18	5 835 602	1 090 102	17.9%
2018/19	6 408 893	1 136 219	17,7%
2019/20	6 708 325	1 008 621	15%

Water losses decreased from 17.7% in the 2018/19 to 15% in the 2019/20 financial year and this volume remains within the target set for the financial year. Management processes are, however, on-going to reduce the rate of water losses even further.

The table below specifies the different water service delivery levels per household for the financial years 2017/18, 2018/19 and 2019/20: Note that the "piped water inside dwelling" figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Household			
***Water:* (above minimum level)**			
Piped water inside dwelling (accounts)	12 246	12 347	12 462
Piped water inside yard (but not in dwelling) (accounts)			
Using public tap (within 200m from dwelling) (households)	1 714	2 531	3 785
Other water supply (within 200m)	0	0	0
Minimum Service Level and Above Sub-total	**13 960**	**14 878**	**16 247**
Minimum Service Level and Above Percentage	**98.4%**	**97%**	**100%**
***Water:* (below minimum level)**			
Using public tap (more than 200m from dwelling)	**228	**436	0**
Other water supply (more than 200m from dwelling	0	0	0
No water supply	0	0	0
Below Minimum Service Level Sub-total	**228**	**436**	**0**
Below Minimum Service Level Percentage	**1.6%**	**2;9%**	**0%**
Total number of households (formal and informal)	**14 188**	**15 314**	**16 247**
**Formal households calculated based on accounts issued (excluding informal households which is actual households)*			
***The number of informal households below the minimum level are located adjacent Pine Valley, Wolseley, and was the result of an illegal land invasion. Growth of the settlement continuous without any control. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres. In some cases private connections occur for distribution.*			

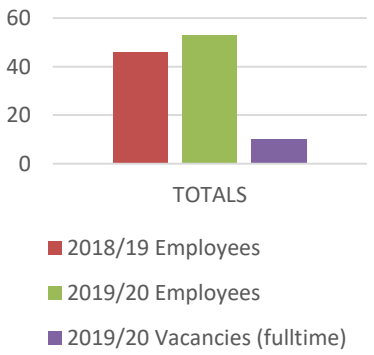
3.2.5 Service Delivery Indicators: Water Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecWat21 Percentage compliance with drinking water quality standards
- TecWat36 Percentage of valid water connection applications connected by reporting period end
- TecWat20 Decrease unaccounted water losses.
- TecWat22 Provide basic services - number of established informal areas with sufficient communal water services points (taps).

3.2.6 Employees: Water & Sanitation Services

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	17	17	3
4 - 6	20	26	5
7 - 9	2	2	0
10 - 12	6	5	2
13 - 15	1	2	0
16 - 19	0	1	0
TOTALS	**46**	**53**	**10**



3.2.7 Capital Expenditure: Water Services

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Infrastructure Management Systen	200 000	576 162	576 162	0%	576 162
Tools & Equipment- New	100 000	287 112	287 112	0%	287 112
Security upgrades	350 000				
Network- Water Pipes & Valve Rep	1 000 000	807 055	802 160	1%	807 055
Tulbagh Dam	16 931 304	15 213 912	204 221	99%	27 000 000
TOTAL	**18 581 304**	**16 884 241**	**1 869 655**	**89%**	

3.3 Waste Water Services (Sanitation)

3.3.1 Introduction

Ceres

Sewerage and industrial effluent is collected from consumers via a sewerage system which is treated at the Ceres Wastewater Treatment Plant. The Plant services the areas of Ceres, N'Duli, Bella Vista and Prince Alfred's Hamlet. The sewerage system includes 9 booster pump stations. A portion of the treated effluent is used for irrigation on communal land, sport fields and the golf course.

Tulbagh

Sewerage is collected from consumers via a sewerage system and treated at the Tulbagh Waste Water Treatment Plant. The sewerage system includes 3 booster pump stations. Treated effluent is partially discharged to a river, under an existing licence and the rest is used for irrigation in Church Street and local sport fields.

Wolseley

Sewerage is collected from consumers via a sewerage system and treated at the Wolseley Waste Water Treatment Plant. The sewerage system includes 6 booster pump stations. Mechanical upgrades to the plant to ensure that the plant performs at an optimum level and to ensure compliance with national standards.

Prince Alfred's Hamlet

A significant volume of sewerage generated at Prince Alfred's Hamlet is pumped for treatment to the Waste Water Treatment Works (WWTW) in Ceres. Three pump stations are used for this purpose. A number of erven still use private septic tank systems to deal with the sewerage. These septic tanks are emptied by the municipality on request.

Op-Die-Berg

75% of the consumers are connected to a sewerage network and treated at the WWTW. The rest are managed through private septic tanks. Septic tanks are emptied by the municipality on request. Upgrades to the WWTW have been completed in order to ensure adequate capacity, as well as efficient and effective treatment of the waste water.

All the towns within Witzenberg have attained Green Drop status and have also scored nationally within in the top ten rankings.

3.3.2 Highlights

Highlights	Description
New Infrastructure & upgrades	Replacement of various sewer networks within Witzenberg. Purchasing of additional aerators. Purchasing of additional sewer pumps. WWTW refurbishments: Ceres and Tulbagh WWTW

3.3.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.
Vandalism	Vandalism challenges at various sewer pump stations and WWTW's

3.3.4 Waste Water (Sanitation) Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2017/18, 2018/19 and 2019/20.

Note that the "flushed toilet" figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Household			
***Sanitation:* (above minimum level)**			
Flush toilet (connected to sewerage) (accounts)	11 544	12 697	12 865
Flush toilet (with septic tank) (nr. of erven, not included in calculation)	717	717	717
Chemical toilet (only indicate nr of toilets, not included in calculation)	58	28	58
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above minimum service level) (households – informal areas)	1 714	2 531	3 785
Minimum Service Level and Above Sub-total	**13 975**	**15 945**	**16 650**
Minimum Service Level and Above Percentage	**98.4%%**	**97,3%**	**100%**
***Sanitation:* (below minimum level)**			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	228	436	0
Below Minimum Service Level Sub-total	**228**	**436**	**0**
Below Minimum Service Level Percentage	**1.6%**	**2,6%**	**0%**
Total number of households (formal and informal)	**14 203**	**16 381**	**16 650**
**Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households)*			
***The number of informal households below the minimum level are located adjacent Pine Valley, Wolseley, and was the result of an illegal land invasion. Growth of the settlement continuous without any control. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres.*			

3.3.5 Service Delivery Indicators: Waste Water (Sanitation)

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecSan22 Percentage of valid sanitation connection applications connected by reporting period end
- TecSan13 Provide basic services - number of established informal areas with sufficient communal sanitation services points (toilets).

3.3.6 Capital Expenditure: Waste Water (Sanitation)

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Aerator replacement programme	500 000	703 891	703 891	0%	703 891
Refurbishment WWTW	600 000	596 342	596 342	0%	596 342
Sewer Pumps-replacement	200 000	243 012	243 012	0%	243 012
Sewer Network Replacement	1 000 000	1 231 393	1 193 894	3%	1 193 894
Security upgrades	300 000	188 395	188 395	0%	188 395
Tools & Equipment	100 000	23 306	23 306	0%	23 306
TOTAL	**2 700 000**	**2 986 339**	**2 948 840**	**1%**	

3.4 Electricity

3.4.1 Introduction

The National Energy Regulator (NERSA) was established to be the custodian and enforcer of the National Electricity Regulatory Framework. NERSA provides the framework for licenses, power generation, transmission, distribution and trading in South Africa.

The upgrading and provision of bulk infrastructure is mainly guided by the implementation of low-cost and private developments and industry.

All erven within the boundaries of Witzenberg Municipality has access to electricity. ESKOM supplies electricity to Op-die-Berg, Prince Alfred Hamlet and the rural areas inclusive of the adjacent low cost housing. The municipality has a license to reticulate electricity to all other developed areas. All qualifying and identified indigent households receive free basic water and electricity as per national government policy. However, servicing informal settlements with electricity is a continuous struggle.

The Electricity Master Plan for Ceres, Wolseley and Tulbagh has recently been completed and is thus up-to-date. It also included a condition assessment of the major network components, information that will be considered critical when determining future budget requirements.

Local government plays an integral role in the provision of electricity. Section 153 of the Constitution, places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

3.4.2 Highlights

Highlights	Description
Service MV switches at Wolseley Main Intake substation	Consistency of supply
Install new Mini-substation –Van Der Stel street Tulbagh	Address load issues
Service MV switches at Tulbagh Main Intake substation	Consistency of supply
70mm MV Cable Ring upgrade – Mill street mini-substation	Consistency of supply
Panorama MV overhead lines upgrade	Consistency of supply
Eselfontein MV overhead lines upgrade	Consistency of supply
Stukkiewit MV overhead lines upgrade	Consistency of supply

3.4.3 Challenges

Challenges	Description
Eskom unable to increase Notified Maximum Demand	Regular interactions with Eskom to speed up their bulk upgrades. Renewable energy policy approved by Council to assist with the demand shortage. Eskom commenced with their EIA process for the bulk upgrades to take place. Eskom indicated that they can only attend to these upgrades by 2030.
Availability of vehicles	An aging fleet results in some vehicles spending extended periods in the workshop. Spares availability and reliability is an added extenuating challenge
Filling of vacant posts	Some posts remain vacant for extended periods before filling, but this is currently being addressed
Aging Electrical Network	Much of the existing electrical network exceeds its useful life and is even considered hazardous to operate in some instances. The new Master plan will assist in identifying the hazardous equipment.
Recapitalization of the Electrical Network	Available funding to replace aging equipment is always a challenge within the Municipal environment, but with heightened awareness, this will be addressed
Covid-19 pandemic	Restrictions on travel arrangement and social distancing is a challenge. Requires enhanced planning to adhere

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Ceres	36,5MVA (Additional 5 MVA applied for May 2019)	+1.94	38.276 MVA (exceeded)
Wolseley	4.5 (Additional 0,7 MVA applied for)	+0.13	4.53 MVA
Tulbagh	4.5	+0.15	4.18 MVA

The energy losses for the 2018/19 financial year were 10,5%. The losses increased to 10.7% in 2019/20, with illegal connections the major contributing factor for the increase.. Management processes are, however, on-going to reduce the rate of losses.

3.4.4 Electricity Service Delivery Levels

Description	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Household			
***Energy:* (above minimum level)**			
Electricity (at least minimum service level - accounts)	1 831	2 353	2 262
Electricity - prepaid (minimum service level)	10 419	10 525	10 715
Minimum Service Level and Above Sub-total	**12 250**	**12 878**	**12 977**
Minimum Service Level and Above Percentage	**100%**	**100%**	**100%**
***Energy:* (below minimum level)**			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
Below Minimum Service Level Sub-total	**0**	**0**	**0**
Below Minimum Service Level Percentage	**0%**	**0%**	**0%**
Total number of households (formal and informal)	**12 250**	**12 878**	**12 977**
**The below minimum service level cannot be determined as the number of pre-paid meters installed in informal areas is unknown. Therefor it cannot be determined the number of households in informal areas without electricity. Dept. of Energy does not fund these connections if households are not on a formalised plot.*			

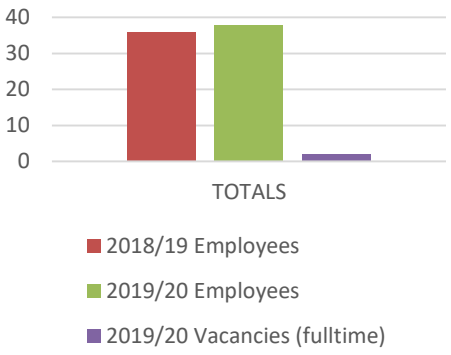
3.4.5 Electricity Service Delivery Indicators

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecEl60 Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)
- TecEl37 Decrease unaccounted electricity losses
- TecEl36 Percentage of houses in a subsidised housing project connected to the electrical network.

3.4.6 Electricity Service: Employees

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	16	18	1
4 - 6	3	3	1
7 - 9	6	6	0
10 - 12	9	9	0
13 - 15	0	0	0
16 - 19	2	2	0
TOTALS	**36**	**38**	**2**



3.4.6 Electricity Service: Capital Expenditure

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Vredebes Electrical Network	2 608 696	2 608 696	2 295 993	12%	4 500 000
Electrical Network Housing Project		434 781		100%	
MV Substation Equipment	1 500 000	797 740	811 633	-2%	811 633
Upgrade of LV Network Cables	1 000 000	1 113 070	1 109 927	0%	1 109 927
MV Network Equipment	1 000 000	1 132 357	1 123 389	1%	1 123 389
Upgrade of MV Cables	60 000	42 183	42 183	0%	42 183
Tools & Equipment	160 000	107 425	106 451	1%	106 451
Upgrade of Streetlights	350 000	792 751	792 494	0%	792 494
Vredebes Streetlights	821 481	821 481	473 690	42%	1 570 000
Electrical Network Refurbishment	1 200 000	1 162 721	1 162 721	0%	1 162 721
TOTAL	**8 700 177**	**9 013 205**	**7 918 481**	**12%**	

3.5 Waste Management (Collection, Disposal, Recycling & Cleaning)

3.5.1 Introduction

The Witzenberg Integrated Waste Management Plan is a statutory requirement of the New National Environmental Management: Waste Act 2008 (Act No. 59 of 2008) which came into effect on 1 July 2009. This Act aims to transform waste management collection and disposal to a sustainable practice focusing on waste avoidance and environmental sustainability. The primary objective of IWM planning is to integrate and optimize waste management, in order to maximise efficiency and to minimise the associated environmental impact, financial cost and to improve the quality of life of all residents within Witzenberg Municipality. A new Witzenberg Integrated Waste Management Plan for the next 3 years are being developed . Witzenberg conducts refuse removal through curb-side collection on a weekly basis to address 100% of the domestic waste generated. A standard collection plan (Refuse Removal Guide) was implemented where collection in each town takes place on separate days.

Witzenberg also employed temporary employees from local communities to perform cleaning services in the streets, open spaces and around waste removal skips. A service is rendered to formal and informal settlements that include:

- A black bag and green bag system
- Public awareness and education- Youth Waste Ambassordors
- Waste disposal 3 Licensed landfill sites..

- Cleansing of streets and public toilets in Central Business Districts and skips (garden refuse)
- After hours teams from 17h00 to 20h00 to clean main routes in CBD area of all Towns in Witzenberg.

The current waste management system in the municipality is fairly successful in the collection and disposal of municipal solid waste, however, limited effort is made to reduce the generation of waste within the municipal area.

The economic feasibility of waste recovery through recycling and composting should be carefully investigated, to reduce the relatively small amounts of waste generated by the population. The existing private recycling enterprise is successful only because it sources materials that have been separated at source and is therefore uncontaminated with wet waste.

The analyses of the current waste management system have shown the following:

- all formal, urban residential erven are receiving a weekly door-to-door waste collection service
- all collected municipal waste is disposed at the municipality's engineered and licensed waste disposal sites near Tulbagh and Prince Alfred Hamlet for building and green waste.
- no significant waste recovery is performed, except for private enterprises and recycling bins in Tulbagh, Wolseley and Ceres.
- no significant waste avoidance is conducted
- a Solid Waste Management Master Plan has been completed.
- Draft Integrated Waste Management By –Law.

Witzenberg Municipality currently operates three landfills. The Tulbagh landfill site is licensed as a GSB- site and receives limited waste from all towns in Witzenberg. The Prince Alfred Hamlet site is licensed as a GCB- operated by a private contractor appointed by the municipality for building and garden refuse. The Op-Die-Berg site is licenced as a G;C;B + and receives waste from all towns in Witzenberg .

3.5.2 Highlights

Highlights	Description
New Construction of Ablution Facilty at Op Die Berg	Service all residents op Op Die Berg and Farmworkers.
Appoint Waste Ambassadors in all wards – 23 from all towns in Witzenberg	Do awareness and education from door to door , schools , old age home , packing sheds and cleaning of open spaces around recycling , composting and greening .
External audits scores.	Tulbagh site score 85,87% and Op Die Berg site 86,5 % on permit conditions.
Wheelie bin system implemented at all businesses in Witzenberg	2 type of bins at businesses with 240 l and 770l.

3.5.3 Challenges

Challenges	Description
Waste recovery facilities (drop-off at Wolseley and Material recovery facility at Ceres in planning phase. The drop-off at Wolseley for completion in 2021 and Material Recovery Facility in 2022.	Separation of waste for recycling & composting
Regional Landfill Site in Worcester (Waste licence issued) – appeal and busy with FBAR for Tulbagh Landfill site.	Investigation into the costs for required infrastructure and tipping fee at gate and move to Cell 2 .
Non-compliance of landfill sites	Rehabilitation of landfill sites –budget of R78m

3.5.4 Waste Management - Service Delivery Levels

The table below indicates the different waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery standards of the municipality:

Description	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Household			
***Refuse removal:* (above minimum level)**			
Removed at least once a week (accounts)	13 981	13 151	13 321
Removed at least once a week or through periodic cleaning programmes (households in informal settlements)			3 785
Minimum Service Level and Above Sub-total	**13 981**	**13 151**	**17 106**
Minimum Service Level and Above Percentage	**100%**	**100%**	**100%**
***Refuse removal:* (below minimum level)**			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below Minimum Service Level Sub-total	**0**	**0**	**0**
Below Minimum Service Level Percentage	**0%**	**0%**	**0%**
Total number of households (formal and informal)	**13 981**	**13 151**	**17 106**

Note: Rubbish bags is distributed in informal areas and collected according to a publicised programme with a periodic cleaning service

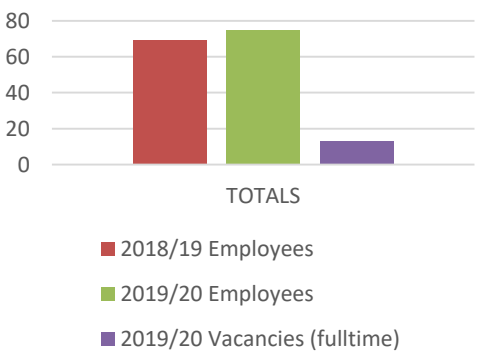
3.5.5 Waste Management - Service Delivery Indicators

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecRef46 Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.
- TecRef31 Improve basic services - number of established informal settlements receiving a periodic area cleansing programme.

3.5.6 Waste Management - Employees

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	62	67	10
4 - 6	4	4	1
7 - 9	2	2	2
10 - 12	1	2	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	**69**	**75**	**13**



3.5.6 Waste Management – Capital Expenditure

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Op Die Berg Public Toilets	700 000	1 300 000	884 423	32%	884 423
Vehicle repacement programme		520 089	520 089	0%	520 089
New Material Recovery Facility/Drop Off		943 000	287 413	70%	25 000 000
Transfer stations & related infrastructure		501 456		100%	
New Material Recovery Facility/Dro	1 000 000	998 123	908 587	9%	908 587
Vehicle Replacement Program		3 043 478		100%	
TOTAL	**1 700 000**	**7 306 146**	**2 600 512**	**64%**	

3.6 Housing

3.6.1 Introduction

Phase F1, Vredebes, which consists of 635 serviced plots was completed at a total value of R 35m. The 1st Phase to construct houses in Vredebes has started in 2019.

The first houses were handed over by the MEC for Housing in December 2019 and in total 229 houses were completed by end of June 2020. The 1st phase of houses consists of 600 top structures which will be implemented by constructing 200 houses per year.

3.6.2 Highlights

Highlights	Description
Vredebes Housing Project: Phase 1 – 600 Top Structures	Completion of 229 top structures
Approval of the UISP Project for 188 sites in N'duli	Planning money made available to the amount of R 1m by DoHS. Layout for the project has been completed
The enumeration of Tulbagh Informal Settlement were successfully completed by appointed service provider (DAG) in October 2019	A service provider were appointed by the DoHS to do enumerations of informal settlements in Tulbagh and N'duli and were funds allocated in the 5 year delivery plan for Witzenberg

The 1st phase of 229 houses was completed in Vredebes.

3.6.3 Challenges

Challenges	Description
Selling and renting of RDP houses	Beneficiaries are in desperate need for money and this is a way to generate an extra income. Sales are made illegally without houses being transferred which hampers the transfer processes because in some case the beneficiaries who received the subsidy are gone or deceased. No definite guidelines from the DoHS which must enforce the pre-emptive right
Transfer of rental stock	Outstanding debts of tenants to get rates clearance. Unforeseen documents needed by attorneys to expedite the registration process eg. registration of mother erven and lost original title deeds
Emergency housing for evictees (private and farm workers)	Emergency camp are planned as part of the Vredebes Housing Development, but no immediate solution available because of project funding for bulk infrastructure which will take ± 3 years to be completed depending on additional fund allocations
Immigration control in informal settlements. Increased illegal invasion of land in Wolseley and unfortunately we have no control because these structures are erected overnight and eviction through the court process costly and lengthy.	A response team need to be budgeted for and advertised via the tender process. Existing Community Committees needs to be co-operative. A "breakdown & monitoring team" consisting out of 5 temporary workers has been appointed to assist the housing officials and law enforcement with controlling illegalities in the informal. A budget has been approved (2018/19) to an amount of R1 million for the services of a response team.
GAP housing opportunities need to be increased because of household incomes rising on a yearly basis	The income band between R3 501 – R22 000 who is potential beneficiaries for GAP market do not qualify so easily for a bank loan although linked to the FLIPS subsidy because of their credit worthiness. The policy changed in 2018 to allow beneficiaries to make use of the pension funds as a warrantee to qualify for a bond or bank loan.
Vandalism of communal toilets in informal settlements	Constant or daily vandalism of communal toilets during the night and over weekends. Although community committees exist we still have no control over the vandalism and this is causing huge expenses to the maintenance budget of the Housing Section.
National Policy around persons younger than 40 years receiving houses/serviced sites	Although a National Policy, it is very difficult to implement specifically in informal areas. Policy however changed in 2016 and the aged limit were lowered to 35 years, the challenge stays the same because of the limited opportunities due to the annual allocations to municipalities.

3.6.4 Housing Service Delivery Levels

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2014/15		86.7%	2 077	9 065	(3.75)%
2015/16			1 945	10 421	14.96%
2016/17	29 969	83.3%	2 200	10 736	3%
2017/18	27 295	86.8%	1 942	9 568	(10%)
2018/19	29 969	83.3%	2 967	9 546	0%

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2019/20	30 000e	87%	4 027	10 774	13%

** Witzenberg Socio-Economic Profile (Western Cape Government) Including rural areas*

A summary of houses constructed and sites serviced under the subsidisation programme includes:

Financial year	Allocation (Budget)	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2014/15 (Capital)	34 885	34 885	100%		470
2014/15 (Operational)	15 017	15 017	100%	42	
2015/16 (Capital)	28 930	27 449	94%		763
2015/16 (Operational)	0	0	0%	0	
2016/17 (Capital)	7 711	7 522	98%		0
2016/17 (Operational)	24 963	24 264	97%	200	
2017/18 (Capital)	7 155 472	7 155 472	100%		In process
2017/18 (Operational)	15 573 699	12 643 351	81%	107	
2018/19 (Capital)	26 163 613	26 163 613	100%		635
2018/19 (Operational)	12 098 000	12 098 000		30	
2019/20 (Capital)	0	0			0
2019/20 (Operational)	29 000 000	23 982 171	83%	199	

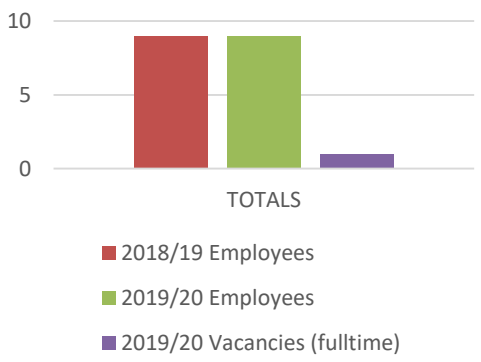
3.6.5 Service Delivery Indicators: Housing

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecDir2 Number of subsidised serviced sites developed..
- ComHS14 Number of housing opportunities provided per year
- ConHS15 Number of Rental Stock transferred

3.6.6 Employees: Housing

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	1	1	0
4 - 6	3	3	1
7 - 9	4	4	0
10 - 12	0	0	0
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	**9**	**9**	**1**



3.7 *Free Basic Services & Indigent Support*

Witzenberg acknowledges that priority must be given to the basic needs of the community and that the social and economic development of the community is supported in an effort to provide access to the basic level of service in terms of the Constitution of South Africa, Section 151(1)(b) and 153(b).

Free basic services are provided to households with a combined monthly income of less than R3 000.

A household may apply with the relevant forms and once their application has been approved, they are entitled to free basic services for one year. If they still qualify after the year has lapsed, they need to complete the application process again.

The aim of the Indigent Policy is to ensure a sound and sustainable manner in which to provide affordable basic services to the poor through financial assistance within the legal framework of the powers and functions of the municipality. This is done in an effort to improve the standard of living and creating a prosperous municipality that is free from the scourge of poverty.

THE OBJECT OF THIS POLICY IS TO:

- Ensure a transparent, accountable and sustainable manner to assist the poor with access to basic services as defined in the policy;
- Ensure a sustainable manner to assist the poor with the burial costs, transfer duties and to change the municipal accounts in the cases of death, legal separation, divorce, etc. when necessary; and to
- Ensure that a fair portion of the equitable share, as provided by National Government, is spent as a contribution towards poverty alleviation.

THE QUALIFICATION CRITERIA FOR URBAN HOUSEHOLDS IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

- The head of the household must be a South African citizen;
- The household, except in the case of rural households, must receive an account from Witzenberg Municipality;
- An application on the prescribed form must be duly completed and submitted, with the required information and signature;
- No member of the household may own a fixed property, other that the site on which the household resides; and
- The household's joint gross income may not exceed R3 000 per month.

THE QUALIFICATION CRITERIA FOR OLD AGE HOMES IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

- More than 50% of the residents within the old age home must receive less than R3 000.00 per month.
- The qualification criteria for electricity consumers within Witzenberg Municipality, but who reside in areas where the municipality is not the supplier of electricity, is that their connection may not exceed 20 Amps.

BENEFITS:

- **Property rates**
  In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R120 000.
- **Electricity**
  A subsidy equal to the amount charged for the first 50 kWh consumed per month.
- **Water**

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the municipality is the service provider.

- **Sanitation**
  A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- **Refuse removal**
  A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- **House rental**
  A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.
- **Burial costs**
  A subsidy equal to 100% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.
- **Transfer costs**
  A subsidy equal to 100% of the amount charged for transferring the municipal service accounts, as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name. This subsidy is provided as a result of death of the head of the household, whilst approved as an indigent household and the current registration is not registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

3.7.1 Access to Free Basic Services

Free Basic Services To Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2015/16	14 085	4 614	33	4 614	33	4 614	33	4 614	33
2016/17	14 085	4 510	32	4 510	32	4 510	32	4 510	32
2017/18	14 391	4 591	32	4 591	32	4 591	32	4 591	32
2018/19	15 388	6 742	43	6 742	43	6 742	43	6 742	43
2019/20	15 317	5 790	39	5 790	39	5 790	39	5 790	39

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value R'000	No of HH	Exempt Valuation	Value R'000
2015/16	4 614	100 000	2 272	11 385	100 000	9 677
2016/17	4 510	100 000	2 573	11 304	100 000	9 677
2017/18	4 591	100 000	2 277	11 914	100 000	11 806
2018/19	6 742	120 000	3 600	12 875	120 000	12 746
2019/20	5 790	120 000	3 247	12 871	120 000	13 514

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value R'000	No of HH	Unit per HH (kwh)	Value R'000	No of HH	Unit per HH (kwh)	Value R'000
2015/16	2 673	50	1 518	10 228	0	0	1 618	50	919
2016/17	2 565	50	1 526	10 493	0	0	1 458	50	828
2017/18	2 345	50	1 547	9 905	0	0	1 766	50	1 165
2018/19	3 697	50	2 606	9 626			1 851		
2019/20	3 093	50	2 466	9 936	0	0	1 859	50	1 310

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value R'000	No of HH	Unit per HH (kl)	Value R'000
2015/16	4 614	6	5 510	9 444	0	0
2016/17	4 510	6	5 386	9 575	0	0
2017/18	4 591	6	8 263	9 901	0	0
2018/19	6 742	6	12 669	8 646		
2019/20	5 790	6	10 880	9 369	0	0

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value R'000	No of HH	Unit per HH per month	Value R'000
2015/16	4 614	179.38	9 932	9 444	0	0
2016/17	4 510	190.14	10 290	9 575	0	0
2017/18	4 591	176.8	9 740	9 901	0	0
2018/19	6 742	187.41	15 162	8 646		
2019/20	5 790	198.65	13 802	9 369	0	0

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value R'000	No of HH	Unit per HH per month	Value R'000
2015/16	4 614	1	10 936	9 444	0	0
2016/17	4 510	1	8 021	9 575	0	0
2017/18	4 591	1	7 591	9 901	0	0
2018/19	6 742	1	11 817	8 646		
2019/20	5 790	1	10 960			

COMPONENT B: ROAD TRANSPORT

This component includes roads and storm water management.

3.8 Road Services

3.8.1 Introduction

Integrated Transport Planning

The Witzenberg Local Integrated Transport Plan (LITP) was prepared as part of the review of the Cape Winelands District Integrated Transport Plan (DITP) 2016- 2021.

As per Section 36 of the National Land Transport Act (Act 5 of 2009) all planning authorities must prepare an Integrated Transport Plan for their area for a five year period. These ITPs need to be overhauled every five years and updated annually. The Integrated Transport Plans for the Cape Winelands District have been prepared to meet the minimum requirements for preparing an Integrated Transport Plan as published by the Department of Transport. Witzenberg Municipality has been classified as a level 3 planning authority and is therefore required in terms of the National Land Transport Act to prepare a LITP.

Transport Status Quo

Witzenberg Municipality has a total population of approximately 115 000 persons with an economic growth rate of 2.64%. The primary economic activities which take place in the agricultural sector and are subject to seasonal changes. Witzenberg Municipality has a number of public transport services operating within municipal area. The most used mode of transportation is the minibus taxi. Other modes used in Witzenberg are rail, non-motorised transport and private vehicles. Witzenberg Municipality also experiences high volumes of freight transport travelling through the municipality. At present, the municipality has both formal and informal public transport facilities of which some formal facilities are currently not utilised by public transport operators. Witzenberg Municipality has three minibus taxi associations operating within the area; the Ceres Taxi Association, the Nduli Taxi Association and the Tulbagh Taxi Association.

The transport needs of Witzenberg are similar to those of its neighbouring municipalities. The primary issue in Witzenberg are that there is a limited public transport service during off peak periods, forcing people to wait for long periods of time before being able to travel. The safety of passengers and pedestrians as well as the affordability of taxi services are also issues impeding transportation. The municipal transport budget for Witzenberg indicates that there is approximately R8 million allocated toward transport related improvements. The budget mainly focuses on roads improvements in residential areas within the municipality.

Road network and traffic

The road network in Witzenberg Municipality consists of provincial roads, owned and managed by the provincial road authority, which is the PGWC. Apart from the provincial roads, which are also known as the rural road network, the upgrade and maintenance of the local street network is the responsibility of the local authority. Condition of the road surface indicated that 66% of the surfacing is in good or very good condition. The corresponding value for road structure is 79%. If road surface conditions deteriorate too much, the road structure will be adversely affected. Therefore, upkeep to protection of the structure through regular maintenance is very important. Fruit and vegetables are brought from various farms around Wolseley, from Op-die Berg and Tulbagh to the factory in Ceres to be packed. This creates an inflow of heavy vehicles to Ceres. From Wolseley and Tulbagh, heavy vehicles travel to Ceres via the Mitchell‘s Pass.

The Pass has a high quality surface, able to withstand high volumes of traffic. In contrast, the proclaimed road through Ceres is of a different standard and must accommodate the same high volume of heavy vehicles. In the urban streets of Ceres, special NMT signage restricts heavy vehicles from entering the urban areas. A Pavement Management

System (PMS) is used for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section. The priorities is divided into routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). This is supported by visual inspections which are performed according to a schedule and data is recorded and prioritised for implementation. Limited and funding backlogs are the greatest challenge faced in maintaining the road network.

Roads Master Planning

A Roads Masterplan was developed in approved by Council in 2020. The purpose of the Roads Master Plan is to compile an implementation strategy, with goals and objectives, which will be followed by a Business Plan detailing the objectives in such a way that clear direction is given to implementation of the recommendations on priority projects.

- The Master Plan include the evaluation and analysis of existing documents, the determination of existing backlogs, current demands and capacity.
- It include a funding model and a programme for the implementation of all the projects identified and prioritized.
- It evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation, and to identify new infrastructure required, and to propose time lines regarding when such infrastructure will be required.
- The assessments will address the primary and secondary networks, and the primary and secondary equipment needed to deliver a reliable, safe and affordable service to all existing and future consumers within the area.

3.8.2 Highlights

Highlights	Description
Vredebes Ph1 Busroutes	Widened roads to accommodate busroutes
Network Street	Resealed street in Ceres, Tulbagh and Prince Alfred Hamlet
Upgrade of Skoonvlei roads and stormwater	Upgraded 1.6km of gravel roads with a tarred surface
Traffic calming measures	Constructed 8 new speed-humps in Witzenberg

3.8.3 Challenges

Challenges	Description
Funding backlogs on bituminous pavements	Pavement Management System 2019, all bituminous pavements, 10% is in a poor to very poor condition
Deteriorated Tulbagh roads	4.35km Deteriorated roads needs to be upgraded
Upgrading needs on provincial roads, TR22/2 as a result of new developments	Department of Transport and Public Works has approved funds for the upgrades.
Upgrading needs for public transport infrastructure	No funding for proposals from Transport Assessment Plans

3.8.4 Service delivery levels: New roads & maintenance of existing roads

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

Tarred/paved roads:

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2014/15	216.76	3.119	2.377	0.88	213.64
2015/16	222.43	5.67	8.22	0	216.76
2016/17	222.43	0	1.58	2.63	222.43
2017/18	222.66	0.235	1.00	0	222.26
2018/19	227.43	4.77	1.818	0.605	222.66
2019/20	229.03	1.6	4.1	2	227.43

Gravel roads:

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2014/15	10.31	0	0.19	10.50
2015/16	10.50	0	0	10.50
2016/17	10.50	0	0	10.50
2017/18	10.50	0	0	10.50
2018/19	10.50	0	0	10.50
2019/20	8.9	0	1.6	8.9

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000	R'000	R'000
2014/15	12 684	2 029	3 541
2015/16	6 121	5 753	5 780
2016/17	16 806	7 698	7 804
2017/18	8 102	3 109	8 007
2018/19	32 114	105	5 990
2019/20	48 786	8 628	6 000

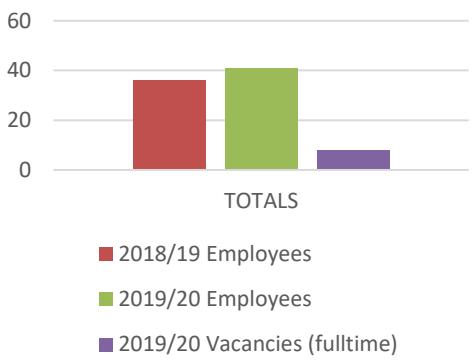
3.8.5 Service Delivery Indicators: Road Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- TecRo7 Kilometres of roads upgraded & rehabilitated

3.8.6 Employees: Roads & Storm water

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	13	18	3
4 - 6	9	9	2
7 - 9	4	4	2
10 - 12	7	7	1
13 - 15	2	2	0
16 - 19	1	1	0
TOTALS	**36**	**41**	**8**



3.8.7 Capital Expenditure: Roads & Storm water

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Network streets	2 000 000	1 995 957	1 995 957	0%	1 995 957
Upgrade Van Breda Bridge		972 174	251 224	74%	24 000 000
Pedestrian Route along R46/Nduli		870 000		100%	870 000
Traffic Calming	150 000	148 069	148 069	0%	148 069
Vredebes New Storm water Chann	3 391 441	3 262 883	3 262 883	0%	3 262 883
Network - Storm Water Upgrading	450 000				
Upgrade Pavement Vosstr From R	2 608 000	2 608 000		100%	2 608 000
Upgrade Pavement Vosstr From R	1 400 000	1 313 000	367 285	72%	1 313 000
Vredebes Ph1 Busroutes	1 786 386	1 786 386	1 655 906	7%	1 655 906
Pavement Upgrading	500 000	500 000		100%	
Rehabilitation of streets		2 912 625	2 912 625	0%	2 912 625
TOTAL	**12 285 827**	**16 369 094**	**10 593 949**	**35%**	

3.9 Waste Water (Storm Water Drainage)

3.9.1 Introduction

Storm water masterplans has been developed for all towns in Witzenberg.

The Department of Local Government and the Development Bank of South Africa (DBSA) through a partnership agreement has granted planning support to the Municipality for the development Storm Water Master Plans for all areas.

The purpose of the Storm Water Master Plan is to compile an implementation strategy, with goals and objectives, which will be followed by a Business Plan detailing the objectives in such a way that clear direction is given to implementation of the recommendations on priority projects.

- The Master Plan will include the evaluation and analysis of existing documents, the determination of existing backlogs, current demands and capacity.
- It will include a funding model and a programme for the implementation of all the projects identified and prioritized.

- It will evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation, and to identify new infrastructure required, and to propose time lines regarding when such infrastructure will be required.
- The assessments will address the primary and secondary networks, and the primary and secondary equipment needed to deliver a reliable, safe and affordable service to all existing and future consumers within the area.

The municipality also have maintenance plans for these areas through scheduled inspections and prioritisation for implementation. Cleaning of infrastructure is done in accordance with a scheduled programme.

3.9.2 Highlights

Highlights	Description
Vredebes New Storm Water Channel & Detention	New Stormwater Channel adjacent to R46 and attenuation facility (1.400km in length).

3.9.3 Challenges

Challenges	Description
Wolseley Montana Channel upgrade	No funding for portal culverts that has an enormous financial implication
Vandalism storm water drainage	Covers being stolen and sold at scrap metal yards.
Trees damage storm water pipes/sidewalks and roads	Trees with aggressive root systems
Storm water blockages	Manholes/catch pits being used as dirt dumping places

3.9.4 Service Delivery Levels: Infrastructure & cost of construction/maintenance

Storm water infrastructure

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2014/15	139.00	0.97	0	138.03
2015/16	139.83	0.83	0	139.00
2016/17	139.83	0	0	139.83
2017/18	139.83	0	0	139.83
2018/19	139.83	4.95	0	139.83
2019/20	142.83	3	0	139.83

Cost of construction maintenance:
The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water measures	
	Capital	Maintained
	R'000	R'000
2014/15	3 626	1 227
2015/16	9 662	952
2016/17	0	1 359
2017/18	2 008	1 834
2018/19	11 350	1 532
2019/20	3 391	1 623

COMPONENT C: PLANNING & DEVELOPMENT

Witzenberg Municipality does not have a single department that includes all strategic services. The LED section is managed by the Social & Economic Development section that is situated in the directorate for Community Services. The IDP, Internal Audit and Organisational Performance sections report to the Municipal Manager. Tourism and marketing are situated in the directorate for Corporate Services. Building control, town planning, spatial planning and GIS falls under the section Town Planning & Building Control situated in the directorate for Technical Services.

3.10 Planning

3.10.1 Introduction

On 27 May 2020 the Witzenberg Spatial Development Framework (WSDF) was adopted by Council as a core component of the 2017 to 2022 Integrated Development Plan. The WSDF will guide the spatial form and structure of Witzenberg (the way in which we use the space available for urban growth) in the future. This 5 year plan will enable Witzenberg to manage new growth and change in its area, to ensure sustainability and equitability. In its direction, the WSDF has five specific foci.

1. The first is to maintain and protect the integrity, authenticity and accessibility of Witzenberg's natural environment and associated resources. Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. The second is to maintain and expand the Municipality's key regional and intra-regional infrastructure. Appropriate infrastructure – whether in the form of transport routes or municipal services – is critical to support economic development, agriculture, and livelihoods.

3. The third is to maintain and grow the agricultural assets within the Municipality. Agriculture remains the mainstay of the regional economy and require on-going support. In a spatial sense, this specifically requires protecting high-value agricultural land from urban development. The opportunity also exists to diversify farm income in a manner which does not detract from the functionality and integrity of farming areas and landscapes, and to expand access to farming to smaller entrepreneurs and emerging farmers.

4. The fourth is to maintain and expand access to Witzenberg's unique sense of people and place. Important is the recognition and maintenance of unique landscapes, and diverse expressions over time of peoples' interaction with the landscape. Also critical is the SPLUMA principle of "spatial justice"; implying that past spatial and other development imbalances must be redressed through improved access to and use of land, as well as the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation.

5. The fifth is to maintain and expand opportunity associated with Witzenberg's key settlements. Settlements need to be managed and provide for expansion in a manner which enables efficiency in infrastructure provision, integration and compaction to enable better thresholds and more sustainable movement, and protection of surrounding assets of nature and agriculture.

3.10.2 Highlights

Highlights	Description
Witzenberg Spatial Development Framework (WSDF) adopted.	Municipality adopted the WSDF as a core component of its '4th generation' IDP's that will span the 5 year period beginning on 1 July 2017 and ending on 30 June 2022.
Final Draft Zoning Scheme By-Law prepared.	Consolidation of 3 old Zoning Schemes into a single Scheme concluded. Conversions of zonings and preparation of maps completed.

3.10.3 Synthesis of Key Spatial Challenges & Opportunities

A synthesis of key challenges and opportunities related to spatial planning and management are summarised below.

Challenges

- Economic sectors which underly the local economy and accommodate unskilled workers (especially manufacturing and agriculture) show slow growth.
- There is significant demand for housing while further urbanisation and current delivery rates for serviced land top structures will probably not be able to meet demand.
- Historic approaches to settlement development – favouring lower density single unit on a plot development – will threaten valuable agricultural land and strain infrastructure provision and maintenance.
- There are inadequate opportunities available for job creation and economic growth in settlements.
- Inadequate public and NMT transport options limit access to available work and other opportunities.
- Water and electricity supply and associated infrastructure may not be able to meet future demand adequately.

Opportunities

- Meaningful inter-governmental initiatives and public-private partnerships already exists which could be extended to assist in urban development and settlement management (e.g. RSEP, the Ceres Business Initiative, and the Twinning Agreement with Essen Municipality in Belgium).
- RSEP Involvement in development of integrated communities – leverage funding and project implementation.
- Sufficient undeveloped and underdeveloped land remain within the urban edges of settlements to accommodate anticipated demand for settlement development over the medium terms.
- Provincial spatial planning and land use management policy provides opportunities for the diversification of the agricultural/ rural economy (especially through sensitive tourism initiatives).

3.10.4 Service Delivery Statistics

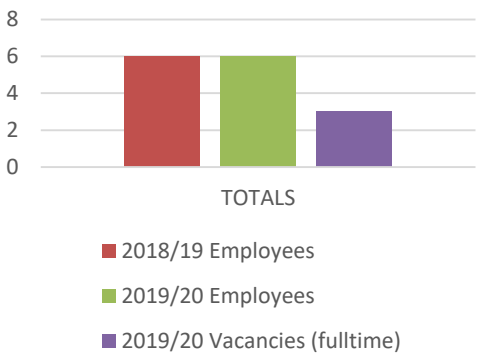
Type of service	2016/17	2017/18	2018/19	2019/20
Town Planning and Building Control				
Building plan applications processed	574	279	455	368
Total surface (m^2)	74 386m²	42 818m²	58 318m²	44 327m²
Approximate value	R 188 058 508	R 182 232 666	*R 3 232 931 532	R 212 778 595
New residential dwellings	318 (Due to subsidized housing project)	50	167	124
Residential extensions	96	77	87	90

Type of service	2016/17	2017/18	2018/19	2019/20
New Business buildings	2	3	1	1
Business extensions	9	10	1	3
Rural applications	56	45	73	39
Land use applications processed	33	34	31	34

*Drastic increase due to submission of building plans for Paardekraal Windfarm to a value of R3b.

3.10.5 Employees: Town Planning & Building Control

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	1
10 - 12	4	4	2
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	**6**	**6**	**3**



3.11 Local Economic Development

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2019/20 financial year:

Achievement/Highlight	Description
Successful launch for Witzenberg dining with the locals initiative at Wolseley	The concept is to present home-made traditional and cultural food, with a long table to be present to create a dining atmosphere. The event was attended by journalists of online accommodation booking companies. Local caterers, a host and a storyteller entertained guests.
Successful application for funding for a small business container centre in Skoonvlei	The centre will comprise of office, tuck shop and industrial converted business containers.
Finished construction of first Witzenberg SMME Hub in Prince Alfred's Hamlet	Entail development of 7 rental light industry business units for SMME's.
Eighty four permits were issued to existing and new traders	Creating an opportunity to informal traders to create an income
Successful small business expo on 26 October 2019	The participants were put into three categories namely hospitality, services and manufacturing. Eleven SMME`s participated and exhibited a variety of products and services at a Arts Festival in Prince Alfred's Hamlet. The expo created a platform for the businesses to market their products and to network.
Six local smme`s were approved by Cape Winelands municipality for the entrepreneurial seed fund and one business for the small farmer support funding	The aim of the Seed fund is to support local entrepreneurs to grow and develop their businesses by providing them with resources and mentorship support.
Successful supplier registration session	Informed businesses regarding the completion of application forms to participate successfully in the procurement processes of local, provincial & National Government. Prepared businesses to engage in the procurement processes with government

Achievement/Highlight	Description
Successful two day workshop with local recycling entrepreneurs	The workshops aimed at addressing the business development needs, as well as to map a way forward for collaboration between different stakeholders of recycling (mostly informal) in Witzenberg.
Engagements & dialogue with business forums.	The engagements aimed to share business related information, facilitate linkages with business opportunities and to stimulate networking between businesses.
Successful financial training presented by SEDA	Eleven SMME`s attended. The training aimed to reach the following objectives: ✓ Understanding the four elements of financial management ✓ Identify and apply the criteria of a price setting policy for a new venture ✓ Identify and analyse internal and external factors that impact on pricing decisions ✓ Demonstrate and understanding of the relationship between costs, revenue and profits
Annual evaluation of the business growth of beneficiaries of the Trioplus Training project (New Venture creation).	The aim of the evaluation was to evaluate the growth and status of the businesses, to inform and link them with business opportunities, and to share valuable information
Facilitated Business plan development for Witzenberg Honeybee Co-operative by means of SEDA. Submitted the business plan to potential funders.	Business plan has been developed for a honey bee extraction facility and has been submitted to several private & government stakeholders for funding
Eleven smme`s received marketing material that was funded by Perdekraal wind farm	Submitted an application on behalf of 11 entrepreneurs who exhibited at Small Business expo. Marketing material will enable clients to advertise their businesses and increase their clientele base
Tender workshop to empower contractors to be more successful with tender processes	Aspects that were discussed were: registration on supplier database, opportunities for local contractors, common mistakes concerning tender submissions and tender processes.
Established SMME email database network for dissemination of information during Lockdown to provide support to informal and small businesses	Regular Small Business Information sharing via email correspondence regarding the following: • Covid-19 regulations for businesses • SMMEs debt relief scheme • SMMEs emergency funding packages that included: business growth facility, SMMEs relief finance and restructuring of Sefa funded SMMEs • Tourism relief fund • Invitation to attend webinars for smme support • Jump entrepreneur app which provide businesses with access to a range of digital tools, apps, training, services and links to network to help resolve some of the most common business challenge. • Link SMMEs with the Business Support Program Feedback Survey • Technical support to help SMMEs go digital • Application forms for clothing and textile Supplier Development Programme Provided information to informal traders regarding Dept. Small Business informal trader programme and application process; assisted SMME's with business queries during the lockdown by liaising with the red tape reduction unit of DEDAT Liaised with SMME's that started to produce face masks; assisted them with permit information, guidance with procurement assistance, as well as red tape issues regarding trading. Assisted in linking these businesses with local businesses in order to aim to stimulate procurement from local entrepreneurs.

Achievement/Highlight	Description
	Two SMME`s were linked with an opportunity to manufacture and sell masks in bulk. 5 SMME`s were linked with an advertising opportunity provided by Perdekraal wind farm to apply for a tender to manufacture masks for the local market

The table below gives a brief description of all the challenges within Local Economic Development (LED) during the 2019/20 financial year:

Description	Actions to address
Insufficient office resources and unstable office location	Provision of a stable office environment and sufficient resources
Lack of sufficient funding for led projects	To make provision for sufficient funding to ensure sustainability of projects
Internal departments working in silos	Address the issue of effective communication and promote transversal LED in order that Technical and Community Services do not work in silos, but that planning for future projects and developments are done together, as to maximise impact and strategic efficiency
Impact of the coronavirus on service delivery	Limited services can be offered to client base Implement innovative and effective business support lockdown regulations

The LED Strategy along with the LED process plan is in the process of being implemented. The LED Strategy is built upon commitment to develop a climate in which economic development and economic growth can prosper. The LED Strategy for the next financial year (2020/21) is in review process.

The LED Strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Strategic areas	Description
Creating an enabling business environment	Construction of economic infrastructure; review bylaws for a more business & investment friendly environment; servicing vacant municipal land that has potential for economic development
Addressing the key development challenges	Finalising the LED Strategy; revisiting procurement process of municipality to include more local element (within municipal legislation)
Creating sustainable job opportunities	Implementing skills development programmes and capacitating entrepreneurs with business & market related skills. Assisting SMME's with access to private sector supply chain opportunities and financial support. Working towards alignment of Expanded Public Works Programme with LED goals of enterprise development

3.11.1 Economic Activity

Refer to Chapter 1.2.3

3.11.2 LED Initiatives

During 2019/20, 563 work opportunities were created via the Community Works Programme (CWP).

There are 4 different sectors that comprise the CWP projects in Witzenberg:

- social

- education
- local government
- environment

The projects within these sectors include:

- Early childhood development crèche assistance
- NGO support (which include: women group assistance, nutritional support, HIV support, disabled support)
- school support (which include: food scheme, site cleaning)
- street cleaning (which include river banks cleaning)

The CWP provide beneficiaries with nutrition and facilitate the training and the experience necessary for market entry, which includes:

- health and safety;
- waste management;
- food garden; and
- financial training

3.11.3 LED Statistics

Additional statistics on LED:

Type of service	2016/17	2017/18	2018/19	2019/20
Small businesses assisted	150	210	150	95
SMME's trained	170	175	70	20
Community members trained for tourism	39	18	7	5
Local artisans and crafters assisted	3	1	3	7

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	**EPWP Projects**	**Jobs created through EPWP projects**
2014/15	35	351
2015/16	40	427
2016/17	32	398
2017/18	37	403
2018/19	34	397
2019/20	25	409

3.11.4 Service Delivery Indicators: LED

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- ComLed19 Quarterly report to Mayco on investment incentives implemented.
- ComLed20 Quarterly report to Mayco on the Small Business Entrepreneurs Development Programme.
- ComLed21 Quarterly report to Mayco on the progress of the Ceres Business Initiative (CBI) Entreprenuer Programme for SMME's
- ComLed4 Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.

3.12 Tourism

3.12.1 Aim & Function of the Tourism Sector

Witzenberg Municipality has a service level agreement with one local tourism entity operating in all five towns, which conduct marketing of the municipal area and local established businesses to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership to this organisation holds businesses accountable to ethical norms and standards for the industry as well as to a code of conduct. Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with District, Provincial and National stakeholders to develop the brand through tourist attraction, awareness campaigns, road-shows, expos, events and festivals. Tourism also aims to train and skill local entrepreneurs to meet tourism-related demands and provide requisite services and products to promote local trade and economic development.

3.12.2 Training & Development

Tourism runs educational packages with schools, front of house staff and local stores to promote clientele service. Tourism also sources training courses in areas such as first aid, communication, administration and hospitality to help local businesses improve output and skill levels in collaboration with various stakeholders. With regards to a route development initiative by the Witzenberg Municipality, Tourism will provide marketing support to promote the route to ensure that areas of alternative and lifestyle tourism are expanded, to include rural, agricultural and township locations.

The Ceres Transport Riders Museum in conjunction with the Ceres Tourism office and Witzenberg Municipality has launched a new project called Ceres'ly Positive and the Facebook group is up and running. This initiative aims to promote a positive and friendly attitude and making Ceres the friendliest town in the country. Everyone is encouraged to join the Facebook group and share local feel-good stories.

Launch of Dining with the Locals - During a media education the media were treated with the launch of a concept that encompasses having dinner with locals. A local hostess welcomed the guests, two guest speakers shared their personal experience of the 1969 earthquake. Caterers from across the Witzenberg municipal area each prepared a course during dinner. This culminated in an evening of good food, good wine and the locals had an opportunity to demonstrate their talents - this is a concept that we would like to expand and grow going forward.

3.12.3 Destination Marketing

Tourism will continue producing tear off maps that are distributed to points of sale with high traffic thoroughfare, providing location and contact details of local tourist attractions. They have also produced and will continue updating a joint brochure called the Witzenberg Meander, covering activities across the municipality. Tourism bureaus for Wolseley, Ceres and Tulbagh have also created their own brochures with niche marketing of their towns and, with social media promotion through Facebook and website. For more details visit www.visitwitzenberg.co.za.

Tourism has been successful in marketing the destination as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism to visitors within South Africa. Tourism also conducts on an ad hoc basis, educational visits to the areas to tourism authorities outside of our borders as well as journalists, media groups and bloggers to review and publicise our activities and services.

Tourism educationals are held once a quarter, whereby role-players in the media is invited to come and explore and experience what the Witzenberg has to offer. They are treated to various activities and experiences in the various towns over one or two days and an overnight experience, in exchange for media coverage on various platforms.

Ceres Tourism has a mascot, CT, which is being used for various campaigns in the area – the first being a recycling campaign in the schools. The Mascot also attended the local tourism expos and festival goers and has become a favorite and popular attractions amongst locals.

3.12.4 Tourism Awareness/events

Annual events taking place in the Witzenberg municipal region:

Annual Event	Date
Ramkiekie Farmer's Market – Soetes en Sop	20 July 2019
Wolseley MTB Challenge	7 September 2019
Michell's Pass Half Marathon	16 November 2019
Tulbagh Horse & Flower Show	18 – 21 September 2019
Tulbagh Arts Festival	27 – 29 September 2019
Earthquake 50th commemoration	27 – 29 September 2019
A Day at the Duck Race	14 September 2019
Eselfontein Outdoor Festival	11 – 13 October 2019
Gydo Christmas Light Festival	29 & 30 November 2019
Ceres Cherry Route Fair	23 & 24 November 2019
Hamlet Arts & Culture Festival	25 & 26 October 2019
Witzenville Faire Tulbagh	06 December 2019
Apricot Festival	16 December 2019
Tulbagh Vintage & Vine Faire Christmas in Winter	Cancelled due to Covid-19 Cancelled due to Covid-19

We received extensive exposure during the 50th commemoration weekend of the 1969 earthquake. There was a full line up of events throughout the Witzenberg valley over the weekend, including amongst other the unveiling of an obelisk and thanksgiving service. There was an unbelievable interest in the 50th commemoration of the earthquake and we had features published in amongst manier magazines, newspapers, on television and radio as well as online. This had renewed the focus and interest Witzenberg, its tourist attractions and what we have to offer.

3.12.5 Challenges to Tourism

Witzenberg Municipality and Tourism do not have the autonomy, budget or infrastructure to roll-out Wi-Fi across the entire municipal area. Whilst some visitors seek out areas of limited coverage, most visitors have the expectation that Wi-Fi is easily accessible and is available free of charge. Not all local businesses are registered with Tourism and thus are not accountable to their code of conduct or service standards. Most establishments and services are not user-friendly to travellers with special needs, i.e. sight impaired, mobility limited, speech impairment, communication specialists (sign language, isiXhosa, German, etc.). Many establishments and services do not cater for multi-generational needs of visitors i.e. infants (cribs, feeding chairs, baby monitor, walking rings etc.), teenagers (DSTV access, cell phone chargers, cellular airtime vouchers, video games and consoles), the aged (wheel chairs, zimmer frames, magnifying glasses, large print menus/bibles etc.). Witzenberg Municipality does not have a formal tourism corridor through the township sectors of the municipal area. The financial support provided to Tourism contributes largely to the salaries of staffing and is thus is not fully focused on the areas of tourism development, promotion and destination marketing.

The current Covid-19 pandemic has had detrimental financial implications for the tourism industry and throughout the National Lockdown, Witzenberg Tourism have kept the communication lines open as far as possible keeping the members informed with the latest rules and regulations. According to reports many businesses in the tourism sector had suffered huge financial losses and many had to close their doors. The resilience of the industry depends on the financial interventions and practices that businesses put in place immediately going forward.

3.12.6 Opportunities for Tourism

A key action towards tourism growth and integration will be finalising the route development; aimed at job creation, social inclusion and strategic partnerships with tourism industry partners. This will formalize tourism corridors for travellers to experience a holistic tour of the region, ensuring a balance of revenue spend, exposure to rural and urban settings, demographic engagement and diversification of tourism involvement. This will further aid the municipality in realizing its aims towards social cohesion and poverty eradication. The themes projected for these routes will be heritage/culture/nature and agriculture/fruit/nature.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.13 Libraries & Community Facilities

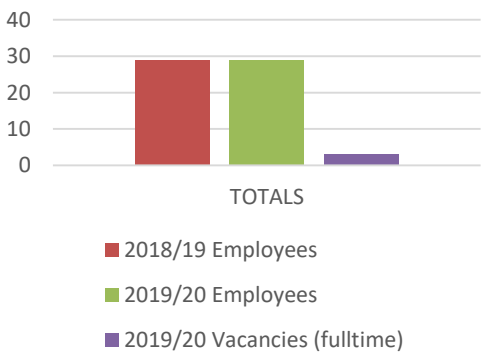
Libraries are managed by the section, Library Services, located in the directorate of Community Services. All towns have a library, with mini libraries at Op-die-Berg, Laastedrif and Agter Witzenberg.

3.13.1 Service Statistics - Libraries

Type of service	2017/18	2018/19	2019/20
Libraries			
Number of Libraries	9 and 2 mini libraries	9 and 3 mini libraries	9 and 3 mini libraries
Library members	26 764	29 158	29 831
Books circulated	213 167	313 145	208 600
Exhibitions held	252	251	181
Internet access points	34	40	36
New library service points or Wheelie Wagons	1	1	0
Children programmes	120	124	88
Visits by school groups	870	566	272
Community Facilities			
Number of Community Facilities – Community- and Town Halls	12	12	12

3.13.2 Employees – Libraries & Community Facilities

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	5	5	2
7 - 9	13	13	1
10 - 12	10	10	0
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	**29**	**29**	**3**



3.14 Cemeteries

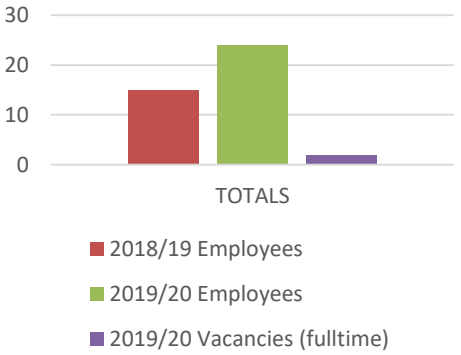
Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

3.14.1 Service Statistics - Cemeteries

Type of service	2017/18	2018/19	2019/20
Number of Cemeteries	4 open 2 closed	4 open 2 closed	4
Number of private burials	520	576	482
Number of poor burials	27	25	39
Number of indigent burials	41	43	51
#Stats are for all towns			

3.14.2 Employees – Cemeteries

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	12	21	2
4 - 6	3	3	0
7 - 9	0	0	0
10 - 12	0	0	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	**15**	**24**	**2**



3.15 Child Care, Aged Care & Social Programmes

The Socio Economic Unit is responsible for:

- the initiation and strengthening of early childhood development (ECD) programmes and support of the ECD Forum;
- capacity building of crèches;
- strengthening awareness programs regarding the aged abuse and access to indigent services;
- strengthening and support of youth development with the focus on job creation and skills development;
- strengthening and support of persons with disabilities through skills development; and
- support HIV/AIDS awareness

3.15.1 Service Statistics: Child Care, Aged Care & Social Programmes

2018/19	2019/20
Soup kitchens established or supported	
No soup kitchens were financially supported	No soup kitchens were financially supported
Initiatives to increase awareness on child abuse	
10 x child protection programmes focussing on child abuse, child neglect, child abductions and crimes against children, 2 x holiday programme with children focusing on the rights of children, 2 x programmes with children focusing on awareness regarding children with disabilities and promoting inclusivity at mainstream schools	10 x child protection programme focusing on creating awareness and prevention of child abuse and neglect. Of these programmes two were holiday programmes and two focused on children with disabilities. Organisations that were involved: Uhambo Foundation, working with disabled children and promoting inclusive education and learning activities. One programme focused on drug abuse at a local high school where we focused on the abuse of Marijuana. 1x programme focused on continued intervention to children on the street.

	One programme was held with the Perdekraal wind farm where 80 school children from various schools in the Witzenberg Municipal area, they also were provided with school uniforms.
Youngsters educated and empowered	
Nation Building Training, Job Preparation Workshop for 5 youth, Health &safety accredited training for 4 youth, Herbicide application accredited training for 4 youth, Talent show x2, First Aid Training x2 (for 24 youth), Accredited Carpentry training for 5 youth, Hosted Cape Winelands Drama Festival, Job Placement Certificate Ceremony, WMF Golf day, Sexting Workshop, Informal Sport Day, Leadership Training for 42 youth, Life skills: Social awareness, Self-esteem x2, Job readiness x4, importance of obedience, Awareness on gangsterism, Life skills: Safe sex x4, Substance abuse x20, Mandela day x7, Afterschool program x9, Motivation session with school drop-outs x2, Choosing the right friends, Obstacle course, Peer pressure x11, Problem solving & decision making, Time management x2, HIV/AIDS x3, Behaviour problems x2, Challenges, Character building, What does the community mean to me, Goal setting x2, Relationship with parents, Stereotypes and gender roles, ATM safety, Importance of Education x3, Breaking cycles x2, Good coping skills' Relationships' Anger management' Study methods, Mothers, Awareness on Human trafficking, Child Protection Law, Dreams & time, Awareness on abuse, Chasing dreams, Morals & values, Who am I, Personal, family and community values, Communication barriers, Safety tips, FAS (Fetal Alcohol syndrome), School drop-outs, Team work x5, Cultural intelligence x2, Soft skills: Needle work x3, Celebrating women session, Research session about countries and animals, Heritage day programs x3, Fund raiser, Crime prevention programs x5, Information sessions x2, Cansa awareness, Social responsibility programs x7, Encourage reading sessions x3, Holiday programs x8, Arts and craft programs x7, Sport development programs x40, Basic computer skills x4, Motivational programs x14, Indigenous games x6, Health & safety programs x13, Awareness on Teenage pregnancy x9, Entrepreneurship day (school program), Career guidance sessions x3, 16 Days of activism programs x4, Awareness on TB x5, Community concert, Educational trip to the Museum, Road safety program x3, Youth intervention, Breast cancer & testicle cancer awareness, Back to school program, Recycling session x2, Valentine's day program x3, Save water program, Support group: young parents x3, Online course: Servant leadership, Drill practice, Recruitment for ABET (total of 17 youth), Provided +-2191 youth with youth related opportunity information across Witzenberg via the Youth Focal Points	Servant Leadership Program ; Deafnet (short course)Basic SASL Training x 2 ; Fundamentals of business expansion (online course); Crossroad programme activity; Afterschool program x6; Basic Computer course; started a support group; Job Preparation training & Job preparation Camp (in association with Kouebokkeveld Training centre); Train-the-trainer training; Facilitated tiling & plumbing course for 200 youth in Witzenberg; assisted youth parents with online registration: Western Cape Department of Education ; Indigenous games x 2, world Aids day awareness, holiday programmes; Assisting youth with NSFAS and tertiary applications ; assisted youth to apply for online Pay-project internship; First Aid Level 1 training; Youth Placement Programme in Carpentry (5 youth)- included accredited Carpentry Training Level 1; Educational Field trip to old age home with disabled youth The following life skills workshops were conducted (topics is listed): Servant Leadership: The deciding difference ; Health (TB)(mobile style); Health (HIV/AIDS) (mobile style) x 2 Peer Pressure x4; Water saving tips (mobile style); Mandela Day x2; Life skills: Safety; ; Morals & Values; Substance Abuse x4;; Safe sex (Mobile Style); ; Program (Team Building); ; Program(Passing the ball); Focus on Women's day at Agter-Witzenberg; ; Getting to know yourself; Motivational session x3; Life Goals (mobile style); Career Guidance (mobile style); Value Yourself (mobile style); Your Identity (as a child of God); Thanksgiving to women; Healthy self-Esteem; Health (Dangers of unprotected sex) Women's day; Computer skills; Winter Drive (in collaboration with APD); Veggie Garden (in collaboration with APD) Identity: Self-image x4; Strengths and weaknesses; Who are you as a Leader; Family and rights; Awareness on Substance Abuse (in collaboration with Youth ambassador; Ceres); Awareness on Social Media (in collaboration with Youth ambassadors of Ceres and Op die Berg); Job Preparation (CV's); Awareness on violence against women and children; Human Rights; Job Readiness (mobile style); Afterschool Program; Interview skills (mobile style) Job Preparation and interview process; Social responsibility Act; Awareness on Social Media (in collaboration with Youth Development official; Witzenberg Municipality); Capacity Building; Preparation for high school; Characteristics ; Values; ECD Computer Training; Management Strategies for people and resources; Servant Leadership; Recycling ; Personal & Social wellbeing; Life skills: Conflict management; Awareness on violence against children; Breast cancer Rally; Safety tips

	for sanitary napkins; Information session (Job Preparation Camp) x3; Motivational Talk; Fitness; Education; Arts & Craft x 3; Leadership x 2; Teamwork x 2; Good Communication; Action & Attention; Youth Intervention Identity x 2;Substance Abuse; Motivational talk with school dropouts; Fundraising concepts (online course); Taking on challenges; Gender based violence Awareness x 2; Anger Management; Safety awareness x 3; 16 Days of activism: informal discussion; Anger management & Identity; Awareness on Sexual Abuse; Asset Based Development ; Goals & Values ; Career Exposure; What is my purpose in life; Self Discipline; Vulnerable teens; Trust and teamwork Awareness on COVID 19; Informal Sport Development x11; Awareness on bullying.
Initiatives to increase awareness on disability	
3 x Parent support programmes for parents/caregivers of children with special needs, 2x face painting and "poppekas" programmes for children with disabilities, 2x awareness programmes about prevention and treatment of mental disabilities, 5 x life skill and arts and crafts programmes with young people with disabilities	11x Programmes were held with local organisations working in the field of disabilities. Of these 8x programmes were held with an arts and crafts group. The focus was life skills and hand skills. We had topics like self-esteem and self –worth. We also talked about personal hygiene and conflict and communication skills. The organisation working with disabled children partnered with Witzenberg Municipality and prepared teachers and caregivers to do learning activities with children with disabilities that are inclusive. One follow up session was held with these caregivers and teachers and one session was held with stakeholders to determine the need for a care facility for the child with disabilities in Wolseley and Tulbagh. 1 x heritage day programme for children with disabilities. Children were taken to Ceres Togryers Museum to learn about the history of the town.
Initiatives to increase awareness on women	
2x Awareness programmes on breast cancer prevention and treatment, 8 x Awareness and prevention programmes- Gender Violence/Domestic Violence, 2x Programmes – Human Trafficking, 3x Women's day celebration programmes focusing on self-care and health issues that affects women, 2x awareness programmes- 16 Days of activism against violence against women and children	2x Awareness programme focusing the prevention of human trafficking. 1x Women's Day Celebration Programme focusing on Women's health issues. 1xAwareness programme on Breast Cancer Awareness and Prevention. 1x Outreach and Legal Advice Clinic facilitated by the Provincial Gender Forum.4x Awareness and Prevention Programmes focusing on women abuse, domestic violence and intimate partner violence programme.
Initiatives to increase awareness on HIV/AIDS	
9 x HIV awareness programs in Witzenberg, 1 x Workshop on HIV with relevant role-players	3 X HIV awareness programs in Witzenberg 1 x World Aids day celebration
Initiatives to increase awareness on Early Childhood Development	
4x ECD quarterly Forum meeting, 1 x Fire Safety workshop for ECD practitioners, 1x First Aid training for ECD practitioners, 1 x Workshop for cooks in food preparation and hygiene, 1 x Workshop in milestone development for 0-3 years for ECD practitioners, 1 x Awareness program on child safety and child trafficking, 1 x Workshop on stimulation for children 0-3years, Site visits to ECD centres in municipal buildings, 1 x Awareness program on water safety for ECD	4x ECD quarterly forum meetings, 1 x Workshop for ECD practitioners in milestone development, 1 x ECD workshop for ECD cooks and principals on healthy nutrition, 1 x Workshop for cooks at ECD centres in safe food preparation, regular site visits to ECD centres in municipal buildings, 4 x awareness program on stranger danger with preschool children, 1 x awareness program for practitioners at ECD centre on effect of trauma on preschool children, 1 awareness program for

children, 1x Awareness program on emotional intelligence for parents of ECD children	parents at Tulbagh ECD centre on child safety, Distribution of information regarding re-opening of ECD centres after lockdown, distribution of information on covid 19 to ECD centres in Witzenberg
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	
6 x Awareness programs on Fetal Alcohol Syndrome, 6 x Awareness programs on substance abuse	5 x awareness programs on substance abuse at Primary Schools in Witzenberg, 3 x awareness programs on fetal alcohol syndrome, 1 x awareness program on substance abuse with homeless people.
Special events hosted	
Elderly Lunch on 5 December 2019	Awareness programs with homeless people on monthly basis.

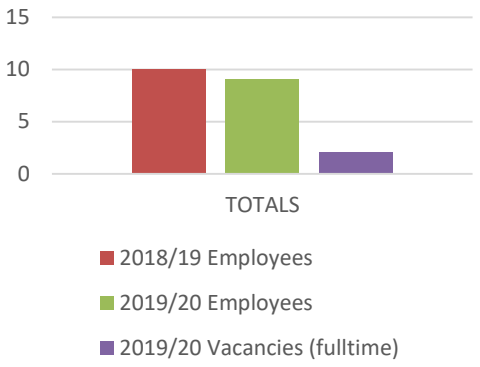
3.15.2 Service Delivery Indicators: Child Care, Aged Care & Social Programmes

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- ComSoc41 Number of account holders subsidised through the municipality's Indigent Policy
- ComLed8 The number of jobs created through municipality's local economic development initiatives including capital projects.
- ComSoc42 Number of engagements with target groups with the implementation of social development programmes.

3.15.3 Employees: Socio-Economic

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	5	4	1
7 - 9	1	1	0
10 - 12	4	4	0
13 - 15	0	0	1
16 - 19	0	0	0
TOTALS	**10**	**9**	**2**



3.16 Community Services: Other

3.16.1 Capital Expenditure – Community Facilities and Libraries

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Ceres TownHall Chairs	300 000	237 500	237 500	0%	237 500
Upgrade Of Kononia Community H	50 000	32 959	32 959	0%	32 959
Containers 3x3m	500 000	420 966	10 550	97%	10 550
Ceres TownHall upgrading	600 000				
Johns Steyn Library Upgrade	1 500 000	1 900 000		100%	1 900 000
TOTAL	**2 950 000**	**2 591 425**	**281 009**	**89%**	

COMPONENT E: ENVIRONMENTAL PROTECTION

The section Facilities and Environment manages environmental protection which includes environmental education, aesthetics and wild animal management such as baboons, as well as the protection of fauna and flora. The department is in the process of developing an Environmental Management Plan.

3.17 Pollution Control

Environmental officers within the department are responsible for environmental and pollution control. The focus is mainly upon pollution, illegal dumping and the protection of fauna and flora. The municipality is part of the Regional Air Quality Forum and has an official appointed as an Air Quality Officer. The municipality places emphasis on education and training of the youth and school learners. The section is strives to ensure environmental conservation as well as compliance to legislation.

3.17.1 Service Statistics – Pollution Control

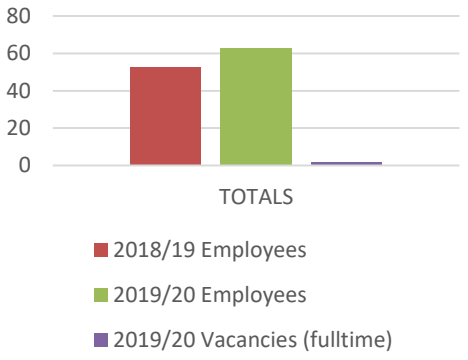
Type of service	2017/18	2018/19	2019/20
Pollution Control			
Number of environmental education initiatives held	10	9	9
Number of baboon damage incidents	0	0	0

3.18 Parks, Public Open Spaces & River Management

Parks management is responsible for the management and maintenance of parks in the municipal area. New parks are designed and developed by this section. The function also includes river maintenance and conservation of municipal nature areas. The municipality has more than 50 hectares of official parks and many more open spaces and areas that requires maintenance. Parks scheduled for cutting every 3 weeks. Rivers are maintained to prevent pollution and regular clearings of alien vegetation takes place.

3.18.1 Employees: Parks, Public open spaces & river management

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	36	46	1
4 - 6	13	13	0
7 - 9	3	3	1
10 - 12	1	1	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	**53**	**63**	**2**



3.18.2 Capital Expenditure: Parks, Public open spaces & river management

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Chainsaws	44 442	44 023	44 023	0%	44 023
Brushcutters	25 000	30 659	30 659	0%	30 659
Irrigation equipment for parks	1 000 000	36 574	36 574	0%	36 574
Truck 1.3 ton	350 000	523 086	523 086	0%	523 086
Containers x 2	40 000	25 484	25 484	0%	25 484
TOTAL	**1 459 442**	**659 826**	**659 826**	0%	

COMPONENT F: SECURITY & SAFETY

This component includes: Traffic; Fire; Disaster Management, Licensing and control of animals, and Control of public nuisances, etc.

3.19 Traffic & Vehicle Licensing

Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority is to improve service delivery at the Traffic Centre. This will be achieved through service excellence and through identification of shortcomings and addressing these through training initiatives.

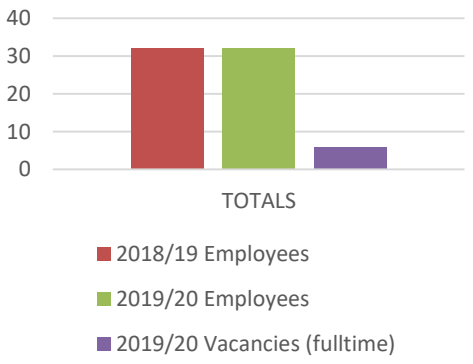
3.19.1 Service Statistics – Traffic Services

Type of service	2016/17	2017/18	2018/19	2019/20
Number of road traffic accidents during the year	807	618	471	631
Number of by-law infringements attended	311	293	138	870
Number of Traffic officers in the field on an average day	9	6	10	11
Number of Traffic officers on duty on an average day	15	11	21	17
Animals impounded	0	0	0	0
Motor vehicle licenses processed	26 116	27 458	26 838	23 940
Learner driver licenses processed	2 449	2 445	2 270	2 136
Driver licenses processed	2 401	1 865	1 829	1 735
Driver licenses issued	684	686	581	417
Fines issued for traffic offenses	41 813	56 816	25 111	37 529
R-value of fines collected	3 268 504	4 448 590	2 429 886*	2 643 825
Operational call-outs/Complaints	409	528	763	554
Roadblocks held	10	13	24	16
Special Functions – Escorts	72	78	89	66
Awareness initiatives on public safety	18	21	10	21

*Note: Reason for decrease – appointment of service provider was delayed.

3.19.2 Employees – Traffic- & Law Enforcement Services

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	1	1	0
4 - 6	6	6	0
7 - 9	4	4	2
10 - 12	19	19	4
13 - 15	2	2	0
16 - 19	0	0	0
TOTALS	**32**	**32**	**6**



3.20 Fire Services

In recent years, the role of the fire service in many communities has expanded far beyond fire suppression. As a progressive organization we aim to ensure that fire prevention and public education appropriately receive an increased emphasis as proactive elements to safeguard our community.

Citizens are dependent on the fire department to ensure their protection against dangers of fire, entrapment, explosion, dangerous goods incidents and any emergency event that may occur in the community (Paulsgrove, 2003). The Constitution of the Republic of South Africa (Act 108 OF 1996) establishes fire-fighting services as a Local Government matter. The Fire Brigade Services Act (99 OF 1987) provides for the Witzenberg Municipality as a local authority to establish and maintain a fire brigade service for the following different purpose:

a. Preventing the outbreak or spread of a fire;
b. Fighting or extinguishing a fire;
c. The protection of life or property against a fire or other threatening danger;
d. The rescue of life or property from a fire or other danger;
e. Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
f. The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

The Witzenberg Municipality therefore has the duty to perform the following firefighting functions:

- Prevention, -mitigation, -preparedness, -response, -recovery and –rehabilitation of emergency incidents;
- Extinguishment of structural, veld and bush fires and any other fire;
- Rescue and humanitarian services;
- Fire Safety Prevention (the application of the National Building Regulations, Fire codes and municipal bylaws with regard to fire safety);
- Fire pre-planning and preparing related preparedness plans;
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Training of staff members.

In addition to the functions above, the Fire service provide:

- Communications facilities for the municipal emergency service; and
- Support services to municipal and other instances.

The top service delivery priority of the Fire Service is the rendering of an effective and efficient Fire and Rescue Service. The South African National Standard For Community Protection Against Fire, SANS 10090:2018, is a measurement tool that indicates whether a fire service is meeting the minimum mandatory community fire protection standard, which in turn is indicative of whether a fire authority is indeed contributing to the objects of local government. The Witzenberg Municipality Fire and Rescue Service is currently classified as a category 5(b) which mean that we meet the performance criteria for staff availability and appliance availability by only 35% to 45%.

Witzenberg Fire Service assisted the Cape Winelands District Fire Service at various veld fire incidents by performing the initial response when they could not attend to these incidents. Highlights in this year was:

- The community educational drive, where we focused on schools to educate learners of the dangers associated with fires as well as preventative measure which could be used to prevent the outbreak of fires.
- The opening of two new satellite fire stations in Wolseley and Op die Berg, to reduce our response times to emergencies, and
- The implantation of our Fire Break Maintenance plan.

The maintenance, growth, extension and delivery of fire services rely heavily on funding. The funding received in this reporting year did not allow for growth but amidst staffing and funding challenges the department continues to perform admirably in terms of ensuring that emergency services delivery is maintained.

3.20.1 Service Statistics – Fire Services

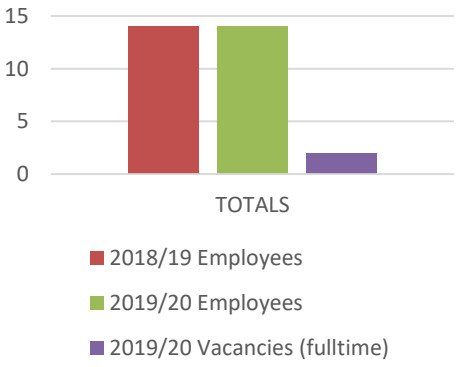
The table below provide an overview of the service statistics. Detailed response information is also captured from December 2019 to June 2020 and can be attributed to the fact that we started using Fireweb, which is an electronic call taking and dispatch system, through which we create detailed incident reports.

Type of service	2017/18	2018/19	2019/20
Emergency responses	669	712	515
Average turnout time - urban areas	10min	10min	10:52min
Average turnout time - rural areas	20min	20min	17:29min
Fire fighters in post at year end	10	14	14
Total fire appliances at year end	7	6	6
Total Operational call-outs	681	890*	955
Reservists and volunteers not trained	0	0	0
Awareness Initiatives on Fire Safety	98	74	132
EPWP Fire Fighters	0	16	27

*Increase due to additional drinking water provision on farms

3.20.2 Employees – Fire and Disaster Services

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	5	6	0
7 - 9	7	5	2
10 - 12	2	2	0
13 - 15	0	0	0
16 - 19	0	1	0
TOTALS	**14**	**14**	**2**



3.21 Other (Disaster Management, Animal Control &, Control of Public Nuisances

The Disaster Management Act (57 OF 2005), Sections 52 and 53 require each municipality and municipal entity to prepare a Disaster Management Plan (DMP). The Witzenberg municipality has a legislated duty to:

- Establish a functional Disaster Management Centre.
- Appoint of a Head of Centre and suitably qualified persons.
- Responsible for the implementation and maintenance of an all-hazard, full-spectrum comprehensive disaster management program, ensuring:
  - Prevention
  - Mitigation
  - Preparedness
  - Response.
  - Rehabilitation and reconstruction
- Monitor progress with post-disaster recovery & rehabilitation.
- Serve as repository of and conduit for, disaster information.
- Be the advisory and consultative body on disaster issues.

- Make recommendations regarding DM funding.
- Make recommendations on legislation affecting DM.
- Promote the recruitment, training and participation of volunteers in DM.
- Promote disaster management capacity building, training and education throughout the republic, including in schools.
- Promote research into all aspects of disaster management.
- Liaise and coordinate its activities with other relevant DM Centres.

Witzenberg Municipality is primarily responsible for the implementation of the Disaster Management Act (No. 57 of 2002) within its area of jurisdiction, with a specific focus on ensuring effective and focused disaster risk reduction planning. With the new approach to Disaster Risk Management in South Africa and world-wide, the emphasis changed from response to disasters to pre-disaster risk reduction. The process of disaster risk reduction should therefore commence with a process of risk identification and assessment. The outcomes of a disaster risk assessment can ensure that all developmental initiatives as well as contingency planning and practice of the municipality are informed by accurate knowledge of potential disaster risk, enabling various stakeholders to contribute to the reduction of such risk.

The disaster management plan of Witzenberg Municipality was reviewed in 2019 and:
- forms an integral part of its Integrated Development Plan (IDP);
- anticipates the types of disasters that are likely to occur in the municipal area and their possible effect;
- places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households;
- identifies the areas, communities or households at risk;
- takes into account indigenous knowledge relating to disaster management;
- promotes disaster management research;
- identifies and address weaknesses in capacity to deal with disasters;
- provides for appropriate prevention and mitigation strategies;
- facilitates maximum emergency preparedness; and
- contains contingency plans and emergency procedures in the event of a disaster.

A number of effective programmes have been implemented during the last financial year to address the above requirements, which include:
- Awareness programmes to protect citizens from fires and floods
- Regular cleaning of the storm water channels
- Implementation of the municipal fire break maintenance plan
- The Fire and Rescue Services do regular awareness programmes in the communities

DISASTER INCIDENTS
In the beginning of the year the Witzenberg Disaster Management Services dealt with the aftermath of the drought and had to enforce level 1 water restrictions in Tulbagh as an ongoing measure to limit water use. For the second part of the financial year the Disaster Management component has been tied-up in providing a coordination platform for the management of the current Nationally Declared COVID-19 pandemic. As a local municipality coordination structures have been put in place. The COVID-19 JOC met Wednesday and we also provided feedback and participated in District COVID-19 JOC meeting.

DISASTER MANAGEMENT ADVISORY FORUM
The Disaster Management Advisory Forum was established in September 2019 and met once a quarter as per legislative requirement and consist of the following stakeholders:
- Witzenberg Fire, Rescue and Disaster Management Services – Chairperson
- Witzenberg Deputy Mayor as Chair of the Community Development Committee
- Witzenberg Senior Management and Technical services
- Department Correctional Services
- Department of Social Development
- Ceres Provincial Hospital
- Ceres Netcare Hospital
- Provincial Traffic
- Witzenberg Traffic and Law enforcement
- Emergency medical Services
- Cape Winelands District Municipality Disaster Management and Fire Services
- South African Police Services
- Department of Agriculture

- Department of Community Safety
- Department of Education
- Cape Nature

RISK

One of the main challenges in terms of the implementation of pro-active disaster management, especially at a local municipal level, remains the lack of suitable qualified staff tasked with the sole purpose to ensure the implementation of the actions required by both the Disaster Management Act, as amended and the Disaster Management Framework. The District did start to address this gap by employing one Disaster Management Intern at Witzenberg, but we need to plan for the funding of permanent positions. At a strategic level the placement of the Disaster Management section, being placed within a line department and not at the highest level of decision-making remains a concern, in order to be able to cut-across all departments the optimal placement of the function should be in the Office of the Municipal Manager.

COVID-19

a) Introduction to COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act (DMA) 57 of 2002. This was done primarily, as the President stated it to enable the government to "have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus." The declaration enabled the government to issue regulations, directions, and guidelines to contain and mitigate the impact of the pandemic. These regulations and the pandemic itself have had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect, not only to the identified risks, but also in terms of projects, manpower and budget.

b) COVID-19 Committees

On the 19th of March 2020, the Witzenberg Municipality activated the COVID19 Command Centre and established the internal COVID19 management and JOC Committees. The committees comprised of members from all spheres of government and had the following functions:

i) The purpose of the internal Coronavirus management committee was to ensure the provision of basic services such as water and sanitation, solid waste, electricity, etc. to all communities continue and to support the allocation of additional resources to the Local Joint Operation Structures.

ii) The purpose of the local Coronavirus JOC to coordinate the relevant structures to facilitate and ensure implementation of the measures to combat the spread of COVID-19 across the municipality.

iii) The responsibility of the local Coronavirus JOC were:
   - Provide leadership and oversight role to ensure implementation of the measures to combat the spread of COVID-19 across the district;
   - Receive progress reports on the implementation of the district COVID-19 response plans;
   - Monitor the implementation of the regulations, directives/ direction and guidelines pertaining to combating the COVID-19;
   - Take ownership and ensure reprioritisation and mobilisation of resources to respond to the COVID-19 pandemic;
   - Submit local reports to the District JOC; and
   - Monitor and evaluate the impact of the interventions at a local level.

c) COVID-19 Statistical Information

The table below indicates the documented statistical information for COVID-19 within the Witzenberg Municipal area:

Description	April 2020	May 2020	June 2020
Cumulative cases	156	327	747
Cumulative Recoveries	149	316	722
Cumulative Deaths	7	11	25

d) Challenges: COVID-19

The table below gives a brief description of the COVID-19 challenges during the 2019/20 financial year:

Challenge	Corrective action
Housing the homeless during the initial lockdown	Established a temporary shelter to shelter the homeless, supported by DSD.
Not sufficient funding to address unforeseen COVID-19 expenses	Mid-year adjustments to cover the most urgent COVID-19 expenses.
Limited capacity to address COVID-19 mass fatalities	Mass fatality management plan developed and implemented.
Funeral undertakers not geared to work with COVID-19 fatalities	All local funeral undertakers trained and guidelines developed to be used
People in self-isolation or self-quarantine not staying at home	Coordinated local effort to assist with contract tracing and to ensure people stay at home
Contaminated properties belonging to state departments and indigent households	Fire Services performs disinfection and EHP's provide training
Non-adherence to regulations	Marked coordinated effort by traffic, law enforcement and SAPS with limited resources.

The municipality does not enforce animal licensing at this stage. Animal control is, however, problematic as the municipality does not manage an animal pound and it is too expensive to impound animals in neighbouring towns which do manage pounds. At this stage, as a control measure, the municipality has appointed 10 animal monitors in the different areas. Monitors function on the basis of the EPWP programme. The function of these monitors is to ensure that the animals are not a problem to residents or a danger to road traffic. The biggest challenge is roaming cattle and horses. Several accidents were reported where cows and goats was involved in collisions with motor vehicles. The municipality is, however, looking at possible service level agreements with other institutions, as mentioned in Section 76(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). Animals have been already impounded in terms of Section 6(1)(e) of the Witzenberg Municipality, By-law Relating to Pounds, No 7404 of 19 June 2015, where a land owner on whose property the animals were trespassing, is authorised to impound these animals. Another challenge is the monitoring of animals during weekends and after hours during week days. Animal complaints average 4 per week and may vary depending on the situation. At this stage, meetings are being held with roaming animal owners and in some instances, compliance notices are served. The municipality is continuously looking at alternatives in combatting these challenges.

Public nuisances' are addressed by the Traffic Department. Complaints on nuisances received are documented and reported on in the Traffic Monthly Report.

COMPONENT G: SPORT & RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

The municipality manages one resort, the Pine Forest Resort. This resort offers the following facilities for visitors and the local community:

- 97 accommodation units that can house 557 people with day braais.
- 21 normal camping sites and 280 sites for long-term rentals
- 1 recreation hall
- conference halls with seating of 30 and 80
- 1 Olympic size and 2 smaller for kids, swimming pools
- The recreation area includes a play park for kids, putt-putt, trampolines, table tennis, badminton and squash courts

The number of visitors for 2019/20 applicable to accommodation units and normal camping sites, amounted to R 3 016 241 (30 951 bed nights).

Besides the swimming pools in Pine Forest Resort, six more swimming pools are available to the local community in:

- Ceres (one)
- Tulbagh (one)
- Wolseley (one)
- Bella Vista (one)
- PA Hamlet (one)
- N'Duli (one)

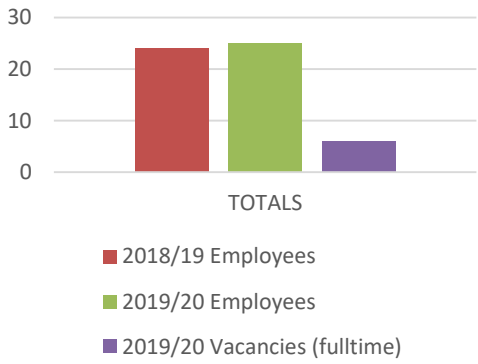
According to ticket sales 2 050 adults and 52 540 kids visited the outside pools during 2019/20. (Revenue of R 153 900 for the period November 2019 to March 2020).

All pools are maintained daily to ensure clean and safe pools for visitors.

3.22 Sport & Recreation

3.22.1 Employees: Sport & Recreation

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	14	15	2
4 - 6	8	8	3
7 - 9	1	1	0
10 - 12	0	0	1
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	**24**	**25**	**6**



3.22.2 Capital Expenditure: Sport Facilities

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Ceres upgrade Of Leyell Str Sport	10 434 783	12 071 128	4 225 019	65%	13 000 000
TOTAL	10 434 783	12 071 128	4 225 019	**65%**	

Pine Valley Sportfield: An increase in vandalism especially at community facilities are of great concern and are the municipality in the process to expand on security and safety programmes.

COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES

3.23 Financial Services

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate adequate provision of services, financial discipline, affordable tariffs, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports.

Operational financing
Council's policy is to fund operating expenses from normal revenue streams with short term borrowing being used as a last resort for capital expenditure. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

Working Capital
It is Council's intention to create sufficient cash reserves by way of good financial management including the setting aside of adequate provisions for working capital.

Revenue raising strategy
The guidance on how to improve the payment ratio of the area can be found in the Credit Control and Debt Collection Policy. This Policy highlights the procedures to be followed in the collection of all money owed to the Municipality.

Expenditure Management
To reduce expenditure on non-core functions, by considering Public Private Partnerships.

3.23.1 Service statistics – Financial Services

Debt Recovery						
Details of the types of account raised and recovered	2018/19			2019/20		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
R'000						
Property Rates	69 859	68 279	98%	73 806	70 302	95%
Electricity	224 475	221 598	99%	254 977	248 395	97%
Water	41 390	32 205	78%	47 605	31 738	67%
Sanitation	28 369	23 990	85%	29 870	21 815	73%
Refuse	27 316	21 984	80%	30 546	21 622	71%
Other	1.440	1.345	93%	1.395	1.418	101%
Total	**391,410**	**368,057**	**94%**	**447,372**	**395,549**	**88%**
The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues						

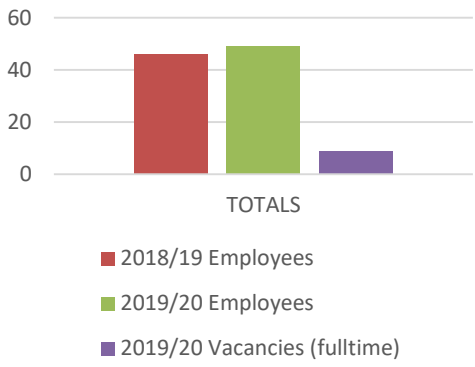
3.23.2 Service Delivery Indicators – Financial Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2019/20:

- FinFAdm10 Financial viability expressed as Debt-Coverage ratio
- FinFAdm9 Financial viability expressed as Cost-Coverage ratio
- FinFAdm11 Financial viability expressed outstanding service debtors
- FinDir3 Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.
- FinInc15 Increased revenue collection

3.23.2 Employees – Financial Services

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	28	31	4
7 - 9	7	7	1
10 - 12	6	6	0
13 - 15	2	2	2
16 - 19	3	3	2
TOTALS	**46**	**49**	**9**



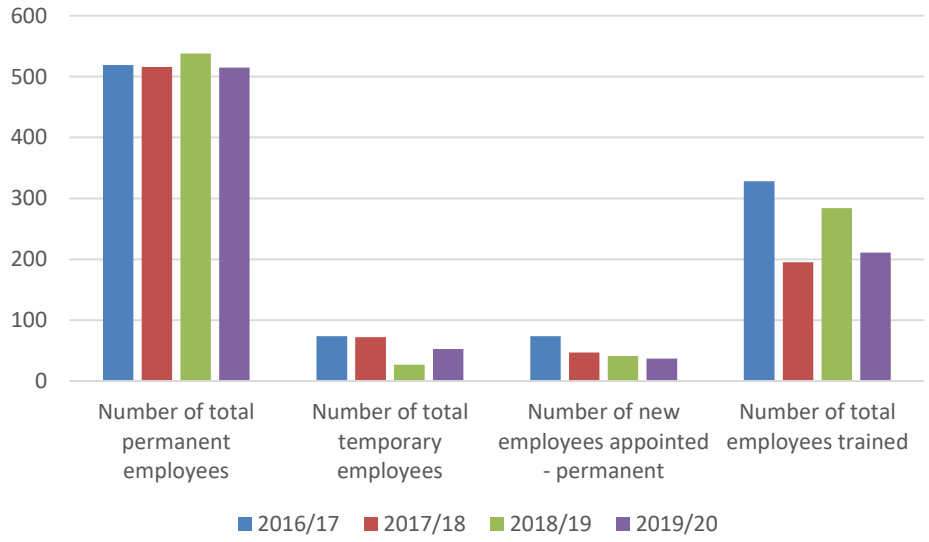
3.24 Human Resource Services

The section for Human Resources within Witzenberg Municipality incorporates the following disciplines:

- Recruitment and selection
- Leave administration
- Benefit administration
- Labour relations
- Training and development
- Health and safety performance management
- Work study administration

3.24.1 Service Statistics – Human Resources

Details	2016/17	2017/18	2018/19	2019/20
Number of HR policies reviewed	0	1	3	0
Number of total permanent employees	519	516	538	515
Number of total temporary employees	74	72	27	53
Number of total injuries (injury on duty cases)	70	62	87	46
Number of total approved annual leave days taken	10 243.5	11 575.25	12 112.75	9511.50
Number of family responsibility leave days taken	462.75	470.25	542.50	313
Number of total Health and Safety Representatives	18	20	20	25
Number of total First Aiders	38	39	56	59
Number of sick days leave taken	4 147.75	4118	4 490.25*	4254.50
Number of termination	39	1	3	24
Number of new employees appointed - permanent	74	47	41	37
Number of new employees appointed - Interns	1	2	2	0
Number of new employees appointed - Temporary	44	22	38	0
Number of total employees trained	328	195	284	211
Number of total female employees trained	131	56	79	64
Number of total male employees trained	197	139	205	147
Number of total learner ships enrolled	7	10	8	2
Number of total training courses rolled out	45	26	46	24

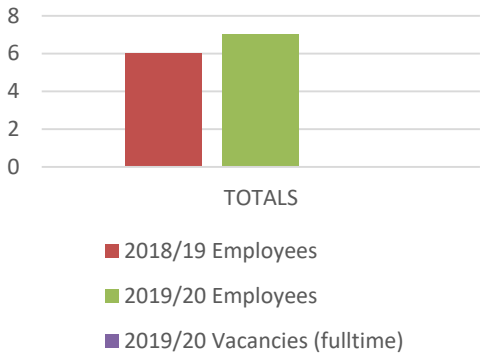


3.24.2 Service Delivery Indicators – Human Resources

- CorpHR13 Percentage budget spent on implementation of Workplace Skills Plan.
- CorpHR12 Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.

3.24.3 Employees – Human Resources

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	1	1	0
10 - 12	4	4	0
13 - 15	1	1	0
16 - 19	0	1	0
TOTALS	**6**	**7**	**0**



3.25 Information & Communication Technology (ICT) Services

The department's functions include:

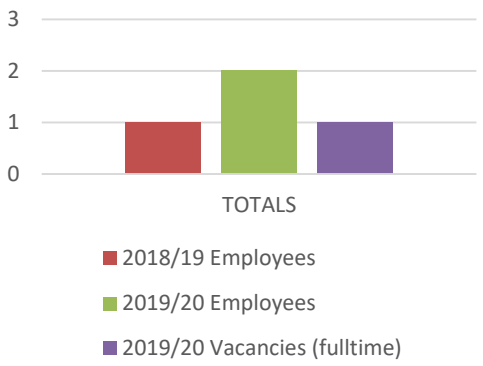
- Management and maintenance of the IT infrastructure that includes hardware and software
- Update and maintenance of municipal website
- Upkeep and maintenance of LAN and WAN
- Administration of the electronic documents system (TRIM)
- Manage service providers for outsourced functions.

3.25.1 Service Statistics – ICT Services

Details	2016/17	2017/18	2018/19	2019/20
Desktop support	304	415	435	465
Network support	289	589	605	700
Network downtime experienced	5 hours	8 hours	12 hours	9 hours
Server downtime experienced (total for 15 servers)	27 hours	62 hours	48 hours	15 hours
File restores requested	51	94	128	105

3.25.2 Employees – ICT Services

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	1	2	0
13 - 15	0	0	0
16 - 19	0	0	1
TOTALS	**1**	**2**	**1**



3.26 *Internal Audit & Risk Management*

Witzenberg Municipality does not have a Risk Management sub-directorate. The responsibility for Risk Management and the duties of a Chief Risk Officer has been delegated to the Chief Financial Officer and Internal Audit. Internal Audit is assisting the Chief Risk Officer with the development of the risk management policy, strategy and implementation plan, facilitating identification and assessment of risks, and disseminating risk reports. Portfolio directors and risk owners are responsible to maintain controls, the implementation of action plans to mitigate risk and to improve controls.

The risk register of the municipality is reviewed and updated on a continuous basis and reassessed annually to form the basis for the compilation of the 3 year audit strategy and the annual Risk Based Audit Plan.

Internal Audit is an independent in-house function that performs internal audits based on the approved Risk Based Audit Plan and other statutory audits as required by the MFMA and MSA.

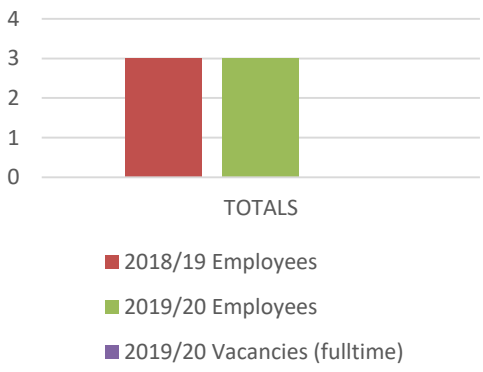
The Internal Audit function reports functionally to the Performance, Risk and Audit Committee and administratively to the Municipal Manager.

3.26.1 Service Statistics – Internal Audit

Details	2016/17	2017/18	2018/19	2019/20
Compilation of the Risk Based Audit and 3 year strategic plans	1	1	1	1
Internal Audits	17	18	14	16

3.26.2 Employees – Internal Audit

Job Level	2018/19 Employees	2019/20 Employees	2019/20 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	1	1	0
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	**3**	**3**	**0**



3.27 *Legal Services*

Legal Services manage the implementation, monitoring, evaluation and reporting sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services. This is achieved through co-ordination of operations against departmental, statutory and audit guidelines to ensure that the service is managed and maintained in accordance with laid down quality standards, customer focused to ensure legal compliance and provide legal direction in ensuring effective and efficient service delivery.

The main objectives are as follows:

- To distribute all new legislation and proclamations to all Departments;
- To promulgate by-laws;
- To provide legal opinions and input on policies, agreements, legislation, bylaws and authorities; and
- Attend to on-going litigant matters within the legislative timeframes.

The highlights for the year under review were as follows:

- No big civil matters / claims against the municipality

The challenges for the year under review were as follows:

- Increase in illegal invasion of land, lengthy and expensive legal procedures;
- Proper funding and budget control to ensure that the department operate on both an optimum and efficient level;
- Increase in illegal house shops, lengthy and expensive legal procedures.

3.28 Strategic Support: Other

3.28.1 Capital Expenditure – Strategic Support and Other

Capital Projects 2019/20	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Upgrade Council chambers	1 500 000	1 500 000	70 000	95%	1 500 000
IT Equipment	550 000	666 200	666 199	0%	666 199
Access Control - Furniture and Equ	100 000	47 364	47 364	0%	47 364
Signage & Billboards	200 000				
TOTAL	**2 350 000**	**2 213 564**	**783 563**	**65%**	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

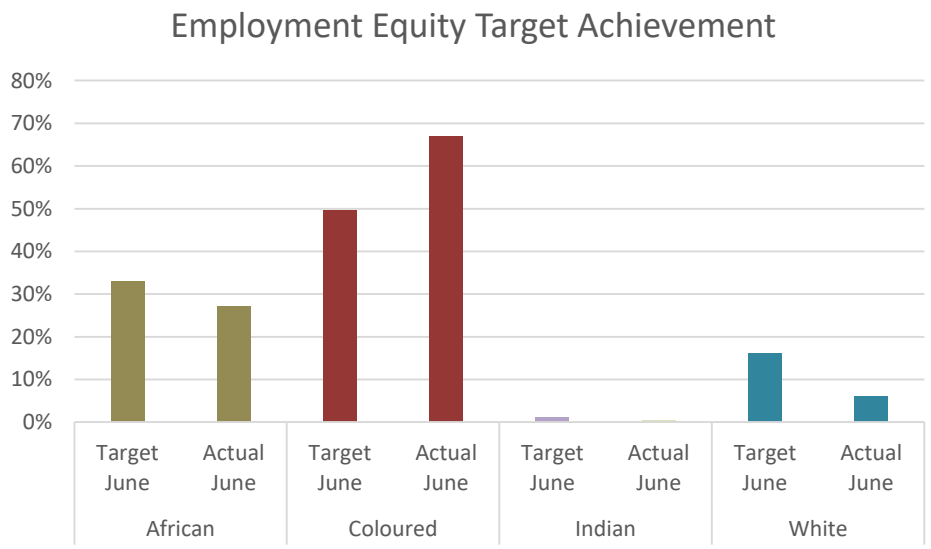
Witzenberg Municipality currently employs **568** officials, (permanent + temporary employees), excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

Employment Equity targets/actual

African			Coloured			Indian			White		
Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
33,4%	26%	82%	49.6%	67%	135%	1%	0,4%	40%	16%	6%	38%



2019/20 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
49%	68%	117%	51%	32%	83%	0	0	0

2019/20 EE targets/actual by gender classification

Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers (WC Province)	1 912 547	2 840 404	60 761	915 053	5 728 765
% Population	**33.4%**	**49.6%**	**1.1%**	**15.9%**	**100%**
Number for positions filled	136	350	2	27	515
% for Positions filled	**26%**	**68%**	**0.4%**	**5%**	**100%**
Note: The total population numbers is based on projection done by Global Insight					

EE population 2019/20

Occupational Categories – Race

Below is a table that indicates the number of employees by race within the specific occupational categories (including the Councillors):

Posts filled									
Occupational	**Male**				**Female**				**Total**
Categories	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	
Legislators, senior officials and managers	3	23	0	9	5	5	0	2	**47**
Professionals	0	9	0	0	4	12	0	2	**27**
Technicians and associate professionals	2	20	0	1	1	6	0	0	**30**
Clerks	6	23	1	0	11	17	0	8	**66**
Service and sales workers	21	29	0	2	12	26	0	0	**90**
Craft and related trades workers	5	22	1	2	0	0	0	0	**30**
Plant and machine operators and assemblers	8	29	0	0	1	0	0	0	**38**
Elementary occupations	61	100	0	1	20	28	0	0	**210**
Total permanent	**106**	**255**	**2**	**15**	**54**	**94**	**0**	**12**	**538**
Non-permanent employees	13	15	0	0	8	15	0	2	53
Grand total	**119**	**270**	**2**	**15**	**62**	**109**	**0**	**14**	**591**

Occupational Levels - Race

The table below categorize the number of employees by race within the occupational levels (excluding 23 councillors)

Occupational	**Male**				**Female**				**Total**
Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	
Top Management	0	1	0	0	0	0	0	0	**1**
Senior management	1	0	0	1	0		0	0	**2**
Professionally qualified and experienced specialists and mid- management	0	22	0	6	4	18	0	5	**34**

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11	62	1	5	2	9	0	1	**91**
Semi-skilled and discretionary decision making	32	82	1	0	17	54	0	7	**193**
Unskilled and defined decision making	49	75	0	2	24	23	0	0	**173**
Total permanent	**93**	**242**	**2**	**14**	**47**	**104**	**0**	**13**	**515**
Non- permanent employees	13	15	0	0	8	15	0	2	53
Grand total	**106**	**257**	**2**	**14**	**55**	**119**	**0**	**15**	**568**

Departments - Race

The following table categorize the number of permanent employees by race within the different departments (excluding 23 councillors):

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	4	0	2	2	3	0	1	**12**
Corporate Services	9	29	0	1	5	22	0	2	**68**
Financial Services	2	17	1	0	7	21	0	6	**54**
Community Services	28	69	0	3	23	46	0	3	**172**
Technical Services	49	122	1	8	10	18	0	1	**209**
Total permanent	**94**	**243**	**2**	**14**	**47**	**106**	**0**	**13**	**515**

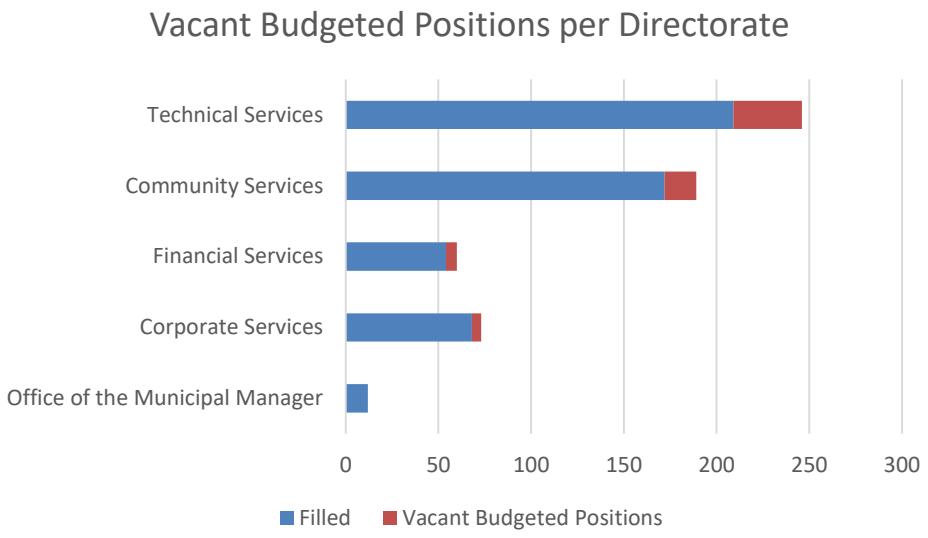
4.1.2 Vacancy Rate

The approved organogram for the municipality has **865** posts for the **2019/20** financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were **65** vacant at the end of **2019/20,** resulting in a vacancy rate of **7,5%.**

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	**Filled**	**Vacant Budgeted Positions**
MM & MSA section 57 & 56	3	2
Middle management	23	3
Professionals	34	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	82	14
Semi-skilled and discretionary decision making	202	15
Unskilled and defined decision making	171	28
Total	**515**	**65**

PER POST LEVEL		
Post level	**Filled**	**Vacant Budgeted Positions**
PER FUNCTIONAL LEVEL		
Functional area	**Filled**	**Vacant Budgeted Positions**
Office of the Municipal Manager	12	0
Corporate Services	68	5
Financial Services	54	6
Community Services	172	17
Technical Services	209	37
Total	**515**	**65**



The table below indicates the vacancies per Section 57 and 56 posts:

Salary Level	Number of Section 57 and 56 vacancies	Vacancy % (as a proportion of the total Section 57 and 56 posts)
Municipal Manager	0	**0**
Chief Financial Officer	1	**20%**
Director: Corporate Services	0	**0**
Director: Community Services	1	**20%**
Director: Technical Services	0	**0**
Total	2	**40%**

4.1.3 Employee Turnover Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a slight increase from 4.3% in 2018/19 to 4.8% in 2019/20.

The table below indicates the employee turnover rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments (Permanent Appointments)	No Terminations during the year	Turnover Rate
2014/15	559	38	42	**7.5%**
2015/16	561	29	31	**5.5%**
2016/17	543	74	39	**7%**
2017/18	516	47	25	**4.8%**
2018/19	539	41	23	**4.3%**
2019/20	515	37	25	**4.8%**

4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.1 Injuries on duty

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease for the 2019/20 financial year of 46 employees compared to 88 employees in the 2018/19 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2016/17	2017/18	2018/19	2019/20
Office of the Municipal Manager	0	0	1	1
Corporate Services	3	5	6	3
Financial Services	1	3	7	3
Community Services	28	23	30	9
Technical Services	38	31	44	30
Total	**70**	**62**	**88**	**46**

4.2.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days that have been taken during the 2019/20 financial year shows a decrease when compared with the 2018/19 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2016/17	2017/18	2018/19	2019/20
Office of the Municipal Manager	52.5	43.5	91.5	41.5
Corporate Services	428.75	560.5	619.25	709
Financial Services	356	305	330.5	374.5
Community Services	1 406	1 545	1 647.5	1 391.5
Technical Services	1 904.5	1 664	1 801.5	1 730
Total	**4 147.75**	**4 118**	**4 490.25**	**4 246.5**

4.2.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	**Date approved**
Attendance and Punctuality	4 August 2010
Employment Practice	4 August 2010
Employment Equity	4 August 2010
Employees under the Influence of Intoxicating Substances	4 August 2010
Legal Aid Policy	4 August 2010
Relocation Policy	4 August 2010
HIV/Aids Policy	4 August 2010
Internal Bursary	4 August 2010
Occupational Health And Safety	4 August 2010
Incapacity due to Poor Work Performance	4 August 2010
Sexual Harassment Policy	4 August 2010
Incapacity: Due to Ill Health/Injury Policy	4 August 2010
Private Work and Declaration of Interests	4 August 2010
Overtime Policy	31 May 2012
Proposed Scares Skills Policy	31 May 2012
Employee Assistance Policy	31 May 2012
Employment Policy	29 February 2012
Remuneration Policy	To be developed
Training and Development Policy	developed
Personnel Protective Equipment Policy	developed
Time and Attendance Policy	5 December 2017
Fraud & Corruption Prevention & Response Policy	26 July 2017

Approved policies	
Name of policy	**Date approved**
Fraud & Corruption Prevention Strategy	26 July 2017
Leave Policy	To be approved
Retirement Policy	To be approved
Mayoral Bursary Policy	To be approved

4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	2	4
Legislators, senior officials and managers	Female	12	8
	Male	29	12
Professionals	Female	13	12
	Male	9	9
Associate professionals and Technicians	Female	3	4
	Male	26	6
Clerks	Female	28	22
	Male	30	8
Service and sales workers	Female	14	9
	Male	37	32
Craft and related trade workers	Female	0	0
	Male	46	9
Plant and machine operators and assemblers	Female	2	0
	Male	24	13
Elementary occupations	Female	16	9
	Male	87	54
Sub total	**Female**	**89**	**64**
	Male	**290**	**147**
Total		**379**	**211**

4.3.2 Skills Development – Training Provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learner ships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
MM and S57	Female	0	0	0	0	0	0	0	100
	Male	4	0	0	4	2	4	2	200
Legislators, senior officials and managers	Female	12	0	0	8	13	8	13	62
	Male	35	0	0	12	29	12	29	42
Professionals	Female	19	0	0	11	13	11	13	85
	Male	9	0	0	9	9	9	9	100
Technicians and associate professionals	Female	7	0	0	4	3	4	3	134
	Male	23	0	1	6	25	6	26	23
Clerks	Female	63	0	11	22	17	22	28	79
	Male	28	0	3	8	27	8	30	27
Service and sales workers	Female	29	0	1	9	5	9	14	65
	Male	39	0	0	32	27	32	27	119
Craft and related trade workers	Female	0	0	0	0	0	0	0	100
	Male	29	1	1	8	45	9	46	20
Plant and machine operators and assemblers	Female	1	0	0	1	1	1	1	100
	Male	40	3	8	10	17	13	25	52
Elementary occupations	Female	57	4	5	5	11	9	16	57
	Male	196	25	24	30	63	54	87	62
Sub total	**Female**	**188**	4	17	60	72	64	89	72
	Male	**403**	29	46	118	244	147	290	51
Total		**591**	**33**	**63**	178	316	211	379	56

4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 972 629 were allocated to the workplace skills plan and that 64% of the total amount was spent in the 2019/20 financial year: The main reason for the underspending being the lockdown as a result of the COVID-19 epidemic.

Year	Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
2018/19	R 1 000 000.00	R 1 000 000.00	R 964 411.82	96.44%

Year	Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
2019/20	R 972 629.00	R 972 629.00	R 629 570.89	64.73%

4.3.4 Employee Performance Rewards

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- The annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.
- The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 employees that received performance rewards during the 2019/20 financial year.

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	**0%**
	Male	1	1	**100%**
Asian	Female	0	0	**0%**
	Male	0	0	**0%**
Coloured	Female	1	1	**0%**
	Male	1	1	**100%**
White	Female	0	0	**0%**
	Male	2	2	**100%**
Disability	Female	0	0	**0%**
	Male	0	0	**0%**
Total		**5**	**5**	**100%**

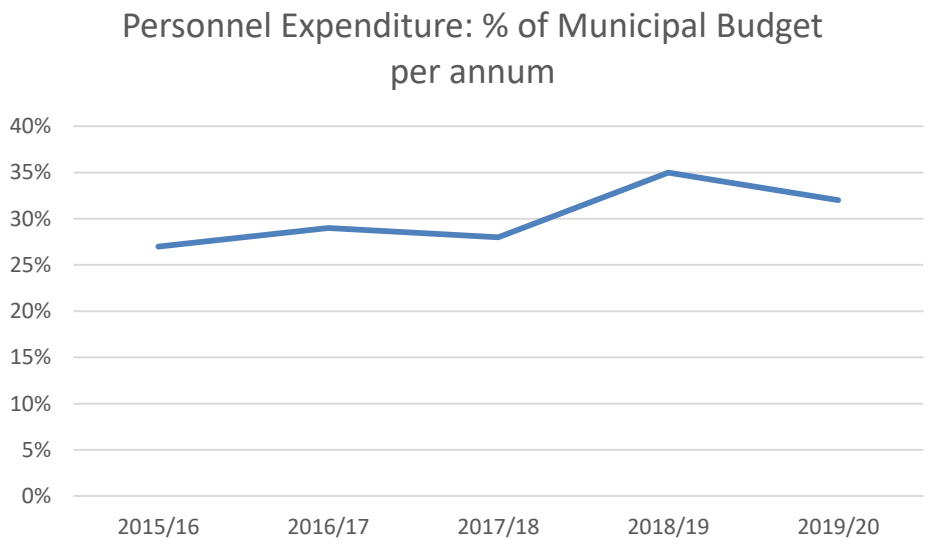
4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.4.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past four financial years and that the municipality is well below the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2015/16	120 121	451 210	26.6
2016/17	132 456	455 063	29.1
2017/18	157 404	563 945	27.9
2018/19	175 110	502 367	34.86
2019/20	189 262	639 012	29.62



Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2018/19	2019/20		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)				
Allowance	7242	7 718	7 718	7 600
Pension Contributions	1049	1 137	1 137	1 106
Medical Aid Contributions	184	227	227	216
Motor vehicle allowance	0	741	741	0
Cell phone allowance	931	1 094	1 094	938
Housing allowance	52	487	487	41
Other benefits or allowances	0	54	54	0
In-kind benefits	0	0	0	0
Sub Total - Councillors	**9459**	**11 459**	**11 459**	**9 902**
% increase/ (decrease)	**3%**			**5%**

Financial year	2018/19	2019/20		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
Senior Managers of the Municipality				
Salary	3011	3 809	3 809	2 968
Pension Contributions	179	761	761	196
Medical Aid Contributions	67	135	135	62
Motor vehicle allowance	812	1 052	1 052	814
Cell phone allowance	26	71	86	31
Housing allowance	0	154	154	0
Performance Bonus	568	891	891	453
Other benefits or allowances	162	138	138	125
In-kind benefits		0	0	0
Sub Total - Senior Managers of Municipality	**4825**	**7 010**	**7 025**	**4 650**
% increase/ (decrease)	**-31%**			**-4%**
Other Municipal Staff				
Basic Salaries and Wages	100 053	121 938	122 777	116 839
Pension Contributions	14 759	16 536	16 536	16 273
Medical Aid Contributions	18 354	7 793	7 793	8 071
Motor vehicle allowance	4580	4 497	4 497	5 197
Cell phone allowance	488	405	405	507
Housing allowance	1448	1 649	1 649	1 545
Overtime	11 166	8 974	8 974	10 927
Other benefits or allowances	19 437	15 838	40 845	25 253
Sub Total - Other Municipal Staff	**170 285**	**177 629**	**203 475**	**184 612**
% increase/ (decrease)	**13%**			**8%**
Total Municipality	**184 568**	**196 098**	**221 959**	**199 164**
% increase/ (decrease)	**17%**			**8%**

4.5 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Financial Competency Development: Progress Report				
Description	**Total number of officials employed by municipality (Regulation 14(4)(a) and (c))**	**Competency assessments completed (Regulation 14(4)(b) and (d))**	**Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))**	**Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))**
Financial Officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	0	0	0	0
Senior Managers	2	2	2	2
Any other financial officials	3	3	3	3
Supply Chain Management Officials				
Heads of supply chain management units	N/A	N/A	N/A	N/A
Manager Supply Chain Unit	1	1	1	1
Total	**7**	**7**	**7**	**7**

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2019/20 financial year:

						R' 000
Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
Financial Performance						
Property rates	69 879	72 415	72 415	73 594	1,63	1,63
Service charges	305 199	346 953	342 173	346 176	(0,22)	1,17
Investment revenue	8 551	8 678	8 678	7 446	(14,20)	(14,20)
Transfers recognised - operation	105 201	137 692	141 216	131 014	(4,85)	(7,22)
Other own revenue	45 978	50 887	49 453	48 506	(4,68)	(1,91)
Total Revenue (excluding capital transfers and	**534 809**	**616 625**	**613 935**	**606 736**	**(1,60)**	**(1,17)**
Employee costs	165 908	185 960	202 823	185 058	(0,49)	(8,76)
Remuneration of councillors	10 136	11 459	11 459	10 604	(7,46)	(7,46)
Depreciation & asset impairment	30 322	45 590	45 590	32 732	(28,20)	(28,20)
Finance charges	15 847	16 685	16 569	14 620	(12,38)	(11,77)
Bulk purchases	188 968	229 196	225 396	221 822	(3,22)	(1,59)
Transfers and grants	8 771	29 000	29 000	23 982	(17,30)	(17,30)
Other expenditure	136 995	136 789	177 802	157 233	14,95	(11,57)
Total Expenditure	**556 947**	**654 679**	**708 638**	**646 051**	**(1,32)**	**(8,83)**
Surplus/(Deficit)	**(22 138)**	**(38 053)**	**(94 703)**	**(39 316)**	**3,32**	**(58,49)**
Transfers recognised - capital	54 674	44 178	46 327	13 442	(69,57)	(70,98)
Contributions recognised - capita	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	32 536	6 125	(48 376)	(25 874)	(522,45)	(46,52)
Gains / (losses)	21 441	1	1	45 220	3 430 821	3 430 821
Surplus/(Deficit) for the year	53 977	6 126	(48 374)	19 346	215,80	(139,99)
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	54 180	45 678	46 657	13 294	(70,90)	(71,51)
Public contributions & donations					–	–
Borrowing	–	–	3 043	–	–	(100,00)
Internally generated funds	32 517	25 935	26 893	21 175	(18,35)	(21,26)
Total sources of capital funds	86 697	71 613	76 594	34 468	(51,87)	(55,00)

Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
Financial position						
Total current assets	185 246	156 835	128 551	218 961	39,61	70,33
Total non current assets	951 549	978 519	996 178	945 893	(3,33)	(5,05)
Total current liabilities	93 800	115 487	119 219	142 768	23,62	19,75
Total non current liabilities	155 399	155 245	157 034	115 144	(25,83)	(26,68)
Community wealth/Equity	887 596	864 621	848 476	906 942	4,89	6,89
Cash flows						
Net cash from (used) operating	81 642	70 001	46 722	70 313	0,45	50,49
Net cash from (used) investing	(83 429)	(71 613)	(76 434)	(33 819)	(52,78)	(55,75)
Net cash from (used) financing	(1 447)	(500)	–	(371)	(25,71)	–
Cash/cash equivalents at the ye	94 272	89 164	64 560	130 394	46,24	101,97
Cash backing/surplus reconciliation						
Cash and investments available	94 272	89 164	64 560	130 394	46,24	101,97
Application of cash and investme	185 407	30 507	36 959	192 507	531,02	420,87
Balance - surplus (shortfall)	(91 135)	58 656	27 602	(62 113)	(205,89)	(325,03)
Asset management						
Asset register summary (WDV)	951 549	978 519	1 001 176	945 893	(3,33)	(5,52)
Depreciation & asset impairment	15 847	16 685	16 569	14 620	(12,38)	(11,77)
Repairs and Maintenance	16 787	16 534	16 196	12 923	(21,84)	(20,21)
Free services						
Cost of Free Basic Services provi	34 356	31 335	31 335	26 053	(16,86)	(16,86)
Revenue cost of free services pro	37 754	34 816	34 816	28 629	(17,77)	(17,77)
Households below minimum service level						
Water:	Nil	Nil	Nil	Nil	Nil	Nil
Sanitation/sewerage:	Nil	Nil	Nil	Nil	Nil	Nil
Energy:	Nil	Nil	Nil	Nil	Nil	Nil
Refuse:	Nil	Nil	Nil	Nil	Nil	Nil

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T5.1.1

Statements of Revenue Collection Performance by vote and by source **Appendix K**

The table below shows a summary of performance against budgets:

Financial	Revenue excluding capital transfers				Operating expenditure			
Year	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2018/2019	525 634	534 809	9 175	1,75	619 429	556 947	62 482	10,09
2019/2020	613 935	606 736	(7 199)	(1,17)	708 638	646 051	62 587	8,83

The table below indicates the Operational services performance for the 2019/20 financial year:

Financial Performance of Operational Services						
						R '000
Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
Operating Cost						
Water	38 160	29 241	36 056	40 314	(37,87)	(11,81)
Waste Water (Sanitation)	28 070	26 977	33 063	27 528	(2,04)	16,74
Electricity	205 289	257 174	253 254	243 085	5,48	4,02
Waste Management	46 071	44 055	46 899	47 864	(8,65)	(2,06)
Housing	12 958	35 126	34 012	28 283	19,48	16,85
Component A: sub-total	330 548	392 573	403 283	387 073	1,40	4,02
Waste Water (Stormwater Drainage)	6 491	5 720	5 720	7 325	(28,05)	(28,05)
Roads	24 146	24 531	25 688	23 640	3,63	7,97
Transport	–	–	–	–	–	–
Component B: sub-total	30 637	30 251	31 408	30 964	(2,36)	1,41
Planning	9 057	11 927	11 556	9 723	18,48	15,86
Local Economic Development	1 570	2 227	2 172	1 609	27,78	25,94
Component C: sub-total	10 627	14 154	13 728	11 332	19,94	17,46
Community & Social Services	22 884	26 303	26 547	23 691	9,93	10,76
Enviromental Proctection	649	2 390	2 539	1 009	57,77	60,24
Health	–	–	–	–	–	–
Security and Safety	31 765	36 590	48 247	45 918	(25,49)	4,83
Sport and Recreation	25 261	28 793	27 996	25 674	10,83	8,29
Corporate Policy Offices	23 586	28 970	26 981	23 604	18,52	12,52
	76 369	90 257	123 203	91 278	(1,13)	25,91
Other	4 621	4 397	4 706	5 508	(25,25)	(17,05)
Component D: sub-total	185 135	217 700	260 219	216 682	0,47	16,73
Total Expenditure for the year	**556 947**	**654 679**	**708 638**	**646 051**	**1,32**	**8,83**
In this table operational income (but not levies or tarrifs) is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.1.2

The bulk of the municipality's expenditure is spent on basic service delivery functions such as electricity, water, waste water management and waste management.

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

Vote Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Executive and Council						
Total Operational Revenue	–	–	0	27	–	(2 710)
Expenditure:						
Employees	(7 585)	(10 639)	(9 404)	(7 928)	25,48	15,70
Repairs and Maintenance	(2)	(14)	(16)	–	100,00	100,00
Other	(16 000)	(18 316)	(17 561)	(15 676)	14,41	10,73
Total Operational Expenditure	(23 586)	(28 970)	(26 981)	(23 604)	18,52	12,52
Net Operational (Service) Expenditure	(23 586)	(28 970)	(26 981)	(23 577)	18,61	12,62
Budget and Treasury Office						
Total Operational Revenue	86 156	91 210	94 642	88 883	2,55	6,09
Expenditure:						
Employees	(16 206)	(24 834)	(24 834)	(17 426)	29,83	29,83
Repairs and Maintenance	(51)	(152)	(127)	(53)	65,08	58,21
Other	(16 794)	(20 394)	(29 628)	(20 377)	0,09	31,22
Total Operational Expenditure	(33 051)	(45 380)	(54 589)	(37 856)	16,58	30,65
Net Operational (Service) Expenditure	53 106	45 830	40 054	51 027	(11,34)	(27,40)
Corporate Services						
Total Operational Revenue	1 057	1 407	1 278	869	38,22	31,96
Expenditure:						
Employees	(18 324)	(19 805)	(34 305)	(25 497)	(28,74)	25,68
Repairs and Maintenance	(515)	(584)	(599)	(497)	14,97	17,09
Other	(24 480)	(24 488)	(33 711)	(27 429)	(12,01)	18,63
Total Operational Expenditure	(43 318)	(44 877)	(68 615)	(53 422)	(19,04)	22,14
Net Operational (Service) Expenditure	(42 262)	(43 470)	(67 337)	(52 553)	(20,89)	21,96
Community and Social Services						
Total Operational Revenue	96 258	105 653	106 188	104 996	0,62	1,12
Expenditure:						
Employees	(19 852)	(21 133)	(21 133)	(20 954)	0,85	0,85
Repairs and Maintenance	(278)	(354)	(289)	(245)	30,77	15,21
Other	(2 754)	(4 816)	(5 125)	(2 492)	48,26	51,38
Total Operational Expenditure	(22 884)	(26 303)	(26 547)	(23 691)	9,93	10,76
Net Operational (Service) Expenditure	73 374	79 350	79 641	81 305	(2,46)	(2,09)
Sport and Recreation						
Total Operational Revenue	6 962	20 691	18 392	10 529	49,11	42,75
Expenditure:						
Employees	(16 066)	(19 250)	(19 250)	(17 860)	7,22	7,22
Repairs and Maintenance	(567)	(541)	(597)	(488)	9,82	18,37
Other	(8 627)	(9 002)	(8 148)	(7 326)	18,61	10,08
Total Operational Expenditure	(25 261)	(28 793)	(27 996)	(25 674)	10,83	8,29
Net Operational (Service) Expenditure	(18 299)	(8 101)	(9 603)	(15 145)	(86,95)	(57,71)
Public Safety						
Total Operational Revenue	19 807	21 599	21 599	21 047	2,56	2,56
Expenditure:						
Employees	(17 497)	(14 775)	(17 727)	(19 092)	(29,22)	(7,70)
Repairs and Maintenance	(261)	(547)	(633)	(195)	64,28	69,14
Other	(14 007)	(21 268)	(29 887)	(26 630)	(25,21)	10,90
Total Operational Expenditure	(31 765)	(36 590)	(48 247)	(45 918)	(25,49)	4,83
Net Operational (Service) Expenditure	(11 958)	(14 991)	(26 648)	(24 871)	(65,91)	6,67

Vote Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Housing						
Total Operational Revenue	9 049	30 043	29 864	24 474	18,54	18,05
Expenditure:						
Employees	(3 022)	(3 377)	(3 377)	(3 309)	2,01	2,01
Repairs and Maintenance	(130)	(366)	(366)	(97)	73,41	73,41
Other	(9 806)	(31 383)	(30 269)	(24 876)	20,73	17,82
Total Operational Expenditure	(12 958)	(35 126)	(34 012)	(28 283)	19,48	16,85
Net Operational (Service) Expenditure	(3 910)	(5 083)	(4 148)	(3 809)	25,07	8,16
Health						
Total Operational Revenue	–	–	–	–	–	–
Expenditure:						
Employees	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Operational Expenditure	–	–	–	–	–	–
Net Operational (Service) Expenditure	–	–	–	–	–	–
Planning and Development						
Total Operational Revenue	1 679	3 640	5 105	1 840	49,44	63,95
Expenditure:						
Employees	(7 502)	(8 700)	(8 722)	(8 435)	3,05	3,29
Repairs and Maintenance	(49)	(66)	(5)	(4)	93,67	8,65
Other	(1 506)	(3 161)	(2 830)	(1 284)	59,38	54,63
Total Operational Expenditure	(9 057)	(11 927)	(11 556)	(9 723)	18,48	15,86
Net Operational (Service) Expenditure	(7 379)	(8 287)	(6 451)	(7 883)	4,88	(22,19)
Road Transport						
Total Operational Revenue	20 449	10 007	11 164	5 749	42,55	48,50
Expenditure:						
Employees	(9 326)	(9 264)	(9 264)	(10 832)	(16,93)	(16,93)
Repairs and Maintenance	(7 012)	(6 658)	(6 658)	(6 158)	7,51	7,51
Other	(11 682)	(12 583)	(14 020)	(11 324)	10,00	19,23
Total Operational Expenditure	(28 020)	(28 505)	(29 942)	(28 315)	0,67	5,43
Net Operational (Service) Expenditure	(7 571)	(18 498)	(18 778)	(22 566)	(21,99)	(20,17)
Environmental Protection						
Total Operational Revenue	88	538	698	152	71,82	78,27
Expenditure:						
Employees	(967)	(1 556)	(1 556)	(203)	86,97	86,97
Repairs and Maintenance	–	–	–	–	–	–
Other	318	(834)	(983)	(807)	3,32	17,95
Total Operational Expenditure	(649)	(2 390)	(2 539)	(1 009)	57,77	60,24
Net Operational (Service) Expenditure	(561)	(1 852)	(1 841)	(858)	53,68	53,41
Electricity						
Total Operational Revenue	226 811	268 154	263 374	258 066	3,76	2,02
Expenditure:						
Employees	(11 646)	(12 825)	(12 825)	(12 147)	5,29	5,29
Repairs and Maintenance	(1 487)	(1 668)	(2 026)	(1 794)	(7,57)	11,47
Other	(192 155)	(242 682)	(238 403)	(229 145)	5,58	3,88
Total Operational Expenditure	(205 289)	(257 174)	(253 254)	(243 085)	5,48	4,02
Net Operational (Service) Expenditure	21 523	10 980	10 120	14 981	(36,44)	(48,03)
Water						
Total Operational Revenue	49 654	56 021	54 303	43 372	22,58	20,13
Expenditure:						
Employees	(7 016)	(7 784)	(8 061)	(7 843)	(0,76)	2,71
Repairs and Maintenance	(1 592)	(1 319)	(871)	(718)	45,57	17,61
Other	(29 553)	(20 138)	(27 124)	(31 754)	(57,68)	(17,07)
Total Operational Expenditure	(38 160)	(29 241)	(36 056)	(40 314)	(37,87)	(11,81)
Net Operational (Service) Expenditure	11 494	26 780	18 248	3 057	88,58	83,24

Vote Description	2018/2019	2019/2020			Variance 2019/2020	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Waste Water Management						
Total Operational Revenue	46 166	26 695	26 695	31 161	(16,73)	(16,73)
Expenditure:						
Employees	(12 812)	(11 361)	(11 361)	(14 217)	(25,13)	(25,13)
Repairs and Maintenance	(5 694)	(3 666)	(3 426)	(3 671)	(0,14)	(7,17)
Other	(16 056)	(17 669)	(23 995)	(16 964)	3,99	29,30
Total Operational Expenditure	(34 562)	(32 697)	(38 783)	(34 852)	(6,59)	10,13
Net Operational (Service) Expenditure	11 605	(6 002)	(12 087)	(3 691)	38,50	69,46
Waste Management						
Total Operational Revenue	25 347	25 145	26 960	29 013	(15,38)	(7,62)
Expenditure:						
Employees	(16 093)	(18 478)	(18 824)	(17 176)	7,04	8,75
Repairs and Maintenance	(601)	(460)	(658)	(550)	(19,53)	16,46
Other	(29 376)	(25 118)	(27 418)	(30 138)	(19,99)	(9,92)
Total Operational Expenditure	(46 071)	(44 055)	(46 899)	(47 864)	(8,65)	(2,06)
Net Operational (Service) Expenditure	(20 724)	(18 910)	(19 940)	(18 851)	0,31	5,46
Other						
Total Operational Revenue	–	–	–	–	–	–
Expenditure:						
Employees	(1 992)	(2 180)	(2 180)	(2 140)	1,84	1,84
Repairs and Maintenance	–	–	–	–	–	–
Other	(324)	(470)	(443)	(301)	36,00	32,10
Total Operational Expenditure	(2 316)	(2 650)	(2 623)	(2 441)	7,91	6,96
Net Operational (Service) Expenditure	(2 316)	(2 650)	(2 623)	(2 441)	7,91	6,96

5.3 GRANTS

5.3.1 Grant Performance

The table below indicates the projects implemented under MIG funding for the past 3 years:

Project Name	Budget (VAT Excl) '000			Comments
	2017/18	2018/19	2019/20	
Vredebes Bulk Water Supply	6 796			Provisdion of bulk & external services for the Vredebes subsidised housing project.
Vredebes Bulk Sanitation	6 674			
Vredebes Access Collector	2 272	10 360		
Vredebes Bulk Storm Water		8 088	3 262	
Vredebes Streetlights		708	821	
Vredebes Busroutes			1 786	
Bella Vista Bulk Water Supply	4 191			Project Completed
Bella Vista Bulk Sanitation				
Bella Vista Bulk Storm Water				
Streetlights for Housing Projects				
Ceres Lyellstr Sport fields			12 071	Phase 1 completed in 2020
New Material Recovery Facility			998	R 27m Project to be completed in 2021/22

The table below indicates the grant performance for the 2019/20 financial year:

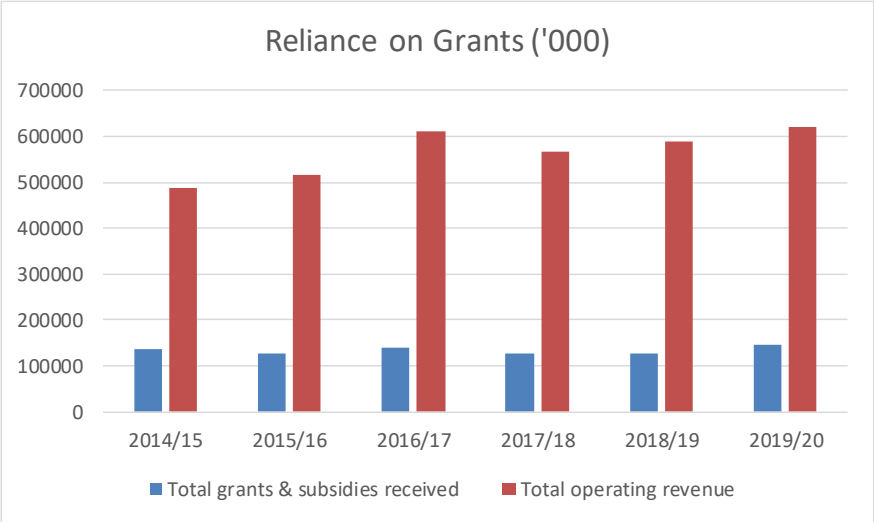
Grant Performance							
							R' 000
Description	2017/2018	2018/2019	2019/2020			Variance 2019/2020	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
National Government:	**95 997**	**117 878**	**142 357**	**140 639**	**111 579**	**21,62**	**20,66**
Equitable share	70 412	84 602	92 850	92 850	92 850	(0,00)	(0,00)
Municipal Systems Improvement	–	–	–	–	–	–	–
Department of Water Affairs	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant	69	2 875	16 931	15 214	235	98,61	98,46
Other transfers/grants [insert description]	–	–	–	–	–	–	–
Finance Management Grant	1 271	923	1 400	1 400	1 496	(6,85)	(6,85)
Transformation Funds	–	–	–	–	–	–	–
Municipal Infrastructure Grant	22 744	22 602	26 298	26 298	11 901	54,74	54,74
Housing	–	–	–	–	–	–	–
Integrated National Electricity Program	–	4 850	2 609	2 609	2 640	(1,22)	(1,22)
Rural Development	–	–	–	–	–	–	–
Expanded Public Works	1 500	2 026	2 269	2 269	2 456	(8,25)	(8,25)
Neighbourhood Development Plan	–	–	–	–	–	–	–
Provincial Government:	**31 083**	**45 579**	**46 270**	**49 351**	**34 836**	**24,71**	**29,41**
Regional Social Economic Project	–	–	3 478	3 478	995	71,40	71,40
Capacity Building and Other	–	–	1 905	3 371	85	95,54	97,48
Housing	27 838	34 515	29 000	29 000	23 982	17,30	17,30
Sports and Recreation	–	–	–	–	–	–	–
Municipal Infrastructure Support	288	–	–	–	–	–	–
Library Services	2 600	8 942	9 639	10 039	9 239	4,15	7,97
Economic Development and Tourism SMM	–	–	–	–	23	–	–
CDW	116	6	–	296	–	–	100,00
Maintenance and Construction of Transport	–	–	972	972	289	70,28	70,28
Municipal Accreditation and Capacity Buildi	–	–	224	224	224	–	–
Municipal Infrastructure Support Grant	–	–	–	–	–	–	–
Finance Management Support Grant	–	–	330	330	–	100,00	100,00
Finance Management Support	240	–	–	–	–	–	–
Public Transport	–	2 116	–	–	–	–	–
Multipurpose Centre	–	–	–	–	–	–	–
District Municipality:	**–**	**525**	**500**	**3 152**	**326**	**34,85**	**89,66**
Water & Sanitation Informal Area	–	525	–	–	–	–	–
Capacity Building	–	–	–	2 652	–	–	100,00
Infrastructure	–	–	500	500	–	100,00	100,00
Tourism	–	–	–	–	–	–	–
Covid 19	–	–	–	919	326	–	64,55
Other grant providers:	**295**	**575**	**–**	**1 157**	**547**	**–**	**52,74**
Belgium	278	562	–	–	543	–	–
China	18	13	–	–	4	–	–
Table Mountain Fund	–	–	–	–	–	–	–
Development Bank of South Africa	–	–	–	1 157	–	–	100,00
Total Operating Transfers and Grants	**127 375**	**164 557**	**189 127**	**194 299**	**147 288**	**22,12**	**24,20**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							T5.3.1

The table below indicates the projects implemented under Human Settlements funding for the past 3 years:

Project Name	Budget (VAT Excl) '000			Comments
	2017/18	2018/19	2019/20	
Vredebes 627 serviced sites	7 155	26 163		Project completed
Vredebes top structures		8 248	23 982	Project Completed
Vredebes Bulk Sanitation	2 708			Project completed
Vredebes Bulk Water	4 305			Project completed
Nduli Planning				
Bella Vista Bulk (Serviced sites)				Project Completed
Bella Vista Bulk (308 units)	12 464			Project Completed

5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	(R'000)		(%)
2018/2019	127 375	589 483	21,61%
2019/2020	147 288	620 178	23,75%



Witzenberg Municipality is reliant on grants. Without the grants the Municipality would not have been in a position to upgrade infrastructure.

5.4 ASSET MANAGEMENT

The responsibility for asset management lies with both finance and the different functional/departmental managers. The Finance section is responsible for the record keeping and reporting on the assets, whereas the functional managers are responsible for the physical safeguarding of assets, the maintenance, acquisition and disposal of assets.

It is of utmost importance that these two functional areas communicate on a regular basis regarding all movement of assets. Especially in respect of the annual assets count, where information regarding the existence, condition and useful lives regarding assets is reviewed and reported on.

The implementation of GRAP (accounting standard for municipalities) remains a challenge to the Municipality due to the cost and time factors.

5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	A - Tulbagh Dam	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2018/2019	2019/2020
Capital Implications	**R 49 536 520**	
Future Purpose of Asset	Better Water provision to Tulbagh area	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 2		
Name	B -Upgrade of Leyell Str Sport facilities	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2018/2019	2019/2020
Capital Implications	**R 16 540 693**	
Future Purpose of Asset	Available Sport Facilities for community	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 3		
Name	C - Vredebes Housing Project	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2018/2019	2019/2020
Capital Implications	**R 82 339 147**	
Future Purpose of Asset	Provision of housing	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2019/2020				
	R' 000	R' 000	R' 000	%
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	14 585	14 215	12 923	11,39
				T5.3.4

The future expenditure on repairs and maintenance needs to be increased to ensure that assets are maintained in a condition that is conducive for service delivery.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2017/2018	2018/2019	2019/2020	Norm (at least)
		Audited outcome	Audited outcome	Pre-audit outcome	
Current Ratio	Current Assets/Current Liabilities	2,23	1,97	1,53	1,50
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,23	1,97	1,53	1,50
Liquidity Ratio	Monetary Assets/Current Liabilities	1,19	1,01	0,91	1,00

Current Ratio:

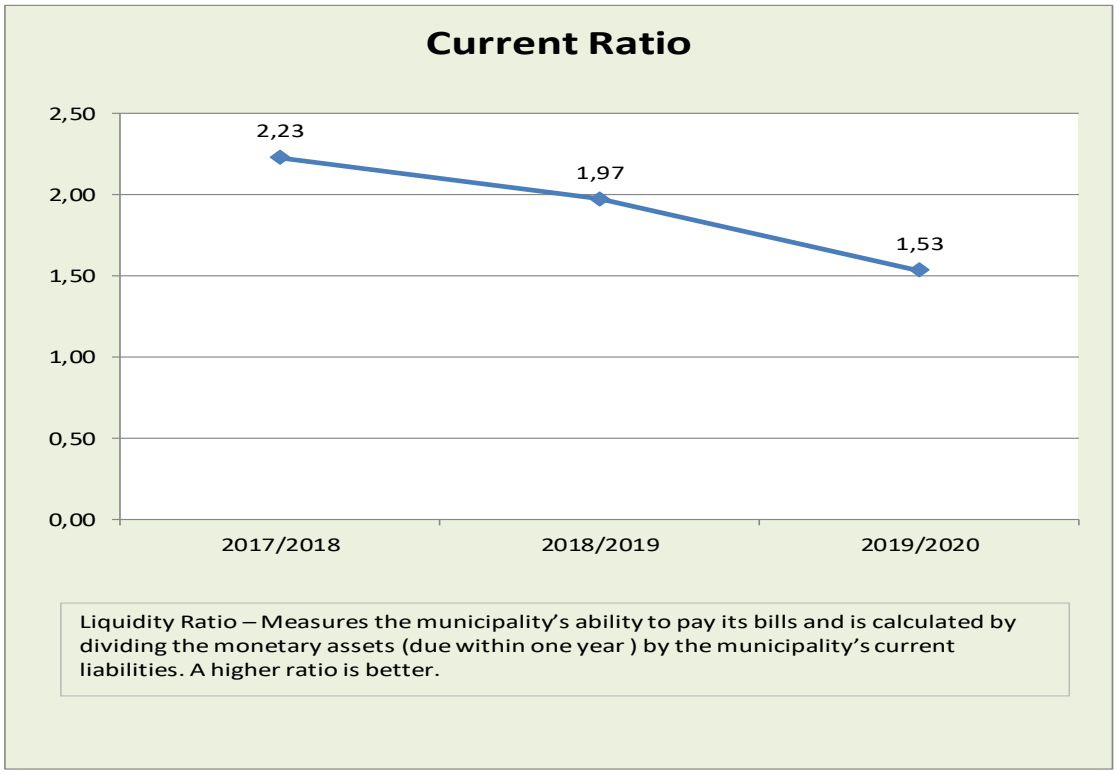
Financial year	Net current assets	Net current liabilities	Ratio
	(R)		
2017/2018	182 675	81 951	2,23
2018/2019	185 246	93 800	1,97
2019/2020	218 961	142 768	1,53

Current Ratio adjusted for aged debtors:

Financial year	Net current assets	Net current liabilities	Ratio
	(R)		
2017/2018	182 675	81 951	2,23
2018/2019	185 246	93 800	1,97
2019/2020	218 961	142 768	1,53

Liquidity Ratio:

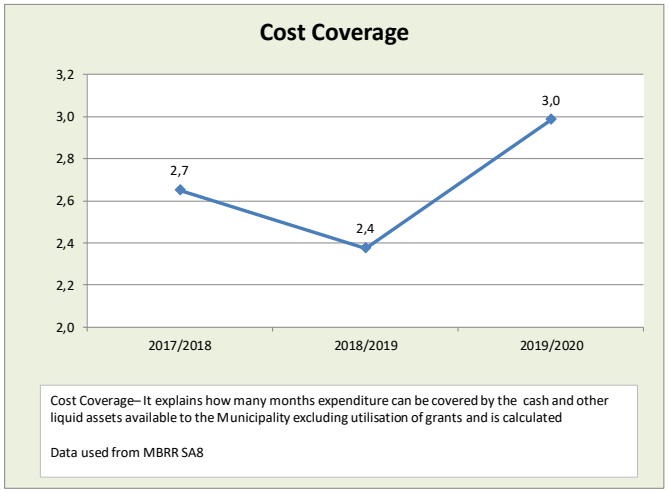
Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2017/2018	97 506	81 951	1,19
2018/2019	94 272	93 800	1,01
2019/2020	130 394	142 768	0,91

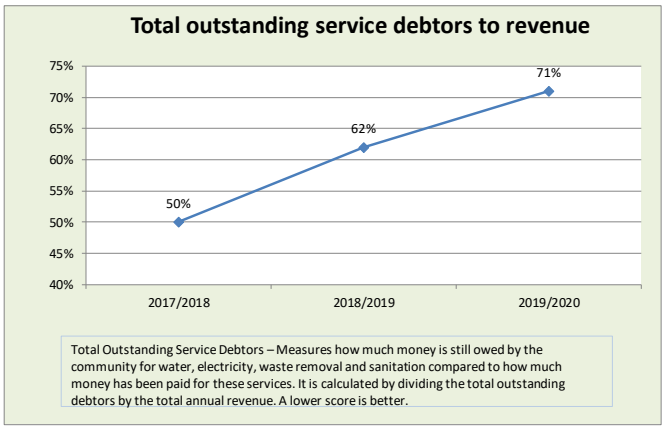


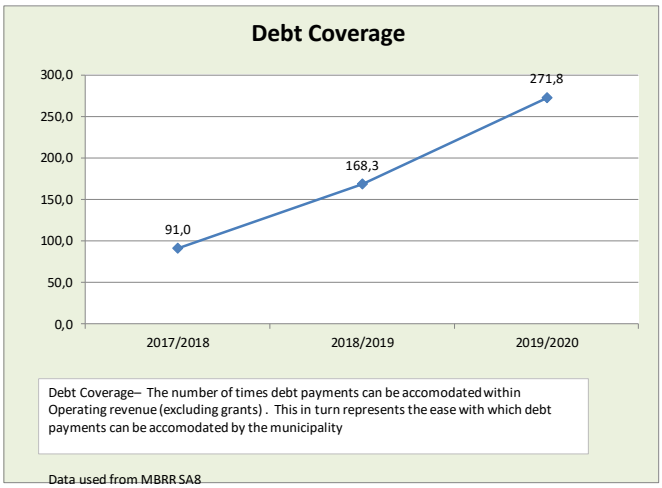
The current ratio and the current ratio adjusted for aged debt are the same as the debtors per the statement of financial performance and have already been impaired (reduced with the doubtful debt).

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2017/2018	2018/2019	2019/2020
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,7	2,4	3,0
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	91,0	168,3	271,8
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	50%	62%	71%





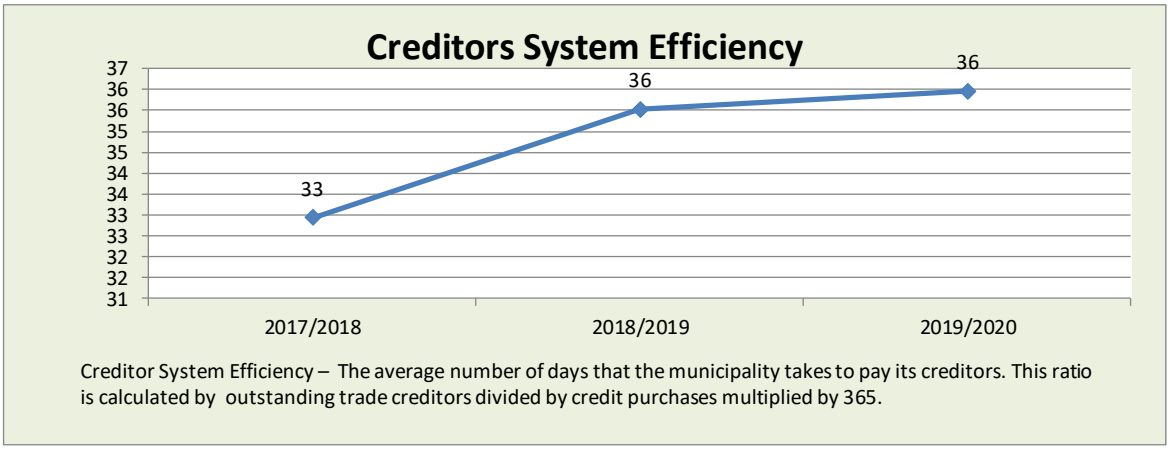


5.5.3 Creditors Management

Description	Basis of calculation	2017/2018	2018/2019	2019/2020
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	Average creditor days	33	36	36

The creditors management graph indicate The average days that the municipality takes to pay its creditors.. The figure at year end is normally higher due to the higher than normal Eskom account resulting from seasonal tariffs charged by Eskom.This ratio is calculated by outstanding trade creditors divided by credit purchases

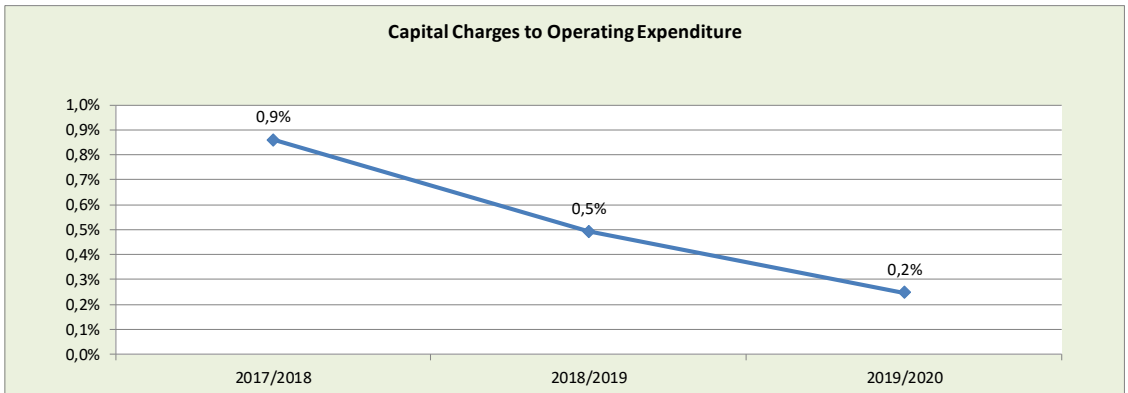
The following graph indicates the percentage of all creditors paid within terms:



Creditor System Efficiency – The average number of days that the municipality takes to pay its creditors. This ratio is calculated by outstanding trade creditors divided by credit purchases multiplied by 365.

5.5.4 Borrowing Management

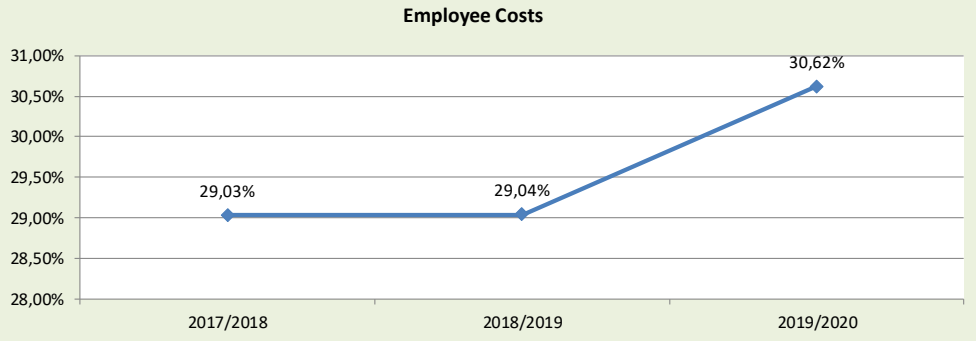
Description	Basis of calculation	2017/2018	2018/2019	2019/2020
		Audited outcome	Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,9%	0,5%	0,2%



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

5.5.5 Employee costs

Description	Basis of calculation	2017/2018	2018/2019	2019/2020
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,03%	29,04%	30,62%

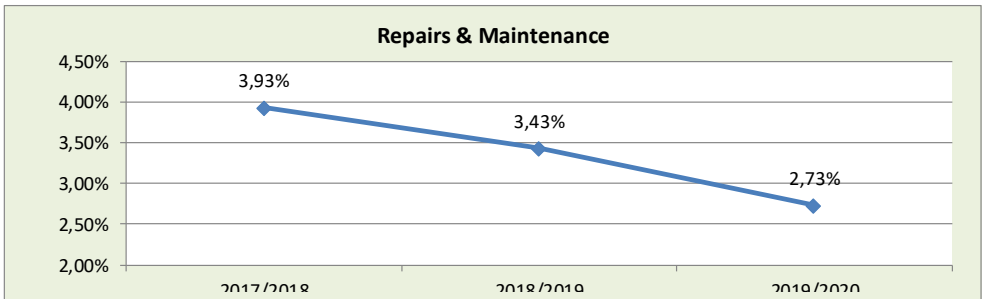


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

The graph indicates that 30.6% of revenue excluding grant revenue are utilised to fund employee related cost. The ratio is well within the norm of 25 to 40 %.

5.5.6 Repairs & Maintenance

Description	Basis of calculation	2017/2018	2018/2019	2019/2020
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,93%	3,43%	2,73%



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace expenditure by total revenue excluding capital revenue. The municipalities internal cost spend on repairs and maintenance are clasified per nature and is not included in the amount of repairs and maintenance.

The municipality need to accelerate the spending on maintenance of its assets.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	**71 613**	**76 594**	**34 468**	51,9%	55,0%
Operating Expenditure	**654 679**	**708 638**	**646 051**	1,3%	8,8%
Total expenditure	**726 292**	**785 232**	**680 520**	6,3%	13,3%

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Capital Expenditure - Funding Sources						**R' 000**
Details		**2019/2020**				
	Actual 2018/2019	**Original Budget (OB)**	**Adjustment Budget (AB)**	**Actual**	**OB to AB Variance (%)**	**Actual to OB Variance (%)**
Source of finance						
External loans	–	–	3 043	–	–	100,00
Public contributions and donations					–	–
Grants and subsidies	54 180	45 678	46 657	13 294	70,90	71,51
Other	32 517	25 935	26 893	21 175	18,35	21,26
Total	86 697	71 613	76 594	34 468	**51,87%**	**55,00%**
Percentage of finance						
External loans	0,0%	0,0%	4,0%	0,0%		
Public contributions and donations	0,0%	0,0%	0,0%	0,0%		
Grants and subsidies	62,5%	63,8%	60,9%	38,6%	39,5%	36,7%
Other	37,5%	36,2%	35,1%	61,4%	-69,6%	-75,0%
Capital expenditure						
Water and sanitation	22 627	21 281	19 871	4 242	80,07%	78,65%
Electricity	11 378	8 700	9 013	7 740	11,04%	14,13%
Housing	–	–	–	–		
Roads and storm water	45 793	17 128	16 369	10 937	36,14%	33,18%
Other	6 898	24 504	31 341	11 549	52,87%	63,15%
Total	86 697	71 613	76 594	34 468	**51,87%**	**55,00%**
Percentage of expenditure						
Water and sanitation	26,1%	29,7%	25,9%	12,3%		
Electricity	13,1%	12,1%	11,8%	22,5%		
Housing	0,0%	0,0%	0,0%	0,0%		
Roads and storm water	52,8%	23,9%	21,4%	31,7%		
Other	8,0%	34,2%	40,9%	33,5%		
						T5.6.1

5.8 CAPITAL SPENDING ON FIVE LARGETS PROJECTS

Projects with the highest capital expenditure in 2019/20:

Capital Expenditure of 5 largest projects*					R' 000
Name of Project	Current Year: 2019/2020			Variance Current Year: 2019/2020	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Tulbagh Dam	16 931	15 214	204	99%	10%
B -Upgrade of Leyell Str Sport facilities	10 435	12 071	4 031	61%	-16%
C - Vredebes Housing Project	5 999	5 871	5 392	10%	2%
D- Vehicle Replacement Programme	–	3 043	–		
E - Rehabilitation of Streets	–	2 913	2 913		
** Projects with the highest capital expenditure in Year 1*					

Name of Project - A	A - Tulbagh Dam
Objective of Project	The Provision of Housing & Basic Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - B	B -Upgrade of Leyell Str Sport facilities
Objective of Project	The Provision of Basic Road Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - C	C - Vredebes Housing Project
Objective of Project	The Provision of Basic Water Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - D	D- Vehicle Replacement Programme
Objective of Project	The Provision of Basic Electrical Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - E	E - Rehabilitation of Streets
Objective of Project	The Provision of Basic Road Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

T5.7.1

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW

All the residents in the urban areas have access to minimum basic services. Some areas still need to be upgraded to waterborne sewerage systems. Housing delivery is still a challenge, although it is a function of the Provincial Government. Service delivery to informal areas needs to be improved, serviced plots might be the only solution.

5.9.1 Service Backlogs

Service Backlogs as at 2019/2020				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	12343	100%	0	0%
Sanitation	12697	100%	0	0%
Electricity	12810	100%	0	0%
Waste management	13151	100%	0	0%
Housing	14322	88%	1945	12%
*% HHs are the service above/below minimum starndard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.*				T5.8.2

Schools & clinics with access to basic services **Appendix P**

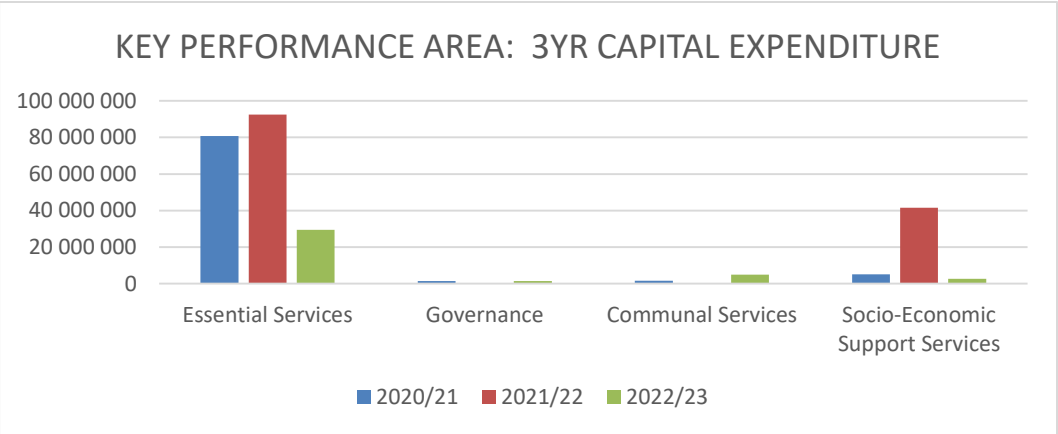
Schools & clinics with access to basic services where other spheres of government are responsible for the provision

Appendix Q

CAPITAL INVESTMENT FRAMEWORK

The Capital Budget for the 2020/21, 2021/22 and 2022/23 financial years are dominated by projects linked to the implementation of social housing projects, upgrading of roads (Van Breda Bridge, Ceres), construction of Tulbagh storage Dam and the construction of a Material Recovery Facility at Ceres. Major projects mainly include the upgrade of bulk infrastructure to support these developments, internal network infrastructure of Witzenberg will further continue with the upgrading of existing infrastructure and facilities and will complete the Material Recovery Facility as part of a new waste strategy in the second year.

In terms of the Witzenberg Strategic Map, the bulk of the funding is allocated to the key performance area of Essential Services with the strategic objectives related to the provision of services and upgrading of informal settlements receiving the majority of capital funding as indicated in the graphs below:



The bulk of the municipality's capital expenditure is in respect of Essential Services (Electricity, Water, Sewerage, Refuse disposal and Roads).

Detailed three-year Capital Budget

New works & renewal programme	**Appendix M**
Full programme of full capital projects	**Appendix N**
Alignment of projects to Wards	**Appendix O**

5.9.2 Municipal Infrastructure Grant (MIG)

Municipal Infrastructure Grant (MIG)* Expenditure 2019/2020 on Service backlogs R' 000						
Details	**Budget**	**Adjust-ments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjust-ments Budget**	
Infrastructure - Road transport	5 178	5 049	4 919	**-5,27%**	**-2,65%**	
Roads, Pavements & Bridges	1 786	1 786	1 656	-7,88%	-7,88%	
Storm water	3 391	3 263	3 263	-3,94%	0,00%	
Infrastructure - Electricity	821	821	474	**-73,42%**	**-73,42%**	
Generation	–	–	–			
Transmission & Reticulation	–	–	–			
Street Lighting	821	821	474	-73,42%	-73,42%	
Infrastructure - Water	**–**	**–**	**–**			
Dams & Reservoirs	–	–	–			
Water purification	–	–	–			
Reticulation	–	–	–			
Infrastructure - Sanitation	**–**	**–**	**–**			
Reticulation	–	–	–			
Sewerage purification	–	–	–			
Infrastructure - Other	–	998	909	100,00%	-9,85%	
Waste Management	–	998	909	100,00%	-9,85%	
Transportation	–	–	–			
Gas	–	–	–			
Other Specify:	**13 567**	**12 697**	**4 651**	**-191,73%**	**-173,03%**	
Sport Facilities Wolseley	10 435	12 071	4 031	-158,83%	-199,42%	
Pine Valle Hall	1 245	–	–			
Project Management Equipment	1 261	–	–			
Operating Expenditure	26	26	19	-37,23%	-37,23%	
Total	**600**	**600**	**600**	**0,00%**	**0,00%**	
** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*						T5.8.3

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

Cash flow budgeting and management is of the utmost importance to ensure sufficient cash to meet obligations.

5.10 CASH FLOW

Cash Flow Outcomes				R'000
Description	2018/2019	Current Year: 2019/2020		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	365 123	426 667	427 197	391 911
Government - operating	104 389	139 169	142 594	149 326
Government - capital	59 011	50 208	46 327	39 070
Interest	19 096	16 565	11 056	17 961
Payments				
Suppliers and employees	(465 327)	(531 645)	(552 359)	(527 486)
Finance charges	(651)	(2 733)	3 087	(469)
Transfers and Grants	–	(61 925)	(31 179)	–
NET CASH FROM/(USED) OPERATING ACTIVITI	**81 642**	**36 306**	**46 722**	**70 313**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	3 268	–	–	649
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(86 697)	(71 613)	(76 434)	(34 468)
NET CASH FROM/(USED) INVESTING ACTIVITIE	**(83 429)**	**(71 613)**	**(76 434)**	**(33 819)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	730	–	–	827
Payments				
Repayment of borrowing	(2 177)	(500)	0	(1 199)
NET CASH FROM/(USED) FINANCING ACTIVITIE	**(1 447)**	**(500)**	**0**	**(371)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(3 234)**	**(35 807)**	**(29 711)**	**36 123**
Cash/cash equivalents at the year begin:	97 506	94 272	94 272	94 272
Cash/cash equivalents at the year end:	**94 272**	**58 465**	**64 560**	**130 394**
Source: MBRR SA7				T5.9.1

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	(R'000)					
2018/2019	26 671	107 726	69 199	1 526	4 802	209 924
2019/2020	31 975	134 453	90 277	2 082	2 249	261 036
Difference	5 304	26 727	21 077	557	(2 552)	51 112
% growth year on year	**20%**	**25%**	**30%**	**36%**	**-53%**	**24%**

Note: Figures excludes provision for bad debt

5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2018/2019	46 218	7 281	3 655	152 770	209 924
2019/2020	50 418	9 021	7 172	194 419	261 030
Difference	4 200	1 740	3 517	41 649	51 106
% growth year on year	**9%**	**24%**	**96%**	**27%**	**24%**

Note: Figures excludes provision for bad debt

The Auditor-General of South Africa has, in its report on the 2019/2020 financial statements of the Municipal Council, has emphasised the material impairment of R171 million of receivables from exchange transactions and R 49 million of receivables from non-exchange transactions. Included in the impairment for receivables from non exchange transactions in an amount of R25 in respect of traffic fines.

The gross outstanding service debtors in total increased with 24 % in relation to the 2018/2019 financial year. The main contributing factor for the increase is the increase in debt in respect of water, sewerage and waste collection.

The leading contributor to the outstanding debt are water at 30.3 % .

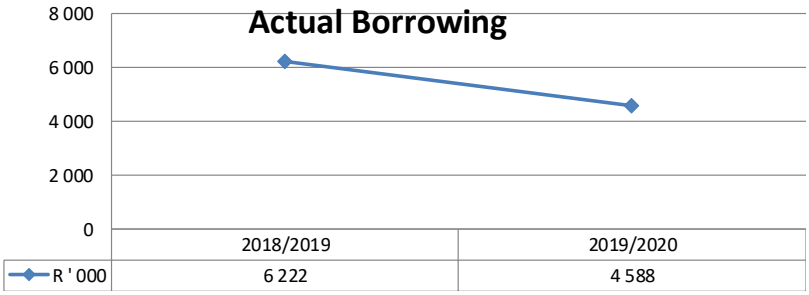
The effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors.

5.13 BORROWINGS AND INVESTMENT

5.13.1 Actual Borrowings

Instrument	2018/2019	2019/2020
	R'000	
Long(Term Loans (annuity/reducing balance)	6 222	4 588
Long(Term Loans (non(annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non(Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Municipality Total	**6 222**	**4 588**

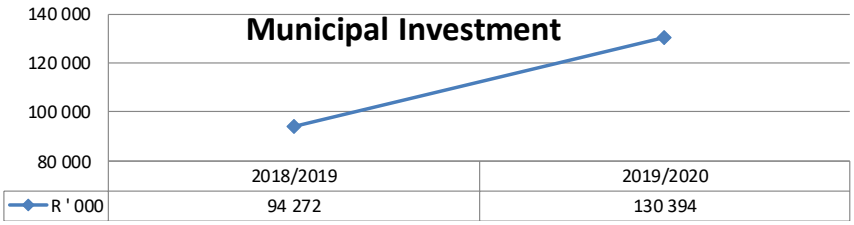
The following graph shows the municipal actual borrowings for the past two years:



5.13.2 Municipal Investments

Investment type	2018/2019	2019/2020
	R'000	R'000
Securities (National Government	-	-
Listed Corporate Bonds	-	-
Deposits (Bank	94 272	130 394
Deposits (Public Investment Commissioners	-	-
Deposits (Corporation for Public Deposits	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit (Banks	-	-
Guaranteed Endowment Policies (sinking)	-	-
Repurchase Agreements (Banks	-	-
Municipal Bonds	-	-
Other	-	-
Municipality Total	**94 272**	**130 394**

Witzenberg Municipality needs to increase the available investments in order to be financially more viable. This can only be achieved if the payment for rates and taxes improve.



Included in the Cash balance is R 54 million in respect of unspent conditional grants. The main contributing factors is the outstanding water use licence for the Tulbagh dam and the effect of the lockdown regulations.

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

Witzenberg Municipality implemented policies and practices in compliance with the guidelines stipulated by the SCM Regulations 2005. No councillors are members of any committees handling supply chain processes.

5.15 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the accounting standards by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

6.1 AUDITOR-GENERAL REPORTS 2018/19

Auditor-General Report on Financial Performance 2018/19	
Status of the audit report:	**Unqualified**
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Material impairments	
As disclosed in note 3 to the financial statements, the municipality has provided for an impairment of R131,6 million (2017-18: R101,4 million) on receivables from exchange transactions	Water management devices were procured and will be installed to help consumers to manage their water consumption.
As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions of R36,1 million (2017-18: R47 million).	The bulk of the outstanding receivables from non-exchange transactions are in respect of traffic fines and property rates. Fines is the bulk of the outstanding not recovered will be written off in terms of communication from National Prosecution Authority. Stringent collection processes needs to be implemented for the recovery of property rates.
Restatement of corresponding figures	
As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors discovered during 2018-19 in the financial statements of the municipality for the year ended 30 June 2019	None

6.2 AUDITOR-GENERAL REPORTS 2019/20

Auditor-General Report on Financial Performance 2019/20	
Status of the audit report:	**Unqualified**
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Material impairments	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R171,3 million (2018-19: R131,6 million) on receivables from exchange transactions amounting to R229,1 million (2018-19: R183,3 million).	A report will be submitted to Council to consider the write off of irrecoverable debt by end of May 2021.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R49,1 million (2018-19: R36,6 million) on receivables from non-exchange transactions amounting to R60,4 million (2018-19: R52,5 million).	The credit control policy will be implemented again as it was implemented fully during the lockdown period. Implemented by April 2021.
The above provision for the impairment of receivables from non-exchange transactions was made after an amount of R14,2 million (2018-19: R17,7 million) was written off.	A supply chain management process will be followed to appoint a new service provider for speed law enforcement and the collection of traffic related fines. Procurement process to be finalised by June 2021.
Restatement of corresponding figures	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2019 have been restated as a result of errors discovered during 2019-20 in the financial statements of the municipality for the year ended 30 June 2020.	None

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWA	Department of Water Affairs
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MRF	Material Recovery Facilities
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PPP	Public Private Partnership
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

APPENDICES

APPENDIX A: Councillors; Committee Allocation and Council Attendance

See also Chapter 2.1.1 of Annual Report

Name of Councillor / Alderman	Capacity	Committee	% Attendance of Council Meetings 2019/20
TE Abrahams	Mayco Member / Councillor	Local Economic Development, Tourism and Marketing	100%
K Adams	Deputy Executive Mayor / Alderman	Community Development	90%
P Daniels	Councillor	Community Development	100%
TT Godden	Speaker / Alderman		100%
P Heradien	Councillor	Local Economic Development, Tourism and Marketing	50%
DM Jacobs	Councillor	Technical Services	80%
D Kinnear	Councillor	Corporate and Financial Services	90%
BC Klaasen	Executive Mayor / Councillor		100%
GG Laban	Councillor	Community Development	40%
C Lottering	Councillor	Local Economic Development, Tourism and Marketing	90%
M Mdala	Councillor	Technical Services	30%
TP Mgoboza	Councillor	Corporate and Financial Services	100%
ZS Mzauziwa-Mdishwa	Councillor	Housing Matters	100%
MJ Ndaba	Councillor	Corporate and Financial Services	70%
N Phatsoane	Councillor	Community Development	100%
JT Phungula	Alderlady	Housing Matters	80%
JW Schuurman	Alderman	Corporate and Financial Services	100%
EM Sidego	Mayco Member / Councillor	Housing Matters	90%
RJ Simpson	Councillor	Technical Services	60%
HJ Smit	Mayco Member / Alderman	Corporate and Financial Services	100%
D Swart	Councillor	Technical Services	90%
HF Visagie	Councillor	Local Economic Development, Tourism and Marketing	30%
JJ Visagie	Mayco Member / Alderman	Technical Services	70%

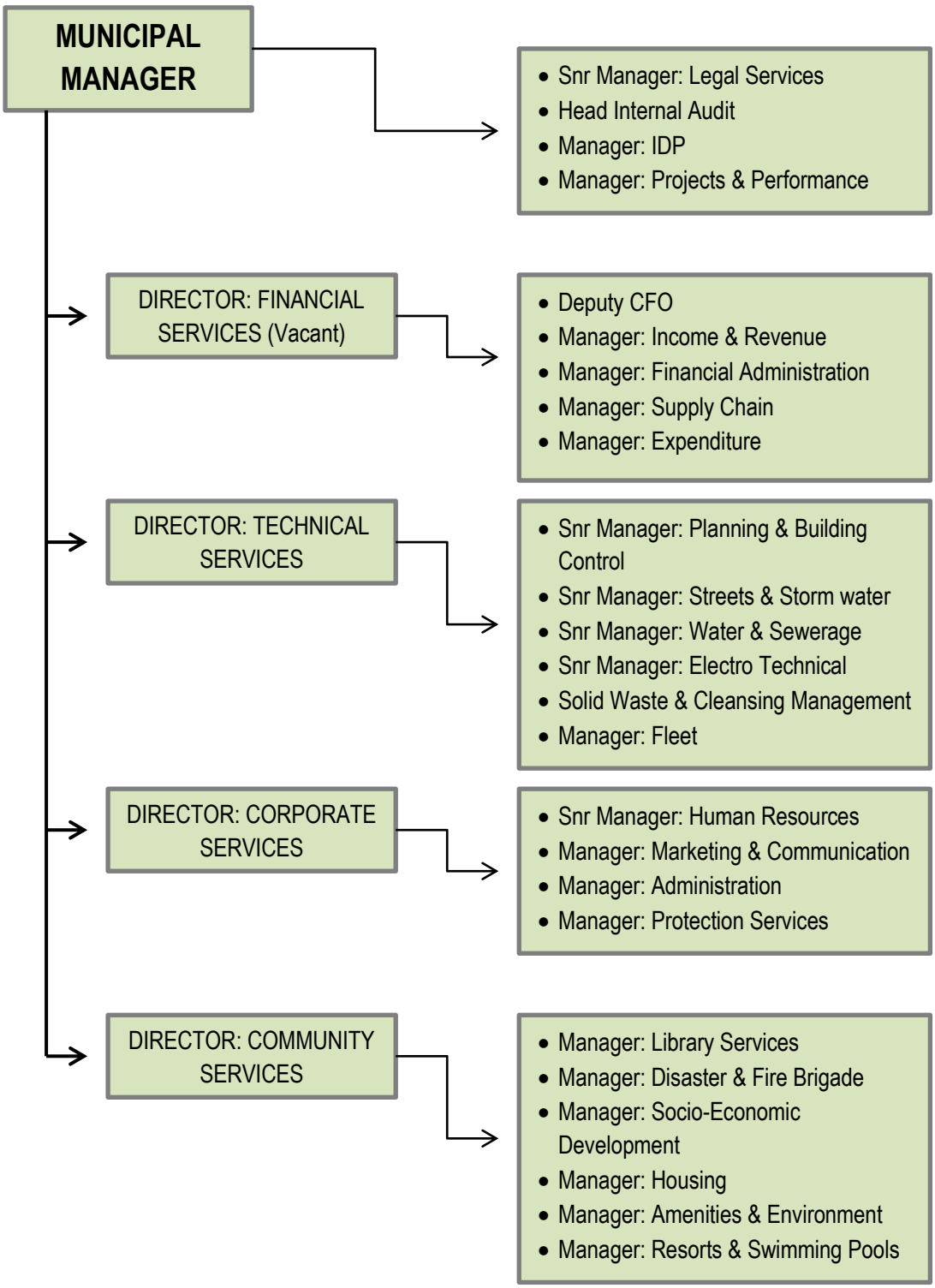
Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
31 July 2019	41	78%	80%
23 August 2019	5	74%	83%
4 October 2019	9	78%	60%5
30 October 2019	48	96%	100%
11 December 2019	28	100%	N/A
28 January 2020	19	87%	33%
25 February 2020	15	78%	80%
25 March 2020	6	83%	25%
27 May 2020	7	57%	11%
11 June 2020	1	78%	60%

APPENDIX B: Committees & Committee Purposes

See also Chapter 2.1.1 of Annual Report

Name of Committee	Purpose
Corporate and Financial Services	Administrative & Financial Support Services Traffic (finances) Information Technology IDP & Public Participation Labour Relations Human Resources Budget, Insurance, Assets & Valuations Supply Chain Management Internal Audit Property Management Performance Management Archives Industrial Development
Housing Matters	Housing Management Needs determination Community Participation (Housing) Placement & Allocation Project Management (Housing) Lease & Subsidy Administration Illegal Occupancy & Squatter Control
Local Economic Development, Tourism & Marketing	Local Economic Development Marketing Communication Tourism Museums
Technical Services	Cleansing & Solid Waste Expanded Public Works & Infrastructure Electricity Mechanical Services Civil Services Water & Sanitation Roads & Storm Water Project Management Town Planning & Land Use Building Control
Community Development	Protection Services Traffic Fire Fighting Disaster Management Social Services Child Care Facilities Elderly Support Community Safety Youth Development Night Shelter Stray Animal Management Law Enforcement Library Services Municipal Facilities & Community Halls Parks & Sport Facilities Cemeteries Resorts & Swimming Pools Non-Governmental Organisations Socio-Economic Development Environmental Management Public Transport

APPENDIX C: Third Tier Administrative Structure



APPENDIX D: Functions of the Municipality

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No (support)
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	No (support)
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No (only planning & operating licenses)
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes

Municipal Function	Municipal Function: Yes / No
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E: Ward Committee Governance & Functionality

Ward committee members are paid a monthly stipend and transport is provided, where necessary. This stipend is to aid ward committee members with attend meetings and functions where public participation, through the ward committee system, is required.

Venues have been established for the ward meetings and support personnel. The Community Liaison Officers and Community Development Workers are available for support, if necessary. Refreshments are provided at the ward committee meetings.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	6	8	Yes
2	Yes	8	9	Yes
3	Yes	8	9	Yes
4	Yes	5	9	Yes
5	Yes	4	8	Yes
6	Yes	8	9	Yes
7	Yes	7	9	Yes
8	Yes	8	9	Yes
9	Yes	8	9	Yes
10	Yes	8	9	Yes
11	Yes	7	9	Yes
12	Yes	8	9	Yes

The table below provides information on each ward with regards to representatives and the capacity representing:

Ward 1: N'Duli (Polo Cross Hall)

Name of representative	Capacity representing	Number meetings held during the year
Buyisile Nobewu	Sport & Culture	8
Cynthia Davids	Health & Social	
Day Ngwane	Safety	
Nandi Mvunyiswa	Youth	
Mandisa Hinana	Education	
Kenneth Mbangula	Business Community	

Name of representative	Capacity representing	Number meetings held during the year
Ntombi Kwene	Women	
Alfred Mpondwana	Churches	
Cingiswa Tshuta	Civics & Taxes	
Mandlakazi Mjelele	Disabled& Elderly	

Ward 2: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
	Safety	9
Audrey Longman	Education	
Lucille Classen	Health & Social	
Elizabeth Van Rooyen	Disability & Eldery	
Annemien Bezuidenhout	Civics & Taxes	
Elizabeth Wynand	Women	
Katrina Van Rensburg	Business Community	
Cornelia Moses	Youth	
Adan Maarman	Sport & Culture	
Brian Albertus	Churches	

Ward 3: Ceres (Rietvallei Library)

Name of representative	Capacity representing	Number meetings held during the year
Adriaan Williams	Business Community	9
Mark Mentoor	Health & Social	
Marinda Mankapan	Women	
Hendrik Titus	Churches	
Lorencia Jacobs	Safety	
Mariaan Van Rooi	Youth	
Elizabeth Velensky	Disabled & Elderly	
Saartjie Franse	Sport & Culture	
Amanda Whitebooi	Education	
Ronald Ross	Civics & Taxes	

Ward 4: Prince Alfred's Hamlet (Kliprug Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Alma Goosen	Business Community	9
David Mentoor	Civics & Taxes	
Johan Jacobs	Youth	
Jane Haas	Women	
Christelle Kosie	Safety	
Anneline Smit	Churches	
Jerome Barends	Sport & Culture	
Moses Davids	Health & Social	
Jacobus de Wee	Disabled & Elderly	
Le-Marco Smit	Education	

Ward 5: Ceres (John Steyn Library)

Name of representative	Capacity representing	Number meetings held during the year
Hyno Baartman	Health & Social	8
Amelia Abrahams	Disabled & Elderly	
Angeline Wildschut	Youth	
Marius Koopman	Civics & Taxes	
Rudolf Nel	Sport & Culture	
Fiona Hardneck	Churches	
Sylvia Cupido	Women	
Jonathan Nel	Safety	
Ronnie Philander	Education	
	Business & Community	

Ward 6: Bella Vista (Bella Vista Library)

Name of representative	Capacity representing	Number meetings held during the year
Frederika Koopman	Youth	9
Joey Jantjies	Churches	
Melanie Bé	Disabled & Elderly	

Name of representative	Capacity representing	Number meetings held during the year
Sara Krotz	Sport & Culture	
Chantel Pietersen	Health & Social	
Johannes Crotz	Safety	
Oelsen Seroot	Business & Community	
Sylvia Minnaar	Women	
Letichia Crotz	Education	
Alwyn Fransman	Civics & Taxes	

Ward 7: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Deborah Hlongwana	Churches	
Magdalena Julius	Business Community	
Jacquelina Fortuin	Youth	
	Safety	
Kenneth Carelse	Sport & Culture	9
Paulina Basson	Health & Social	
Anne Swarts	Women	
Lambertus Johnson	Civics &Taxes	
Piet Klink	Disable &Elderly	
	Education	

Ward 8: Op -Die-Berg (Op-die-Berg Aksent Office)

Name of representative	Capacity representing	Number meetings held during the year
Brendon Maqhina	Disable & Elderly	
Lena Pieters	Sport & Culture	
Ayanda Teni	Business Community	
Magrieta Baardman	Women	
Elzaan Ruiters	Youth	9
Legina Baleni	Churches	
Albertus Nel	Safety	
Chriszelda Mars	Health & Social	
Gert Jantjies	Education	

Name of representative	Capacity representing	Number meetings held during the year
Johannes Fransman	Civic & taxis	

Ward 9: Op-die-Berg

Name of representative	Capacity representing	Number meetings held during the year
Francic Mackenzie	Churches	9
Carlo Galant	Health &Social	
Ndelelo Shweni	Disabled & Elderly	
Thuliswa Mayekiso	Women	
Tom Persens	Education	
Jika Bongiswa	Civics & Taxes	
Mzwandile Phuphuma	Safety	
Aneline Arries	Youth	
Jack Tromp	Business Community	
Chrisjan Fortuin	Sport & Culture	

Ward 10: PA Hamlet (Council Chambers)

Name of representative	Capacity representing	Number meetings held during the year
Shaun Moses	Youth	9
Alida Slinger	Women	
Sophia De Bruin	Health & Social	
Juliana Appollis	Civics & Taxes	
Clive Young	Education	
Berend Skippers	Sport &Culture	
Thamsanqa Mpithi	Business Community	
Jacob Faro	Churches	
Leonard Baardman	Safety	
Clara Swarts	Disable &Elderly	

Ward 11: Tulbagh (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Sittimio Louw	Education	9
Velencia Daniels	Sport & Culture	
Gerald Davids	Sport & Culture	
Rosina Jooste	Churches	
Raymond Malapo	Women	
Ann Myburgh	Disabled & Elderly	
Allistar Booysen	Civics &Taxes	
Nceba Nyosana	Youth	
Theo Lombaard	Business Community	
Sittimio Louw	Safety	

Ward 12: N'Duli (Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Zingiswa Senoamali	Education	9
Ndenzeni Nonkasanpi	Disabled &Elderly	
Zoliswa Mona	Churches	
Thembakazi Ncaphayi	Health & Social	
Kholekile Mrwetyana	Business Community	
Humphry Ndwanya	Safety	
Namhla Mdala	Sport & Culture	
N Ruth Yisa	Women	
Siyabonga Gaba	Civics & Taxes	
Bulelwa Mzwakali	Youth	

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	6	8	Yes
2	Yes	8	9	Yes
3	Yes	8	9	Yes
4	Yes	5	9	Yes

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No
5	Yes	4	8	Yes
6	Yes	8	9	Yes
7	Yes	7	9	Yes
8	Yes	8	9	Yes
9	Yes	8	9	Yes
10	Yes	8	9	Yes
11	Yes	7	9	Yes
12	Yes	8	9	Yes

APPENDIX F: Service delivery performance at Ward level

Basic service provision per ward/town (within urban edge).

Wards	Town	Nr. of Accounts				*Informal Households	Housing Waiting List
		Water	Sanitation	Electricity	Refuse		
1,12	*Nduli*	1 232	1 242	1 890	1 229	1 096	1 535
3,5	*Ceres*	2 431	2 762	3 496	3 107		2 419
4,6	*Bella Vista*	2 560	2 583	2 555	2 570		
4,10	*Hamlet*	1 355	1 349	ESKOM	1 339		1 206
9	*Op-Die-Berg*	527	476	ESKOM	520		810
7,11	*Tulbagh*	1 807	1 843	2 308	1 927	1 610	1 010
2,7	*Wolseley*	2 550	2 610	2 780	2 629	1 079	1 330
TOTALS		12 462	12 865	13 029	13 321	3 785	8 310

*Informal Households – nr of households in informal areas (excluding backyarders)

Top four service delivery priorities per ward/town.

Wards	Town	Priority Name & Detail	Progress During 2019/20
1,12	Nduli	Sewer network needs to be improved	Periodic maintenance. Overload will decrease with re-establishment of informal settlement.
		Sports grounds needs to be restored/ upgraded	On-going vandalism & theft prohibits restoration
		Electrical theft needs to be clamped down	Illegal connections remain high priority to be addressed through newly developed Illegal electricity connection & theft strategy
		Provide street/security lights in unsafe areas	Periodic maintenance.
3,5	Ceres	Weekends the Town Main Roads have too much traffic	Spatial Development Plan completed. In progress with precinct plan for R46 towards Nduli.
		Housing need	635 Serviced sites completed & top structures being developed at Vredebes
		Rotational skip removal	New Waste Management Policy
		Playgrounds	Borehole for park irrigation

4,6	Bella Vista	Gang activity becoming a problem	Increasing law enforcement & coordination with SAPS
		Vandalizing of Municipal property	Increasing law enforcement & coordination with SAPS
		Business hub/mini CBD for Bella Vista	In process to develop container park at Bella Vista / Skoonvlei industry.
		Clamp down on illegal dumping of refuse.	New Waste Management Policy
4,10	Hamlet	Animal control in all areas	Increased law-enforcement
		Business hub/mini CBD for Kliprug area	Spatial Development Plan completed
		Xhosa medium school for PA Hamlet area	Conveyed to Provincial Government
		Housing need	Development at Vredebes
9	Op-Die-Berg	The location of public ablutions facilities in the CBD area	New ablutions facility completed
		More municipal services to be rendered at Op Die Berg offices	New office opened at Nuykintaba Hall
		Illegal shebeens need to be closed	Continued law enforcement & inspections
		Speed calming still a problem	Increased law enforcement
7,11	Tulbagh	More ablution facilities needed in Chris Hani area, and ASLA Camp	Upgrade of Informal Settlements project underway for Chris Hani
		Informal households utilising storm water as a means to dump their grey water & waste water, which contaminates river. Storm water network in Tulbagh needs to be maintained regularly	Formal housing to be included in housing pipeline to alleviate problem.
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		Speed calming needed along main street walkway routs	Increased law-enforcement
2,7	Wolseley	Taxi rank placements to be investigated	Spatial Development Plan completed
		Public bathroom facilities in the CBD	Spatial Development Plan completed
		Back yard dwellers still a problem, housing need	Housing project planned for future, dependant on grant funding allocations.
		Illegal shebeens need to be closed	Continued law enforcement and inspections

APPENDIX G: Audit Committee recommendations

Date of the PRAC meetings	Committee recommendations during 2019/20	Recommendations adopted (enter Yes) If not adopted (provide explanation)
02 Aug 19	a) That the Head: Internal Audit removes paragraph 10.5 from the policy. (b) that the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that the Performance, Risk and Audit Committee takes notice of the amendments to the Fraud and Corruption Prevention Policy and, after consideration, approved and accepted same.	Yes
02 Aug 19	That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that notice be taken of the Fraud and Corruption Prevention Strategy and, after consideration, approved and accepted same.	Yes
02 Aug 19	That the Whistle Blowing Policy be updated and amended and after that be tabled to Council for adoption.	Yes
02 Aug 19	That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that notice be taken of the Annual Risk Assessment Report ended 30 June 2019 and same, after consideration, be accepted.	Yes
02 Aug 19	That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that the Performance, Risk and Audit Committee takes notice of the Section 71 Monthly Budget Statement Reports for April, May and June 2019 and, after consideration, same be approved and accepted.	Yes
02 Aug 19	That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that the Performance, Risk and Audit Committee, after consideration, takes notice of the Quarterly Budget Statement [Section 52(d)] Report for the fourth quarter of 2018/2019 and that same be approved and accepted.	Yes
02 Aug 19	That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council that the Performance, Risk and Audit Committee, after consideration, takes notice of the matter in respect of the annual confirmation of organisational independence of the Internal Audit Activity and recommends that same be accepted.	Yes
13 Sep 19	• The Performance, Risk and Audit Committee requested that a comparison be shown between the current and the previous in terms of accounts amounting vs indigent cost (p. 6). • That the YTD actuals and YTD budget (p. 10) do not correlate. • That the bulk debt of the organs of state are property rates. That the Performance, Risk and Audit Committee recommends to Council that the Performance, Risk and Audit Committee, after consideration, takes notice of the Section 71 Monthly Budget Statement Report of the Directorate Finance for July 2019.	Yes
25 Oct 19	a) that the Performance, Risk and Audit Committee members forward their inputs in respect of the Draft Second Bi-Annual Report on Performance	Yes

Date of the PRAC meetings	Committee recommendations during 2019/20	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Management for 2018/2019 to the Chairperson by Friday, 1 November 2019. (b) that the Performance, Risk and Audit Committee Chairperson and the Head: Internal Audit finalise the Draft Second Bi-Annual Report on Performance Management for 2018/2019 by Friday, 8 November 2019. (b) that the Head: Internal Audit tables the final report to the Executive Mayoral Committee and Council.	
25 Oct 19	That the Performance, Risk and Audit Committee recommends to Council that the Performance, Risk and Audit Committee takes notice, after consideration, of the Section 71 Monthly Budget Statement Reports for August and September 2019 and refers same to Council for consideration and approval.	Yes
25 Oct 19	That the Performance, Risk and Audit Committee recommends to Council: that the Performance, Risk and Audit Committee takes notice, after consideration, of the Quarterly Budget Statement Report in terms of Section 52(d) for the period 1 July 2019 until 30 September 2019 and refers same to Council for consideration and approval.	Yes
29 Nov 19	To recommend to Council that the Performance, Risk and Audit Committee took notice, after consideration, of the AGSA Audit Report for 2018/2019 and recommends same to Council for consideration.	Yes
29 Nov 19	That the Performance, Risk and Audit Committee finalised the Performance, Risk and Audit Committee report as at 30 June 2019 and submitted the signed report to the Municipal Manager for attachment to the final Annual Report 2018/2019.	Yes
07 Feb 20	that the Section 71 Monthly Budget Statement Reports of the Directorate Finance for October, November and December 2019, after consideration, be approved.	Submitted for Council consideration
07 Feb 20	That the Performance, Risk and Audit Committee recommends to Council That notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the period 1 October 2019 until 31 December 2019 and, after consideration, same be approved.	Submitted for Council consideration
07 Feb 20	That the Performance, Risk and Audit Committee recommends to Council that the Performance, Risk and Audit Committee took notice of and, after consideration, recommends to Council that the Municipal Corporate Governance of Information and Communication Technology Policy for Witzenberg Municipality be considered for approval.	Submitted for Council consideration

Audit Committee recommendations on Fraud & Financial Misconduct for 2019/20

Minutes: Performance, Risk & Audit Committee Meeting, 17 May 2019, Item 4.3

"The Performance, Risk and Audit Committee resolved on 8 February 2019 that matters of fraud be a standing item on the PRAC agenda.

The PRAC Charter states that the Performance, Risk and Audit Committee must:

1. Gain thorough understanding of the risk management policy, risk management strategy, risk management implementation plan, and fraud risk management policy of the institution to enable them to add value to the risk management process when making recommendations to improve the process;
2. Review the process implemented by Management in respect of fraud prevention and ensures that all fraud related incidents have been followed up appropriately.

The Audit Committee Annual Report guideline suggests reporting the following:

The municipality has adopted aggressive anti-corruption measures to curb the frequency and magnitude of fraud and corruption. The audit committee considered the quarterly reports from the forensic investigations unit of the municipality on the investigations conducted, the nature of the incidents and the outcomes of the investigations.
Based on the above-mentioned it is recommend that the Performance, Risk and Audit Committee consider the following to be added to the PRAC agenda (In-committee):

Heading: Fraud and financial misconduct

In terms of the PRAC Charter the committee must:
Gain thorough understanding of the risk management policy, risk management strategy, risk management implementation plan, and fraud risk management policy of the institution to enable them to add value to the risk management process when making recommendations to improve the process;
Review the process implemented by Management in respect of fraud prevention and ensures that all fraud related incidents have been followed up appropriately.

The following related information is for consideration:

- HR register for case types fraud/theft and financial misconduct.
- Finance registers on Irregular, Fruitless and Wasteful expenditure ("None" will be reported if no cases were registered).
- Fraud Risk register (Risk and control).

The Performance, Risk and Audit Committee oversight and review over the anti-fraud policies will also take place under this heading.

- The Performance, Risk and Audit Committee requested that the Fraud and Risk registers be kept as separate and standing items on the agenda.
- That the municipality does not have a forensic investigations unit, but if needed, that the matter will be outsourced.
- That all theft matters be reported in the HR register.
- That matters of financial misconduct be regarded as much more serious.
- That fraud and financial misconduct be added to the PRAC agendas as a standing item with two sub-items, i.e HR register and
- Financial misconduct

RESOLVED

(a) that the Fraud and Risk registers be kept as two separate and standing items on the agenda.
(b) that the item on fraud will have two sub-items, namely:
(i) HR register and
(ii) Financial misconduct
(c) that the Performance, Risk and Audit Committee, after consideration, takes notice of the resolutions register and same be accepted.

APPENDIX H: Long Term Contracts and Public Private Partnerships

Only one long term contract for the provision of banking services as awarded to First National Bank under Bid nr. 08/2/15/23. No Public Private Partnership was entered to by end of June 2019/20.

APPENDIX I: Service delivery performance of entities & service providers

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review, the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and thus, this report contains no information in this regard. All other contract appointments are regularly monitored in terms of Section 51(3) of the Supply Chain Management Policy which stipulates that vendor performance must be monitored as follows:

- Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
- If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.

The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.

If vendors fail to deliver in terms of paragraph 23(1)(a) of the General conditions of the contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

APPENDIX J: Disclosure on Financial Interests

Schedule 1, Section 7 as well as Schedule 2, Section 5A of the Municipal Systems Act states that when a councillor is elected or appointed or a person appointed in terms of section 56 or a municipal manager, he or she must within 60 days declare in writing to the municipal manager or the chairperson of the municipal council the following financial interests held:

- shares and securities in any company;
- membership of any close corporation;
- interest in any trust;
- directorships;
- partnerships;
- other financial interests in any business undertaking
- employment and remuneration;
- interest in property;
- pension; and
- subsidies, grants and sponsorships by any organisation.

Any change in the nature or detail of the financial interests of any councillor or official must be declared in writing to the municipal manager or to the chairperson of the municipal council annually. The municipal Council must determine which of the financial interests referred in the above-mentioned list must be made public, whilst balancing the need for confidentiality and disclosure in the public interest.

The following table lists the disclosure of financial interests of the administrative and strategic role players of the municipality which were deemed to be disclosed for public interest:

Disclosures of Financial Interests		
2019/2020		
Name	**Description of Financial interests***	
Executive Mayor		
Cllr BC Klaasens	Shares and securities in any	NASPERS and SASOL
	Directorships	Klaasen Incorporated
	Employment and Remuneration	Witzenberg Municipality; Klaasen Incorporated
	Property	2 Beets Street, Ceres 45 Trekker Street, Plettenberg Bay
	Pension	Consolidated Retirement Fund
Member of Mayoral Committee / Executive Committee		
Alderman K Adams	Employment and Remuneration	Witzenberg Municipality
	Property	853 Vrede Street, Bella Vista
	Pension	Consolidated Retirement Fund
Alderman T Godden	Share and Security in any company	Klein Begin Viswinkel
	Directorship	Klein Begin Viswinkel; Primary Co-operative Limited
	Employment and Remuneration	Witzenberg Municipality
	Interest in Property	214 Hoop Street , Koue Bokkeveld
	Pension	Consolidated Retirement Fund
Cllr TE Abrahams	Shares and securities in any Company	MTN; SASOL; Peninsula Hotel Time shares

Disclosures of Financial Interests		
2019/2020		
Name	Description of Financial interests*	
	Close Corporation	None
	Interest in any trust	None. Only creator of Abrahams Family Trust
	Directorships	Duiwelsberg Berries (Pty) Ltd Breede Gouritz Catchment Management Agency
	Employment and Remuneration	Witzenberg Municipality Breede Gouritz Catchment Management Agency (BGCMA): Non executive, appointed by Minister of Water & Sanitation
	Property	7 Fortuin Street, Ceres, 1 Cloete Street, Ceres
	Pension	Consolidated Retirement Fund
Alderman HJ Smit	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Alderman JJ Visagie	Employment and Remuneration	Witzenberg Municipality
	Property	Skuinsbaai, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Cllr EM Sidego	Employment and Remuneration	Witzenberg Municipality
	Shares & securities in any company	SANLAM
	Property	9 Michael Street, Tulbagh
	Pension	Consolidated Retirement Fund & PPS Sanlam
Councillor		
Cllr M Mdala	Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Daniels	Employment and Remuneration	Witzenberg Municipality and Cape Wineland District Municipality
	Property	One residential property
	Pension	Consolidated Retirement Fund
Alderman J Schuurman	Employment and Remuneration	Witzenberg Municipality and Cape Wineland District Municipality
	Membership of any close corporation	Director: Well-Earned Trading 62 cc. Dorman at moment.
	Property	32 & 34 Lang Street, Bella Vista, Ceres (Erven 2680 & 2681)
	Pension	None
Cllr GG Laban	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr Z Mzauziwa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr TP Mgoboza	Employment and Remuneration	Witzenberg Municipality

Disclosures of Financial Interests		
2019/2020		
Name	**Description of Financial interests***	
	Pension	Consolidated Retirement Fund
Cllr Kinnear	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund & Telkom
	Property	3 Kort Street, Wolseley
Cllr DM Jacobs	Employment and Remuneration	Witzenberg Municipality
	Property	Co-Owner: 158 Phakamisa Street, Nduli Co-Owner: 26 Hollenbach Street, Worcester
	Pension	Consolidated Retirement Fund
Cllr C Lottering	Employment and Remuneration	Witzenberg Municipality
	Property	23 Belverdere Single, Wolseley
	Pension	Consolidated Retirement Fund
Cllr P Heradien	Shares and Securities in any company	Mardorpet (PTY)
	Employment and Remuneration	Witzenberg Municipality and Leasing of property, 44 Lyell Street Ceres
	Property	44 Lyell Street Ceres; 42 Lyell Street Ceres
	Pension	Consolidated Retirement Fund; Colbalt Pension Fund
Cllr N Phatsoane	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr H Visagie	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Alderlady JT Phungula	Employment and Remuneration	Witzenberg Municipality
	Property	8 Buckingham Street, Ceres
	Pension	Consolidated Retirement Fund
Cllr RJ Simpson	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr D Swart	Shares and securities in any company	Crispy Farming
	Employment and Remuneration	Witzenberg Municipality and Cape Wineland District Municipality
	Property	2 St James Street, Ceres
	Pension	Consolidated Retirement Fund
Cllr M Ndaba	Shares and securities in any	Disselfontein Eyethuintaba Farm Project
	Directorships	Disselfontein Eyethuintaba Farm Project
	Partnership	Partnership with Donkerbos Landgoed at Eyethuintaba Farm Project
	Employment and Remuneration	Donkerbos Landgoed and Witzenberg Municipality
	Pension	

Disclosures of Financial Interests		
2019/2020		
Name	**Description of Financial interests***	
Chief Accounting Officer		
Mr D Nasson	Shares and securities in any company	Old Mutual
	Property	Residential
Chief Financial Officer		
Mr A Raubenheimer (Acting)	Shares and securities in any company	Sasol Inzalo
	Property	Residential
Directors		
Mr JF Barnard	Property	Residential (Small Holding); Farm
Mr M Mpeluza	Property	Residential
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		

APPENDIX K: Statements of Revenue Collection Performance by vote & source

Revenue collection by vote

The table below indicates the Revenue collection performance by vote:

Revenue per Vote	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)				(%)	
Vote1 - Executive and Council	5 441	3 783	4 171	3 905	3,22	(6,38)
Vote2 - Budget and Treasury Office	192 568	227 292	223 474	219 278	(3,53)	(1,88)
Vote3 - Corporate Services	7 132	10 650	11 742	7 170	(32,67)	(38,93)
Vote4 - Technical	346 857	381 158	488 188	369 777	(2,99)	(24,26)
Vote5 - Community and Social Services	(4 378)	9 725	10 970	12 325	26,73	12,35
Total Revenue by Vote	**547 620**	**632 609**	**738 545**	**612 455**	**(3,19)**	**(17,07)**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2018/19 financial year:

Vote Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(R'000)		
Property rates	68 280	71 559	80 122	70 303	(1,75)	(12,26)
Service Charges - electricity revenue	211 053	262 468	288 964	237 880	(9,37)	(17,68)
Service Charges - water revenue	32 205	29 439	32 854	31 739	7,81	(3,40)
Service Charges - sanitation revenue	23 991	18 768	22 227	21 812	16,22	(1,87)
Service Charges - refuse revenue	21 984	20 275	23 685	21 511	6,10	(9,18)
Rentals of facilities and equipment	5 441	3 783	4 171	3 905	3,22	(6,38)
Interest earned - external investments	8 551	8 695	9 586	7 446	(14,36)	(22,33)
Interest earned - outstanding debtors	10 545	7 870	8 677	10 515	33,61	21,19
Fines	2 219	5 065	5 585	2 651	(47,67)	(52,54)
Licences and permits	1 125	1 915	2 111	1 042	(45,57)	(50,63)
Agency services	3 789	3 670	4 046	3 477	(5,25)	(14,06)
Transfers recognised - operational	105 191	139 169	125 089	131 014	(5,86)	4,74
Transfers receipts - capital	57 624	50 208	120 459	56 835	13,20	(52,82)
Other receipts	(4 378)	9 725	10 970	12 325	26,73	12,35
Total Revenue	**547 620**	**632 609**	**738 545**	**612 455**	**(3,19)**	**(17,07)**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

APPENDIX L: Conditional Grants excluding MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance Budget	Variance Adjustments Budget	Major conditions applied by donor (continue below if necessary)
Regional Bulk Infrastructure Grant – DWS – Tulbagh Dam	16 931	15 214	235	n/a	100%	n/a
Public Transport Infrastructure and Systems Grant	–	–	–	90%	90%	n/a
Integrated National Electricity Programme	1 400	1 400	1 496	97%	97%	n/a
Human Settlement Development Grant	–	–	–	103%	103%	n/a
Expanded Public Works Programme	26 298	26 298	11 901	115%	115%	n/a
Libraries	–	–	–	90%	90%	n/a
District – Waste Water Management	2 609	2 609	2 640	105%	105%	n/a
Parks and Recreation	–	–	–	100%	100%	n/a
Total	R 52 516,00	R 55 016,00	R 55 257,00	100%	100%	
** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*						*T L*

APPENDIX M: New Capital works & renewal programme

APPENDIX N: Full programme of full capital projects

APPENDIX O: Alignment of projects to wards

The following tables show the individual budgeted projects as allocated per ward:

Key Performance Area: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 SUSTAINABLE PROVISION & MAINTENANCE OF BASIC INFRASTRUCTURE

Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Electrical Network Housing Proje	CRR	5	1 684 781				
MV Substation Equipment	CRR	All	500 000	500 000	1 000 000	700 000	1 500 000
Upgrade of LV Network Cables	CRR	All	250 000		1 000 000		1 000 000
MV Network Equipment	CRR	All	250 000		1 000 000		1 000 000
Upgrade of MV Cables	CRR	All	250 000		1 000 000		600 000
Tools & Equipment	CRR	All				160 000	150 000
Upgrade of Streetlights	CRR	All				300 000	350 000
Network streets	CRR	All	1 800 000		2 000 000	2 500 000	2 500 000
Pedestrian Route along R46/Ndu	RSEP	1, 12					
Aerator replacement programme	CRR	All					500 000
Refurbishment WWTW	CRR	All					750 000
Sewer Pumps-replacement	CRR	All				250 000	250 000
Sewer Network Replacement	CRR	All	500 000		1 500 000	1 000 000	2 000 000
Security upgrades	CRR	All	300 000			300 000	
Transfer stations & related infrast	CRR	3		5 317 400			
Vredebes New Storm water Char	MIG	5		434 783			
Network - Storm Water Upgradin	CRR	All				450 000	450 000
Infrastructure Management Syste	CRR	All					200 000
Tools & Equipment- New	CRR	All				50 000	50 000
Security upgrades	CRR	All				450 000	
Network- Water Pipes & Valve R	CRR	All	500 000		1 500 000	1 000 000	2 000 000
Tulbagh Dam	RBIG	7, 11	16 931 304	17 391 304			
Electrical Network Refurbishmen	CRR	All				1 500 000	1 500 000
Upgrade Pavement Vosstr From	RSEP	5	2 608 000				
Upgrade Pavement Vosstr From	CRR	5	945 715				
Nduli Lighting Upgrade	RSEP	1, 12	870 000				
Vredebes Ph1 Busroutes	MIG	5					
Pavement Upgrading	District	All	500 000				
Tools & Equipment	CRR	All					
Transfer stations & related infrast	Belgium	All	501 456				
New Material Recovery Facility/D	MIG	All	5 408 559	12 906 918			
Rehabilitation of streets	CRR	All					
Tools & Equipment	CRR	All					
Vehicle Replacement Program	Loans	All					
Grey Water System	CRR	All					1 500 000

Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Fencing	CRR	All	897 826				
New taxi facility Ceres	MIG	5					
Tools & Equipment	CRR	All				50 000	50 000
NMT Sidewalks Ceres	CRR	3,5					500 000
New Material Recovery Facility/D	CRR	All	655 587				
Drop-offs Transfer stations	CRR	All				4 000 000	2 000 000
30ton Bins & Truck For Mrf	CRR	All					
Op-Die-Berg Reservoir	MIG	8		4 585 280			
Tulbagh Reservoir	MIG	7,11				7 000 000	6 000 000
Tierhokskloof bulk pipeline	MIG	2,7			8 026 177		
Tulbagh Dam (own)	CRR	7,11				5 000 000	
Upgrade Wolseley WWTW	CRR	2,7	1 500 000				
Tulbagh VanderStelstr walkways	RSEP	7,11	869 565	434 783			
Tulbagh VanderStelstr walkways	CRR	7,11		500 000			
New Material Recovery Facility/D	CRR	All	862 000				

Strategic Objective: 1.2 PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES

Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Vredebes Electrical Network	INEP	5		3 000 000	4 000 000	3 500 000	3 500 000
Vredebes Ph1 Streetlights	MIG	5	347 791				
Nduli Infill Internal Roads	IHHSDG	1,12		11 320 000			
Nduli Infill Internal Sewerage	IHHSDG	1,12		11 320 000			
Nduli Infill Internal Water	IHHSDG	1,12		11 320 000			
Nduli Infill Internal Storm water	IHHSDG	1,12		11 320 000			
Vredebes Phase H Bulk water pi	MIG	5	476 300				
Vredebes Phase H Bulk storm wa	MIG	5	4 330 552				
Vredebes Phase H Busroutes & s	MIG	5	2 562 153				
Vredebes Phase H Bulk sewerag	MIG	5	739 584				
Vredebes Access Collector	MIG	5	496 800		1 565 217	8 085 217	8 000 000
Vredebes Phase H Internal Road	IHHSDG	5	4 200 000				
Vredebes Phase H Internal Wate	IHHSDG	5	4 200 000				
Vredebes Phase H Internal Storm	IHHSDG	5	4 200 000				
Vredebes Phase H Internal Sewe	IHHSDG	5	4 200 000				
Vredebes Phase H Streetlights	MIG	5		1 565 217			

Key Performance Area: 2. GOOD GOVERNANCE

Directorate	Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Corporate	Upgrade Council chambers	CRR	3	1 430 000				
Corporate	Office Equipment	CRR	All				50 000	50 000
Corporate	Office Equipment	CRR	All				30 000	30 000
Corporate	Office Equipment	CRR	All				30 000	30 000
Corporate	Office Equipment (Director)	CRR	All				30 000	30 000
Corporate	IT Equipment	CRR	All	450 000		600 000	600 000	650 000
Corporate	Access Control - Furniture and E	CRR	All				75 000	
Corporate	Signage & Billboards	CRR	All				80 000	
Corporate	Office Equipment	CRR	All				30 000	30 000
Corporate	Office Equipment	MIG	All				20 000	

Directorate	Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Technical	Traffic Calming	CRR	All				200 000	200 000
Finance	Insurance Replacements	CRR	All					
Corporate								
Corporate	Camera equipment	CRR	All					20 000
Technical	Replace computors Town Plannir	CRR	All					
Technical	Construct inspection ramp	CRR	All	378 000				
Technical	Tools & Equipment	CRR	All	223 459				
Corporate	Council chambers furniture	CRR	All	1 450 000				
Finance	IT Equipment	Prov Grant	All	190				
Finance	Sanitizing Equipment	Prov Grant	All	102 300				

Key Performance Area: 3. COMMUNAL SERVICES

Directorate	Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Community	Ceres TownHall Chairs	CRR	3					
Community	Upgrade Of Kononia Community	CRR	4					
Community	Chainsaws	CRR	All					90 000
Community	Brushcutters	CRR	All					120 000
Community	Irrigation equipment for parks	CRR	All				500 000	
Technical	Op Die Berg Public Toilets	CRR	8				200 000	
Community	Containers 3x3m	CRR	All				100 000	
Community	Truck 1.3 ton	CRR	All					350 000
Community	Expanding of Cemetery	CRR	All				200 000	300 000
Community	Ceres TownHall upgrading	CRR	3					
Community	Capex Fire Fighting Equipment	CRR	All	214 003			350 000	
Community	Firefighting Response Vehicle	Prov Grant	All	721 739		800 000		
Community	Containers x 2	CRR	All				50 000	
Community	Ceres upgrade Of Leyell Str Spo	MIG	3	4 469 565	730 411	6 843 477		
Corporate	Capex Test Centre	CRR	3				150 000	
Corporate	Capex: Fire Arms	CRR	All					
Community	Johns Steyn Library Upgrade	Prov Grant	3					
Community	Ceres Townhall Aircon	CRR	3					
Community	New regional cemetery	MIG	All			4 819 042	6 194 783	
Community	Upgrade Polo Cross Hall	CRR	1, 12					
Community	Fencing Nduli Comm Hall	CRR	1, 12					
Community	Kliprug sportfield change rooms	CRR	4					
Community	Construction of pound	CRR	All					
Community	Sportsground development	CRR	All				400 000	400 000
Community	Resurface netball courts	CRR	All				300 000	200 000
Community	Landscaping of parks	CRR	All					300 000
Community	Townhalls Equipment	CRR	All	10 000		40 000		
Community	3 x 3m Containers	CRR	All	410 416				
Community	Sportfield equipment	CRR	All	330 556		30 000		
Community	Parks equipment	CRR	All	152 100		40 000		
Community	Montana security fence	CRR	2,7	540 000				

Key Performance Area: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Directorate	Description	Funding Source	Ward	Budget 2020_2021	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Technical	Upgrade Van Breda Bridge	Prov Grant	3,5	4 130 000	34 130 000	2 130 000		
Community	Skoonvlei Economic Hub	CRR	6	185 413				
Community	Skoonvlei Economic Hub	NT	6	1 445 346				
Technical	Rehabilitation - Streets Tulbagh	CRR	11				2 500 000	3 500 000
Community	Chalet Furniture	CRR	3					450 000

APPENDIX P: Schools & clinics with access to basic services

There are no service connection backlogs to schools and clinics within urban areas where Witzenberg Municipality are responsible for services. The situation of service connections in rural areas are however unknown.

2019/20 ANNUAL RESULTS (Including corrective measures where required)						
Ref	**Key Performance Indicator**	**Unit of Measurement**	**Wards**	**Target/Actual for 2018/19 (Baseline)**	**Target 2019/20**	**Result 2019/20**
TecWat36	Percentage of valid water connection applications connected by reporting period end	Percentage valid applications connected.	All	<1%/0%	**95%**	**100%**
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Percentage valid applications connected.	All	<1%/0%	**95%**	**100%**
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	Percentage electrical connections with Certificate of Completion for valid applications received in reporting period.	All	<1%/0%	**95%**	**100%**
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	Number of towns where service are delivered.	All	<1%/0%	**7**	**7**

APPENDIX Q: Schools & clinics with access to basic services where other spheres of government are responsible for the provision

This Appendix relates to all service backlogs experienced by the community where another sphere of government is responsible for providing the service, this information is provided to assist the national and provincial departments improve planning, budgeting and implementation.

Information can however not be provided as the type of service, backlog & backlog criteria are unknown to the municipality.

APPENDIX R: Declaration of Loans and Grants Made by the Municipality

No loans or grants were granted by the municipality.

APPENDIX S: Declaration of Returns not Made in due Time under MFMA s71

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

The Chief Financial Officer states that these data sets have been returned according to the reporting requirements/ with no exceptions for the 2018/19 financial year.

Signed (Chief Financial Officer) 18/02/2020 Date

C Kritzinger

APPENDIX T: National and Provincial Outcome for local government

This Appendix covers information not addressed in any of the other areas of the Annual Report, relating to municipal powers and functions that can be used by the National and Provincial Spheres to monitor and evaluate service delivery performance. This should indicate the progress to date, numbers and percentage achieved.

All major service delivery functions are measured through key performance indicators as reported on under Chapter 3.1.7.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

2019/2020

WITZENBERG
Municipality • Munisipaliteit • UMasipala Was

Annual Financial Statements

30 June 2020

UN-AUDITED 17 FEBRUARY 2021

WC022 – WITZENBERG MUNICIPALITY

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GENERAL INFORMATION

NATURE OF BUSINESS

Witzenberg Municipality is a local municipality performing the functions as set out in Part B of Schedules 4 & 5 of the Constitution of the Republic of South Africa. (Act No. 108 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Witzenberg Municipality includes the following areas:

Ceres
Op-die-Berg
Prince Alfred's Hamlet
Tulbagh
Wolseley

MUNICIPAL MANAGER

D Nasson

CHIEF FINANCIAL OFFICER

AJ Raubenheimer (Acting)

REGISTERED OFFICE

50 Voortrekker Street, Ceres, 6835

AUDITORS

Auditor-General South Africa

PRINCIPAL BANKERS

ABSA Bank
Standard Bank, Ceres
First National Bank

RELEVANT LEGISLATION

The Constitution of the Republic of South Africa
Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004), as amended
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Municipal Regulations on Standard Chart of Accounts
Municipal Budget and Reporting Regulations
SALBC Leave Regulations
Remuneration of Public Office Bearers Act
Workman's Compensation Act

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WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type
Executive Mayor	Klaasen, BC	DA	PR
Deputy Executive Mayor	Adams, K	DA	Ward 6
Speaker	Godden, TT	COPE	PR
Member of Mayoral Committee	Sidego, EM	DA	Ward 11
Member of Mayoral Committee	Alderman Smit, HJ	DA	Ward 5
Member of Mayoral Committee	Visagie, JJ	DA	Ward 4
Member of Mayoral Committee	Abrahams, T	DA	PR
Ordinary Councillor	Kinnear, D	DA	PR
Ordinary Councillor	Laban, G	WA	PR
Ordinary Councillor	Alderman Schuurman, J W	ANC	PR
Ordinary Councillor	Phungula, JT	ANC	PR
Ordinary Councillor	Jacobs, DM	EFF	PR
Ordinary Councillor	Herandien, P	ICOSA	PR
Ordinary Councillor	Simpson, RJ	ANC	PR
Ordinary Councillor	Mzauziwa, Z	DA	PR
Ordinary Councillor	Phatsoane, N	ANC	Ward 1
Ordinary Councillor	Lottering, C	DA	Ward 2
Ordinary Councillor	Swart, D	DA	Ward 3
Ordinary Councillor	Daniels, P	DA	Ward 7
Ordinary Councillor	Visagie, H	ANC	Ward 8
Ordinary Councillor	MJ Ndaba	ANC	Ward 9
Ordinary Councillor	Mgoboza, TP	ANC	Ward 10
Ordinary Councillor	Mdala, M	ANC	Ward 12

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in the notes of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

D NASSON
Accounting Officer

17/02/2021
Date

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WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 R	Restated 2019 R
ASSETS			
Current Assets		**218,961,271**	**185,245,731**
Cash and Cash Equivalents	**2**	130,394,398	94,271,685
Trade and other Receivables from Exchange Transactions	**3**	57,741,665	51,675,984
Receivables from non-exchange transactions	**4**	11,257,354	15,884,100
Inventory	**5**	11,601,511	11,692,619
Unpaid Conditional Government Grants and Receipts	**6**	2,502,217	4,608,221
Statutory Receivables: VAT	**7**	5,464,126	7,113,122
Non-Current Assets		**945,893,108**	**951,549,013**
Property, Plant and Equipment	**8**	900,002,651	904,510,285
Intangible Assets	**9**	1,575,924	2,029,417
Investment Property	**10**	43,764,533	44,459,311
Heritage assets	**11**	550,000	550,000
Total Assets		**1,164,854,379**	**1,136,794,744**
LIABILITIES			
Current Liabilities		**142,768,348**	**93,799,922**
Trade and Other Payable Exchange Transactions	**12**	52,842,744	50,421,712
Consumer Deposits	**13**	7,975,528	7,148,304
Current Employee benefits	**14**	25,901,033	21,800,761
Unspent Conditional Government Grants and Receipts	**6**	50,077,685	10,575,042
Unspent Public Contributions	**15**	4,003,573	2,219,296
Current Portion of Borrowings	**16**	1,967,785	1,634,807
Non-Current Liabilities		**115,144,437**	**155,399,237**
Borrowings	**16**	2,619,817	4,587,602
Non-Current Provisions	**17**	50,895,865	86,471,213
Employee benefits	**18**	61,628,755	64,340,422
Total Liabilities		**257,912,785**	**249,199,159**
Net Assets		**906,941,594**	**887,595,585**
Capital Replacement Reserve	**19**	10,617,534	10,354,788
Accumulated Surplus		896,324,060	877,240,797
Total Net Assets and Liabilities		**1,164,854,379**	**1,136,794,744**

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WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 (Actual) R	2019 (Restated) R	2019 Correction of error R	2019 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**243,594,781**	**251,306,953**	**1,432,471**	**249,874,482**
Taxation Revenue		**75,610,819**	**71,011,769**	**-**	**71,011,769**
Property rates	20	73,593,785	69,879,235	-	69,879,235
Property Rates - penalties imposed and collection charges		2,017,034	1,132,534	-	1,132,534
Transfer Revenue		**167,983,962**	**180,295,184**	**1,432,471**	**178,862,713**
Fines, Penalties and Forfeits		19,654,087	14,312,725	861,150	13,451,575
Licences or Permits		1,042,183	1,124,925	-	1,124,925
Surcharges and Taxes		2,284,567	4,407,249	74,520	4,332,729
Government Grants and Subsidies - Capital	21	13,442,260	54,673,882	496,801	54,177,081
Government Grants and Subsidies - Operating	21	131,014,119	105,201,490	-	105,201,490
Public Contributions and Donations		546,746	574,913	-	574,913
Revenue from Exchange Transactions		**376,583,009**	**338,176,100**	**-**	**338,176,100**
Service Charges	22	346,175,745	305,199,379	-	305,199,379
Rental from Fixed Assets		3,905,053	5,440,550	-	5,440,550
Interest earned - External investments		7,445,685	8,550,943	-	8,550,943
Interest Income on Overdue Accounts		8,498,061	9,412,548	-	9,412,548
Agency Services		3,477,358	3,788,514	-	3,788,514
Operational Revenue	24	1,806,446	1,329,587	-	1,329,587
Sales of Goods and Rendering of services	25	5,274,661	4,454,579	-	4,454,579
Total Revenue		**620,177,790**	**589,483,053**	**1,432,471**	**588,050,582**
EXPENDITURE					
Employee related costs	26	185,058,110	165,907,666	(594,431)	166,502,097
Remuneration of Councillors	27	10,604,088	10,136,261	678,679	9,457,582
Impairment	28	49,420,416	22,598,885	(17,717,100)	40,315,985
Inventory Consumed		14,194,012	15,554,191	-	15,554,191
Depreciation and Amortisation	29	32,732,258	30,321,980	(92,667)	30,414,647
Finance Charges	30	14,619,559	15,846,505	-	15,846,505
Bulk Purchases	31	221,822,019	188,968,165	184,753	188,783,412
Contracted Services	32	44,029,119	43,840,917	1,869,713	41,971,204
Transfers and Subsidies: Operational Expenditure	33	1,494,563	1,247,161	(8,771,482)	10,018,643
Construction Cost		23,982,171	8,771,481	8,771,481	-
Operational Cost	34	33,074,842	35,195,397	158,676	35,036,721
Rent on Land		35,492	33,170	-	33,170
Operating Leases		797,612	801,947	21,904	780,043
Bad Debts Written Off		14,187,058	17,723,454	17,717,101	6,353
Total Expenditure		**646,051,319**	**556,947,180**	**2,226,627**	**554,720,553**
Gain / (loss) on disposal of assets		(474,170)	(601,221)	(1,758,453)	1,157,232
(Impairment loss) / Reversal of impairment loss	35	-	(824,251)	-	(824,251)
Gain / (loss) on Adjustment of Provision		37,135,694	262,545	-	262,545
Inventories: (Write-down) / Reversal of write-down		52	(2,244)	-	(2,244)
Gain / (loss) on Actuarial Valuations	18	8,557,961	22,606,193	-	22,606,193
NET SURPLUS / (LOSS) FOR THE YEAR		**19,346,008**	**53,976,895**	**(2,552,609)**	**56,529,504**

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WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2018		**10,354,788**	**835,155,357**	**845,510,145**
Correction of error	**36.17**	-	(11,891,455)	(11,891,455)
Restated Balance at 1 JULY 2018		**10,354,788**	**823,263,902**	**833,618,690**
Transfers to/from Accumulated		32,517,057	(32,517,057)	-
Property, Plant and Equipment purchased		(32,517,057)	32,517,057	-
Restated Net Surplus for the year		-	53,976,895	53,976,895
Balance at 30 JUNE 2019		**10,354,788**	**877,240,797**	**887,595,585**
Transfers to/from Accumulated		21,437,497	(21,437,497)	-
Property, Plant and Equipment purchased		(21,174,751)	21,174,751	-
Net Surplus for the year		-	19,346,008	19,346,008
Balance at 30 JUNE 2020		**10,617,534**	**896,324,060**	**906,941,593**

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WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	30 JUNE 2020 R	30 JUNE 2019 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Taxation	**37**	70,574,561	71,572,245
Sales of goods and services		321,336,772	293,550,781
Government Grants		188,396,049	163,400,484
Interest		17,960,780	19,096,025
Payments			
Employee costs		(181,177,164)	(166,372,126)
Suppliers		(346,308,872)	(298,955,053)
Finance charges	**30**	(468,878)	(650,532)
Cash generated by operations	**37**	**70,313,247**	**81,641,824**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**8**	(34,452,568)	(85,937,766)
Purchase of Intangible Assets	**9**	(15,716)	(758,988)
Proceeds on Disposal of Fixed Assets		649,193	3,267,698
Net Cash from Investing Activities		**(33,819,091)**	**(83,429,056)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(1,198,668)	(2,176,896)
Increase in Consumer Deposits		827,224	729,910
Net Cash from Financing Activities		**(371,444)**	**(1,446,985)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**36,122,713**	**(3,234,217)**
Cash and Cash Equivalents at the beginning of the year		94,271,685	97,505,902
Cash and Cash Equivalents at the end of the year	**2**	130,394,398	94,271,685
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**36,122,713**	**(3,234,217)**

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 R	Approved budget 2020 R	Adjustments 2020 R	Final budget 2020 R	Difference between final budget and actual	Actual 2019 R
ASSETS						
Current Assets	**218,961,271**	**156,834,666**	**(28,283,539)**	**128,551,127**	**70%**	**185,245,731**
Cash	130,394,398	89,163,518	(24,603,076)	64,560,442	102%	94,271,685
Consumer debtors	68,999,019	29,579,094	(2,773,660)	26,805,434	157%	67,560,084
Other debtors	7,966,343	26,690,238	(1,197,606)	25,492,632	-69%	11,721,343
Inventory	11,601,511	11,401,816	290,803	11,692,619	-1%	11,692,619
Non-Current Assets	**945,893,108**	**978,518,745**	**17,658,966**	**996,177,711**	**-5%**	**951,549,013**
Investments	-	-	-	-		-
Investment Property	43,764,533	45,659,839	(1,168,053)	44,491,786	-2%	44,459,311
Property, Plant and Equipment	900,002,651	929,659,162	19,447,345	949,106,508	-5%	904,510,285
Intangible Assets	1,575,924	2,649,744	(620,327)	2,029,417	-22%	2,029,417
Other non-current assets	550,000	550,000	-	550,000	0%	550,000
Total Assets	**1,164,854,379**	**1,135,353,411**	**(10,624,573)**	**1,124,728,838**	**4%**	**1,136,794,744**
LIABILITIES						
Current Liabilities	**142,768,348**	**115,487,018**	**3,732,169**	**119,219,187**	**20%**	**93,799,922**
Borrowings	1,967,785	-	-	-		1,634,807
Consumer Deposits	7,975,528	6,418,394	731,341	7,149,735	12%	7,148,304
Trade and Other Payable Exchange Transactions	106,924,002	69,191,136	3,602,823	72,793,960	47%	63,216,050
Provisions	25,901,033	39,877,488	(601,996)	39,275,492	-34%	21,800,761
Non-Current Liabilities	**115,144,437**	**155,245,337**	**1,788,707**	**157,034,044**	**-27%**	**155,399,237**
Borrowings	2,619,817	674,979	5,547,430	6,222,409	-58%	4,587,602
Provisions	112,524,620	154,570,358	(3,758,723)	150,811,635	-25%	150,811,635
Total Liabilities	**257,912,785**	**270,732,355**	**5,520,876**	**276,253,231**	**-7%**	**249,199,159**
Net Assets	**906,941,594**	**864,621,056**	**(11,145,450)**	**853,475,606**	**6%**	**887,595,585**
Accumulated Surplus	896,324,060	854,266,268	(11,145,450)	843,120,818	6%	877,240,797
Reserve	10,617,534	10,354,788	-	10,354,788	3%	10,354,788
Total Net Assets and Liabilities	**1,164,854,379**	**1,135,353,411**	**(5,624,574)**	**1,129,728,838**	**3%**	**1,136,794,744**

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 R	Approved budget 2020 R	Adjustments 2020 R	Final budget 2020 R	Difference between final budget and actual	Actual 2019 R
Operating Revenue						
Property rates	73,593,785	72,415,298	-	72,415,298	2%	69,879,235
Property Rates - penalties imposed and collection charges	2,017,034	1,730,944	-	1,730,944	17%	1,132,534
Fines, Penalties and Forfeits	19,654,087	19,482,326	-	19,482,326	1%	14,312,725
Licences or Permits	1,042,183	1,914,572	-	1,914,572	-46%	1,124,925
Surcharges and Taxes	2,284,567	4,192,005	(37,827)	4,154,178	-45%	4,407,249
Government Grants and Subsidies - Capital	13,442,260	44,178,001	2,149,281	46,327,282	-71%	54,673,882
Government Grants and Subsidies - Operating	131,014,119	137,692,300	3,523,558	141,215,858	-7%	105,201,490
Public Contributions and Donations	546,746	774,744	603,502	1,378,246	-60%	574,913
Service Charges	346,175,745	346,953,416	(4,780,001)	342,173,415	1%	305,199,379
Rental from Fixed Assets	3,905,053	7,566,690	(1,999,530)	5,567,160	-30%	5,440,550
Interest earned - External investments	7,445,685	8,677,537	-	8,677,537	-14%	8,550,943
Interest Income on Overdue Accounts	8,498,061	6,177,415	-	6,177,415	38%	9,412,548
Agency Services	3,477,358	3,670,204	-	3,670,204	-5%	3,788,514
Operational Revenue	1,806,446	1,150,397	-	1,150,397	57%	1,329,587
Sales of Goods and Rendering of services	5,274,661	4,227,470	-	4,227,470	25%	4,454,579
Total revenue	**620,177,790**	**660,803,319**	**(541,017)**	**660,262,302**	**-6%**	**589,483,053**
Operating Expenditure by Nature						
Employee related costs	185,058,110	185,960,141	16,862,400	202,822,541	9%	165,907,666
Remuneration of Councillors	10,604,088	11,458,760	-	11,458,760	7%	10,136,261
Impairment	49,420,416	33,598,473	22,900,000	56,498,473	13%	22,598,885
Inventory Consumed	14,194,012	17,590,267	829,613	18,419,880	23%	15,554,191
Operational Cost	33,074,842	39,054,099	512,611	39,566,710	16%	35,195,397
Depreciation and Amortisation	32,732,258	45,589,533	-	45,589,533	28%	30,321,980
Finance Charges	14,619,559	16,685,198	(116,200)	16,568,998	12%	15,846,505
Bulk Purchases	221,822,019	229,196,435	(3,800,000)	225,396,435	2%	188,968,165
Contracted Services	44,029,119	43,730,926	10,353,613	54,084,539	19%	43,840,917
Transfers and Subsidies: Operational Expenditure	1,494,563	1,962,485	267,000	2,229,485	33%	1,247,161
Construction Cost	23,982,171	29,000,000	-	29,000,000	17%	8,771,481
Rent on Land	35,492	40,000	-	40,000	11%	33,170
Operating Leases	797,612	812,320	50,320	862,640	8%	801,947
Bad Debts Written Off	14,187,058	-	6,100,000	6,100,000	-133%	17,723,454
Total expenditure	**646,051,319**	**654,678,637**	**53,959,357**	**708,637,994**	**9%**	**556,947,180**
Operating Surplus/(deficit) for the period	**(25,873,529)**	**6,124,682**	**(54,500,374)**	**(48,375,692)**	**-47%**	**32,535,873**
Gain / (loss) on disposal of assets	(474,170)	-	-	-		(601,221)
(Impairment loss) / Reversal of impairment loss	-	-	-	-		(824,251)
Gain / (loss) on Adjustment of Provision	37,135,694	848	-	848	4379109%	262,545
Inventories: (Write-down) / Reversal of write-down	52	256	-	256	-80%	(2,244)
Gain / (loss) on Actuarial Valuations	8,557,961	214	-	214	3998947%	22,606,193
Netto Surplus/(deficit) for the period	**19,346,008**	**6,126,000**	**(54,500,374)**	**(48,374,374)**	**-140%**	**53,976,895**
Operating expenditure by vote						
Budget and Treasury Office	38,267,864	47,139,187	9,204,528	56,343,715	32%	34,256,920
Civil services	148,602,277	132,309,755	16,933,788	149,243,543	0%	144,610,052
Community and social services	26,785,763	32,591,330	335,814	32,927,144	19%	25,377,455
Corporate Services	55,428,047	46,722,723	23,762,856	70,485,579	21%	45,027,502
Electro Technical Services	243,214,166	257,174,182	(3,920,559)	253,253,623	4%	205,463,477
Executive and Council	22,787,693	26,799,642	(2,151,254)	24,648,388	8%	22,883,550
Housing	28,282,647	35,126,360	(1,114,383)	34,011,977	17%	12,958,295
Planning	6,544,751	7,458,677	(231,046)	7,227,631	9%	5,644,700
Public Safety	50,463,903	40,564,168	11,936,643	52,500,811	4%	35,464,570
Sport and recreation	25,674,206	28,792,613	(797,030)	27,995,583	8%	25,260,660
Total operating expenditure by vote	**646,051,317**	**654,678,637**	**53,959,357**	**708,637,994**	**9%**	**556,947,181**

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 R	Approved budget 2020 R	Adjustments 2020 R	Final budget 2020 R	Difference between final budget and actual	Actual 2019 R
Capital expenditure by vote						
Budget and Treasury Office	205,910	80,000	285,256	365,256	44%	675,135
Civil services	17,803,294	40,149,305	3,419,577	43,568,882	59%	69,573,779
Community and social services	433,508	4,180,000	35,564	4,215,564	90%	704,581
Corporate Services	2,351,597	2,530,000	1,422,080	3,952,080	40%	1,020,563
Electro Technical Services	7,739,926	8,700,177	313,028	9,013,205	14%	11,378,380
Executive and Council	1,017,309	1,030,000	731,774	1,761,774	42%	18,332
Planning	19,010	26,087	-	26,087	27%	-
Public Safety	246,308	1,416,739	(420,283)	996,456	75%	-
Sport and recreation	4,651,424	13,500,693	(806,313)	12,694,380	63%	3,325,984
Total capital expenditure	**34,468,286**	**71,613,001**	**4,980,683**	**76,593,684**	**55%**	**86,696,754**
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	70,574,561	71,558,703	(2,891,261)	68,667,442	3%	71,572,245
Service charges	321,336,772	355,108,466	3,421,387	358,529,853	-10%	293,550,781
Government Grants	188,396,049	189,376,745	(455,359)	188,921,386	0%	163,400,484
Interest	17,960,780	16,564,621	(5,508,619)	11,056,002	62%	19,096,025
Payments						
Suppliers and employees	(527,486,036)	(530,278,237)	(22,081,260)	(552,359,498)	5%	(465,327,179)
Finance charges	(468,878)	(1,366,474)	4,453,202	3,086,728	115%	(650,532)
Transfers and Grants		(30,962,485)	(217,000)	(31,179,485)	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES	**70,313,247**	**70,001,338**	**(23,278,910)**	**46,722,428**	**-50%**	**81,641,824**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	649,193	-	-	-	-	3,267,698
Capital assets	(34,468,284)	(71,613,001)	(4,820,670)	(76,433,671)	55%	(86,696,754)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(33,819,091)**	**(71,613,001)**	**(4,820,670)**	**(76,433,671)**	**56%**	**(83,429,056)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	827,224	-	-	-	-	729,910
Payments						
Repayment of borrowing	(1,198,668)	(500,000)	500,000	0		(2,176,896)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(371,444)**	**(500,000)**	**500,000**	**0**		**(1,446,985)**

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

Reconciliation of budget deficit with the surplus in the statement of financial performance		**2020**
Net surplus per the statement of financial performance		19,346,008
Adjusted for:		
Fines, Penalties and Forfeits	Decrease due to the withdrawl of the contractor	(171,761)
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	32,885,022
Government Grants and Subsidies - Operating	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	10,201,739
Service Charges	Increase in demand for municipal services.	(4,002,330)
Rental from Fixed Assets	Decrease in bookings as resort used as quarantine and isolation site for Covid 19.	1,662,107
Interest earned - External investments	Decrease in interest rates and market volatility.	1,231,852
Employee related costs	Over estimated the impact of adjustment of retirement age of female employees.	(17,764,431)
Inventory Consumed	Decrease in maintenance required due to Lockdown restrictions	(4,225,868)
Operational Cost	Decrease in economic climate	(6,491,868)
Depreciation and Amortisation	Depreciation less than expected due to slow capital spending	(12,857,275)
Finance Charges	Adjustment in Provisions	(1,949,439)
Bulk Purchases	Bulk purchases less than expected.	(3,574,416)
Contracted Services	Contracted Services less than budget, due to Covid 19 Restrictions.	(10,055,420)
Transfers and Subsidies: Operational Expenditure	Expenditure not incurred for all grant funding received.	(734,922)
Gain / (loss) on Adjustment of Provision	Unforseen adjustment in Provision	(37,134,846)
Gain / (loss) on Actuarial Valuations	Unforseen adjustment in Provision	(8,557,747)
Other Items		(6,180,779)
Net deficit per approved budget		**(48,374,374)**

Explanation of Material Cash Flow Variances

Property rates	3%	Implementation of new general valuation resulting in increased revenue
Service charges	-10%	The cutting of electricity was not possible in the last quarter due to Covid 19 restrictions.
Interest	62%	Improved investment strategy resulting in improved revenue
Suppliers and employees	5%	Variance is mainly a result of underspending on Contracted Services & Bulk Purchases

The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

The changes between the approved and final budget are a consequence of reallocations within the budget and and of other factors allowable in terms of the Municipal Finance Management Act

Impact of Covid 19

The Covid 19 Restriction did not impact the sale of municipal services significantly, as the economy of Witzenberg is dependant on agriculture, that is regarded as an essential service.

Debt collection was suspended in support of the fight against Covid 19, resulting in a decrease in payment for services.

The effect of Covid 19 was more on projects that could not be excecuted as explained in the reconciliation of budget deficit with the surplus in the statement of financial performance.

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1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 21	Impairment of non-cash-generating assets
GRAP 23	Revenue from Non-Exchange Transactions
GRAP 24	Presentation of Budget Information
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash-generating assets
GRAP 27	Agriculture
GRAP 31	Intangible assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control

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GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory receivable
GRAP 109	Accounting by Principals and Agents
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue (as revised in 2012)
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Ventures
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
iGRAP 18	Recognition and De-recognition of Land
iGRAP 19	Liabilities to Pay Levies
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16(AC449)	Hedges in a Net Investment in a Foreign Operation
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC 21	Levies

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6. RESERVES

Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

1.7. LEASES

1.7.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

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Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.7.2. Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.9. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.10. PROVISIONS

1.10.1. GENERAL PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

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Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.10.2. REHABILITATION OF LANDFILL SITES PROVISIONS

Provision is made in terms of the licensing stipulations of the landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent study. The cost factors derived from the study by a firm of consulting engineers have discounted to present value at prime interest rate.

1.11. EMPLOYEE BENEFITS

1.11.1. Post-Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.2. Long Service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.3. Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

1.11.4. Staff Bonuses

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Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

1.11.5. Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.11.6. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.11.7. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.12. PROPERTY, PLANT AND EQUIPMENT

1.12.1. Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). It the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

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1.12.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		***Years***
Infrastructure		**Other**	
Roads and Paving	5-100	Airports	20
Electricity	4-46	Buildings	30-100
Water	15-150	Computer equipment	3-30
Sanitation	10-75	Furniture and equipment	3-30
Other	10-15	Landfill sites	10-15
		Markets	30
Community		Other	3-30
Recreational Facilities	5-30	Other vehicles	2-67
Sport fields & Stadia	10-20	Plant and Equipment	3-32
Halls	5-100	Specialist vehicles	6-38
Libraries	10-30		
Parks and gardens	10-30		
Other assets	5-30		
Cemeteries	5-30		
Finance lease assets			
Office equipment	3-5		

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.12.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.12.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional arrangement as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The municipality updated the Land and Buildings acquired before 30 June 2008 to the fair value as determined by an independent valuator. For Other Assets the depreciation replacement cost method was used to establish the deemed cost as on 1 July 2008.

1.13. INTANGIBLE ASSETS

1.13.1. *Initial Recognition*

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiable criterion in the definition of an intangible asset when it:

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is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

the municipality intends to complete the intangible asset for use or sale;
it is technically feasible to complete the intangible asset;
the municipality has the resources to complete the project; and
it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.13.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.13.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	**Years**
Computer Software	5
Computer Software Licenses	5

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

1.13.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.14. INVESTMENT PROPERTY

1.14.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

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Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.14.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.14.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Investment Property	**Years**
Buildings	99 - 100

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

1.14.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15. HERITAGE ASSETS

1.15.1. Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- the cost or fair value of the asset can be measured reliably.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

1.15.2. *Subsequent Measurement*

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.
The class of heritage assets are carried at its cost less any accumulated impairment losses.

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1.15.3. *Impairment*

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

1.15.4. De-recognition

The carrying amount of a heritage asset is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.16. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.16.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.16.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

Depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement

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of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17. COMMITMENTS

Commitments are future payments and expenditure to be incurred on contracts that have been entered into at the reporting date and where there are unperformed obligations. The commitments would include both capital and operating items.

Committed expenditure approved and contracted for at reporting date is where the expenditure has been approved and the contract has been awarded.

Committed expenditure approved but not yet contracted for at reporting date is where the expenditure has been approved but the contract has yet to be awarded or is awaiting finalisation.

1.18. INVENTORIES

1.18.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

The cost of purified water comprises cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Housing inventory is low cost houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Western Cape Department of Human Settlements.

In terms of GRAP standards a municipality can either be regarded to be the "developer", "principal" or "agent when executing the delivery of houses.

When the municipality is acting as the "developer" or "principal" all costs are recognized as inventory up to the point of transfer to the allocated beneficiaries, where after the cost is expensed through the statement of financial performance.

When the municipality is acting as the "agent all transfers received by the Western Cape Department of Human Settlements is recorded initially as a liability in the statement of financial position. Any payments or costs pertaining to human settlement housing activities are debited against the liability.

1.18.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

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In general, the basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.19. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.20. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

1.20.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.20.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. , Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost (”other”). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.20.2.1. Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.20.2.2. Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

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1.20.2.3. Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.20.2.4. Non-Current Investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.20.3. De-recognition of Financial Instruments

1.20.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

the rights to receive cash flows from the asset have expired; or
the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.20.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.20.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

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1.21. REVENUE

1.21.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised when issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.21.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter vouchers is recognised eight days after the sale of the relevant voucher.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

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Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.21.3. Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.22. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker, members of the Mayoral Committee and ordinary councillors.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.23. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy.

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Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.27. PRESENTATION OF BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements, has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

1.28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.29. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.30. JOINT VENTURES

In respect of the municipalities' interest in jointly controlled assets, the municipality includes in its accounting records and recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with other ventures in relation to the joint venture;
- any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

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1.31. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.32 AGENCY FEES AND PAYABLES

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives commission on the collection of monies. The municipality acts as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year.

Only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recognised by the municipality.

Liabilities arising from principal-agent arrangements are included as part of payables in the Statement of Financial Position.

1.33 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

Impairment and collectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality participates as a non-accredited municipality in the national housing programme. The municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the Western Cape Department of Human Settlements. The municipality assesses the terms and conditions of each contract concluded with the Western Cape Department of Human Settlements to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, the municipality considers whether it is a contractor.

The binding arrangements entered into with the Western Cape Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the department through a housing grant or subsidy.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as inventory until the houses are handed over when the municipality retains the risks and rewards associated with ownership of the low cost houses. On handover of the houses, the cost per house handed over is recognised as an expense in the period in which it was handed over.

The expenses are recognised in the period they are incurred when the municipality does not retain the risks and rewards associated with ownership of the low cost houses during the construction period.

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		2020	2019
2	**CASH AND CASH EQUIVALENTS**	**R**	**R**
	Assets		
	Cash at Bank	130,384,998	94,262,085
	Cash on Hand	9,400	9,600
	Total Cash and Cash Equivalents - Assets	**130,394,398**	**94,271,685**

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality has the following bank accounts:

Cash book balance at beginning of year	94,262,085	97,496,777
Cash book balance at end of year	130,384,998	94,262,085

The municipality changed it's Primary Bank Account from The Standard Bank of South Africa Limited to First National Bank South Africa on 1 March 2018. The ABSA account has not been closed at year end as some debtors still pay their service accounts into the old accounts.

Primary Bank Account: First National Bank - Account Number 62748215979		
Bank statement balance at beginning of year	93,565,694	96,312,306
Bank statement balance at end of year	131,190,772	93,565,694
Standard Bank Limited - Account Number 203241819		
Bank statement balance at beginning of year	351,927	274,415
Bank statement balance at end of year	-	351,927
ABSA Bank Limited - Account Number 350000011		
Bank statement balance at beginning of year	55,423	69,379
Bank statement balance at end of year	97,212	55,423

3	**TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	46,784,835	37,998,175
	Water	87,667,870	69,727,767
	Property Rental Debtors	2,082,126	1,525,594
	Waste Management	47,877,818	36,785,318
	Waste Water Management	42,398,709	32,413,814
	Service Charges	1,393,881	1,821,514
	Prepayments and Advances	122,455	1,991,069
	Land Sale Debtors	733,078	989,221
	Total Receivables from Exchange Transactions	**229,060,772**	**183,252,472**
	Less: Provision for Impairment	(171,319,108)	(131,576,488)
	Total Net Receivables from Exchange Transactions	**57,741,665**	**51,675,984**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

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3 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2020 R	2019 R
Included in receivables is the following accrued income (estimated consumption from the last meter reading to 30 June):		
Accrued Income Electricity (Including VAT)	19,631,243	17,275,832
Accrued Income Water (Including VAT)	3,527,814	4,553,282
Ageing of Receivables from Exchange Transactions:		
(Electricity): Ageing		
Accrued Income Electricity	19,631,243	17,275,832
Current (0 - 30 days)	14,997,765	13,221,882
31 - 60 Days	2,740,177	2,482,395
61 - 90 Days	1,828,258	259,225
+ 90 Days	7,587,392	4,758,841
Total	**46,784,835**	**37,998,175**
(Water): Ageing		
Accrued Income Water	3,527,814	4,553,282
Current (0 - 30 days)	4,441,973	3,768,628
31 - 60 Days	2,463,367	1,723,999
61 - 90 Days	2,171,126	1,199,817
+ 90 Days	75,063,590	58,482,042
Total	**87,667,870**	**69,727,767**
(Housing): Ageing		
Current (0 - 30 days)	78,578	74,088
31 - 60 Days	81,504	41,852
61 - 90 Days	67,498	35,268
+ 90 Days	1,854,545	1,374,387
Total	**2,082,126**	**1,525,594**
(Refuse): Ageing		
Current (0 - 30 days)	2,736,980	2,378,364
31 - 60 Days	1,609,444	1,111,570
61 - 90 Days	1,375,757	812,574
+ 90 Days	42,155,637	32,482,810
Total	**47,877,818**	**36,785,318**
(Sewerage): Ageing		
Current (0 - 30 days)	2,073,049	1,911,951
31 - 60 Days	1,387,931	868,370
61 - 90 Days	1,212,586	627,218
+ 90 Days	37,725,143	29,006,274
Total	**42,398,709**	**32,413,813**
(Service Charges): Ageing		
Current (0 - 30 days)	14,325	24,652
31 - 60 Days	12,501	30,425
61 - 90 Days	17,453	453,722
+ 90 Days	1,349,602	1,312,715
Total	**1,393,881**	**1,821,514**
(Prepayments and Advances): Ageing		
Current (0 - 30 days)	-	57,800
+ 90 Days	122,455	1,933,269
Total	**122,455**	**1,991,069**

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		2020	2019
3	**TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED**	**R**	**R**
	(Land Sales): Ageing		
	+ 90 Days	733,078	989,221
	Total	**733,078**	**989,221**
	(Total): Ageing		
	Accrued Income	23,159,058	21,829,113
	Current (0 - 30 days)	24,342,669	21,437,366
	31 - 60 Days	8,294,924	6,258,611
	61 - 90 Days	6,672,678	3,387,823
	+ 90 Days	166,591,443	130,339,559
	Total	**229,060,772**	**183,252,472**
	Reconciliation Provision for Impairment		
	Opening Balance	(131,576,489)	(101,389,356)
	Recognised	(39,760,988)	(30,193,486)
	Reversal (Write-off)	18,368	6,353
	Balance at end of year	**(171,319,109)**	**(131,576,489)**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

4	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Property Rates		
	Outstanding balance	31,975,140	26,671,349
	Provision for impairment	(24,473,636)	(19,925,571)
	Carrying Value	**7,501,504**	**6,745,778**
	Fines		
	Outstanding balance	27,938,520	25,152,666
	Provision for impairment	(24,660,670)	(16,689,090)
	Carrying Value	**3,277,850**	**8,463,576**
	Other Receivables	**478,000**	**674,746**
	Deposits	224,615	224,615
	Other receivables	253,385	450,131
	Total Net Receivables from Non-Exchange Transactions	**11,257,354**	**15,884,100**
	Ageing of Receivables from Non-Exchange Transactions:		
	(Rates): Ageing		
	Current (0 - 30 days)	2,916,005	2,951,064
	31 - 60 Days	726,011	1,022,419
	61 - 90 Days	499,281	266,984
	+ 90 Days	27,827,837	22,430,882
	Total	**31,969,135**	**26,671,349**

It is not possible to provide an accurate ageing of traffic fines as the due date for payment of the fines is not linked to the issue date, but are dependent on the available court dates. Meaning that the payment date is approximately seven to ten days before the court date.

Reconciliation Provision for Impairment		
Opening Balance	(36,614,661)	(44,202,909)
Recognised	(26,688,335)	(10,128,852)
Reversal (Write-off)	14,168,690	17,717,100
Balance at end of year	**(49,134,306)**	**(36,614,661)**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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		2020 R	2019 R
5	**INVENTORY**		
	Consumables	750,713	665,034
	Materials and Supplies	10,633,984	10,849,471
	Water	216,814	178,114
	Total Inventory	**11,601,511**	**11,692,619**
	Inventory written down due to losses as identified during the annual stores counts.	**(52)**	**2,244**
	Inventory recognised as an expense during the year	**12,959,401**	**12,276,790**

No inventories is pledged as security for liabilities

6	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
	Unspent Grants	50,077,685	10,575,042
	National Government Grants	29,605,007	7,539,633
	Provincial Government Grants	14,878,221	2,135,408
	District Municipality	4,126,217	900,001
	Other	1,468,240	-
	Less: Grants spend but not yet received	2,502,217	4,608,221
	National Government Grants	724,504	1,593,416
	Provincial Government Grants	1,252,623	2,489,715
	District Municipality	525,090	525,090
	Total Conditional Grants and Receipts	**47,575,468**	**5,966,821**

Please refer to Note 21 for more information on specific grants.

7 STATUTORY RECEIVABLES

Statutory receivables of the municipality are classified as follows in accordance with the principles of GRAP 108,

As of 30 June 2020, total statutory receivables of R 65377786 (2019: R 58937137) were impaired and provided for.

The amount of the allowance for impairment was R 49134306 as of 30 June 2020 (2019: R36614661).

Reconciliation of statutory receivables		
Gross balance of statutory receivables	65,377,786	58,937,137
Provision for impairment	(49,134,306)	(36,614,661)
Netto statutory receivables	**16,243,480**	**22,322,476**
Gross balance		
Fines	27,938,520	25,152,666
Property rates	31,975,140	26,671,349
VAT	5,464,126	7,113,122
Total	**65,377,786**	**58,937,137**
Reconciliation of Provision for impairment		
Opening Balance	(36,614,661)	(44,202,909)
Recognised	(26,688,335)	(10,128,852)
Reversal (Write-off)	14,168,690	17,717,100
Balance at end of year	**(49,134,306)**	**(36,614,661)**
The total amount of the Provision for impairment consists of:		
Fines	(24,660,670)	(16,689,090)
Property rates	(24,473,636)	(19,925,571)
Total	**(49,134,306)**	**(36,614,661)**
Netto balance		
Fines	3,277,850	8,463,576
Property rates	7,501,504	6,745,778
VAT	5,464,126	7,113,122
Total	**16,243,480**	**22,322,476**

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STATUTORY RECEIVABLES CONTINUED	2020 R	2019 R
Interest charged	2,017,034	1,132,534
Property Rates: Ageing		
Current (0 - 30 days)	2,916,005	2,951,064
31 - 60 Days	726,011	1,022,419
61 - 90 Days	499,281	266,984
+ 90 Days	27,827,837	22,430,882
Total	**31,969,135**	**26,671,349**

Statutory receivables arises from the following legislation:
Property Rates- Municipal Property Rates Act (Act no 60 of 2014)
Fines- Criminal Procedures Act (Act no 51 of 1977)
Value Added Tax Act (Act no 89 of 1991)

No receivables from statutory receivables were pledged as security.

Credit quality of statutory receivables

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of non-exchange receivables on initial recognition is not deemed necessary.

There are no statutory receivables which were restricted.

Property rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also new buildings.

Basic rate		
Residential	0.875c/R	0.825c/R
Commercial	1.579c/R	1.490c/R
Industrial	1.537c/R	1.490c/R
Bona Fide Agricultural	0.106c/R	0.100c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual

rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:
- Residential - The first R120 000 on the valuation is exempted.

VAT PAYABLE		
VAT Payable	7,226,273	4,320,862
	7,226,273	**4,320,862**
VAT RECEIVABLE		
VAT input in suspense	12,690,399	11,433,984
	12,690,399	**11,433,984**
NET VAT RECEIVABLE/(PAYABLE)	**5,464,126**	**7,113,122**

VAT is receivable/payable on the cash basis.

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8 PROPERTY, PLANT AND EQUIPMENT

8.1 30 JUNE 2020

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
Carrying value at 1 July 2019	70,821,744	87,221,867	626,407,296	68,333,398	956,045	31,523,720	885,264,070
Cost	70,821,744	99,135,957	783,149,499	79,434,583	3,111,305	76,631,996	1,112,285,084
Accumulated Impairment	-	(797,525)	(19,803)	-	-	(642,260)	(1,459,588)
Accumulated Depreciation	-	(11,116,565)	(156,722,400)	(11,101,185)	(2,155,260)	(44,466,016)	(225,561,426)
Acquisitions	-	-	24,351,062	4,345,120	-	5,756,386	34,452,568
Depreciation	-	(981,934)	(18,713,998)	(2,347,236)	(407,014)	(6,844,908)	(29,295,090)
Carrying value of disposals	(217,000)	-	-	-	-	(235,334)	(452,334)
Cost	(217,000)		-	-	-	(266,000)	(483,000)
Accumulated Depreciation	-		-	-	-	30,666	30,666
Carrying value at 30 June 2020	70,604,744	86,239,933	632,044,360	70,331,282	549,031	30,199,864	889,969,214
Cost	70,604,744	99,135,957	807,500,561	83,779,703	3,111,305	82,122,382	1,146,254,652
Accumulated Impairments	-	(797,525)	(19,803)	-	-	(642,260)	(1,459,588)
Accumulated Depreciation	-	(12,098,499)	(175,436,398)	(13,448,421)	(2,562,274)	(51,280,258)	(254,825,850)

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July	**19,246,216**
Cost	52,960,260
Accumulated Depreciation	(33,714,045)
Adjustment for the period	(6,524,711)
Depreciation for the year	(2,688,067)
Net Carrying amount at 30 June	**10,033,437**
Cost	46,435,549
Accumulated Depreciation	(36,402,112)
Total Property, Plant and Equipment	**900,002,651**

8.1.1 Work in Progress included in the Carrying Value of Property Plant & Equipment

Original Cost	558,835	16,293,860	387,937	0	6,033,674	23,274,306

8.1.2 Expenditure incurred for repairs and maintaining property plant and equipment 14,469,501

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PROPERTY, PLANT AND EQUIPMENT CONTINUED

8.2 30 JUNE 2019

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2018	72,588,337	89,074,511	567,565,702	65,514,477	26,370	34,454,986	829,224,382
Cost	72,588,337	99,203,957	706,866,588	74,465,252	1,893,599	73,014,160	1,028,031,892
Accumulated Impairment	-	-	(19,803)	-	-	(615,534)	(635,337)
Accumulated Depreciation	-	(10,129,446)	(139,281,083)	(8,950,775)	(1,867,230)	(37,943,639)	(198,172,173)
Acquisitions	-	-	77,903,370	2,710,453	1,217,706	5,323,944	87,155,472
Transfers	-	-	(1,452,301)	2,258,878	-	(73,589)	732,988
Cost	-	-	(1,452,301)	2,258,878	-	(73,589)	732,988
Accumulated Depreciation	-	-	-	-	-	-	-
Impairment	-	(797,525)	-	-	-	(26,726)	(824,251)
Depreciation	-	(994,122)	(17,553,984)	(2,150,310)	(288,030)	(6,782,352)	(27,768,798)
Carrying value of disposals	(1,766,593)	(61,098)	(55,489)	-	-	(1,372,542)	(3,255,723)
Cost	(1,766,593)	(68,000)	(168,157)	-	-	(1,632,518)	(3,635,269)
Accumulated Depreciation	-	6,902	112,668	-	-	259,976	379,546
Carrying value at 30 June 2019	70,821,744	87,221,766	626,407,296	68,333,498	956,045	31,523,721	885,264,069
Cost	70,821,744	99,135,957	783,149,499	79,434,583	3,111,305	76,631,996	1,112,285,083
Accumulated Impairments	-	(797,525)	(19,803)	-	-	(642,260)	(1,459,588)
Accumulated Depreciation	-	(11,116,666)	(156,722,400)	(11,101,085)	(2,155,260)	(44,466,015)	(225,561,426)

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July	**13,105,030**
Cost	44,946,927
Accumulated Depreciation	(31,841,897)
Adjustment for the period	8,013,333
Depreciation for the year	(1,872,147)
Net Carrying amount at 30 June	**19,246,216**
Cost	52,960,260
Accumulated Depreciation	(33,714,045)
Total Property, Plant and Equipment	**904,510,285**

8.2.1 Work in Progress included in the Carrying Value of Property Plant & Equipment

Original Cost	9,180,003	977,052	0	554,803	10,711,859

8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment 18,236,440

8.2.3 No assets are pledged as security

8.2.4 No assets were in construction or development and consequently halted.

8.2.5 No assets took significantly long to complete.

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		2020 R	2019 R
9	**INTANGIBLE ASSETS**		
	Computer Software		
	Net Carrying amount at 1 July	**2,029,417**	**2,403,442**
	Cost	5,012,239	4,986,239
	Accumulated Amortisation	(2,982,822)	(2,582,797)
	Acquisitions	15,716	758,988
	Amortisation	(469,209)	(400,025)
	Transfers	-	(732,988)
	Net Carrying amount at 30 June	**1,575,924**	**2,029,417**
	Cost	5,027,955	5,012,239
	Accumulated Amortisation	(3,452,031)	(2,982,822)

No intangible assets are pledged as security

No intangible assets were in construction or development and consequently halted.

No intangible assets took significantly long to complete.

10	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**44,459,310**	**45,623,160**
	Cost	47,554,810	48,437,650
	Accumulated Depreciation	(3,095,500)	(2,814,490)
	Depreciation for the year	(279,891)	(281,010)
	Carrying value of disposals	(414,886)	(882,839)
	Cost	(441,000)	(882,839)
	Accumulated Depreciation	26,114	-
	Net Carrying amount at 30 June	**43,764,533**	**44,459,311**
	Cost	47,113,810	47,554,810
	Accumulated Depreciation	(3,349,277)	(3,095,500)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Revenue derived from the rental of investment property	2,651,022	4,008,940
Operating expenditure incurred on properties generating revenue	**4,817,466**	**5,136,072**

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11	HERITAGE ASSETS	2020 R	2019 R
	Net Carrying amount at 1 July	**550,000**	**550,000**
	Cost	550,000	550,000
	Net Carrying amount at 30 June	**550,000**	**550,000**
	Cost	550,000	550,000

Heritage assets are carried at its cost less any accumulated impairment losses

None of the heritage assets are pledge as security.

Opening Balance	-	5,095
Movement during the year	-	(5,095)

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for periods ranging until 2019.

12	TRADE AND OTHER PAYABLE EXCHANGE TRANSACTIONS	2020 R	2019 R
	Payables and Accruals	9,212,913	15,327,568
	Control, Clearing and Interface	474,164	44,403
	Electricity Bulk Purchase	29,051,439	23,304,763
	Accrued Interest	16,551	32,667
	Unallocated Deposits	4,521,254	3,122,162
	Retentions	2,733,569	2,948,573
	Agency Fees Payable	-	125
	Advance Payments	6,024,459	4,669,100
	Overtime	808,395	972,351
	Total Trade Payables	**52,842,744**	**50,421,712**

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

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		2020	2019
13	**CONSUMER DEPOSITS**	**R**	**R**
	Water and Electricity	5,232,346	4,708,365
	Rental Properties	325,721	331,991
	Building Plans	2,417,461	2,107,948
	Total Consumer Deposits	**7,975,528**	**7,148,304**

14	**CURRENT EMPLOYEE BENEFITS**		
	Current Portion of Post Employment Health Care Benefits- Note 18	1,823,000	2,326,217
	Current Portion of Long-Service Provisions - Note 18	1,573,000	1,177,302
	Current Portion of Ex-gratia Pension Provisions - Note 18	8,455	8,432
	Staff Leave	16,896,282	13,148,894
	Performance Bonuses	398,164	497,567
	Staff Bonuses	5,202,132	4,642,349
	Total Current Employee Benefits	**25,901,033**	**21,800,761**

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	13,148,895	12,353,905
Contribution for the year	4,327,754	1,376,029
Expenditure incurred	(580,367)	(581,040)
Balance at end of year	**16,896,282**	**13,148,894**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Performance Bonuses

Balance at beginning of year	497,567	801,374
Contribution for the year	452,779	499,081
Expenditure incurred	(552,181)	(802,888)
Balance at end of year	**398,165**	**497,567**

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of their performance.

Staff Bonuses

Balance at beginning of year	4,642,349	3,866,125
Contribution for the year	8,590,849	8,002,499
Expenditure incurred	(8,031,067)	(7,226,274)
Balance at end of year	**5,202,131**	**4,642,350**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.

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		2020 R	2019 R
15	**UNSPENT PUBLIC CONTRIBUTIONS**		
	China - Water meters	16,004	19,533
	Essen Belgium	3,987,569	2,199,763
	Total Unspent Public Contributions	**4,003,573**	**2,219,296**

Reconciliation of public contributions

China - Water meters

Opening balance	19,533	32,135
Conditions met - Transferred to revenue	(3,529)	(12,602)
Closing balance	**16,004**	**19,533**

3580 Water meters were donated by the Chinese Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.

Essen Belgium

Opening balance	2,199,763	1,833,369
Receipts	2,331,023	928,705
Conditions met - Transferred to revenue	(543,217)	(562,311)
Closing balance	**3,987,569**	**2,199,763**

A twining agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.

16 BORROWINGS

Annuity Loans	4,105,791	5,304,458
Finance Lease Liability	481,811	917,951
	4,587,602	**6,222,409**
Less Current portion of Non-current	**(1,967,785)**	**(1,634,807)**
Annuity Loans	(1,485,974)	(1,198,667)
Finance Lease Liability	(481,811)	(436,140)
Non-Current portion	**2,619,817**	**4,587,602**
Opening Balance	-	(12,686)
Adjustment for the period	-	12,686
Total borrowings - At amortised cost using the effective interest rate method	**2,619,817**	**4,587,602**

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	1,792,988	1,792,988
Payable within two to five years	2,848,336	4,414,938
	4,641,324	6,207,926
Less: Future finance obligations	(535,535)	(903,470)
Present value of annuity obligations	**4,105,788**	**5,304,455**

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BORROWINGS CONTINUED	2020 R	2019 R

Annuity loans at amortised cost is calculated at an average 12.47% interest rate, with a final maturity date of 30 June 2023.

The obligations under finance leases are scheduled below:

	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	508,306	508,305
Payable within two to five years	-	508,306
	508,306	1,016,611
Less: Future finance obligations	(26,495)	(98,660)
Present value of lease obligations	**481,811**	**917,951**

17 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	50,895,865	86,471,213
Total Non-current Provisions	**50,895,865**	**86,471,213**

The provision includes the rehabilitation cost of landfill sites in Ceres, Prince Alfred's Hamlet, Op-die-Berg, Tulbagh and Wolseley. The expected closing dates and estimated rehabilitation cost of the sites are:
Ceres - 2010 (The site is no longer in operation) - R4 607 860,09
Prince Alfred's Hamlet - 2025 - R54 364 245,02
Op-die- Berg - 2024 - R6 138 630
Tulbagh - 2065 - R19 324 622,55
Wolseley - 2067 - R28 287 023,85

Landfill Sites

Opening Balance	86,471,213	71,466,568
Unwinding of Interest	8,085,059	7,253,857
Adjustment for the period	(43,660,407)	7,750,788
Total provision 30 June	**50,895,865**	**86,471,213**
Discount rate	9.35%	10.20%
Inflation Rate	2.20%	4.60%

18 EMPLOYEE BENEFITS

Post-employment Health Care Benefits	52,895,000	54,822,267
Long Service Awards	8,680,000	9,463,063
Ex-Gratia Pension Benefits	53,755	55,092
Total Non-current Employee Benefit Liabilities	**61,628,755**	**64,340,422**

Post-employment Health Care Benefits

Opening Balance	57,148,484	78,304,111
Contribution for the year	2,020,946	3,582,642
Interest Cost	5,242,666	7,465,784
Expenditure for the year	(2,379,821)	(2,183,586)
Amendments	-	(4,779,243)
Actuarial Loss/(Gain)	(7,314,275)	(25,241,224)
Total post retirement Health Care benefits 30 June	**54,718,000**	**57,148,484**
Less: Transfer of Current Portion - Note 14	(1,823,000)	(2,326,217)
Balance 30 June	**52,895,000**	**54,822,267**

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18	EMPLOYEE BENEFITS CONTINUED	2020 R	2019 R
	Long Service Awards		
	Opening Balance	10,640,365	5,885,018
	Contribution for the year	878,787	451,234
	Interest Cost	818,139	458,677
	Expenditure for the year	(840,493)	(1,025,081)
	Amendments	-	2,236,598
	Actuarial Loss/(Gain)	(1,243,798)	2,633,919
	Total long service 30 June	**10,253,000**	**10,640,365**
	Less: Transfer of Current Portion - Note 14	(1,573,000)	(1,177,302)
	Balance 30 June	**8,680,000**	**9,463,063**
	Ex-Gratia Pension		
	Opening Balance	63,524	71,874
	Interest Cost	4,817	4,969
	Expenditure for the year	(6,240)	(14,431)
	Actuarial Loss/(Gain)	109	1,112
	Total Ex-Gratia 30 June	**62,210**	**63,524**
	Less: Transfer of Current Portion - Note 14	(8,455)	(8,432)
	Balance 30 June	**53,755**	**55,092**
	TOTAL NON-CURRENT EMPLOYEE BENEFITS		
	Balance 1 July	67,852,373	84,261,003
	Contribution for the year	2,899,733	4,033,876
	Interest cost	6,065,622	7,929,430
	Expenditure for the year	(3,226,554)	(3,223,098)
	Amendments	-	(2,542,645)
	Actuarial Loss/(Gain)	(8,557,964)	(22,606,193)
	Total employee benefits 30 June	**65,033,210**	**67,852,373**
	Less: Transfer of Current Portion - Note 14	(3,404,455)	(3,511,951)
	Balance 30 June	**61,628,755**	**64,340,422**

18.1 Post-employment Health Care Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	248	241
Continuation members (e.g. Retirees, widows, orphans)	54	52
Total Members	**302**	**293**

The liability in respect of past service has been estimated to be as follows:

In-service members	26,345,000	27,996,656
Continuation members	28,373,000	29,151,829
Total Liability	**54,718,000**	**57,148,485**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2018 R	2017 R	2016 R
In-service members	52,940,818	50,585,753	53,302,000
Continuation members	25,363,294	21,789,464	22,699,000
Total Liability	**78,304,112**	**72,375,217**	**76,001,000**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Keyhealth.
LA Health
Hosmed and
Samwumed.

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18.1 EMPLOYEE BENEFITS CONTINUED

	2020	2019
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	10.34%	9.36%
Health Care Cost Inflation Rate	6.40%	6.83%
Net Effective Discount Rate	3.70%	2.37%

ii) Mortality rates

The PA 90 ultimate table was used by the actuaries.

iii) Normal retirement age

The normal retirement ages are 65 (for males) and 60 (for females). It has been assumed that male in-service members will retire at age 62 and female in-service members will retire at age 59, on average, which then implicitly allows for expected rates of ill-health and early retirement.

The amounts recognised in the Statement of Financial Position are as follows:	**2020 R**	**2019 R**
Present value of fund obligations	54,718,000	57,148,484
Net liability/(asset)	**54,718,000**	**57,148,484**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	57,148,484	78,304,111
Total expenses	4,883,791	8,864,840
Current service cost	2,020,946	3,582,642
Interest Cost	5,242,666	7,465,784
Benefits Paid	(2,379,821)	(2,183,586)
Amendments	-	(4,779,243)
Actuarial (gains)/losses	(7,314,275)	(25,241,224)
Present value of fund obligation at the end of the year	54,718,000	57,148,484
Less: Transfer of Current Portion - Note 14	(1,823,000)	(2,326,217)
Balance 30 June	**52,895,000**	**54,822,267**

Sensitivity Analysis on the Accrued Liability at 30 June 2020

Assumption	**members liability**	**members liability**	**Total liability (R'000)**
Central Assumptions	26,345,000	28,373,000	54,718,000

The effect of movements in the assumptions are as follows:

Assumption	**Change**	**In-service members**	**Continuation members**	**Total liability (R'000)**	**% change**
Central assumptions		26,345,000	28,373,000	54,718,000	
Health care inflation	1%	29,114,000	30,998,000	60,112,000	10
Health care inflation	-1%	23,094,000	26,045,000	49,139,000	-10
Mortality rate	20%	25,199,000	26,550,000	51,749,000	5
Mortality rate	-20%	27,693,000	30,625,000	58,318,000	7

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EMPLOYEE BENEFITS CONTINUED

	2020	2019
18.2 Long Service Awards		
The Long Service Bonus plans are defined benefit plans.		
As at year end, the following number of employees were eligible for Long Service Bonuses.	512	516
i) Rate of interest		
Discount rate	7.25%	8.13%
General Salary Inflation (long-term)	3.90%	5.55%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.22%	2.44%

The amounts recognised in the Statement of Financial Position are as follows:

	2020 R	2019 R
Present value of fund obligations	10,253,000	10,640,365
Net liability	**10,253,000**	**10,640,365**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 R	2017 R	2016 R
Present value of fund obligations	5,885,018	5,329,057	5,601,000
Net liability	**5,329,057**	**5,601,000**	**5,648,000**

Reconciliation of present value of fund obligation:

	2020 R	2019 R
Present value of fund obligation at the beginning of the year	10,640,365	5,885,018
Total expenses	856,433	(115,170)
Current service cost	878,787	451,234
Interest Cost	818,139	458,677
Benefits Paid	(840,493)	(1,025,081)
	-	2,236,598
Actuarial (gains)/losses	(1,243,798)	2,633,919
Present value of fund obligation at the end of the year	10,253,000	10,640,365
Less: Transfer of Current Portion - Note 14	(1,573,000)	(1,177,302)
Balance 30 June	**8,680,000**	**9,463,063**

Sensitivity Analysis on the Accrued Liability at 30 June 2020

Assumption	**Change**	**Liability**	**% change**
Central assumptions		10,253,000	
General salary inflation	1.00%	10,873,000	6%
General salary inflation	-1.00%	9,689,000	-6%
Withdrawal rates	20%	9,814,000	-4%
Withdrawal rates	-20%	10,733,000	5%

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EMPLOYEE BENEFITS CONTINUED

	2020	2019
18.3 Ex-Gratia Pension Benefits		
The Ex-Gratia Pension Benefits plans are defined benefit plans.		
As at year end, the following number of employees were eligible for Ex-Gratia Pension Benefits.	18	19
i) Rate of interest		
Discount rate	7.21%	8.11%

	2020 R	2019 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	62,210	63,524
Net liability	**62,210**	**63,524**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2018 R	2017 R	2016 R
Present value of fund obligations	71,873	154,143	330,000
Net liability	**71,873**	**154,143**	**330,000**

EMPLOYEE BENEFITS CONTINUED

	2020 R	2019 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	63,524	71,874
Total expenses	(1,423)	(9,462)
Interest Cost	4,817	4,969
Benefits Paid	(6,240)	(14,431)
Actuarial (gains)/losses	109	1,112
Present value of fund obligation at the end of the year	62,210	63,524
Less: Transfer of Current Portion - Note	(8,455)	(8,432)
Balance 30 June	**53,755**	**55,092**

Sensitivity Analysis on the Accrued Liability at 30 June 2020

Assumption	**Change**	**(R'000)**	**% change**
Central assumptions		62,210	
Withdrawal rates	+20%	61,855	-1.0%
Withdrawal rates	-20%	62,578	1.0%

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EMPLOYEE BENEFITS CONTINUED	2020 R	2019 R

18.4 Retirement funds

CAPE JOINT PENSION FUND

The funding level of the CJPF (Pensions Account section) was 105.1% as at the 30 June 2013 valuation date compared with a 99.4% funding level as at 30 June 2012. The Fund is in a sound financial condition at the valuation date. As at the 30 June 2013 valuation date (in totality) the members contributed at a rate of 9% of pensionable salaries and (in totality) the Local Authorities contributed at a rate of 18% of pensionable salaries.

Contributions paid recognised in the Statement of Financial Performance	288,723	452,630

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The funding level at the most recent actuarial valuation (1 July 2012) of 100% was calculated on a Discounted Cash Flow (DCF) basis. The funding level has improved since the previous valuation. The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2012 be maintained at 15.26%. This includes a margin of 3.92% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs.

Contributions paid recognised in the Statement of Financial Performance	186,267	447,341

DEFINED CONTRIBUTION FUNDS

Council contributes to: the Government Employees Pension Fund; Municipal Council Pension Fund; National Fund for Municipal Workers (IMATU); and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Cape Joint Retirement Fund	21,956,888	19,879,356
Municipal Councillors Pension Fund	376,758	376,558
National Fund For Municipal Employees (IMATU)	133,462	122,374
SAMWU National Provident Fund	4,275,921	4,118,954
	26,743,029	**24,497,242**

The municipality adjusted the retirement age of female employees from 60 to 65 years of age. No change in estimated figures are expected due to the following:

The valuation results are dependent on the expected average retirement ages (EARAs) instead of the normal retirement age (NRAs).

Witzenberg's own recent employee-retirement history will be too small a sample to be solely relied on in setting these assumptions. Nevertheless, this recent experience seems to be in line with the EARAs used in the 2020 valuation.

If there is concern that the change in NRA for females will affect their EARA, then we recommend that the retirement-experience be monitored for several years after the change.

19 NET ASSET RESERVES

Capital Replacement Reserve	10,617,534	10,354,788
Total Net Asset Reserves	**10,617,534**	**10,354,788**

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		2020	2019
20	**PROPERTY RATES**	**R**	**R**
	Actual		
	Rates Levied	81,314,127	77,362,366
	Business	13,201,984	12,772,509
	Building Clauses	96,418	101,951
	Rural	18,572,835	18,033,214
	Industrial Properties	9,400,563	8,796,899
	Residential Properties	26,964,539	25,394,167
	State-owned Properties	11,164,548	10,678,347
	Vacant Land	1,907,205	1,564,945
	Public Service Infrastructure	6,035	20,334
	Less: Revenue Forgone	(7,720,342)	(7,483,131)
	Total Assessment Rates	**73,593,785**	**69,879,235**
	Valuations - 1 JULY		
	Land and Buildings		
	Residential Property	4,052,249,000	4,044,998,700
	Commercial Property	1,013,172,700	1,011,580,500
	Industrial Property	610,486,000	607,087,500
	Informal Property	37,168,500	37,168,500
	Agricultural Purposes	12,588,293,000	12,711,816,000
	State - National/ Provincial Services	822,438,000	822,438,000
	Public Service Infrastructure	9,948,500	9,948,500
	Vacant Property	166,825,800	171,543,300
	Total Valuation	**19,300,581,500**	**19,416,581,000**

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4-6 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates:		
Residential	0.875c/R	0.825c/R
Commercial	1.579c/R	1.490c/R
Industrial	1.537c/R	1.490c/R
Bona Fide Agricultural	0.106c/R	0.100c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:
Residential - The first R120 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

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21	TRANSFERS AND SUBSIDIES	2020 R	2019 R
	Unconditional Grants	**92,850,157**	**84,602,000**
	Equitable Share	92,850,157	84,602,000
	Conditional Grants	**51,606,222**	**75,273,372**
	Grants and donations	51,606,222	75,273,372
	Total Government Grants and Subsidies	**144,456,379**	**159,875,372**
	Government Grants and Subsidies - Capital	13,442,260	54,673,882
	Government Grants and Subsidies - Operating	131,014,119	105,201,490
		144,456,379	**159,875,372**

Please refer to appendix D for more detailed disclosure of Government Grants and Subsidies.

The Municipality does not expect any significant changes to the level of grants.

21.1 Equitable share

Grants received	92,850,157	84,602,000
Conditions met - Operating	(92,850,157)	(84,602,000)
Conditions still to be met/(Grant expenditure to be recovered)	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.2 Local Government Financial Management Grant (FMG)

Opening balance	626,923	17,747
Grants received	1,550,000	1,550,000
Conditions met - Operating	(1,495,840)	(922,825)
Conditions still to be met/(Grant expenditure to be recovered)	**681,083**	**644,922**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

21.3 Expanded Public Works Programme

Opening balance	(275,740)	(29,359)
Grants received	2,299,000	1,780,000
Conditions met - Operating	(2,456,177)	(2,026,381)
Conditions still to be met/(Grant expenditure to be recovered)	**(432,917)**	**(275,740)**

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GOVERNMENT GRANTS AND SUBSIDIES CONTINUED	2020 R	2019 R

21.4 Municipal Infrastructure Grant (MIG)

Opening balance	(666,480)	(95,671)
Grants received	22,411,000	22,031,000
Conditions met - Capital	(11,901,296)	(22,601,809)
Conditions still to be met/(Grant expenditure to be recovered)	**9,843,224**	**(666,480)**

The grant was used to upgrade infrastructure in previously disadvantaged areas.

21.5 Housing Grants

Opening balance	(1,237,092)	3,295,671
Grants received	28,726,965	29,982,563
Conditions met - Operating	-	(8,771,481)
Conditions met - Capital	(23,982,171)	(25,743,845)
Conditions still to be met/(Grant expenditure to be recovered)	**3,507,702**	**(1,237,092)**

Housing grants was utilised for the development of erven and the erection of top structures.

21.6 Integrated National Electrification Grant

Opening balance	(651,195)	(801,458)
Grants received	3,000,000	5,000,000
Conditions met - Capital	(2,640,392)	(4,849,738)
Conditions still to be met/(Grant expenditure to be recovered)	**(291,587)**	**(651,196)**

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

21.7 Library services

Opening balance	400,000	-
Grants received	9,639,000	9,342,000
Conditions met - Operating	(9,239,000)	(8,942,000)
Conditions still to be met/(Grant expenditure to be recovered)	**800,000**	**400,000**

21.8 Other Grants

Opening balance	9,989,703	2,848,987
Grants received	37,272,649	13,537,705
Conditions met - Operating	(2,176,133)	(581,364)
Conditions met - Capital	(546,526)	(5,815,625)
Write off / Transfers	(7,068,157)	(18,000)
Conditions still to be met/(Grant expenditure to be recovered)	**37,471,536**	**9,971,703**

Various grants were received from other spheres of government of which the material ones are: RBIG R9.3 million and Essen R2.2 million, etc.

21.9 Total Grants

Opening balance	8,186,119	5,235,917
Grants received	197,748,771	167,825,268
Conditions met - Operating	(108,217,307)	(105,846,051)
Conditions met - Capital	(39,070,385)	(59,011,017)
Write off / Transfers	(7,068,157)	(18,000)
Conditions still to be met/(Grant expenditure to be recovered)	**51,579,041**	**8,186,117**

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	50,077,685	10,575,042
Unspent Public Contributions	4,003,573	2,219,296
Unpaid Conditional Government Grants and Receipts	(2,502,217)	(4,608,221)
	51,579,041	**8,186,117**

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		2020	2019
22	**SERVICE CHARGES**	**R**	**R**
	Electricity	258,382,622	222,677,633
	Water	42,853,245	38,997,795
	Refuse removal	32,235,749	35,231,260
	Sewerage and Sanitation Charges	33,613,050	38,563,609
		367,084,666	335,470,297
	Less: Revenue Forgone	(20,908,921)	(30,270,918)
	Total Service Charges	**346,175,745**	**305,199,379**

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

23 AGENCY SERVICES

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives and commision on the collection of monies. The municipality act as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year.

Funds collected	25,047,100	27,216,103
Retained	(3,998,961)	(4,360,816)
Paid	(22,158,532)	(23,111,655)
Payable to principal	**(1,110,393)**	**(256,368)**

24 OPERATIONAL REVENUE

Insurance Refund	1,729,242	578,123
Collection Charges	(152)	50,606
Breakages and Losses Recovered	3,687	6,415
Merchandising, Jobbing and Contracts	45,476	24,120
Other	28,193	670,323
Total Operational Revenue	**1,806,446**	**1,329,587**

25 SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage	64,223	62,649
Building Plan Approval	767,915	978,741
Camping Fees	3,188,912	1,927,064
Cemetery and Burial	175,799	223,919
Development Charges	108,876	110,397
Entrance Fees	591,521	774,716
Other	377,415	377,094
Total Sales of Goods and Rendering of services	**5,274,661**	**4,454,580**

26 EMPLOYEE RELATED COSTS

Salaries and Wages	121,508,549	110,406,072
Bargaining Council Levy	951,004	526,254
Bonuses	9,043,628	8,501,580
Contributions For Pensions	16,469,301	14,933,113
Contributions For Medical Aids	8,133,228	7,362,175
Contributions For UIF	926,672	856,028
Group Life Insurance	1,814,843	1,625,855
Housing Benefits and Allowances	1,545,176	1,447,541
Leave Reserve	4,327,754	1,376,029
Long service awards	878,787	451,234
Overtime	10,763,375	11,260,169
Post Employment Health Care Benefits	2,020,946	1,039,997
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	6,674,847	6,121,619
Total Employee Related Costs	**185,058,110**	**165,907,666**

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on fixed term contracts.

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26 EMPLOYEE RELATED COSTS CONTINUED

	2020 R	2019 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager		
Annual Remuneration	1,091,381	995,332
Performance Bonus	209,564	179,167
Travelling Allowance	108,000	108,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	262,360	250,237
Other Allowance	58,649	53,033
Total	**1,729,954**	**1,585,770**
Remuneration of the Director Technical Services		
Annual Remuneration	691,123	591,776
Performance Bonus	171,308	147,970
Travelling Allowance	510,814	501,867
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3,793	3,779
Other Allowance	11,026	43,350
Total	**1,388,064**	**1,288,743**
Remuneration of the Director Corporate Services		
Annual Remuneration	1,009,937	891,760
Performance Bonus	171,308	146,454
Travelling Allowance	195,119	212,231
Other Allowance	79,206	58,667
Total	**1,455,570**	**1,309,112**
Remuneration of the Director Financial Services		
Annual Remuneration	-	532,465
Performance Bonus	-	164,648
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	2,572
Leave encashment	-	52,924
Other Allowance	-	9,600
Total	**-**	**762,209**
Remuneration of the Acting Director Financial Services		
Annual Remuneration	924,469	
Bonus	77,039	
Travelling Allowance	159,547	
Contributions to UIF, Medical, Pension Funds and Bargaining Council	168,301	
Other Allowance	82,949	
Total	**1,412,305**	**-**

The posstion of Director Financial Services was vacant for the 2019 / 2020 financial year. A senior employee was deligated to perform the duties assigned to the post in legislation.

Remuneration of the Director Community Services		
Performance Bonus	-	164,648
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	315
Travelling Expenses	-	1,146
Total	**-**	**166,109**

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27 REMUNERATION OF COUNCILLORS

	2020 R	2019 R
Executive Mayor		
Annual Remuneration	573,750	544,149
Pension fund contributions	86,772	81,994
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	281,239	288,546
Total	**941,761**	**914,689**
Deputy Mayor		
Annual Remuneration	563,047	539,366
Pension fund contributions	85,024	81,202
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	119,848	134,120
Total	**767,919**	**754,689**
Speaker		
Annual Remuneration	569,433	537,747
Pension fund contributions	81,000	80,960
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	120,519	131,740
Total	**770,951**	**750,447**
Mayoral Committee Members		
Annual Remuneration	2,070,249	1,985,894
Pension fund contributions	312,664	299,000
Medical aid contributions	77,425	72,310
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	400,557	397,429
Total	**2,860,896**	**2,754,633**
Section 79 Committee Chairman		
Annual Remuneration	273,284	267,460
Pension fund contributions	41,281	40,270
Medical aid contributions	48,452	41,324
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	42,478	44,359
Total	**405,495**	**393,414**
Ordinary Councillors		
Annual Remuneration	3,550,513	3,329,439
Pension fund contributions	499,601	460,042
Medical aid contributions	89,737	70,722
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	717,214	708,188
Total	**4,857,065**	**4,568,391**

In-kind Benefits

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Executive Mayor, Speaker and all the Mayoral committee members are provided with secretarial support and an office at the cost of the Council.

Each councillor received an regulation 11 (cell phone allowance) and 12 (mobile data bundles) benefit. However the regulation 12 benefits is utilised for the contract procured by the municipality for data and regulation 11 is paid to the councillor to obtain their own contract.

Where applicable, councillor who qualify also received an regulation 10 (Out of pocket expenses) payment.

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		2020	2019
28	**PROVISION FOR IMPAIRMENT**	**R**	**R**
	Receivables from exchange transactions: Contributions - Note 3	36,919,140	30,193,486
	Receivables from exchange transactions: Reversals - Note 3	(18,368)	(6,353)
	Receivables from non-exchange transactions: Contributions - Note 4	26,688,335	10,128,852
	Receivables from non-exchange transactions: Reversals - Note 4	(14,168,690)	(17,717,100)
	Total Contribution to Debt Impairment	**49,420,417**	**22,598,885**
29	**DEPRECIATION AND AMORTISATION**		
	Property Plant and Equipment	29,295,091	27,768,798
	Investment Property	279,891	281,010
	Intangible Assets	469,209	400,025
	Capitalised restoration cost	2,688,067	1,872,147
	Total Depreciation and Amortisation	**32,732,258**	**30,321,980**
30	**FINANCE CHARGES**		
	Borrowing	396,713	581,744
	Finance leases	72,165	81,474
	Ex-Gratia Pension	4,817	4,969
	Post Employment Health Care Benefits	5,242,666	7,465,784
	Long service awards	818,139	458,677
	Interest costs non-current Provision	8,085,059	7,253,857
	Total finance charges	**14,619,559**	**15,846,505**
31	**BULK PURCHASES**		
	Electricity	221,822,019	188,968,165
	Total Bulk Purchases	**221,822,019**	**188,968,165**
32	**CONTRACTED SERVICES**		
	Tracing agents and debt collection	79,637	1,027,804
	Legal Cost	2,197,128	1,419,860
	Fire Services	-	94,546
	Maintenance Buiding and Facilities	664,973	1,156,260
	Traffic Fines Management	1,167,352	548,603
	Maintenance of Unspecified Assets	1,963,616	1,541,850
	Business and Advisory	3,597,132	4,282,403
	Security Services	18,315,669	13,293,360
	Infrastructure and Planning	10,243,982	13,885,349
	Other	5,799,630	6,590,882
		44,029,119	**43,840,917**
33	**TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE**		
	Sport	-	46,615
	Public Schools	10,000	95,000
	Bursaries (Non-Employee)	205,628	299,947
	Tourism	1,278,935	805,600
	Total Transfers and Subsidies: Operational Expenditure	**1,494,563**	**1,247,162**

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		2020 R	2019 R
34	**OPERATIONAL COST**		
	Advertising, Publicity and Marketing	569,986	675,903
	Bank Charges, Facility and Card Fees	538,415	716,266
	Commission	2,354,458	2,037,177
	Communication	2,276,638	2,751,452
	External Audit Fees	3,370,644	3,242,451
	External Computer Service	2,849,699	2,265,371
	Hire Charges	3,718,054	5,110,871
	Insurance Underwriting	3,351,230	2,871,705
	Learnerships and Internships	630,243	605,457
	Levies Paid - Water Resource Management Charges	719,826	630,469
	Licences	391,841	346,598
	Printing, Publications and Books	327,246	646,015
	Professional Bodies, Membership and Subscription	1,777,146	1,778,405
	Remuneration to Ward Committee	1,352,000	1,314,500
	Signage	205,760	650,342
	Transport Provided as Part of Departmental Activities	15,760	146,669
	Travel and Subsistence	588,109	1,135,994
	Uniform and Protective Clothing	701,086	1,549,687
	Wet Fuel	5,764,550	6,013,642
	Other	1,572,148	706,424
	Total Operational cost	**33,074,839**	**35,195,398**
35	**(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT**		
	Property Plant & Equipment	-	824,251
	Total Impairments	**-**	**824,251**

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36 CORRECTION OF ERROR IN TERMS OF GRAP 3

		2019 R
36.1	**Trade and Other Payable Exchange Transactions**	
	Balance previously reported	**48,188,737**
	Correction of outstanding retention money 2018/19 - Note 36.18	571,320
	Correction of error: Manual Creditors - Cell Phone 2018/19 - Note 36.18	(1,599)
	Correction of error: Manual Creditors - Operational Expenditure 2018/19 - Note 36.18	63,957
	Correction of error: Manual Creditors - Bulk Purchases 2018/19 - Note 36.18	184,753
	Correction of error: Manual Creditors - Contracted Services 2018/19 - Note 36.18	1,413,113
	Correction of error: Manual Creditors - Deposits 2018/19 - Note 36.6	1,431
	Balance now reported	**50,421,712**
36.2	**Property, Plant and Equipment**	
	Balance previously reported	**918,262,370**
	Correction of Maintenance expenditure Capitilized 2017/18 - Note 36.18	(87,538)
	Correction of Maintenance expenditure Capitilized 2018/19 - Note 36.18	(456,600)
	Correction of outstanding retention money 2018/19 - Note 36.8	496,800
	Correction of Depreciation of land disposed in previous financial years - Note 36.18	1,295,750
	Correction of land disposed in previous financial years - Note 36.18	(14,879,000)
	Correction of depreciation on reclasified assets in previous financial years - Note 36.18	(121,498)
	Balance now reported	**904,510,284**
36.3	**Investment Property**	
	Balance previously reported	**44,491,786**
	Correction of land disposed in previous financial years - Note 37.15	(32,476)
	Balance now reported	**44,459,310**
36.4	**Trade and other Receivables from Exchange Transactions**	
	Balance previously reported	**51,610,725**
	Correction of error: Prepaid Expenditure - Operational Expenditure 2018/19 - Note 36.18	(180,358)
	Correction of error: Prepaid Expenditure - Operational Leases 2018/19 - Note 36.18	(21,904)
	Correction of land disposed in previous financial years - Note 36.2	267,520
	Balance now reported	**51,675,983**
36.5	**Receivables from non-exchange transactions**	
	Balance previously reported	**15,022,951**
	Correction of error: Adjustment of fines issued 2018/19 - Note 36.18	861,150
	Balance now reported	**15,884,101**
36.6	**Consumer Deposits**	
	Balance previously reported	**7,149,735**
	Correction of error: Manual Creditors - Deposits 2018/19 - Note 36.1	(1,431)
	Balance now reported	**7,148,304**
36.7	**VAT Receivable (net)**	
	Balance previously reported	**7,038,810**
	Correction of error: Manual Creditors - Cell phone 2018/19 - Note 36.1	(208)
	Correction of outstanding retention money 2018/19 - Note 36.8	74,520
	Balance now reported	**7,113,122**
36.8	**Unpaid Conditional Government Grants and Receipts**	
	Balance previously reported	**4,036,901**
	Correction of outstanding retention money 2018/19 - Note 36.2	496,800
	Correction of outstanding retention money 2018/19 (VAT) - Note 36.7	74,520
	Balance now reported	**4,608,221**
36.9	**Employee related costs**	
	Balance previously reported	**166,502,097**
	Correction of error: Manual Creditors - Cell Phone 2018/19 - Note 36.1	(1,391)
	Correction of error: Traveling allowances of Councillors moved to Councillor Remuneration - Note 36.10	(593,041)
	Balance now reported	**165,907,665**
36.10	**Remuneration of Councillors**	
	Balance previously reported	**9,457,582**
	Correction of error: Traveling allowances of Councillors moved to Councillor Remuneration - Note 36.9	593,041
	Correction of error: Traveling expenses of Councillors moved to Councillor Remuneration - Note 36.11	85,637
	Balance now reported	**10,136,260**

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CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED	2019 R
36.11 Operational Cost	
Balance previously reported	**35,036,721**
Correction of error: Manual Creditors - Operational Expenditure 2018/19 - Note 36.1	63,957
Correction of error: Prepaid Expenditure - Operational Expenditure 2018/19 - Note 36.4	180,358
Correction of error: Traveling allowances of Councillors moved to Councillor Remuneration - Note 36.9	-85,637
Balance now reported	**35,195,399**
36.12 CASH FLOW STATEMENT: Receipts from Taxation	
Balance previously reported	**71,497,725**
Correction of outstanding retention money 2018/19 (VAT) - Note 36.7	74,520
Balance now reported	**71,572,245**
36.13 CASH FLOW STATEMENT: Receipts from Sales of goods and services	
Balance previously reported	**293,354,872**
Bad debt written off was incorrectly included in Payments to suppliers - Note 36.15	(6,353)
Correction of error: Prepaid Expenditure - Operational Expenditure 2018/19 - Note 36.15	180,358
Correction of error: Prepaid Expenditure - Operational Leases 2018/19 - Note 36.15	21,904
Balance now reported	**293,550,781**
36.14 CASH FLOW STATEMENT: Payments in respect of employee cost	
Balance previously reported	**(166,966,557)**
Correction of error: Manual Creditors - Cell Phone 2018/19 - Note 36.1	1,391
Correction of error: Traveling allowances of Councillors moved to Councillor Remuneration - Note 36.9	593,041
Balance now reported	**(166,372,125)**
36.15 CASH FLOW STATEMENT: Payments to suppliers	
Balance previously reported	**(297,906,589)**
Finance lease: deemed loan expenditure - Note 36.16	(299,755)
Correction of Maintenance expenditure Capitilized 2018/19 - Note 36.2	(456,600)
Correction of error: Manual Creditors - Cell Phone 2018/19 - Note 36.7	(1,391)
Correction of error: Manual Creditors 2018/19 - Note 36.6	1,431
Correction of error: Prepaid Expenditure - Operational Expenditure 2018/19 - Note 36.4	(180,358)
Correction of error: Prepaid Expenditure - Operational Leases 2018/19 - Note 36.4	(21,904)
Correction of outstanding retention money 2018/19 - Note 36.8	496,800
Correction of error: Traveling allowances of Councillors moved to Councillor Remuneration - Note 36.9	(593,041)
Bad debt written off was incorrectly included in Payments to suppliers - Note 36.13	6,353
Balance now reported	**(298,955,053)**
36.16 CASH FLOW STATEMENT: Loans repaid	
Balance previously reported	**(2,476,652)**
Finance lease: deemed loan expenditure - Note 36.15	299,755
Balance now reported	**(2,176,897)**
36.17 Accumulated Surplus as at 30 June 2018	
Balance previously reported	**835,155,357**
Correction of error - Maintenance expenditure Capitilized 2017/18 - Note 36.2	(87,538)
Correction of land disposed in previous financial years - Note 36.2	(11,693,464)
Correction of depreciation on reclasified assets in previous financial years - Note 36.2	(110,453)
Balance now reported	**823,263,902**
36.18 Accumulated Surplus as at 30 June 2019	
Balance previously reported	**891,684,861**
Correction of error - Accumulated Surplus as at 30 June 2018 - Note 36.17	(11,891,455)
Correction of depreciation on reclasified assets in previous financial years - Note 36.2	(11,045)
Correction of error - Maintenance expenditure Capitilized 2018/19 - Note 36.2	(456,600)
Correction of error: Manual Creditors - Cell Phone 2018/19 - Note 36.7	1,391
Correction of error: Manual Creditors - Operational Expenditure 2018/19 - Note 36.1	(63,957)
Correction of error: Prepaid Expenditure - Operational Expenditure 2018/19 - Note 36.4	(180,358)
Correction of error: Prepaid Expenditure - Operational Leases 2018/19 - Note 36.4	(21,904)
Correction of error: Manual Creditors - Operational Expenditure 2018/19 - Note 36.1	(184,753)
Correction of error: Manual Creditors - Contracted Services 2018/19 - Note 36.1	(1,413,113)
Correction of error: Bad debts was incorectly written off against provision - Note 36.18	18,259,890
Correction of error: Impairments - Bad debts was incorectly written off against provision - Note 36.18	(18,259,890)
Correction of outstanding retention money 2018/19 - Note 36.1	571,320
Correction of error: Construction cost of RDP houses transferred to Construction cost - Note 36.18	(8,771,482)
Correction of error: Construction cost of RDP houses transferred from Transfers and Subsidies - Note 36.18	8,771,481
Correction of error: Adjustment of fines issued 2018/19 - Note 36.5	861,150
Correction of error: Adjustment of Bad debts written of - Note 36.18	(542,790)
Correction of error: Adjustment of Reversal of impairment - Note 36.18	542,790
Correction of land disposed in previous financial years - Note 36.2	(1,654,741)
Balance now reported	**877,240,795**

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		2020	2019
37	**RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS**	**R**	**R**
	Surplus/(Deficit) for the year	19,346,008	53,976,895
	Adjustments for:		
	Depreciation	32,263,048	29,921,955
	Amortisation of Intangible Assets	469,209	400,025
	Gain / (loss) on disposal of assets	474,170	601,221
	Gain / (loss) on Adjustment of Provision	(37,135,694)	(262,545)
	Unamortised Discount on Loans	-	12,686
	Debt Impairment	49,420,416	22,598,885
	Stock Adjustments	(52)	2,244
	Contribution from/to provisions	8,085,059	7,253,857
	Contribution from/to employee benefits	9,946,568	7,464,970
	Gain / (loss) on Actuarial Valuations	(8,557,961)	(22,606,193)
	(Impairment loss) / Reversal of impairment loss	-	824,251
	Operating lease income accrued	-	5,095
	Finance lease: deemed loan expenditure	(436,140)	(299,755)
	Operating Surplus/(Deficit) before changes in working capital	73,874,630	99,893,592
	Changes in working capital	(3,561,382)	(35,975,219)
	Increase/(Decrease) in Trade and Other Payables	2,421,032	4,588,982
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	39,502,643	3,076,454
	Increase/(Decrease) in Unspent Public Contributions	1,784,277	2,219,296
	Increase/(Decrease) in Taxes	1,648,996	1,597,459
	(Increase)/Decrease in Inventory	91,160	(293,047)
	(Increase)/Decrease in Trade and other receivables	(51,115,494)	(44,818,812)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	2,106,004	(2,345,551)
	Cash generated/(absorbed) by operations	**70,313,249**	**63,918,373**

38	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 2	130,394,398	94,271,685
	Less:	50,077,685	10,575,042
	Unspent Committed Conditional Grants - Note 6	50,077,685	10,575,042
	Resources available for working capital requirements	**80,316,713**	**83,696,643**
	Allocated to:		
	Capital Replacement Reserve	10,617,534	10,354,788
	Employee Benefits Reserve	87,529,788	86,141,183
	Non-Current Provisions Reserve	50,895,865	86,471,213
	Shortfall in working capital requirements	**(68,726,474)**	**(99,270,541)**

39	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 16	4,587,602	6,222,409
	Used to finance property, plant and equipment - at cost	(4,587,602)	(6,222,409)
		-	-

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		2020 R	2019 R
40	**IRREGULAR EXPENDITURE**		
	Opening balance	27,674,357	-
	Irregular expenditure identified current year but relating to prior year		19,358,608
	Irregular expenditure current year		8,315,750
	Irregular expenditure awaiting further action	**27,674,357**	**27,674,357**

SCM Regulation 32 contracts classified as irregular during audit process by AGSA. The contracts used of other organs of state was on rates with no fixed quantities and therefore it cannot be said that any part of the contract is irregular or the whole contract as currently disclosed. The municipality is not in agreement with this view and this issue will be dealt with in terms of the audit engagement letter process. Prior and current year being disclosed as per opinion of AGSA.	Matter will be dealt with in terms of applicable laws and regulations.

41 MATERIAL LOSSES

41.1	**Water distribution losses**		
	- Kilolitres purified	6,708,325	6,408,993
	- Kilolitres sold	5,699,704	5,272,674
	- Kilolitres lost during distribution	1,008,621	1,136,319
	- Percentage lost during distribution	15.04%	17.73%
	- Value of kilolitres lost during distribution	379,461	458,209
	- The value of kilolitres lost is based on the treatment cost of water.		

The estimated consumption for public open spaces and informal houses are calculated on a conservative bases using baseline consumption estimations provided by the Department of Water Affairs. Water meters will be installed to measure the mentioned consumption in the future.

41.2	**Electricity distribution losses**		
	- Units purchased (Kwh)	199,707,113	197,563,881
	- Units sold (Kwh)	178,372,915	176,799,664
	- Units lost during distribution (Kwh)	21,334,198	20,764,217
	- Percentage lost during distribution	10.68%	10.51%
	- Value of units lost during distribution (Rand)	23,696,677	19,860,796

The electricity losses are in line with the quideline of the National Energy Regulator of South Africa of 10%

42 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

42.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS

Opening balance		
Council subscriptions	1,761,709	1,722,027
Amount paid - current year	(1,761,709)	(1,722,027)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

42.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year audit fee	3,570,644	3,398,314
External Audit - Auditor-General	3,370,644	3,242,451
Audit Committee	200,000	155,863
Amount paid - current year	3,570,644	3,398,314
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

42.3 VAT - [MFMA 125 (1)(c)]

Opening balance	4,639,016	5,816,358
Amounts received - Output VAT - current year	(48,942,922)	(46,017,906)
Amounts claimed - Input VAT - current year	47,873,462	48,441,795
Amount paid - current year	3,421,728	2,215,128
Amount - previous year	(2,215,128)	(5,816,358)
Closing balance	**4,776,156**	**4,639,016**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

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		2020 R	2019 R
42.4	**PAYE, SDL and UIF - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	26,241,997	23,798,352
	Amount paid - current year	(26,241,997)	(23,798,352)
	Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

42.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	41,601,006	37,656,025
	Amount paid - current year	(41,601,006)	(37,656,025)
	Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

42.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

During the financial year the following Councillors were outstanding for more than 90 days at any instance

Swart	-	299
Klaasen	-	3,475
Total Councillor Arrear Consumer Accounts	**-**	**3,774**

Klaasen has lodged a dispute in terms of the municipal account

No councillor,s service account eas outstanding for more than 90 days as at 30 June

42.7 Discloser in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36 (2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 (1) (a)

2019/2020			**Type of deviation**		
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	368,104	2	0	4	0
August	246,660	8	0	3	1
September	1,709,007	9	0	1	0
October	699,130	9	0	1	0
November	61,422	5	0	3	2
December	1,448,040	5	0	1	2
January	1,599,455	9	0	6	2
February	56,813	4	0	0	0
March	558,784	4	0	5	4
April	128,929	0	0	0	6
May	394,890	1	0	0	4
June	679,637	5	0	6	5
	7,950,870	61	0	30	26

2018/2019					
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	288,678	4	0	1	3
August	676,184	5	0	5	9
September	552,187	6	0	4	3
October	1,799,275	6	0	14	1
November	508,631	8	0	10	5
December	344,415	6	0	12	4
January	24,725	1	0	1	1
February	427,415	5	0	7	2
March	357,540	2	0	10	6
April	225,219	3	0	7	0
May	549,363	10	0	10	1
June	5,368,556	3	0	11	1
	11,122,188	59	0	92	36

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42.8 ***Regulation 45 - Details of awards made to close family members of persons in service of State***

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	R 62,097
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	R 22,660
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	R 52,099
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 593,670
		Brother	D Johnson	SAPS: Worcester	
O'NeilL & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	R 181,690
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	R 10,533
RJC Conservation Servises		Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	R 363,650
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 18,830
Mubesko Africa (Pty) Ltd	Nico & Marthina De kock		Janine Niehaus	Dietician Northern Cape Department of health	R 18,000
			Lizette Saaiman	Curriculum Advisor Northern Cape Department of Health	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 1,990
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	R 8,100
T Square Framing (Arts and Events Skill Development)(Pty) Ltd	Van Rooi Theofilus & Maria	Daughter	Mariana Cornelius	Clinic - Supervisor	R 1,250

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Regulation 45 - Details of awards made to close family members of persons in service of State - continued

2019
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Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	R 297,253
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	R 70,215
Witzenberg Concrete	Derick Ontong	Wife	Crystal Ontong	Ceres Sekonder, Teacher (WCED)	R 61,468
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	R 63,548
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 494,895
		Brother	D Johnson	SAPS: Worcester	
O'NeilL & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	R 372,021
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	R 17,230
RJC Conservation Servises		Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	R 269,659
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 5,430
SJ Peres	SJ Peres	Brother-in-law	S Peres	Witzenberg Municipality: Accountant Expenditure	R 8,300
CJ Services	C Hofmeester	Cousin	F Hofmeester	Witzenberg Municipality: SCM Practitioner	R 1,980
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 26,733
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	R 28,590
JMIL Dienste	Johannes Louwrens	Brother	Ci Croudace	Msunduzi Municipality - Admin officer	R 57,614
Xolisile Ernest malapi (XEM transport)	X Malapi	Husband	Ntombelizwe bianca malapi	Nurse -Ceres Provincial Hospital	R 37,600
T Square Framing (Arts and Events Skill Development)(Pty) Ltd	Van Rooi Theofilus & Maria	Daughter	Mariana Cornelius	Clinic - Supervisor	R 1,500

43 COMMITMENTS

Commitments in respect of expenditure:

Approved and contracted for	115,023,865	152,173,668
Infrastructure	47,535,480	53,599,487
Community	1,894,894	3,296,113
Other Capital	11,132,328	14,268,053
Operational	54,461,163	81,010,016
Approved but not yet contracted for	1,294,967	4,823,677
Infrastructure	1,029,851	-
Operational	265,116	4,823,677
Total	**116,318,831**	**156,997,345**

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		2020 R	2019 R
44	**FINANCIAL RISK MANAGEMENT**		

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% Increase in interest rates	628,987	440,198
0.5% Decrease in interest rates	(628,987)	(440,198)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss. Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 3 and 4 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 3 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

	2020 %	2020 R	2019 %	2019 R
Exchange Receivables				
Electricity	87.53%	40,952,314	100.00%	33,412,961
Water	9.72%	8,517,544	12.48%	8,699,492
Housing Rentals	19.46%	405,107	6.99%	106,614
Refuse	7.44%	3,561,518	8.75%	3,217,051
Sewerage	7.50%	3,179,726	8.13%	2,635,212
Other	19.36%	269,923	34.28%	624,364
Land Sales	100.00%	733,078	100.00%	989,221
	25.15%	**57,619,209**	**27.11%**	**49,684,914**

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 3 and 4 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

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44 FINANCIAL RISK MANAGEMENT CONTINUED

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2020 %	2020 R	2019 %	2019 R
Exchange Receivables				
Electricity	3.40%	5,832,522	3.48%	4,585,214
Water	46.20%	79,150,326	46.38%	61,028,275
Housing Rentals	0.98%	1,677,019	1.08%	1,418,980
Refuse	25.87%	44,316,299	25.51%	33,568,267
Sewerage	22.89%	39,218,983	22.63%	29,778,602
Other	0.66%	1,123,958	0.91%	1,197,150
	100.00%	**171,319,108**	**100.00%**	**131,576,488**

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2020 %	2020 R	2019 %	2019 R
Residential	95.90%	164,289,505	95.36%	125,474,948
Commercial	2.43%	4,161,077	2.34%	3,079,393
Other	1.67%	2,868,526	2.30%	3,022,147
	100.00%	**171,319,108**	**100.00%**	**131,576,488**

Bad debts written off per debtor class:

Exchange Receivables				
Water management	53.30%	(9,790)	60.13%	(3,820)
Waste management	28.83%	(5,296)	22.57%	(1,434)
Waste water management	17.51%	(3,217)	16.96%	(1,078)
Other	0.35%	(65)	0.34%	(22)
	100.00%	**(18,368)**	**100.00%**	**(6,353)**

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:	2020 R	2019 R
Long term receivables	-	-
Receivables from exchange transactions	57,741,665	51,675,984
Cash and Cash Equivalents	130,384,998	94,262,085
Unpaid conditional grants and subsidies	2,502,217	4,608,221
	190,628,880	**150,546,290**

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44 FINANCIAL RISK MANAGEMENT CONTINUED

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2020	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Borrowing	2,301,293	2,848,336	-	-
Capital repayments	1,967,784	2,619,815	-	-
Interest	333,509	228,521	-	-
Trade and Other Payables	38,755,067	-	-	-
Unspent conditional government grants and receipts	50,077,685	-	-	-
	91,134,045	**2,848,336**	**-**	**-**

2019	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Borrowing	2,301,293	4,923,244	-	-
Capital repayments	1,817,812	4,404,594	-	-
Interest	483,481	518,650	-	-
Trade and Other Payables	38,709,401	-	-	-
Unspent conditional government grants and receipts	10,575,042	-	-	-
	51,585,736	**4,923,244**	**-**	**-**

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			2020 R	2019 R
45	**FINANCIAL INSTRUMENTS**			

In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:

The fair value of financial instruments approximates the amortised costs as reflected bellow.

45.1	**Financial Assets**	**Classification**		
	Receivables			
	Receivables from exchange transactions	Financial instruments at amortised cost	57,741,665	51,675,984
	Other Receivables			
	Government Subsidies and Grants	Financial instruments at amortised cost	2,502,217	4,608,221
	Short-term Investment Deposits			
	Bank Balances			
	Bank Balances	Financial instruments at amortised cost	130,384,998	94,262,085
			190,628,880	**150,546,290**
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		190,628,880	150,546,290
	At amortised cost		**190,628,880**	**150,546,290**
45.2	**Financial Liability**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	2,619,817	4,105,791
	Capitalised Lease Liability	Financial instruments at amortised cost	-	481,811
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	9,212,913	15,327,568
	Retentions	Financial instruments at amortised cost	2,733,569	2,948,573
	Deposits	Financial instruments at amortised cost	474,164	44,403
	Other	Financial instruments at amortised cost	29,067,990	23,337,430
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	50,077,685	10,575,042
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1,485,974	1,198,667
	Capitalised Lease Liability	Financial instruments at amortised cost	481,811	436,140
			96,153,923	**58,455,425**
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		**96,153,923**	**58,455,425**

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		2020 R	2019 R

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

47 CONTINGENT LIABILITY

Claims against Council	**7,313,481**	**6,547,095**
Estimate legal Fees	**970,000**	**850,000**

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. Management are respectfully of opinion that this matter will be successfully defended. The Municipality is defending all the claims. The amounts indicated is Management's estimated financial exposure. The following are naritives of the cases:

L Louw	A child was assaulted at the Pine Forest. The claimant alleged that the security measures at the Pine Forest were not sufficient to protect the child. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	-	950,000
Gunter	Plaintiff claims damages from the municipality after she fell on the sidewalk. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	-	585,766
Rijk's Cellars	High Court Litigation - Appeal against waste licence by MEC	-	250,000
R Du Plessis	Claim in term of Labour Relations Act 66 of 1995	508,000	480,000
M Mafilika & 2 others	Labour Court case no C1113/18	57,000	-
D J Ngxingweni & 2 others	Labour Court case no C816/19	320,000	-
Ceres Koekedouw Management Committee	The purchase agreement of the Vredebes Farm includes 15 hectares water rights. The Ceres Koekedouw Management Committee now claims that Witzenberg Municipality is part of their historical loan agreements and therefore responsible for a portion of the repayment of their loan. The purchase agreement however is silent on the loan.	889,892	-
South African Revenue Services	The municipality has submitted a VAT ruling application to the South African Revenue Services (SARS) relating to the output tax treatment of the library grants received and/or receivable from the Western Cape Department of Cultural Affairs (DCAS). The municipality has previously submitted a non-binding VAT ruling to the SARS, whereupon SARS informed us that we need to confirm from the DCAS if the library function has been assigned to the municipality as contemplated in the Constitution of South Africa. At the date of the VAT ruling application, the DCAS did not confirm if the library function has been assigned to the municipality. We have submitted the VAT ruling application to the SARS on the basis that the library function is not assigned to the municipality, as we could not find any evidence confirming that the library function has been assigned to the municipality. The municipality now awaits the outcome of the library function VAT ruling outcome from the SARS.	5,538,589	4,281,329
		7,313,481	**6,547,095**

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		2020 R	2019 R
48	**CONTINGENT ASSET**		
	With the review of the municipality's housing arrangement accounting, the municipality also reviewed its housing input tax VAT treatment relating to the payment of its housing implementing agents. The housing VAT sections of the Value-Added Tax Act, 1991 as amended, is inherently complex. As a consequence of our housing VAT review, the municipality has submitted a VAT ruling application the SARS confirming if the municipality can reclaim input tax for VAT purposes from the payments made to its implementing agent for the housing projects. Note that the municipality is the developer of the housing projects considered and the implementing agents are performing housing construction services to the municipality for the houses that the municipality sells to the housing beneficiaries. The municipality now awaits the outcome of the housing VAT ruling outcome from the SARS. In the event that the SARS issue a positive VAT ruling.	20,339,656	16,044,760

49 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

49.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

49.2 Compensation of key management personnel

The compensation of key management personnel is set out in Note 26 to the Annual Financial Statements.

49.3 Other related party transactions

No purchases were made during the year where Councillors or staff have an interest.

49.4 Ceres Koekedouw Management Committee

Ceres Koekedouw Management Committee is an entity established by the Witzenberg Municipality and the Koekedouw Irrigation Board. Ceres Koekedouw Management Committee is responsible for the management of the Koekedouw Dam, jointly owned by Witzenberg Municipality and the Koekedouw Irrigation Board.

Witzenberg municipality was responsible for 41% of the expenditure to build the Koekedouw Dam. The expense was financed by way of loans. These loans have already been redeemed.

The municipality is entiteld to 10 million kilolitre water per annum from the dam.

The total carrying value of the municipal asset in respect of the dam of R28 336 269 is included under Property Plant and Equipment – Infrastructure Assets in Note 9.

The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee	**1,213,492**	**637,330**

50 FINANCIAL SUSTAINABILITY

Management is of the opinion that will Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

Financial Indicators

The current ratio decreased to 1.53 from 1.97 in the prior year.

Cash and Cash Equivalents have increased to R 130 million from R 94 million in the prior year.

51 SUBSEQUENT EVENTS

The disaster currently faced by the country and the world has not left the municipality unscaled. The current collection rate is only at 88% versus a budgeted 94%. The municipal projected income shows minimal variances, but the collections depicting actual realisation of cash is troublesome. Expenditure for the budget needs to be adjusted in protection of the solvency of the municipality. The prolonged effect of the pandemic will have dire consequences for the municipality and its communities' ability to pay for services used. Foreseeable business closure and job losses will further affect the municipal budget for the provision of services and the ability to ensure futuristic services. Therefore, we are extremely worried about the futuristic going concern ability of the municipality.

No interest and/or penalties were charged on arrear accounts from April 2020. The decision was taken as the South African Post Office was not able to deliver accounts. The amount not raised for the 2019/2020 financial year are estimated to be R 3 120 000.

The Library building on plot 7606 N'duli was damaged by fire during August 2020. A claim was submitted to the municipalities insurers who are in process to assess the damage and options for the repair and/or reconstruction. No library services are available in N'duli since the incident.

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WITZENBERG MUNICIPALITY
APPENDIX A - Unaudited
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2020

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2019	Received during the period	Redeemed / written off during the period	Balance at 30 JUNE 2020
				R	R	R	R
ANNUITY LOANS							
NEDBANK	8.00%	5032032 0001	30/05/2023	4,336,319	-	944,881	3,391,438
DBSA	9.50%	102040/1	30/09/2021	96,131		35,785	60,346
DBSA	8.59%	100605/1	31/12/2021	872,005	-	218,001	654,004
Total Annuity Loans				**5,304,455**	**-**	**1,198,667**	**4,105,788**
LEASE LIABILITY							
Office Equipment	10.00%		30/06/2021	917,951	-	436,140	481,811
Total Lease Liabilities				**917,951**	**-**	**436,140**	**481,811**
TOTAL EXTERNAL LOANS				**6,222,406**	**-**	**1,634,807**	**4,587,599**

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WITZENBERG MUNICIPALITY
APPENDIX B - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
MUNICIPAL VOTES CLASSIFICATION

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
86,156,433	(34,256,920)	51,899,513	Budget and Treasury Office	88,882,901	(38,267,864)	50,615,037
139,774,689	(144,610,052)	(4,835,364)	Civil services	105,817,649	(148,602,277)	(42,784,628)
96,833,337	(25,377,455)	71,455,883	Community and social services	105,406,526	(26,785,763)	78,620,763
1,056,665	(45,027,502)	(43,970,837)	Corporate Services	869,290	(55,428,047)	(54,558,757)
227,519,804	(205,463,477)	22,056,327	Electro Technical Services	258,539,514	(243,214,166)	15,325,348
-	(22,883,550)	(22,883,550)	Executive and Council	27,100	(22,787,693)	(22,760,593)
9,048,659	(12,958,295)	(3,909,636)	Housing	24,473,532	(28,282,647)	(3,809,115)
1,191,291	(5,644,700)	(4,453,409)	Planning	1,581,357	(6,544,751)	(4,963,394)
20,940,345	(35,464,570)	(14,524,225)	Public Safety	24,050,606	(50,463,903)	(26,413,296)
6,961,830	(25,260,660)	(18,298,829)	Sport and recreation	10,529,312	(25,674,206)	(15,144,894)
589,483,054	(556,947,182)	32,535,873	**Total**	620,177,787	(646,051,316)	(25,873,529)

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WITZENBERG MUNICIPALITY
APPENDIX C - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
96,258,277	(22,884,181)	73,374,096	Community and social services	104,995,893	(23,690,849)	81,305,043
226,811,471	(205,288,676)	21,522,795	Energy sources	258,065,824	(243,084,854)	14,980,970
87,781	(648,800)	(561,019)	Environmental protection	151,585	(1,009,441)	(857,856)
-	(23,586,440)	(23,586,440)	Executive and council	27,100	(23,604,284)	(23,577,184)
87,213,099	(76,369,112)	10,843,987	Finance and administration	89,752,191	(91,277,563)	(1,525,372)
9,048,659	(12,958,295)	(3,909,636)	Housing	24,473,532	(28,282,647)	(3,809,115)
-	(2,315,977)	(2,315,977)	Internal audit	-	(2,440,931)	(2,440,931)
1,678,570	(9,057,389)	(7,378,819)	Planning and development	1,840,405	(9,723,171)	(7,882,766)
19,807,018	(31,764,887)	(11,957,869)	Public safety	21,046,939	(45,917,890)	(24,870,951)
20,449,179	(28,020,218)	(7,571,039)	Road transport	5,749,342	(28,314,849)	(22,565,507)
6,961,830	(25,260,660)	(18,298,829)	Sport and recreation	10,529,312	(25,674,206)	(15,144,894)
25,347,030	(46,070,574)	(20,723,544)	Waste management	29,012,981	(47,864,166)	(18,851,185)
46,166,309	(34,561,807)	11,604,502	Waste water management	31,161,062	(34,852,257)	(3,691,195)
49,653,832	(38,160,167)	11,493,665	Water management	43,371,622	(40,314,208)	3,057,415
589,483,054	(556,947,182)	32,535,873	**Total**	620,177,787	(646,051,316)	(25,873,529)

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WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2019 (Unpaid)	Grants Received	Re-payment of Unspent Grant	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2020	Unspent 2020 (Payable)	Unpaid 2020 (Receivable)
	R	R	R	R	R	R	R	R
National Government Grants								
Finance Management Grant	626,923	1,550,000	(626,922)	(1,495,840)	-	54,161	54,161	-
Municipal infrastructure Grant	(666,480)	22,411,000	-	-	(11,901,296)	9,843,224	9,843,224	-
Regional Bulk Infrastructure Grant (DWAF)	6,441,235	19,471,000	(6,441,235)	-	(234,854)	19,236,146	19,236,146	-
Integrated National Electricity Program	(651,195)	3,000,000	-	-	(2,640,392)	(291,587)	-	291,587
Equitable share	-	92,850,157	-	(92,850,157)	-	-	-	-
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	(275,740)	2,299,000	-	(2,456,177)	-	(432,917)	-	432,917
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
Provincial Government Grants								
Library services	400,000	9,639,000	-	(9,239,000)	-	800,000	800,000	-
CDW	442,977	296,000	-	-	-	738,977	738,977	-
Main roads	102,200	-	-	-	-	102,200	102,200	-
Municipal Infrastructure Support Grant	(1,046,497)	-	-	-	-	(1,046,497)	-	1,046,497
Economic Development and Tourism SMME booster	-	1,685,000	-	-	(22,764)	1,662,236	1,662,236	-
Public Transport	230,461	-	-	-	-	230,461	230,461	-
Municipal Accreditation and Capacity Building Gran	-	224,000	-	(224,000)	-	-	-	-
Human Settlement Development	(1,237,092)	28,726,965	-	-	(23,982,171)	3,507,702	3,507,702	-
Fire Service Capacity Building Grant	-	830,000	-	-	-	830,000	830,000	-
Capacity Building (Internship)	-	380,000	-	(85,078)	-	294,922	294,922	-
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Financial Management Support	659,770	330,000	-	-	-	989,770	989,770	-
Financial Management	300,000	-	-	-	-	300,000	300,000	-
Maintenance and Construction of Transport Infrastructure	-	786,413	-	-	(288,908)	497,505	497,505	-
Local Government Support Grant	-	919,000	-	-	-	919,000	919,000	-
Regional Social Econimical Program	-	5,000,000	-	(994,552)	-	4,005,448	4,005,448	-
District Municipality								
Parks and recreation	800,001	-	-	-	-	800,001	800,001	-
Sanitation Infrastructure	(525,090)	-	-	-	-	(525,090)	-	525,090
Planning and Development	100,000	-	-	-	-	100,000	100,000	-
Infrastructure	-	1,000,000	-	-	-	1,000,000	1,000,000	-
Covid 19	-	2,551,973	-	(325,757)	-	2,226,216	2,226,216	-
Other								
Table Mountain - Clearing Alien Vegetation	-	805,000	-	-	-	805,000	805,000	-
Development Bank of South Africa	-	663,240	-	-	-	663,240	663,240	-
Public Contributions								
Essen Belgium	2,199,763	2,331,023	-	(543,217)	-	3,987,569	3,987,569	-
China - Water meters	19,533	-	-	(3,529)	-	16,004	16,004	-
Total	**8,186,119**	**197,748,771**	**(7,068,157)**	**(108,217,307)**	**(39,070,385)**	**51,579,041**	**54,081,258**	**2,502,217**

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WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2018 (Unpaid)	Grants Received	Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2019	Unspent 2019 (Payable)	Unpaid 2019 (Receivable)
	R	R	R	R	R	R	R	R
National Government Grants								
Finance Management Grant	17,747	1,550,000	(18,000)	(922,825)	-	626,922	626,922	-
Municipal infrastructure Grant	(95,671)	22,031,000	-	-	(22,601,809)	(666,480)	-	666,480
Regional Bulk Infrastructure Grant (DWAF)	(183,768)	9,500,000	-	-	(2,874,997)	6,441,235	6,441,235	-
Integrated National Electricity Program	(801,458)	5,000,000	-	-	(4,849,738)	(651,196)	-	651,196
Equitable share	-	84,602,000	-	(84,602,000)	-	-	-	-
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	(29,359)	1,780,000	-	(2,026,381)	-	(275,740)	-	275,740
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
Provincial Government Grants								
Library services	-	9,342,000	-	(8,942,000)	-	400,000	400,000	-
CDW	449,428	-	-	(6,451)	-	442,977	442,977	-
Main roads	(16,800)	119,000	-	-	-	102,200	102,200	-
Municipal Infrastructure Support Grant	(1,046,497)	-	-	-	-	(1,046,497)	-	1,046,497
Public Transport	346,000	2,000,000	-	-	(2,115,539)	230,461	230,461	-
Human Settlement Development	3,295,671	29,982,563	-	(8,771,481)	(25,743,845)	(1,237,092)	-	1,237,092
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Financial Management Support	329,770	330,000	-	-	-	659,770	659,770	-
Financial Management	(60,000)	360,000	-	-	-	300,000	300,000	-
District Municipality								
Parks and recreation	800,000	300,000	-	-	(299,999)	800,001	800,001	-
Sanitation Infrastructure	-	-	-	-	(525,090)	(525,090)	-	525,090
Planning and Development	100,000	-	-	-	-	100,000	100,000	-
Public Contributions								
Essen Belgium	1,833,369	928,705	-	(562,311)	-	2,199,763	2,199,763	-
China - Water meters	32,135	-	-	(12,602)	-	19,533	19,533	-
Total	**5,235,917**	**167,825,268**	**(18,000)**	**(105,846,051)**	**(59,011,017)**	**8,186,117**	**12,794,338**	**4,608,221**

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AUDITOR-GENERAL REPORT

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Witzenberg Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the municipality set out on pages 3 to 66, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2019 have been restated as a result of errors discovered during 2019-20 in the financial statements of the municipality for the year ended 30 June 2020.

Material losses/ impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R171,3 million (2018-19: R131,6 million) on receivables from exchange transactions amounting to R229,1 million (2018-19: R183,3 million).

9. As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R49,1 million (2018-19: R36,6 million) on receivables from non-exchange transactions amounting to R60,4 million (2018-19: R52,5 million).

10. The above provision for the impairment of receivables from non-exchange transactions was made after an amount of R14,2 million (2018-19: R17,7 million) was written off.

Subsequent events

11. Disclosed in note 51 to the financial statements is the expenditure and impact of the municipality's response to the Covid-19 pandemic.

Other matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary information

13. The supplementary information set out on pages 67 to 71 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not from part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality 's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality's annual performance report for the year ended 30 June 2020:

Strategic Objectives	Pages in the annual performance report
Strategic objective – essential services	11

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

23. I did not raise any material findings on the usefulness and reliability of the reported performance information for this strategic objective “Essential services”.

Other matter

24. I draw attention to the matter below.

Achievement of planned targets

25. Refer to the annual performance report on page 11 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer’s report, the audit committee’s report. The other information does not include the financial statements, the auditor’s report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor’s report.

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. I have nothing to report in this regard.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

33. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

28 February 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Witzenberg Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

PERFORMANCE, RISK & AUDIT COMMITTEE REPORT

PERFORMANCE, RISK AND AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2020

1. Legislative Requirements

The purpose of this report is to communicate to the council the Performance, Risk and Audit Committee's (PRAC) progress to date in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA). The Municipal Planning and Performance Management Regulations, 2001, regulation 14(2)(a) requires the municipality to establish a performance Audit Committee. Regulation 14(2)(c) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee.

The MFMA obliges every municipality to establish an independent Audit Committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality. The municipality has opted to have a combined Performance, Risk and Audit Committee.

The PRAC is governed by a formal charter, which is regularly reviewed and approved by the Council. The committee is pleased to present its report for the financial year ended 30 June 2020.

2. Audit Committee's responsibility

The PRAC has complied with its responsibilities arising from section 166 of the MFMA and reports that it operated in terms of the Audit Committee charter.

3. Audit Committee members and attendance

The PRAC was established in accordance with section 166 of the MFMA. The PRAC charter requires that the committee comprises of a minimum of five members of whom none must be in the employ of the municipality.

The PRAC comprises five members, including the chairperson, Mr J, George. In terms of section 166(4)(b) of the MFMA, the Audit Committee must meet at least four times a year. During the financial year ended 30 June 2020, the Audit Committee met on six occasions. The table below shows the attendance of these meetings:

Name	Date of appointment	Qualifications	Number of meetings scheduled	Number of meetings attended
Mr J. George (Chairperson)	1 November 2016	B Compt (Honours) CA(SA)	6	6
Mr J. Basson *Resigned 15 January 2021*	1 August 2018	B Compt (Honours) CA(SA)	6	4
Ms C. Fagan	1 August 2018	B.Com(Acc), AD Risk Management, PD Risk Management	6	4
Mr T. Lesihla	1 August 2018	Master of Technology, Information Technology	6	1
Mr F. Redelinghuys	1 November 2016	B Compt (Honours) CA(SA)	6	6

The members of the PRAC held meetings with the municipal manager as the accounting officer, senior management of the municipality, the internal audit function and the external auditors collectively on matters related to governance, internal control and risk and performance management in the municipality, throughout the reporting period.

4. Effectiveness of internal control

The PRAC acknowledges management's efforts to strengthen internal controls in the municipality. The Performance, Risk and Audit Committee (PRAC) raised concern that in certain instances the matters reported by the external auditors and the internal audit function in prior years have not been fully addressed. Management has given assurance that effective corrective action will be implemented and will be monitored through Performance Management.

The municipality has adopted anti-corruption measures to prevent and detect fraud and corruption.

Due to the strategic importance of, and investment in, the modernisation of information and communication technology (ICT) in the municipality, the PRAC has monitored the risk register and progress reports on the respective action plans during the year under review. The PRAC is of the view that the management of ICT risks can be improved. The PRAC acknowledges the actions taken by management to address the ICT risks identified.

5. The quality of monthly and quarterly reports submitted in terms of the MFMA and DORA

The PRAC reviewed and where applicable advised on the following:

- Internal audit reports
- Management Audit Action Plan
- Annual audit plans
- AGSA's audit and Management report
- Annual Financial Statements
- Annual Performance Report
- Section 71 reports
- Section 72 report
- Section 52(d) reports, including the performance reports
- Quarterly Risk Management reports
- Annual Risk assessment Report

The PRAC is satisfied with the content and quality of reporting prepared and issued during the year under review in compliance with the statutory framework. The PRAC has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. The committee has recommended that a specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The PRAC has reviewed and commented on the municipality's annual financial statements and report on performance information and their timely submission to the external auditors by 31 October 2020.

6. Internal audit function

The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the PRAC. The PRAC is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The PRAC reviewed its current three-year risk-based audit plan and reviewed the actual internal audit work that was conducted by the Internal Audit Unit in relation to the one-year internal audit plan.

The PRAC is satisfied that the internal audit function operated effectively and that it has addressed the risks pertinent to the municipality. To this extend the PRAC expresses its appreciation to the Internal Auditors for the work performed.

7. Enterprise Risk Management function

The PRAC is responsible for the oversight of the risk management function.

The PRAC has reviewed the completeness of the enterprise risk assessment process implemented by management and the alignment thereof to the risk-based audit plan. The PRAC has also reviewed the risk appetite, risk profile and action plans implemented by management to mitigate risk.

The PRAC advises management towards the improvement of risk management.

8. Evaluation of the finance function

The PRAC is satisfied with the municipality's finance function during the year under review. However, during the year the PRAC has informed management and Council of its concerns regarding the vacant Chief Financial Officer position that has subsequently been filled.

9. Performance management

Part of the responsibilities of the PRAC includes the review of performance management. The PRAC has in terms of the performance of the municipality reviewed the following.

- Compliance with statutory requirements and performance management best practices and standards;
- The alignment of the integrated development plan, budget, service delivery and budget implementation plan and performance agreements;
- The relevance of indicators to ensure that they are measurable and relate to services performed by the municipality and its entities;
- Compliance with the in-year reporting requirements;
- Quarterly performance reports submitted by the internal audit function; and
- Commented on the municipality's performance management system and making recommendations for its improvement.

The PRAC has recommended the following to Council:

- To improve the functionality of the performance management system, timeous monitoring and reviewing of the portfolios of evidence should be implemented and management should embrace the recommendations by Internal Audit and ensure continuous monitoring to address the control deficiencies.
- Where Management has agreed to specific action plans these should be implemented timeously to improve the control environment and performance.

10. Fraud and irregular activities

No instances of fraud, financial misconduct, unauthorised and fruitless expenditure have been reported by management. The PRAC has reviewed the fraud prevention policies and strategy including the whistleblowing policy.

Irregular Expenditure
The following is an extract from note 40 of the Annual Financial Statements.

"*Irregular expenditure awaiting further action R27,674,357*

SCM Regulation 32 contracts classified as irregular during the audit process by AGSA. The contracts used of other organs of state was on rates with no fixed quantities and therefore it cannot be said that any part of the contract is irregular or the whole contract as currently disclosed. The municipality is not in agreement with this view and this issue will be dealt with in terms of the audit engagement letter process. Prior and current year being disclosed as per the opinion of AGSA."

After discussions with Management and the AGSA the PRAC notes with concern that a conclusion has not been reached on this matter.

The PRAC notes that the AGSA issued a clean audit report despite the irregular expenditure noted above.

11. Evaluation of the annual financial statements

The PRAC has:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with the AGSA, the Municipal Manager, the Chief Financial Officer and other officials employed by the municipality; and
- Reviewed changes in accounting policies and practices as applicable.

The PRAC accordingly concurs with and supports the AGSA conclusion on the annual financial statements, and is of the opinion that the audited annual financial statements can be accepted.

12. External auditor's report

The PRAC concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The PRAC confirms that it has been informed throughout the audit process and issues giving rise to the audit opinion.

The external audit function, performed by the Auditor- General South Africa (AGSA) is independent of the Municipality. The PRAC has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

On behalf of the Performance, Risk and Audit Committee

Mr Jonathan George
Performance, Risk and Audit Committee Chairperson
Witzenberg Municipality
01 March 2021