



2020/21

# DRAFT ANNUAL REPORT



WITZENBERG  
MUNICIPALITY

2020/21

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## **VOLUME II: ANNUAL FINANCIAL STATEMENTS**

### **AUDITOR-GENERAL REPORT**

### **PERFORMANCE, RISK & AUDIT COMMITTEE REPORT**

## **CHAPTER 1:       MAYOR'S FORWARD & EXECUTIVE SUMMARY**

## COMPONENT A: EXECUTIVE MAYOR'S FORWARD





A handwritten signature in black ink, appearing to read 'Barnito Klaasen'.

**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.*





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 2020/21 Annual Report reflects the performance of Witzenberg Municipality for the period 1 July 2020 to 30 June 2021. 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.

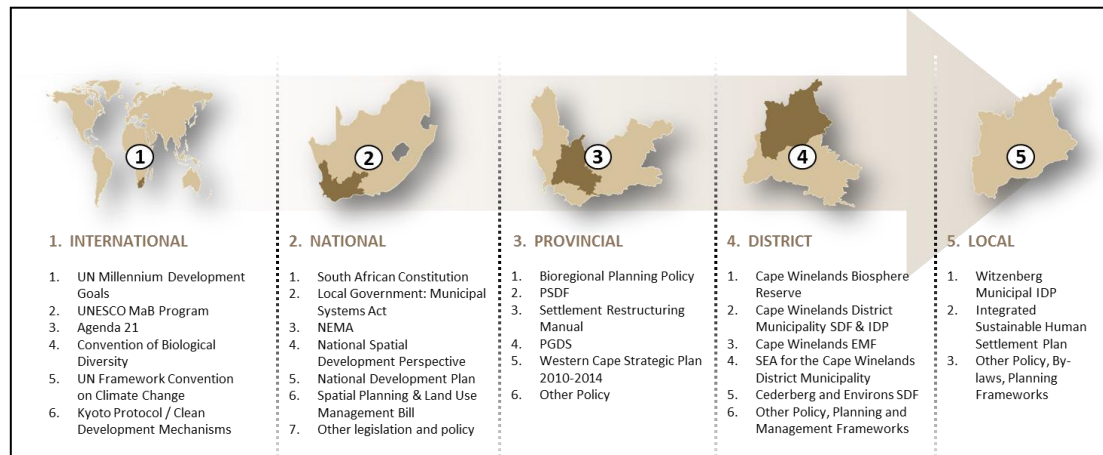
### 1.2.2 Demographic Information

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).

#### Municipal geographical information:

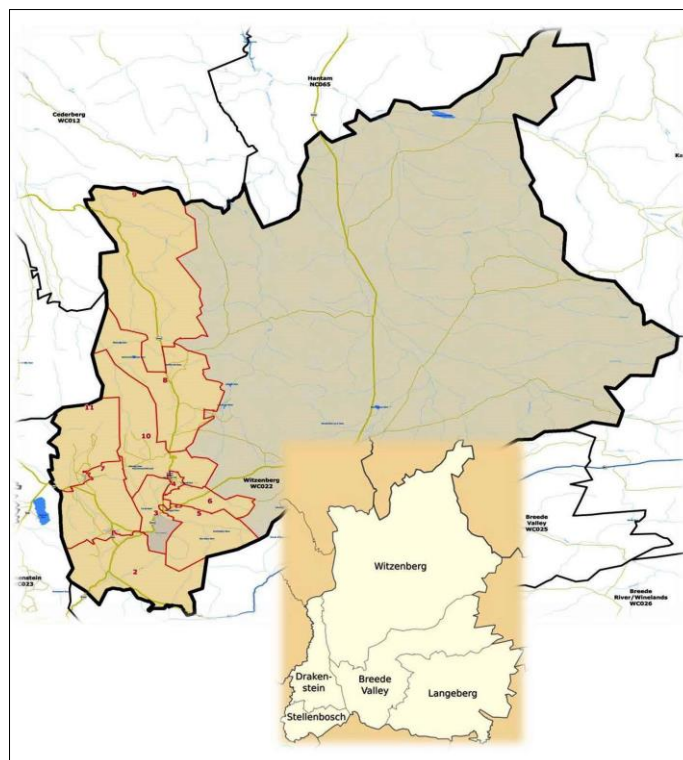
The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

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 km<sup>2</sup>, 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.

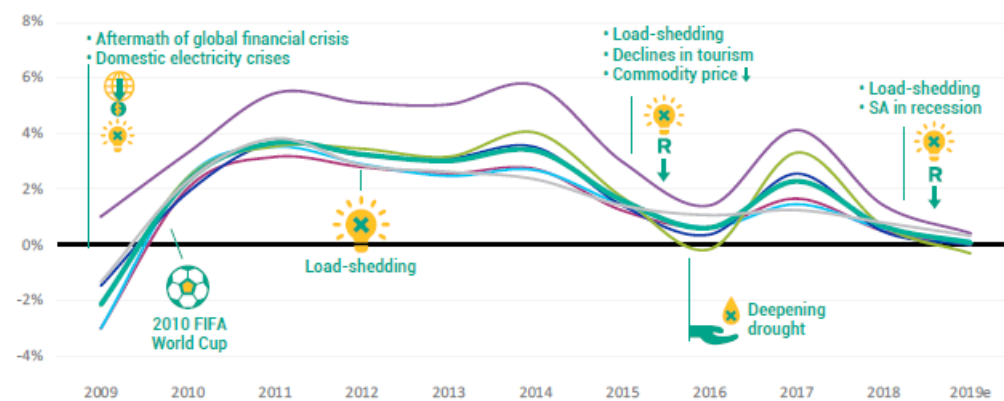
### 1.2.3 Socio-Economy Summary

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 GDP of the Cape Winelands District Western and 1,6 % to the GDP 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 GDP 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 GDP (%)	Trend	Real GDP growth
	2018	2018	2014-2018 (%)	(%) 2019e
<b>Witzenberg</b>	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
<b>Total Cape Winelands District</b>	<b>R67 451,10</b>	<b>100</b>	<b>1,7</b>	<b>0,1</b>
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.

#### GDPGROWTH PER MUNICIPAL AREA, Cape Winelands District, 2009 – 2019



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e
Western Cape	-1.3%	2.3%	3.8%	2.9%	2.6%	2.4%	1.4%	1.1%	1.2%	0.8%	0.3%
<b>Cape Winelands District</b>	<b>-2.1%</b>	<b>2.3%</b>	<b>3.7%</b>	<b>3.3%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>1.6%</b>	<b>0.6%</b>	<b>2.3%</b>	<b>0.7%</b>	<b>0.1%</b>
Witzenberg	1.0%	3.3%	5.4%	5.1%	5.0%	5.7%	3.0%	1.4%	4.1%	1.4%	0.4%
Drakenstein	-3.0%	2.1%	3.2%	2.8%	2.6%	2.7%	1.3%	0.7%	1.7%	0.5%	0.0%
Stellenbosch	-3.0%	2.4%	3.5%	2.9%	2.5%	2.7%	1.4%	0.6%	1.5%	0.6%	0.1%
Breede Valley	-1.5%	1.9%	3.7%	3.2%	3.1%	3.5%	1.4%	0.4%	2.6%	0.5%	0.0%
Langeberg	-2.2%	2.4%	3.5%	3.5%	3.2%	4.0%	1.7%	-0.2%	3.3%	0.7%	-0.3%

Source: Quantec Research, 2020 (e denotes estimate)

In terms of sectoral contribution, the wholesale and retail trade, catering and accommodation (R1.7billion), finance, insurance, real estate and business services (R1.5billion), and manufacturing (R1.4billion) sectors were the main drivers that contributed to the positive growth in the local economy. These sectors are also estimated to have performed well in 2019, particularly the finance, insurance and real estate services sector, which is estimated to have grown by 6.0 percent. Employment creation in the finance, insurance, real estate and business services sector mirrored the high growth rate, with 182 new jobs created. The wholesale and retail trade, catering and accommodation remained an important source of job creation in the municipal area, with an estimated 530 new jobs created in 2019. In 2019, the general government sector was also an important source of job creation (280 jobs).

Despite its important role in the local economy, particularly as one of the main sources of employment, the agriculture sector experienced below-average performance between 2014 and 2018, and is estimated to have contracted by 8.7 percent in 2019. This contraction led to the loss of 154 jobs. The agriculture sector is still recovering from the provincial drought.

### 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.

### Formal and Informal Employment

It is estimated that Witzenberg's total labour force in 2019 amounted to 64 859 workers of which 51 381 (79.5 percent) are in the formal sector while 13 478 (20.5 percent) are informally employed. Most of the labour force consisted of low-skilled (49.4 percent) and semi-skilled (35.7 percent) workers. Although the skilled category only contributed 14.9 percent to total formal employment, it outpaced the other two categories in terms of average annual growth— between 2015 and 2019, the skilled cohort grew on average by 4.2 percent (albeit off a small base) while the semi-skilled and low-skilled categories grew at 3.9 and 1.7 percent respectively. Evidently, the demand for skilled labour is on the rise which implies the need to capacitate and empower low-skilled and semi-skilled workers.

Skill Levels Formal employment	Skill Level Contribution 2019 (%)	Average growth (%) 2015 - 2019	Number of jobs	
			2018	2019
Skilled	14.9	4.2	7 509	7 746
Semi-skilled	35.7	3.9	18 124	18 632
Low-skilled	49.4	1.7	25 233	25 757
<b>TOTAL</b>	<b>100.0</b>	<b>2.8</b>	<b>50 866</b>	<b>52 135</b>

Informal Employment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of informal jobs	14 022	12 343	12 168	12 578	13 551	13 580	15 386	14 236	14 505	13 993	13 478
% of Total Employment	28.2	25.8	24.9	24.4	24.8	24.5	24.8	22.7	22.7	21.6	20.5

## Unemployment

Witzenberg (6.7 percent) has the lowest unemployment rate in the entire Cape Winelands District. It is lower than the District average (10.7 percent) and considerably lower than the Western Cape rate of 19.4 percent. Witzenberg's low unemployment rate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment. The broad definition generally refers to people that are able to work, but not actively seeking employment.

Unemployment rates	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Drakenstein	11.2	12.6	12.9	12.6	12.2	12.6	11.6	12.6	13.2	13.1	14.2
Langeberg	5.1	6.1	6.3	6.2	5.9	6.2	5.4	6.1	6.4	6.5	7.2
Stellenbosch	8.2	9.4	9.7	9.6	9.3	9.6	8.9	9.9	10.3	10.3	11.3
Witzenberg	5.8	6.8	6.9	6.6	6.1	6.4	5.4	5.9	6.2	6.2	6.7
Breede Valley	8.6	9.9	10.1	9.8	9.4	9.7	8.6	9.5	9.9	9.9	10.7
Cape Winelands	8.4	9.7	9.9	9.7	9.2	9.6	8.6	9.5	9.9	9.9	10.7
Western Cape	14.2	15.5	15.7	15.8	15.7	16.0	16.1	17.3	18.1	18.0	19.4

**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. These disparities in income are certain to worsen across the ensuing MTREF given the potential after effects of the Covid-19 epidemic.

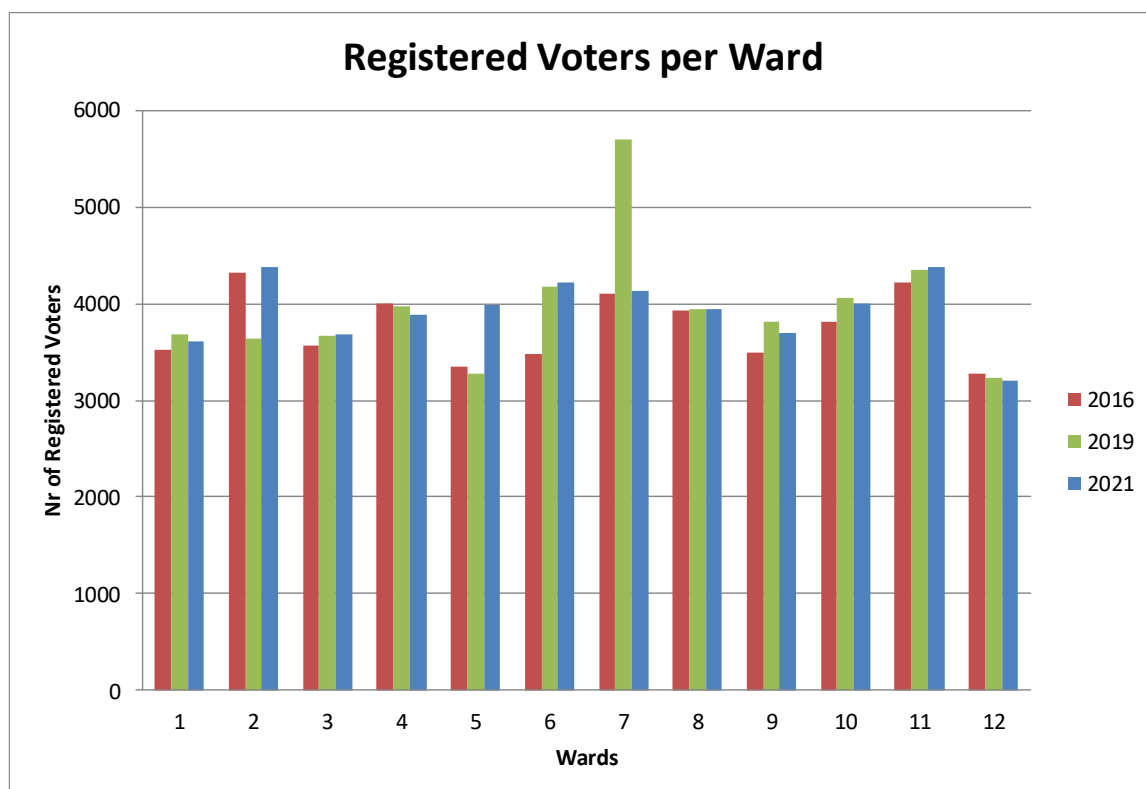
**HDI (Human Development Index):** The United Nations uses the Human Development Index (HDI)<sup>1</sup> to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health. Per capita income is 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 2016	Registered Voters 2019	Registered Voters 2021
1	N'Duli - Polo Cross & Primary School	3529	3688	3614
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante	4318	3637	4381
3	Ceres - Primary School, Stadsaal, Fairfield School	3564	3671	3679
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels	3994	3976	3882
5	Ceres Vallei Church Hall, Achtertuin Primary school	3347	3282	3981
6	Bella Vista - URC Hall & Community Hall	3484	4177	4225
7	Tulbagh - Community Hall. Wolseley - Primary & Secondary School	4098	5700	4133
8	Op-die-Berg, Koue Bokkeveld - Môrester, Bronaar, Rocklands.	3925	3943	3939
9	Tandfontein, Wydekloof, Voorsorg, Kromfontein	3488	3812	3692

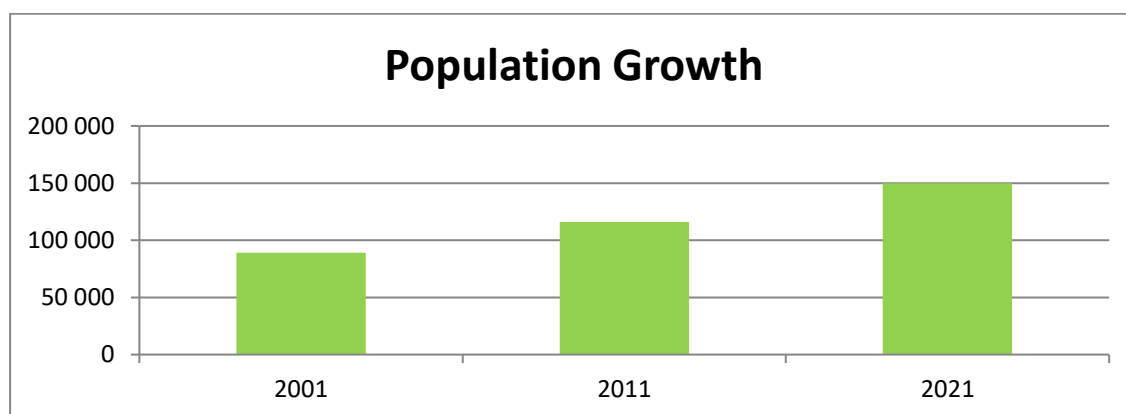
Ward	Areas	Registered Voters 2016	Registered Voters 2019	Registered Voters 2021
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.	3818	4053	4000
11	Tulbagh - Town Hall & werkestoer, De Agen, Twee Jonge Gezellen.	4222	4346	4371
12	N'Duli - Polo Cross & Primary School	3270	3237	3201
TOTAL Registered Voters		45 057	47 522	47098



#### 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 162 303 by 2024. Witzenberg municipal area is expected to have the highest population growth rate, with the population expected to increase by 2.3 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*)

The growing number of households will further increase the demand for housing, municipal services and job creation.



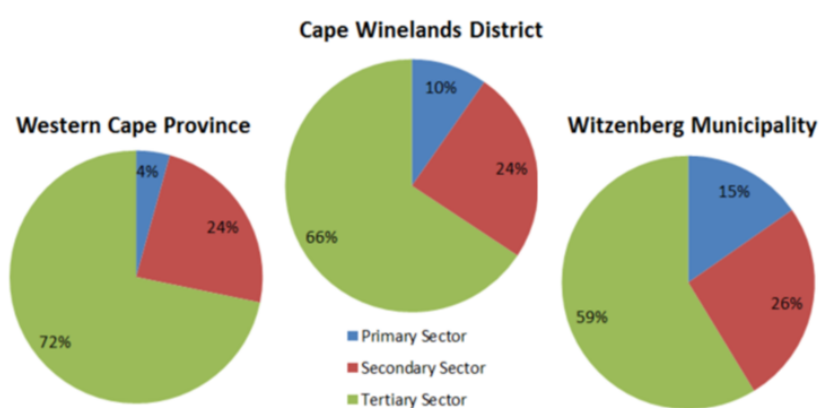
#### 1.2.5 Households

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 an Agri-Hub as part of the National AgriParks Concept and has since attract numerous secondary sector initiatives such as packaging facilities and cold storage.



#### 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	Various deliberations have taken place between the municipality, Eskom, local business and the agricultural sector to address the issue. Intergovernmental

Challenges	Actions to address
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.	engagements needed to compel 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 challenges and public ignorance with regards to existing landfill sites contributes to this challenge..	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 31m will commence in 2021 with completion expected by May 2022. The facility will be located at Ceres and will receive all solid waste collected.
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 proposal 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%, therefor avoiding an enormous 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 agreement between the Municipality and the Private Developer on the valuation of the dam servitude area, to be registered in favour of the municipality.

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.
Vredebes Ph H Internal and bulk services	529 sites serviced with electrical network to be completed in 2022 after which occupation of sites can commence.
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. 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.

### 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, however the limit of 15% of our NMD allowed for renewable energy has been reached and no new developments can be approved, council need to urgently amend the SSEG policy to allow for additional SSEG plants to be erected at private customers. 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	2016/17	2017/18	2018/19	2019/20	2020/21
Electricity - service connections	12 893	12 543	12 878	12 977	13 027
Water - available within 200m from dwelling	14 329	14 242	14 593	16 247	16 710
Sanitation - Households with at least VIP service	14 380	14 558	15 714	16 650	17 507
Waste collection - kerbside collection once a week	14 057	14 292	14 259	17 106	17 979

*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 322 : 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 2.7 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 0.70 : 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.

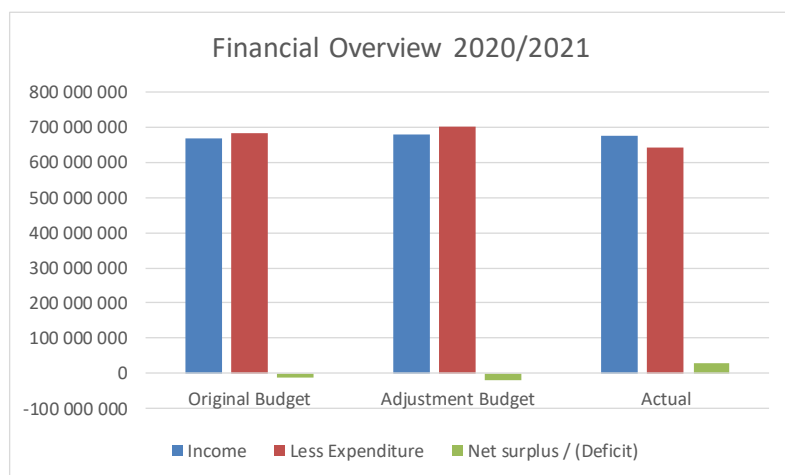
### 1.4.3 National Key Performance Indicators – Financial Viability (ratio's)

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	2018/19	2019/20	2020/21	Comments
Debt coverage (Total operating revenue - operating grants received: debt service payments due within the year)	154 : 1	237:1	322:1	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)	0.7 : 1	0.7:1	0.70:1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	2.7 : 1	3.3:1	2.7:1	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	Original budget	Adjustment Budget	Actual
	R	R	R
<b>Income</b>	<b>669 441 420</b>	<b>681 891 024</b>	<b>676 323 265</b>
Grants	195 705 173	206 056 651	183 153 017
Taxes Levies and tariffs	418 261 262	431 261 262	456 976 184
Other	55 474 985	44 573 111	36 194 064
<b>Less Expenditure</b>	<b>682 491 976</b>	<b>702 812 435</b>	<b>643 352 932</b>
<b>Gains/(Losses)</b>	<b>1 386</b>	<b>1 386</b>	<b>-3 828 911</b>
<b>Net surplus/(deficit)</b>	<b>(13 049 170)</b>	<b>(20 920 025)</b>	<b>29 141 422</b>



#### 1.4.5 Operating ratio's as a percentage of operating expenditure

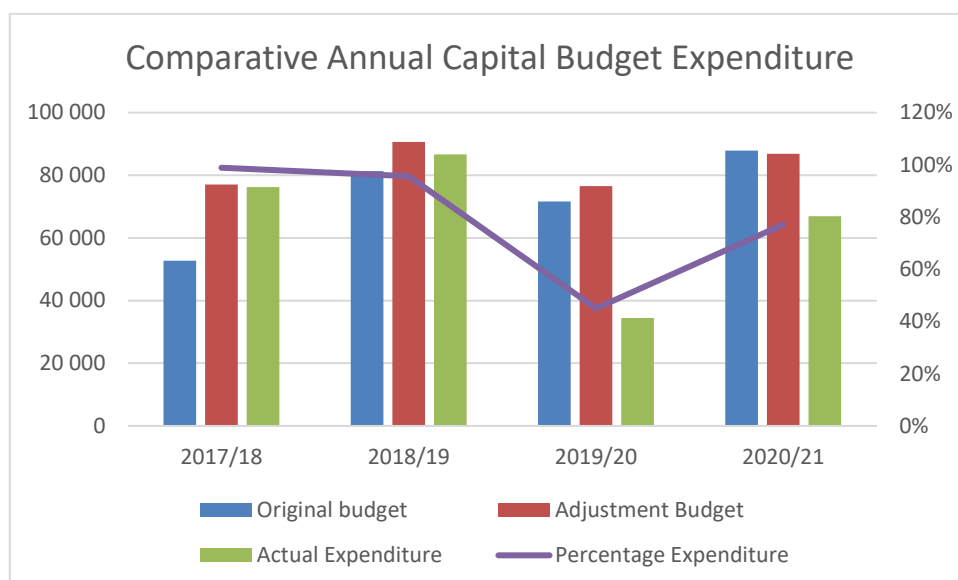
Detail	Expected norm	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	Variance 2020/21 from norm
Employee Cost	30%	29%	30%	30,01%	29,79%	0,21%
Repairs & Maintenance	20%	4%	3%	2,19%	2,86%	17,14%
Finance charges & depreciation	10%	8%	8%	7,85%	6,62%	3,38%

*Note: The above excludes all internal costs in respect of repairs and maintenance.*

#### 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	2017/18	2018/19	2019/20	2020/21
	R'000			
Original budget	52 768	81 321	71 613	87 894
Adjustment Budget	77 104	90 639	76 594	86 843
Actual Expenditure	76 258	86 657	34 468	66 944
Percentage Expenditure	99%	96%	45%	77%



## 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	2020/21
Status	Unqualified with no findings							

## 1.7 Statutory Annual Report Process

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
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
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 NOTE: AG draft report was only received on the 11 <sup>th</sup> of February 2022	December
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	February
12	Audited Annual Report is made public and representation is invited NOTE: The un-audited Annual Report was tabled and advertised In January 2022. Report was updated when AG report was received and advertised.	
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.



### Witzenberg Municipality Council 2016 - 2021



Executive Mayor  
Barnito Klaasen



Executive Deputy  
Mayor Karriem Adams  
(Ward 6) - DA



Speaker Theodore Godden  
(PR) - COPE



Alderman Hennie Smit  
(Ward 8) - DA



Cllr. Ronald Visagie  
(Ward 4) - DA



Cllr. Elisabeth Sidedo  
(Ward 11) - DA



Cllr. Trevor Abrahams  
(PR) - DA



Cllr. Nomcama  
Phisoane  
(Ward 1) - ANC



Cllr. Cornelius Lottering  
(Ward 2) - DA



Cllr. Dirk Swart  
(Ward 3) - DA



Cllr. Patrio Daniels  
(Ward 7) - DA



Cllr. Hanlie Visagie  
(Ward 8) - ANC



Cllr. Mxolisi Ndaba  
Ward 9 - ANC



Cllr. Themba Mgobota  
(Ward 10) - ANC



Cllr. Mavis Mdala  
(Ward 12) - ANC



Cllr. Deleen Kinnear  
(PR) - DA



Cllr. Gert Laban  
(PR) - WA



Cllr. John Schuurman  
(PR) - ANC



Cllr. Joyce Phungula  
(PR) - ANC



Cllr. Mzwandile Jacobs  
(PR) - EFF



Cllr. Petrus Heradien  
(PR) - ICOSA



Cllr. Richard Simpson  
(PR) - ANC

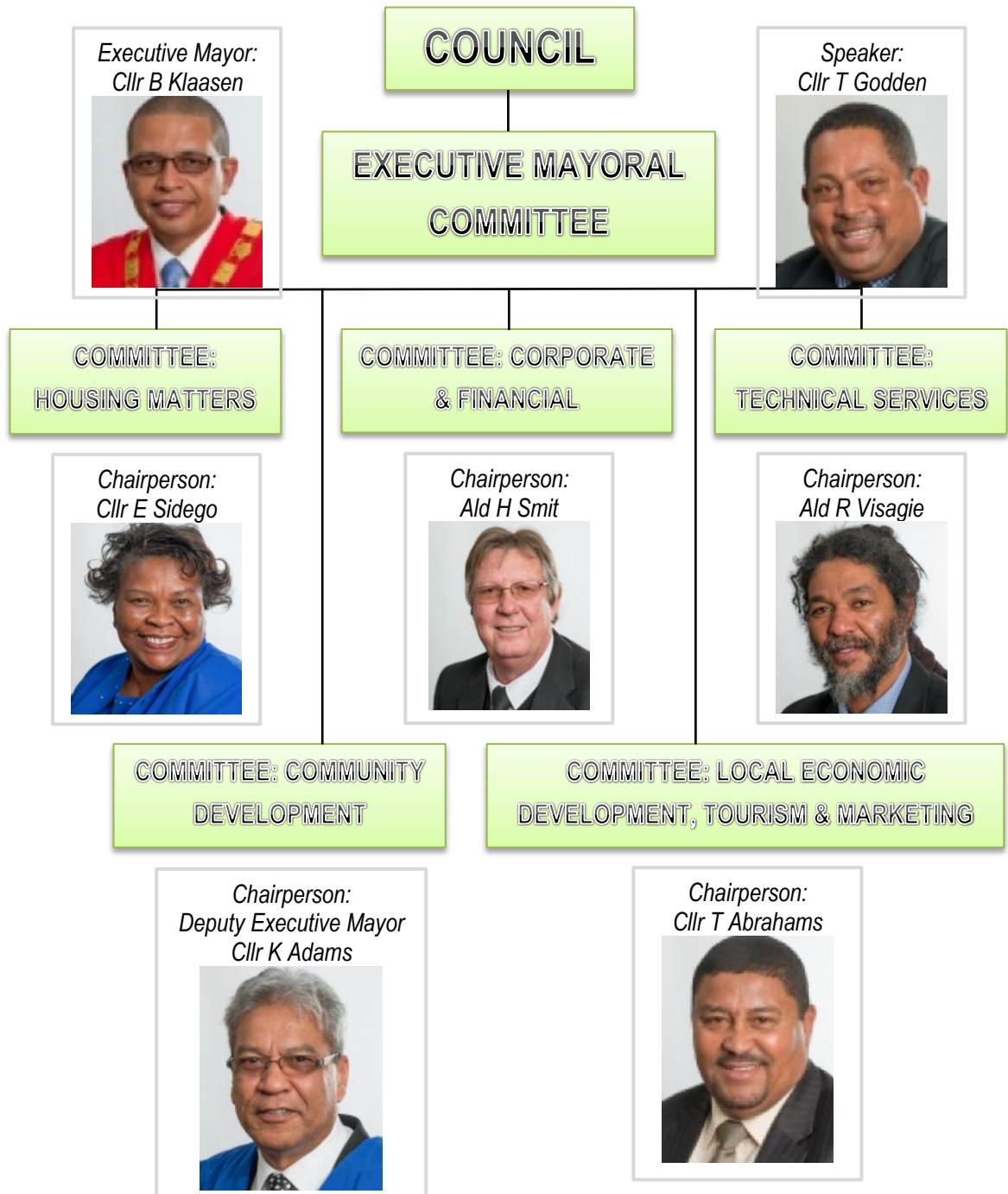


Cllr. Zukiswa Serunjogi  
(PR) - DA

## 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	Alderman: 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 2020/21 financial year:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
31 July 2020	4	91%	50%
25 August 2020	38	78%	80%
30 September 2020	9	78%	100%
25 November 2020	48	96%	100%
17 December 2020	28	96%	100%
28 January 2021	19	87%	100%
24 February 2021	15	82%	100%
12 March 2021	6	100%	N/A
31 March 2021	7	70%	83%
11 June 2021	1	96%	100%

#### 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 Councillor 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 2020 / 2021 financial year:

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Councillor E Sidego 03/08/2016-	9	21 July 2020 11 August 2020 06 October 2020 26 November 2020 18 February 2021 09 March 2021 18 March 2021 10 June 2021 24 June 2021
Committee for Community Development	Alderman K Adams 03/08/2016-	5	23 July 2020 10 September 2020 11 February 2021 22 April 2021 17 June 2021
Committee for Corporate and Financial Services	Alderman H Smit 03/08/2016-	6	23 July 2020 10 September 2020 19 November 2020 11 February 2021 22 April 2021 17 June 2021
Committee for Technical Services	Alderman J Visagie 03/08/2016-	6	22 July 2020 9 September 2020 18 November 2020 10 February 2021 21 April 2021 15 June 2021

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Local Economic Development, Tourism and Marketing	Councillor T Abrahams 03/08/2016	4	1 September 2020 9 September 2020 10 February 2021 15 June 2021

## **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 comprising 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:



## 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	<ul style="list-style-type: none"> <li>🍎 Mobilising resources</li> <li>🍎 Implementing projects to reduce poverty</li> <li>🍎 Sharing information</li> </ul>

## COMPONENT C: PUBLIC ACCOUNTABILITY & 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, and 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 -	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 2 & 7 Wolseley -			
	Ward 4 & 10 P A Hamlet -			
	Ward 3 & 5 Ceres -			
	Ward 8 &9 Op-Die-Berg -			
IDP & Budget Public meetings				
IDP Review Public Participation	Ward 4 & 6 Bella Vista – 06 May 2021	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.  On the dates indicated, Municipal Open/Information Days were held in the Wards		
	Ward 3 & 5 Ceres – 07 May 2021			
	Ward 8 &9 Op-Die-Berg – 10 May 2021			
	Ward 2 & 7 Wolseley – 11 May 2021			
	Ward 4 & 10 P A Hamlet – 12 May 2021			
	Ward 7 & 11 Tulbagh – 13 May 2021			
	Ward 1 & 12 N'Duli – 18 May 2021			




### 2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2020/21 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	No meetings were held due to lockdown regulations
B Klaasen	Executive Mayor	
E Sidego	Mayco Member	
K Adams	Deputy Mayor	
D Nasson	Municipal Manager	
H Kritzinger	Director Finance	
A Raubenheimer	Acting Director Finance	
Vacant	Director Community Services	
M Mpeluza	Director Corporate Services	
J Barnard	Director Technical Services	
I Barnard	Senior Manager Human Resources	
G Pharo	Senior HR Officer: Benefits	
W Davids	Senior HR Officer: Training & Development	
O Msutu	Senior HR Officer: Health & Safety	
C Titus	Committee Officer	
A Christians	IMATU Secretary	
J Noble	IMATU Chairperson	
D Boer	IMATU	
Loyiso Ntanjana	IMATU Deputy Chairperson	
M Pieterse	IMATU	
R Onrust	IMATU	
T Mabala	SAMWU Chairperson	
M Scholtz	SAMWU Deputy Chairperson	
C Appolis	SAMWU Secretary	
L Silver	SAMWU Full-time shopsteward	
T Kamfer	SAMWU	
W Saula	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 councilor 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 councilor 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	
<b>Essential Services</b>	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
<b>Governance</b>	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.
<b>Communal Services</b>	3.1	Provide and maintain facilities that make citizens feel at home
<b>Socio-Economic Support Services</b>	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	January 2021 (reviewed)

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Witzenberg Whistle Blowing Policy	Yes	January 2021 (reviewed)

## 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 stakeholders 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						
		11/09/2020	02/10/2020	27/10/2020	27/11/2020	25/02/2021	21/05/2021	25/06/2021
Mr J. George (Appointed for 2 <sup>nd</sup> 3-year term w.e.f. 1 November 2019)	Chairperson	✓	✓	✓	✓	✓	✓	✓
Mr J. Basson Appointed for second term w.e.f. 1 August 2018	Member	✓				Resigned		
Mr. T. Lesihla Appointed for second term w.e.f. 1 August 2018	Member	✓	✓	✓	✓	✓	✓	✓
Mr F. Redelinghuys (Appointed for 2 <sup>nd</sup> 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	2018/19	2019/20	2020/21
<b>Statutory Internal Audits</b>			
DORA compliance	✓	✓	✓
Performance Management System (quarterly)	✓	✓	✓
<b>Follow-up Audits</b>			
Management Audit Action Plan (MAAP)	✓	✓	✓
Follow up internal Audit findings	✓	✓	✓

Audit Activity	2018/19	2019/20	2020/21
<b>Risk based audits</b>			
Income & Debtors	√		
Supply Chain Management	√	√	
Human Resources ( Including Leave and Training)		√	
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			
Housing			√
Protection/Traffic Services			√

#### Annual Audit Plan

The Audit Plan for 2020/21 was implemented and the table below provides detail on audits completed:

Audit Activity	Estimated hours	Quarter	Status
<b>Statutory Audits</b>			
DORA compliance	300	3	Completed
Performance Management System	1600	All	Completed
<b>Follow up audit work</b>			
Follow up Internal Audit Findings	400	All	Completed
Management Audit Action Plan	200	All	Completed
<b>Risk based audits</b>			
Supply Chain Cost Containment	200		Completed
ICT Security Management	340	4	Work in Progress
ICT Governance	440	3	Work in Progress
<b>AD-Hoc audits</b>			
Year-end stock count	100	4	Completed
<b>Other</b>			

Audit Activity	Estimated hours	Quarter	Status
Legislative/Advisory/Committees	264	All	Completed
IA Quality Assessment	80	4	Completed
Compliance System	100	All	Completed
Risk Management Consulting	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
Zoning Scheme By-Law for Witzenberg	30 September 2020	Yes	13 November 2020
Electrical by-law	28 September 2020	No	

## 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 2020/21 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
56	61	45

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

Member	Percentage attendance (%)
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 66 105 895.

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
08/2/18/22	Supply and delivery of disposable bags for refuse removal	Technical – Solid Waste	Memotek Trading CC	7 956 815
08/2/17/66	Non-Motorised Transport (NMT) facilities and Stormwater maintenance in Ceres	Technical – Storm Water	Shar Civils	7 608 802
08/2/17/81	Appointment of a service provider for Prepaid vending services	Financial – Income	Syntell (PTY)	6 118 000
08/2/17/58	Supply and delivery of Electricity metering	Technical – Electricity	Landis & Gyr (PTY) Ltd	5 356 987
08/2/18/60	Short Term Insurance	Financial – Fin. Admin	Silver Lake Trading t/a Opulentia	3 353 525

#### 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 2020/21 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/17/51	Upgrading of van Breda bridge & associated Roadworks, Ceres	Technical – Roads	Amandla GCF Construction	39 202 903
08/2/18/01	Provision of Security services	Corporate – Administration	Mafoko Security Patrols	30 000 000
08/2/18/20	Construction of a Material recovery facility (MRF) in Ceres	Technical – Solid Waste	Hiload Inyanga Construction	26 738 091
08/2/18/03	Hiring of plant and equipment for the Witzenberg municipal area	All	Genadendal Jackies Bazaar CC Aqua Transport & Plant Hire (PTY) Ltd Midmar Plant Hire CC	15 426 990

#### 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
08/2/17/81	Appointment of a service provider for prepaid vending services	11-Aug-20	Ontec Systems (Pty) Ltd	Reason for non-compliance	Appeal dismissed	Accounting Officer
08/2/17/87	Supply, printing and mailing of municipal accounts	20-Aug-20	Insidedata North (Pty) Ltd	Compliance of successful bidder	Appeal dismissed	Accounting Officer
08/2/17/87	Supply, printing and mailing of municipal accounts	22-Aug-20	CAB Holdings (Pty) Ltd	Compliance of successful bidder	Appeal dismissed	Accounting Officer
08/2/18/01	Provision of Security Services	2-Oct-20	MSA Pro Security Services (PTY) Ltd	Reason for non-compliance	Appeal was referred back to bidder to approach the court for review on 9 October 2020. Matter was removed from the Roll of 20 May 2021	
08/2/18/03	Hiring of plant and equipment for the Witzenberg municipal area	26-Nov-20	Juno Corp (PTY) Ltd	Compliance of successful bidder	Appeal dismissed	Accounting Officer
08/2/18/03	Hiring of plant and equipment for the Witzenberg municipal area	30-Nov-20	Atlantic Plant & Transport	Compliance of successful bidder	Appeal dismissed	Accounting Officer
08/2/18/60	Short term Insurance (Re-Advertisement)	30-Jun-21	Silver Lake Trading 305 (PTY) Ltd T/A Opulentia Financial Services	Reason for non-compliance	Appeal upheld	Accounting Officer

#### 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 2020/21 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 (%)
2	5.12	1 914 143	1.07

### **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 17 formal written price quotations amounting to R 2 044 806 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2020/21 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 (%)
1	5.88	47 894	2.34

### 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 16 042 804 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	92	2 482 923	15.48
Impossible	0	0	0.00
Impractical	73	12 649 628	78.85
Emergency	26	910 252	5.67

This amount shows an increase of R 8 091 934 compared to the previous year's figure of R 7 950 870. It is noted that although various processes were implemented to reduce the number and value of deviations it fluctuate during each period and will not necessarily reflect the same patterns.

### 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 2021, the value of the stock at the municipal stores is calculated at R 8 479 387, with a satisfactory stock turnover rate of 0.81. For the 2020/21 financial year, a total of R 1 197.00 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 2020-2021 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 2020/21 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
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes

Description of information and/or document	Yes/No
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2020/21	Yes
Adjusted Budget 2020/21	Yes
Asset Management Policy	Yes
Customer Care, Credit control and Debt collection Policy	Yes
Indigent Policy	Yes
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 2020/21	Yes
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2020/21	Yes
IDP Process Plan for 2020/21	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2019/20	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes
<b>Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)</b>	
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
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 its 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 2020/21 was approved by the Mayor on 10 June 2020. Revisions to the SDBIP Top Layer targets was approved by Council on 24 February 2021 and the Adjusted Top Layer SDBIP approved by the Mayor on 3 March 2021. 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 2019/20
- 🍎 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               | <b>Appendix D</b> |
| 🍎 Performance of entities & service providers | <b>Appendix I</b> |
| 🍎 Service delivery performance at ward level  | <b>Appendix F</b> |

#### 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 25 November 2020
  - 2nd Quarter Budget Statement 27 January 2021







- |                                  |                 |
|----------------------------------|-----------------|
| ○ Section 72 Midyear report      | 27 January 2021 |
| ○ 3rd Quarterly Budget Statement | 26 May 2021     |
| ○ 4th Quarterly Budget Statement | 28 July 2021    |

### 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 2020/21 financial year were signed on 20 June 2020.

The appraisal of the actual performance in terms of the 2019/20 signed agreements, took place twice per annum as regulated. The final evaluation of the 2019/20 took place on 24 June 2021. The mid-year performance evaluation of 2020/21 took place on the same date with the final evaluation after the auditing of the 2020/21 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:

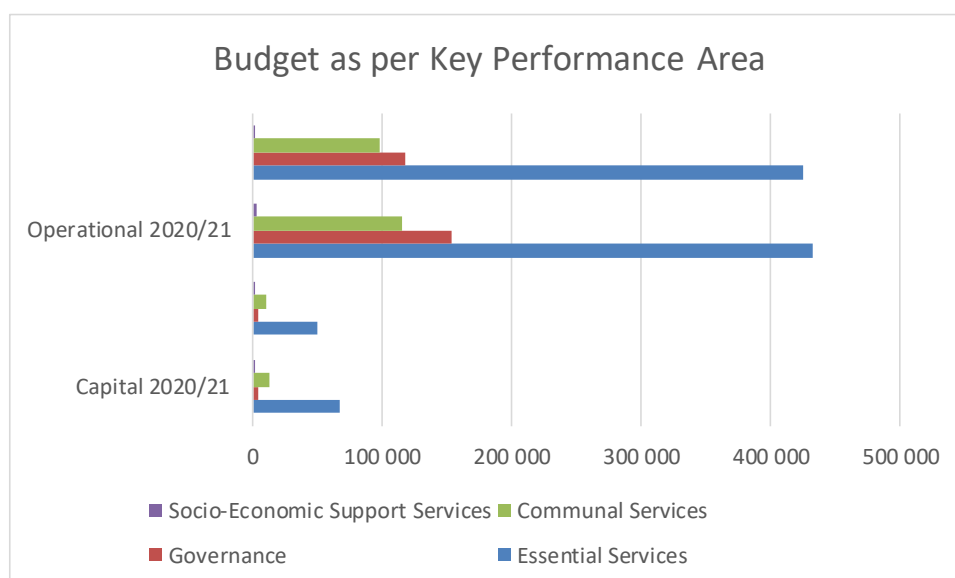
-  Executive Mayor
-  Portfolio Chairperson
-  Chairperson of the Performance, Risk and Audit Committee
-  Municipal Manager
-  Manager: Human Resources
-  Mr. D McThomas, Municipal Manager of Breede Valley Municipality, took part in the review of the Municipal Manager

### 3.1.4 The Integrated Development Plan and the Budget

The Amended 2017/2022 IDP was adopted on 37 May 2020, whilst the budget for 2020/21 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 2020/21		Operational 2020/21	
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure
Essential Services	67 057	50 339	432 168	425 263
Governance	4 735	3 794	153 130	118 292
Communal Services	12 962	10 876	114 967	98 398
Socio-Economic Support Services	2 089	1 934	2 468	1 400
<b>TOTAL</b>	<b>86 843</b>	<b>66 944</b>	<b>702 732</b>	<b>643 353</b>



### 3.1.5 Strategic Alignment

Municipal Key Performance Area	Strategic Objective	
<b>Essential Services</b> <i>Direct service delivery such as the provision of water, sanitation, electricity &amp; solid waste removal. Also include roads &amp; storm water management and subsidised serviced sites.</i>	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
<b>Governance</b> <i>Includes human resources, finance management, strategic- and town planning, law enforcement, public participation, fire- and disaster services, policy and Council.</i>	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.
<b>Communal Services</b> <i>Indirect public services such as community halls, sports fields, open spaces, parks, resorts, swimming pools, environment.</i>	3.1	Provide and maintain facilities that make citizens feel at home
<b>Socio-Economic Support Services</b> <i>Non-core/municipal functions that includes subsidised housing (top structures), Local Economic Development- and Social Development support.</i>	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 2020/21 Top Layer SDBIP

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend / preventative- & corrective planned maintenance budget votes of technical department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
TecDir3	% Expenditure on Capital Budget by Technical Directorate	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the technical directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Excluding Tulbagh Dam capital project budget and expenditure for 2020/21. Contingent liabilities are only identified at the year end.
TecWat21	Percentage compliance with drinking water quality standards.	98%	98%	98%	98%	98%	98%	98%	98%	98%	Measure of potable water sample pass rate according to the SANS 241 standard. Average of sample results. Only microbiological results of Escherichia Coli are considered in the measurement. Result should be less than 1 count per 100ml.
TecWat36	Percentage of valid water connection applications connected by reporting period end	95%	95%	95%	95%	95%	95%	96%	97%	97%	This indicator reflects the percentage of residential valid water connection applications (where down payment has been received) connected, where the applicant has access to the municipal water network. Proxy measure for National Key Performance Indicator.
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	95%	95%	95%	95%	95%	95%	96%	97%	97%	This indicator reflects the percentage of residential valid sewer connection applications (where down payment has been received) connected, where the applicant has access to the municipal sewer network. Proxy measure for National Key Performance Indicator.
TecEI60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	95%	95%	95%	95%	95%	95%	95%	96%	96%	This indicator reflects the percentage of residential valid electricity connection applications (where down payment has been received) connected, where the applicant has access to the municipal electrical network. Proxy measure for National Key Performance Indicator.
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	The removal of solid household waste in all formal accessible residential areas on a weekly basis in all 7 formalised towns according to a publicised programme. National Key Performance Indicator. Proxy measure for National Key Performance Indicator.
TecWat20	Decrease unaccounted water losses.	18%	18%	18%	18%	18%	18%	16%	16%	16%	Unaccounted-for water (UFW) is the difference between the quantity of water supplied to the municipality's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters. The reduction of UFW is a crucial step to improve the financial health and to save scarce water resources.
TecEI37	Decrease unaccounted electricity losses.	10%	10%	10%	10%	10%	10%	10%	10%	10%	Unaccounted-for electricity (UFE) is the difference between the quantity of electricity supplied to the municipality's network and the metered quantity of electricity used by the customers. UFE has two components: (a) Technical losses due to ageing/inadequate networks, and (b) administrative or non-technical losses due to illegal connections and under registration of electricity meters. The reduction of UFE is a crucial step to improve the financial health.
TecRo7	Kilometres of roads upgraded & rehabilitated	4	0	1	2	4	3	4	4	4	This indicator measures the kilometres of new roads constructed, roads upgraded & rehabilitated and resurfaced.

Municipal Key Performance Area: ESSENTIAL SERVICES

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

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
TecDir2	Number of subsidised serviced sites developed.	0	0	0	0	0	400	0	200	200	A housing opportunity is incremental access to and or delivery of one of the following Housing products: Incremental Housing which provides a serviced site with or without tenure. A serviced site is being defined as a demarcated site with access to water & sanitation services located adjacent to a road.
TecWat22	Provide basic services - number of established informal areas with sufficient communal water service points (taps).	3	3	3	3	3	3	3	2	2	This indicator reflects the number of established demarcated informal areas with sufficient communal water service points. Sufficient are being defined as all households with access to water points within 200 meters radius. Certain taps may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecSan13	Provide basic services - number of established informal areas with sufficient communal sanitation service points (toilets).	3	3	3	3	3	3	3	2	2	This indicator reflects the number of established demarcated informal areas with sufficient communal sanitation service points. Sufficient are being defined as all households with access to toilets within 200 meters radius. Certain toilets may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecRef31	Improve basic services - number of established informal settlements receiving a periodic area cleansing programme.	3	3	3	3	3	3	3	2	2	This indicator reflects the number of established demarcated informal areas that are serviced with a periodic area cleansing programme. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecEI36	Percentage of houses in a subsidised housing project connected to the electrical network.	95%	95%	95%	95%	95%	95%	95%	95%	95%	This indicator reflects the percentage of houses in a subsidised housing project connected to the electrical network. Proxy for National KPI.

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.1 Support institutional transformation and development

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	96%	25%	50%	75%	96%	96%	96%	96%	96%	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate the budget for appropriate training interventions which will address the needs arising out of Local Governments' Skills Sector Plan, the municipality's strategic requirements as contained in the IDP and the individual departmental staffing strategies and individual employees' PDP's. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. Kpi measures percentage expenditure of vote allocated towards training needs as arise from WSP. Proxy for National KPI.
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly reports on the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Quarterly report submitted to Municipal Manager. National Key Performance Indicator.

Municipal Key Performance Area: GOVERNANCE

Strategic Objective: 2.2 Ensure Financial Viability

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
FinFAdm10	Financial viability expressed as Debt Coverage ratio	200	200	200	200	200	200	200	200	200	This indicator measures debt coverage as (total operating revenue – operating grants received) / debt service payments due within the year. This means the municipality is able to cover its debt service payments from operating revenue excluding grants number of times. Proxy for National KPI.
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	This indicator measures: (available cash + investments) / monthly fixed operating expenditure. This indicates that with the available cash the municipality is able to pay its fixed operating expenditure for certain amount of months. Proxy for National KPI.
FinFAdm11	Financial viability expressed outstanding service debtors	60%	42%	42%	60%	60%	42%	42%	40%	40%	These indicator measure service debtors to revenue (total outstanding service debtors / revenue received for services). This means that a % of revenue in the SFP is still outstanding as at year end. Proxy for National KPI.
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified			1		Unqualified	Unqualified	Unqualified	Unqualified	This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor General in determining his opinion. An unqualified audit opinion refers to the position where the auditor having completed his audit has no reservation as to the fairness of presentation of financial statements and their conformity with General Recognised Accounting Practices.
FinInc15	Increased revenue collection	90%	95%	95%	90%	90%	95%	95%	95%	95%	This indicator reflects the percentage of revenue collected from service accounts delivered.
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the whole of the municipality. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
MM2	Percentage spend of capital budget for the whole of the municipality.	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget. The total capital budget is the council approved adjusted budget at the time of the measurement. Excluding Tulbagh Dam capital project budget and expenditure for 2020/21. Contingent liabilities are only identified at the year end.

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.

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
MMIDP9	Number of IDP community engagements held.	12				12	14	14	14	14	Engagements with ward committees to obtain inputs on IDP matters and service delivery issues.
ComSoc49	Number of meetings with inter-governmental partners.	12	3	6	9	12	12	12	12	12	Number of Inter-Governmental meetings attended.

Municipal Key Performance Area: COMMUNAL SERVICES

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

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
ComAm34	Report on annual customer satisfaction survey on community facilities.	1 Report		1			1 Report	1 Report	1 Report	1 Report	Analysis report of a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the Community Department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
ComDir2	% Expenditure on Capital Budget by Community Directorate	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the community directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

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

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	4500	4500	4500	4500	4500	4500	4400	4300	4300	Refers to the number of account holders subsidised through the municipality's Indigent Policy as at the end of reporting period.
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	400	100	200	300	400	410	410	420	420	This indicator measures the number of work opportunities created through the expanded Public Works Programme (EPWP) and contracts for temporary workers and temporary workers employed through contractors on projects. Proxy for National KPI.
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation social developmental programmes and /or initiatives .
ComHS14	Number of housing opportunities provided per year.	0	0	0	0	0	0	200	100	100	A housing opportunity is incremental access to and or delivery of one of the following Housing products: Practically completed Subsidy Housing which provides a minimum 40m² house.
ComHS15	Number of Rental Stock transferred	40	10	20	30	40	45	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

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.

Ref	Key Performance Indicator	Adjusted Target 2020/21	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Definitions
ComLed19	Quarterly report on investment incentives implemented.	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on investment incentives implemented.
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on the Small Business Entrepreneurs Development Programme.
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Progress reports on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.

### 3.1.7 National Key Performance Indicators

The Municipal Planning and Performance Management Regulation of 2001 prescribes general key performance indicators in terms of section 43 of the Municipal Systems Act, 2000. Section 43 (2) of the Act determines that key performance indicators set by a municipality must include the general key performance indicators as prescribed.

The general key performance indicators prescribed under section 10 of the regulations are as follows:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R 1 100 per month with access to free basic services
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan
- The number of jobs created through municipality's local economic development initiatives including capital projects
- The 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
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan
- Financial viability as expressed by the following ratios:
  - Debt coverage

- b. Outstanding service debtors
- c. Cost coverage

The abovementioned indicators is included in the municipal Service Delivery and Budget Implementation Plan with other indicators identified to measure performance under each of the strategic objectives.

The absence of definitions and conceptual clarity on these indicators and the fact that the indicators was not revised over the past 20 years required innovation from the municipality to practical measure these indicators in reliance with current methodologies and the availability of information. MFMA Circular 88, Municipal Circular on Rationalisation Planning and Reporting Requirements, from National Treasury, aims to support the alignment of planning and reporting instruments for a prescribed set of municipal performance indicators. The circular further states: *"The Municipal Systems Act (MSA) and the MFMA require alignment between planning and reporting instruments such as the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Report. However, there has been some confusion as to the results level that indicators in the SDBIP occupy, particularly in component 3. Quarterly projections of service delivery targets and performance indicators for each vote. This is particularly in relation to the goals and objectives set out over the medium term in the IDP, and how they are measured."*

To ensure the practical measurement of some of these indicators, new indicators was developed that would support and report on the purpose of some of the indicators. In the paragraphs below and explanation is provided how and why indicators was developed to support the national indicators and how they are included in the municipal SDBIP.

#### **Inclusion of general key performance indicators in SDBIP**

##### **The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal**

The indicator is impractical to measure as stated because of the following reasons:

- The percentage of households residing in the Witzenberg as at period end is unknown as the municipality does not do populations counts. The last census was done in 2011 and the next census is planned for 2022.
- The municipality provides services only to urban areas and the level of services in the rural areas is unknown. The Census of 2011 indicate 46% of the population residing on farms.
- In certain urban areas such as Prince Alfred's Hamlet and Op-Die-Berg, Eskom provides electricity and therefor the level of electricity provision in these areas are unknown.

The municipality has developed 8 different indicators to measure "access to basic services" in the formal as well as informal areas. The differentiation between formal and informal is necessary as formal areas are usually serviced through established networks between erven after a request for a connection is received. To determine level of access to water, sanitation and electricity in formal areas, the percentage of outstanding valid connection applications are measured. Through this method the municipality can determine if its service delivery through connections completed are effective and that urban customers do have access to water, sanitation and electricity connections. Solid waste removal cannot be measured through connections as residential waste is removed on a weekly basis according to a publicised programme. Each of the 7 towns in Witzenberg is allocated to a specific day when waste is removed, the municipality also makes use of a tracking system which can be used to determine if all residential erven are serviced in these 7 towns.

The following indicators are applicable for formal areas:

- Percentage of valid water connection applications connected by reporting period end – TecWat36
- Percentage of valid sanitation connection applications connected by reporting period end – TecSan22
- Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing) – TecEl60
- Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme – TecRef46

The measurement of services in informal areas differs from the above as no official connection processes can be followed as services is not provided through networks to each household. Informal areas is defined as a demarcated area where households resides on unmarked plots without service networks and roads. In these areas services is provided through communal facilities such as communal toilets, taps and waste skips. In Witzenberg there are three demarcated informal settlements: Nduli (Ceres), Pine Valley (Wolseley) and Chris Hani (Tulbagh). The access to water

and sanitation in these demarcated areas are measured by determining whether the informal structures are all situated within a radius of 200 meters from the communal toilets and taps. In other words, households in the demarcated areas do not have to walk more than 200m to have access to water and a toilet. The target is therefore that 100% of households living in these three demarcated areas are within 200m of a toilet and tap. If communal facilities are not placed to cover the 200m radius an area can therefore not be counted as being sufficiently serviced. Emphasis is being placed on the demarcation of areas as illegal land grab and squatting has rapidly increased over the past couple of years outside the demarcated areas. These new areas do not have access to the water and sanitation network and communal facilities cannot be provided due to insufficient bulk infrastructure and budgetary constraints. It is also the viewpoint that service delivery would legalise the land occupations and encourage future land grab. The areas outside the demarcated areas are therefore not included in the measurement. Solid waste removal as is done in the formal areas is also absent as there are no accessible roads for solid waste vehicles. Skips are placed at strategic points and area cleaning operations is undertaken periodically in these three demarcated areas. The percentage of informal households with access to electricity cannot be determined mainly because no formal electrical network is established and when households can be connected it is through a pre-paid electrical meter that is not aligned with an erf number as is the case with conventional meters. It is also the policy of the Integrated National Electrification Programme not to provide subsidy for electrical connections in informal areas due to amongst others the fire hazard. Subsidies are however provided to subsidised housing projects (RDP). The municipality therefore measures access to electricity in these subsidised housing projects separately in the same format as with formal electricity connections.

The following indicators are applicable for informal areas:

- Provide basic services - number of established informal areas with sufficient communal water services points (taps) – TecWat22
- Provide basic services - number of established informal areas with sufficient communal sanitation services points (toilets) – TecSan13
- Improve basic services - number of established informal settlements receiving a periodic area cleansing programme – TecRef31
- Percentage of houses in a subsidised housing project connected to the electrical network – TecEl36

#### **The percentage of households earning less than R 1 100 per month with access to free basic services**

The number and therefore the percentage of households cannot be determined as explained previously. The amount of R 1 100 is also not applicable anymore and the municipality provides free basic services through its indigent policy to households earning less than R 3 000 per month. The number of account holders that is subsidised through the municipality's Indigent Policy are however measured. If a target is exceeded it is viewed as a negative as it indicates a decreasing economic situation as well as insufficient budget for indigent support.

The following indicators are applicable:

- Number of account holders subsidised through the municipality's Indigent Policy – ComSoc41

#### **The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.**

The following indicators are applicable:

- Percentage spend of capital budget for the whole of the municipality – MM2

#### **The number of jobs created through municipality's local economic development initiatives including capital projects**

The following indicators are applicable:

- The number of jobs created through municipality's local economic development initiatives including capital projects. – ComLed8

**The 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.**

This indicator is also impractical to set a target and to measure. The number of positions that would become vacant during a year cannot be determined beforehand and the appointment of individuals from equity target groups cannot be planned as the applicants is unknown. A report on existing appointments as per the municipality's approved equity plan is compiled on a quarterly basis.

The following indicators are applicable:

- Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality – CorpHR12

**The percentage of a municipality's budget actually spent on implementing its workplace skills plan**

The indicator measures the expenditure of the municipality's budget for implementation of the workplace skills plan

The following indicators are applicable:

- Percentage budget spent on implementation of Workplace Skills Plan – CorpHR13

**Financial viability as expressed by the following ratios:**

- a) Debt coverage
- b) Outstanding service debtors
- c) Cost coverage

The following indicators are applicable:

- Financial viability expressed as Debt-Coverage ratio – FinFAdm10
- Financial viability expressed as Cost-Coverage ratio – FinFAdm9
- Financial viability expressed outstanding service debtors – FinFAdm11

### 3.1.8 Strategic Performance (Top Layer SDBIP) for 2020/21

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

2020/21 ANNUAL RESULTS (Including corrective measures where required)							
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
TecDir1	Percentage expenditure on the preventative maintenance budget of the Technical Department	Percentage of budget spent.	All	98%/95%	98%	102%	↑
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	95%/50%	95%	86%	↑
Reason for under-performance: Upgrade of van Breda bridge could not commence as a bidder submitted a letter of dispute against the appointment of the successful bidder.							
Corrective measures: Process finalised and contractor appointed.							
Note: The calculation 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 24th of February 2021. to exclude budget of Tulbagh Dam. The key performance indicators measures the expenditure percentage on capital projects for the technical department and municipality as a whole respectively. All capital projects as included in the approved capital budget at the time of measurement are included in the calculations. The budget of R 16,9m for the construction of the Tulbagh Dam as well as expenditure be excluded from the calculations when the percentage expenditure is reported for the remainder of the year and year-end under these kpi's. Funding is a grant from the Department of Water and Sanitation and R 10m has been paid over. The construction tender was advertised and awarded but with the provision that construction can only start when a Water User License is issued by the Department. An application for the license was submitted approximately four years ago and although the Department has indicated at various instances that the license would be issued, it was only received towards the end of the financial year. The municipality has therefore no control on the implementation of the project and as the project's budget makes up 21% of the total budget, a delay will have a huge impact on our performance results at year end.							
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	95%/100%	95%	100%	→
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Percentage valid applications connected.	All	95%/100%	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	95%/100%	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	7 from 7	7	7	→
TecWat20	Decrease unaccounted water losses.	Percentage water losses.	All	18%/15%	18%	12%	↑
TecEl37	Decrease unaccounted electricity losses.	Percentage electricity losses.	All	10%/10,7%	10%	10,8%	→
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	4/4,4	4,0	6,0	↑

Municipal Key Performance Area: **ESSENTIAL SERVICES**

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

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
TecDir2	Number of subsidised serviced sites developed.	Number of serviced plots.	All	No target	No Target		
<p>Note: The target of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance &amp; Management Act and approved per item 8.1.3 of Council Meeting held on the 24th of February 2021 from 100 to 0. The project for the development of 529 Serviced sites at Phase H Vredebees was approved on 29 September 2020. The project was approved in 2 phases with 100 sites for 2020/21 and the remainder for the year after. Sites are however not being constructed one after the other as would be the case when houses is being constructed. Construction follows a layered process with groundworks over the whole area, service networks for water, sanitation, road layers etc. At year end there will therefore not be 100 completed serviced sites but the approved funding would have been spent on installing services for the whole of the project. Progress is therefore also reported on percentage of completion of scope for the total of 529 plots. The target of 529 will therefore be included in 2021/22 SDBIP target when project is planned to be fully completed.</p>							
TecWat22	Provide basic services - number of established informal areas with sufficient communal water services points (taps).	Number of informal settlements.	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%/99%	95%	100%	⬆

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**

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	96%/65%	96%	91%	⬆
Reason for under-performance:							
Due to Covid gathering restrictions.							
Corrective measures:							
Adhere to Covid19 Regulations							
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

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Ratio	All	200/233	200	322	↑
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Ratio	All	2,8/3,3	2,8	2,70	↓
Reason for under-performance: Increase in operational expenses							
Corrective measures: More stringent budget control							
FinFAdm11	Financial viability expressed outstanding service debtors	Ratio	All	42%/71%	60%	70%	→
Reason for under-performance: The Covid19 pandemic had negative impact on the collection rate month to month, which also impacted the accumulative collection rate.							
Corrective measures: As soon as the situation allows stringent implementation of the credit control policy.							
Note: The target 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 24th of February 2021 from 42% to 60%. This indicator measures the financial viability of the municipality through outstanding service debtors. The result is calculated by dividing the total amount for outstanding debtors with revenue received for services. Thus 73% of revenue was outstanding as at December 2020. The formula includes all outstanding debt. The last general write off of irrecoverable debt was during the 2017/2018 financial year. The ratio is ever increasing as credit control measure are limited in areas where ESKOM supplies electricity.							
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Auditor-General opinion for previous financial year.	All	1/1	Unqualified	Unqualified	→
FinInc15	Increased revenue collection	Percentage revenue collected.	All	95%/88%	90%	90%	↑
Note: The target 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 24th of February 2021 from 95% to 90%. The indicator measures the percentage rate by which revenue is collected. Credit control measures were not implemented during seven months of the financial year in an effort to ease the effect of the lockdown regulation on households.							
MM1	Percentage expenditure on the preventative maintenance budget of the whole of the municipality.	Percentage of budget spent.	All	98%/88%	98%	101%	↑
MM2	Percentage spend of capital budget for the whole of the municipality.	Percentage of budget spent.	All	95%/45%	95%	86%	↑
Reason for under-performance: Upgrade of van Breda bridge could not commence as a bidder appealed against the appointment of the successful bidder. Refer also to ComDir2.							
Corrective measures: Finalise appeal to start with Construction							
Note: The calculation 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 24th of February 2021. to exclude budget of Tulbagh Dam. The key performance indicators measures the expenditure percentage on capital projects for the technical department and municipality as a whole respectively. All capital projects as included in the approved capital budget at the time of measurement are included in the calculations. The budget of R 16,9m for the construction of the Tulbagh Dam as well as expenditure be excluded from the calculations when the percentage expenditure is reported for the remainder of the year and year-end under these kpi's. Funding is a grant from the Department of Water and Sanitation and R 10m has been paid over. The construction tender was advertised and awarded but with the provision that construction can only start when a Water User License is issued by the Department. An application for the license was submitted approximately four years ago and although the Department has indicated at various instances that the license would be issued, it was only received towards the end of the financial year. The municipality has therefor no control on the implementation of the project and as the project's budget makes up 21% of the total budget, a delay will have a huge impact on our performance results at year end.							

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.

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
MMIDP9	Number of IDP community engagements held.	Number of engagements held.	All	14/7	12	12	↑
<p>Note: The target and definition of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance &amp; Management Act and approved per item 8.1.3 of Council Meeting held on the 24th of February 2021. The KPI measures the number of community meetings held as part of the IDP process in all of the 7 towns in Witzenberg. Two meetings are held in each town, requesting input from communities during Oct/Nov and again report back meetings on the draft budget Mar/Apr. Community meetings is prohibited under the lockdown regulations. The IDP office had however engagements with ward committees to provide inputs on IDP- and service delivery matters. The current definition of the kpi: "Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns", will therefore be adjusted to "engagements with ward committees to obtain inputs on IDP matters and service delivery issues".</p>							
ComSoc49	Number of meetings with inter-governmental partners.	Number of meetings attended.	All	12/9	12	12	↑

Municipal Key Performance Area: COMMUNAL SERVICES

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

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
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	98%/54%	98%	81%	↑
<p>Reason for under-performance: The unspent amount is R 236 000. Maintenance on libraries and sportsfields were reduced mainly because facilities was closed to the public during periods as a result of Covid19 restrictions.</p> <p>Corrective measures: To implement normal maintenance programme with the easing of restrictions.</p>							
ComDir2	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%/29%	95%	85%	↑
<p>Reason for under-performance: Procurement for vehicles could not proceed on NT tender for piggy-back as no response was received from National Treasury on the confirmation that procurement process was followed in terms of Procurement Regulations. Impact is that R2,3m from budget of R 14,3m could not be spent.</p> <p>Corrective measures: Confirmation from National Treasury was only received on 19 July 2021.</p>							

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

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

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders.	All	4500/3093	4500	2867	➡
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	400/409	400	401	➡
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	Number of programmes.	All	20/25	20	27	⬆
ComHS14	Number of housing opportunities provided per year.	Number of top structures.	All	199/199	No target	No target	
ComHS15	Number of Rental Stock transferred	Number of properties transferred.	All	40/30	40	14	⬇
Reason for under-performance: Reasons for delays on individual cases explained in letter from attorney dated 2021/07/02. Due to lockdown a huge backlog at deeds office exist							
Corrective measures: Seven transfers outstanding and circumstances out of our control in terms of four of outstanding transfers. Requested the attorney to expedite the three transfers that he will be able to register							

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.

Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2019/20 (Baseline)	Target 2020/21	Result 2020/21	Movement from previous year
ComLed19	Quarterly report to Mayco on investment incentives implemented.	Quarterly Reports	All	4/4	4 Reports	4 Reports	➡
ComLed20	Quarterly report to Mayco on the Small Business Entrepreneurs Development Programme.	Quarterly Reports	All	4/4	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	➡

## COMPONENT A: BASIC SERVICES

### 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 MI) 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 MI service reservoirs, a booster pump station to the pressure tower (500kl) at Bella Vista, as well as a 750 kl service reservoir, 4.5MI reservoir and booster pump station at N'Duli. Three additional boreholes were drilled in Ceres and the Koekedouw borehole equipped.



*The Ceres Koekedouw Dam*

##### 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  $1.2 \times 10^6 \text{ m}^3/\text{annum}$  from the Klein Berg River. The project will also include a storage dam with a capacity of approximately 1 200 000 m<sup>3</sup>. 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 MI raw water dam at present. Two reservoirs (800 kl and 1 MI) 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 6 MI Wolseley Reservoir serves as a storage reservoir to the 44km distribution network, with two pressure zones. The network includes a 4.5 MI 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 Appointment of contractor for the construction of the Waverenskroon Dam, Tulbagh.

## **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 and infrastructure is a great concern.

### 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%
2020/21	7 187 597	870 884	12%





Water losses decreased from 15% in the 2019/20 to 1% in the 2020/21 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 2018/19, 2019/20 and 2020/21: 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	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Water: (above minimum level)</u></b>			
Piped water inside dwelling (accounts)	12 347	12 462	13 167
Piped water inside yard (but not in dwelling) (accounts)			
Using public tap (within 200m from dwelling ) (households)	2 531	3 785	4 514
Other water supply (within 200m)	0	0	0
<b>Minimum Service Level and Above Sub-total</b>	<b>14 878</b>	<b>16 247</b>	<b>17 681</b>
<b>Minimum Service Level and Above Percentage</b>	<b>97%</b>	<b>100%</b>	<b>100%</b>
<b><u>Water: (below minimum level)</u></b>			
Using public tap (more than 200m from dwelling)	**436	0**	0**
Other water supply (more than 200m from dwelling)	0	0	0
No water supply	0	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>436</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>2;9%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>15 314</b>	<b>16 247</b>	<b>17 681</b>
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>			
<i>**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.</i>			

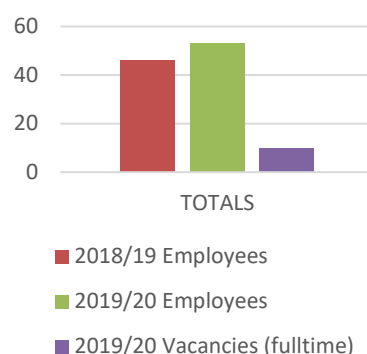
### 3.2.5 Service Delivery Indicators: Water Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  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	2019/20 Employees	2020/21 Employees	2020/21 Vacancies (fulltime)
0 - 3	17	16	5
4 - 6	26	15	4
7 - 9	2	3	3
10 - 12	5	6	1
13 - 15	2	1	0
16 - 19	1	1	0
<b>TOTALS</b>	<b>53</b>	<b>42</b>	<b>13</b>



### 3.2.7 Capital Expenditure: Water Services

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Network- Water Pipes & Valve Rep	500 000	400 000	0	100%	400 000
Tulbagh Dam	16 901 304	8 695 652	0	100%	27 000 000
Plant & Equipment		100 000	0	100%	100 000
Fencing	897 826	897 826	769 387	14%	769 387
Vredebes Phase H Bulk water pipe	476 300	476 300	476 300	0%	476 300
Vredebes Phase H Internal Water	9 438 500	6 626 925	6 626 925	0%	6 282 925
<b>TOTAL</b>	<b>28 213 930</b>	<b>17 196 703</b>	<b>7 872 612</b>	<b>54%</b>	

## 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. Investigation and preliminary design completed for Wolseley WWTW Upgrades. Contractor also appointed – phase 1

## **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 2018/19, 2019/20 and 2020/21.

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	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Sanitation: (above minimum level)</u></b>			
Flush toilet (connected to sewerage) (accounts)	12 697	12 865	13 235
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)	28	58	58
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above minimum service level) (households – informal areas)	2 531	3 785	4 514
<b>Minimum Service Level and Above Sub-total</b>	<b>15 945</b>	<b>16 650</b>	<b>18 466</b>
<b>Minimum Service Level and Above Percentage</b>	<b>97,3%</b>	<b>100%</b>	<b>100%</b>
<b><u>Sanitation: (below minimum level)</u></b>			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	436	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>436</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>2,6%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>16 381</b>	<b>16 650</b>	<b>18 466</b>
<i>*Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households)</i>			
<i>**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.</i>			

### 3.3.5 Service Delivery Indicators: Waste Water (Sanitation)

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  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 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Sewer Network Replacement	500 000	102 736	102 735	0%	102 736
Plant & Equipment		100 000	0	100%	100 000
Security upgrades	300 000	344 000	0	100%	344 000
Vredebes Phase H Bulk sewerage	739 584	735 196	693 633	6%	696 633
Vredebes Phase H Internal Sewerage	9 488 500	6 626 925	6 626 925	0%	6 626 925
Upgrade Wolseley WWTW	1 500 000	1 853 264	417 461	77%	5 500 000
<b>TOTAL</b>	<b>12 528 084</b>	<b>9 762 121</b>	<b>7 840 754</b>	<b>20%</b>	

### 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
Replaced MV cable at Power Station, to overhead line	Consistency of supply
Various MV wooden poles replaced / straightened GoedeHoop	Consistency of supply
Complete installation of Mini-Sub Waterkant street - Tulbagh	Addressed load issues
Repaired and Commissioned Eskom main incomer at power station	Consistency of supply
Replaced MV breaker at Wolseley Main Sub	Consistency of supply
Repaired sections of overhead lines De Hoop, Agterfontein	Consistency of supply
Upgrade MV and LV line – Mill street - Wolseley	Addressed load issues
Upgrade of Panorama MV line – Extension of MV Line –Bella Vista	Addressed load issues
Upgrade Deelville MV line – Replace burnt poles – Bella Vista	Addressed load issues
Repaired earth fault at Ceres Substation (Eskom collaboration)	Consistency of supply
Upgrade MV cable Wolseley between Industrial line and Main Intake sub	Addressed load issues

#### 3.4.3 Challenges

Challenges	Description
Attained Notified Maximum Demand,	5 MVA increase applied for, available 2023 hopefully. Development in Witzenberg still stymied by Eskom's Romans river 132kV upgrade which moved to 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	Various lockdown levels impact on physical activities such as

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Ceres	36,5MVA (Additional 5 MVA applied for May 2019)	-1,23 MVA	36,97 MVA
Wolseley	5.2	+ 0,35 MVA	4,93 MVA
Tulbagh	4.5	+ 0,18 MVA	3,77 MVA




The energy losses for the 2019/20 financial year were 10,6%. The losses increased to 10.9% in 2020/21, 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	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Energy: (above minimum level)</u></b>			
Electricity (at least minimum service level - accounts)	2 353	2 262	2 103
Electricity - prepaid (minimum service level)	10 525	10 715	10 715
<b>Minimum Service Level and Above Sub-total</b>	<b>12 878</b>	<b>12 977</b>	<b>12 924</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Energy: (below minimum level)</u></b>			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>12 878</b>	<b>12 977</b>	<b>13 027</b>
<i>*The below minimum service level cannot be determined as the number of pre-paid meters installed in informal areas is unknown. Therefore 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.</i>			

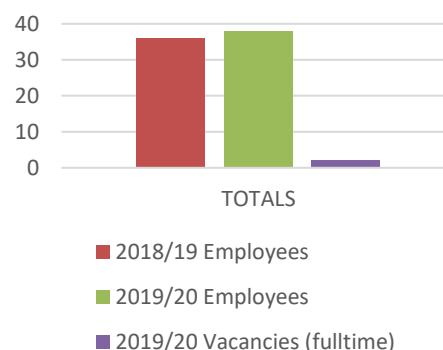
### 3.4.5 Electricity Service Delivery Indicators

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  TecEI60 Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)
-  TecEI37 Decrease unaccounted electricity losses
-  TecEI36 Percentage of houses in a subsidised housing project connected to the electrical network.

### 3.4.6 Electricity Service: Employees

Job Level	2019/20 Employees	2020/21 Employees	2020/21 Vacancies (fulltime)
0 - 3	18	16	3
4 - 6	3	8	2
7 - 9	6	3	0
10 - 12	9	5	1
13 - 15	0	0	0
16 - 19	2	2	0
<b>TOTALS</b>	<b>38</b>	<b>34</b>	<b>6</b>



### 3.4.6 Electricity Service: Capital Expenditure

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Electrical Network Housing Project	1 684 781	1 315 882	1 093 349	17%	4 500 000
MV Substation Equipment	500 000	974 000	960 139	1%	960 139
Upgrade of LV Network Cables	250 000	250 000	236 704	5%	236 704
MV Network Equipment	250 000	240 000	238 031	1%	238 031
Upgrade of MV Cables	250 000	563 309	547 184	3%	547 184
Vredebes Ph1 Streetlights		279 770	222 173	21%	222 173
Nduli Lighting Upgrade		870 000	675 985	22%	675 685
<b>TOTAL</b>	<b>2 934 781</b>	<b>4 492 961</b>	<b>3 973 566</b>	<b>12%</b>	

## 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 Ambassadors
- 🍷 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, Op Die Berg 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 only 100 households pilot project in Tulbagh – zero waste to Landfill
- A Solid Waste Management Master Plan has been completed.
- Draft Integrated Waste Management By –Law.
- Draft Integrated Waste Management Plan was drafted

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 Facility at Op Die Berg - completed	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 84,37% 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 - completed and Material Recovery Facility in 2022 busy with Construction phase.	Separation of waste for recycling & composting

Challenges	Description
Regional Landfill Site in Worcester (Waste licence issued) 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 R 112,5 m

### 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	2018/19	2019/20	2020/21
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Refuse removal:</u> (above minimum level)</b>			
Removed at least once a week (accounts)	13 151	13 321	13 465
Removed at least once a week or through periodic cleaning programmes (households in informal settlements)		3 785	4 514
<b>Minimum Service Level and Above Sub-total</b>	<b>13 151</b>	<b>17 106</b>	<b>17 979</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Refuse removal:</u> (below minimum level)</b>			
Removed less frequently than once a week	0	0	
Using communal refuse dump	0	0	unaccounted
Using own refuse dump	0	0	
Other rubbish disposal	0	0	
No rubbish disposal	0	0	
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>	
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>13 151</b>	<b>17 106</b>	<b>17 979</b>

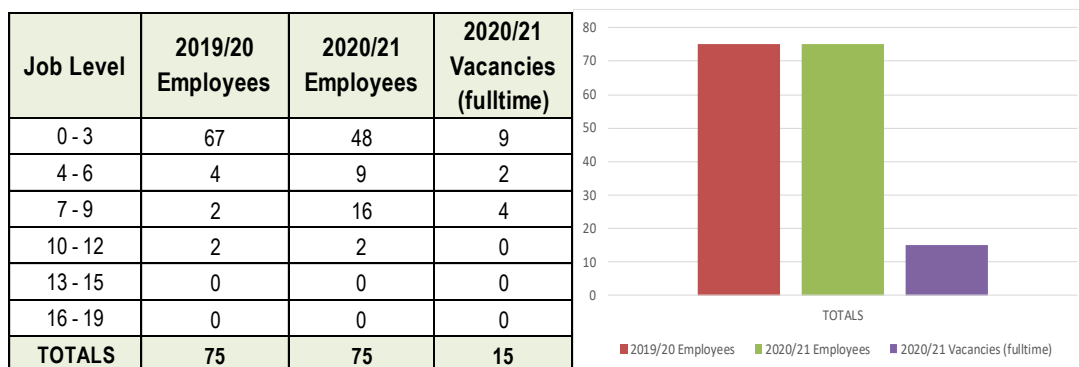
Note: Rubbish bags is distributed in informal areas and collected according to a publicised programme with a periodic cleaning service

### 3.5.5 Waste Management - Service Delivery Indicators

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  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



### 3.5.6 Waste Management – Capital Expenditure

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Transfer stations & related infr	501 456	501 456	441 630	12%	441 630
New Material Recovery Facilit	9 356 350	3 147 891	3 109 829	1%	29 000 000
New Material Recovery Facility/Drop Off		862 000	857 269	1%	857 269
New Material Recovery Facilit	655 587	655 587	655 587	0%	655 587
<b>TOTAL</b>	<b>10 513 393</b>	<b>5 166 934</b>	<b>5 064 316</b>	<b>2%</b>	

## 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. All houses handed over and occupied by 14 December 2020. The 1st phase of houses consists of 600 top structures were planned to be built at 200 per year but due to constrains in providing electricity the building of houses were stopped.

### 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

### 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 $\pm$ 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.
Influx of illegal residents and foreigners to the informal settlements	Constant growth of informal settlements, structures going up over weekends and during the nights when law enforcement staff are not on duty. People coming in to work as seasonal workers on farms and simply stays when season is over
N'duli Community expectations	Uproars in terms of claims made that Vredebes Development belongs to N'duli Residents only.

### 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%)

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)
2018/19	29 969	83.3%	2 967	9 546	0%
2019/20	30 000e	87%	4 027	10 774	13%
2020/21	30 000e	87%	4 756	8 181	(25%)




\* 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	
2020/21 (Capital)	26 507 700	26 507 700	100%		In process
2020/21 (Operational)	11 606 000	4 469 000	39%	0	

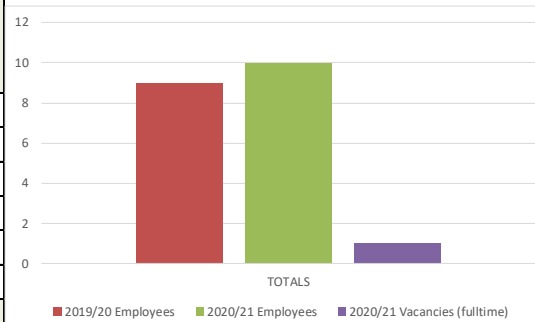
### 3.6.5 Service Delivery Indicators: Housing

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  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	2019/20 Employees	2020/21 Employees	2020/21 Vacancies (fulltime)
0 - 3	1	0	0
4 - 6	3	4	1
7 - 9	4	1	0
10 - 12	0	4	0
13 - 15	1	0	0
16 - 19	0	1	0
<b>TOTALS</b>	<b>9</b>	<b>10</b>	<b>1</b>



### 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 R 5 000

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 than the site on which the household resides; and
- 🍎 The household's joint gross income may not exceed R 5 000 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 R 5 000.00 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 (Income up to R 3 000):**

- 🍎 **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.

#### **BENEFITS (income between R 3 000 & R 5 000):**

-  **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 25 kWh consumed per month.
-  **Water**  
 A subsidy equal to the amount charged for the first 3 kilolitres consumption per month as well as 50% subsidy on the basic charge for water, where the municipality is the service provider.
-  **Sanitation**  
 A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.
-  **Refuse removal**  
 A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.
-  **House rental**  
 A subsidy equal to 50% of the amount charged in the case of municipal sub economical rental stock as house rental per month.
-  **Burial costs**  
 A subsidy equal to 50% 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 50% 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 50% 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	%
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	6 742	43	6742	43	6742	43	6742	43
2020/21	16 421	6 828	42	6828	42	6828	42	6828	42

Free Basic Services To Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 5 000 per month (50% benefits)							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2020/21	16 421	67	0.005	67	0.005	67	0.005	67	0.005

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			R'000
2017/18	4 591	100 000	2 277	11 914	100 000	11 806
2018/19	3 697	120 000	3 600	12 875	120 000	12 746
2019/20	3 093	120 000	3 247	12 871	120 000	13 514
2020/21	2 868	120 000	3 190	13 990	120 000	15 562

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
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	0	0	1 851	50	
2019/20	3 093	50	2 466	9 936	0	0	1859	50	
2020/21	2 801	50	2 697	10 351	50	9 968	1 859	50	1 790

Electricity (50%)									
Financial year	Indigent Households- 50%			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2020/21	67	25	3 222		0	0			

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2017/18	4 591	6	8 263	9 901	0	0
2018/19	6 742	6	12 669	8 646	0	0
2019/20	5 790	6	10 880	9 369	0	0
2020/21	6 828	6	11 552	9 593	0	0

Water (50%)						
Financial year	Indigent Households-50%			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2020/21	67	3	1 360		0	0

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2017/18	4 591	176.8	9 740	9 901	0	0
2018/19	6 742	187.41	15 162	8 646	0	0
2019/20	5 790	198.65	13 802	9 396	0	0
2020/21	6 828	210.57	17 253	9 593	0	0

Sanitation 50%						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2020/21	67	105.29	8 463	9 444	0	0

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			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	0	0
2019/20	5 790	1	10 960	9 396	0	0
2020/21	6 828	1	13 701	9 593	0	0

Refuse Removal (50%)						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2020/21	67	1	1 344	9 444	0	0

## 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**

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 and 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
Upgrade Pavement Vosstr From Retief To the Edge of Town	New paved sidewalks constructed 2km
Upgrade Pavement Lyell street, Rooikamp	New asphalt sidewalks constructed
Vredebes Phase H Busroutes , side walks and Internal roads	Constructed new roads 3.2km

### 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
2020/21	232.23	3.2	2.8	2.8	229.03

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
2020/21	8.9	0	0	8.9

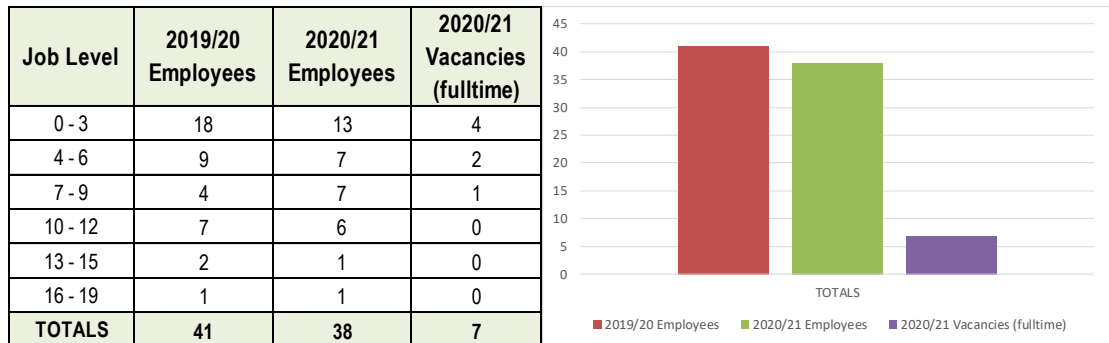
The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

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
2020/21	9 189	1 600	8 883

### 3.8.5 Service Delivery Indicators: Road Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

### 3.8.6 Employees: Roads & Storm water



### 3.8.7 Capital Expenditure: Roads & Storm water

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Network streets	1 800 000	1 600 000	1 595 721	0%	1 595 721
Upgrade Van Breda Bridge	4 130 000	4 130 000	0	100%	24 000 000
Upgrade Pavement Vosstr From R	2 608 000	2 608 000	2 603 293	0%	2 603 293
Upgrade Pavement Vosstr From R	945 715	1 245 715	1 016 433	18%	1 016 433
Pavement Upgrading	500 000	500 000	500 000	0%	500 000
Vredebes Phase H Bulk storm water	4 330 562	3 980 552	3 980 290		3 980 290
Vredebes Phase H Busroutes & sid	2 562 153	2 562 153	2 561 851	0%	2 561 925
Vredebes Phase H Internal Roads	9 488 500	6 626 925	6 626 925	0%	6 626 925
Vredebes Phase H Internal Storm V	9 488 500	6 626 925	6 626 925	0%	6 626 925
Tulbagh VanderStelstr walkways	869 565	869 565	338 945	61%	869 565
<b>TOTAL</b>	<b>36 722 995</b>	<b>30 749 835</b>	<b>25 850 382</b>	<b>16%</b>	

## 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 Phase H Internal Storm Water	New Storm water reticulation for Phase H, Vredebes
Vredebes Phase H Bulk storm water & attenuation	New bulk storm water channel with retention dam to manage storm water from Phase H, Vredebes

### 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
2020/21	146.00	3.2	0	142.83

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
2020/21	10 607	1 781

## 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.
GIS Zoning Data	GIS zoning data updated with new categories
SDF: Ceres Priority Focus Area 1	Precinct Plan prepared for the area located between Ceres, Nduli & Bella Vista known as "Ceres Priority Focus Area 1".

### 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.
- 🍎 Provincial spatial planning and land use management policy provides opportunities for the diversification of the agricultural/ rural economy (especially through sensitive tourism initiatives).

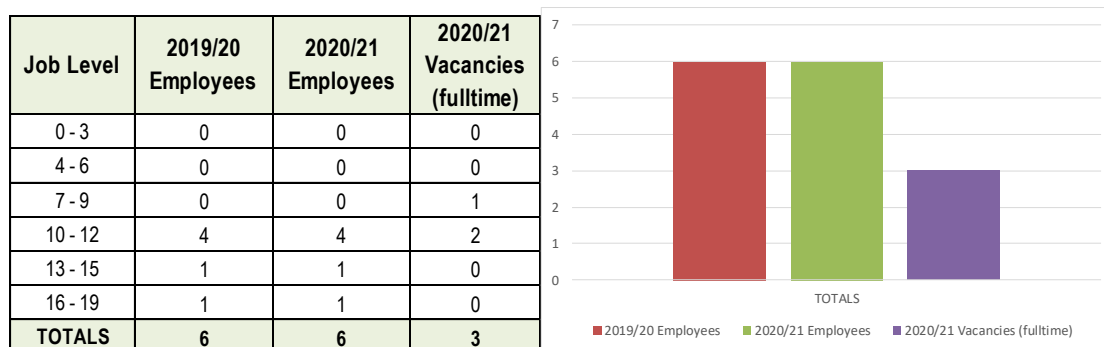
### 3.10.4 Service Delivery Statistics

Type of service	2017/18	2018/19	2019/20	2020/21
<b>Town Planning and Building Control</b>				
Building plan applications processed	279	455	368	354
Total surface (m <sup>2</sup> )	42 818m <sup>2</sup>	58 318m <sup>2</sup>	44 327m <sup>2</sup>	60 113m <sup>2</sup>
Approximate value	R 182 232 666	*R 3 232 931 532	R 212 778 595	R 328 052 888
New residential dwellings	50	167	124	45
Residential extensions	77	87	90	123
New Business buildings	3	1	1	1

Type of service	2017/18	2018/19	2019/20	2020/21
Business extensions	10	1	3	7
Rural applications	45	73	39	50
Land use applications processed	34	31	34	44

\*Drastic increase due to submission of building plans for Paardekraal Windfarm to a value of R3b in 2018/19.

### 3.10.5 Employees: Town Planning & Building Control



## 3.11 Local Economic Development

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2020/21 financial year:

Achievement/Highlight	Description
Facilitation of Witzenberg smme survey to determine the impact of the covid pandemic on their businesses	A sample of Sixteen smme's in Witzenberg participated. Valuable information was received regarding support, perceptions and the business health of SMME's in Witzenberg
Handover of business equipment by Department Small business Development to local entrepreneurs that was funded for the Informal and Micro Enterprise Development Programme (IMEDP)	The handover of the equipment took place on 1 October 2020 at the Bella Vista community hall. 34 smme's received equipment from the Department: Small Business Development.
Supplier registration workshop	SMME's were informed concerning the municipal supplier registration, tender processes and also the central supplier database registration process.
DEDAT launched the Covid safety toolkit project and provided 315 kits to Witzenberg municipality for distribution.	215 kits were distributed to SMME's in Witzenberg  Aim of Safety Kits:  To enable small, medium and micro businesses to continue with their business operations in a safe and responsible manner  To enable businesses to stay open whilst reducing and preventing covid infections in the workplace  Illustrating to businesses how to manage covid responsibly in order to stay open
Business dialogue with entrepreneurs	Business dialogue sessions creates a platform where challenges, information, needs and procurement opportunities can be discussed.

Achievement/Highlight	Description
Assisted informal traders with special permission to trade during the Lockdown registrations	Renewals of hawker permits took place at a late stage because of the covid pandemic. Informal traders were allowed to trade with their old permits during the peak time of covid.
6 SMME'S benefiting from economic infrastructure due to becoming lessees of PAH Small Business Hub.	Business Hub provides +-18 square meter of business trading space for each lessee.
Implemented a maintenance project in all towns of hawker stands	Maintenance of hawker stand infrastructure to improve stand visibility.
Developing new hawker stands in the main road of Tulbagh	Ten new stands were erected in the main road after complaints were received from the local informal traders that the existing stands is not economically lucrative.
Linked two businesses of the PAH Business Hub with the CBI entrepreneurial program	The entrepreneurs received equipment to grow their businesses
Linked local entrepreneurs with CWDM Seed fund & small farmer support programme	Six entrepreneurs were successfully linked with the seed fund programme and one business with the small farmer program
Facilitated financial training presented by SEDA	11 SMME's were linked with financial management training for their businesses.
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
90% completion of Skoonvlei Small Business Hub	Development of Business Hub for SMME's in Bella Vista. 10 light industry converted office containers have been constructed.
Facilitated Business plan development for a Co-operative by means of SEDA.	Business plan has been developed for a honey co-operative and has been submitted to several private & government stakeholders for funding
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 private, municipal and Government funding & support opportunities to SMME's in the Witzenberg region.

The table below gives a brief description of all the challenges within Local Economic Development (LED) during the 2020/21 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 (2021/22) 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 2020/21, 339 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)

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	2017/18	2018/19	2019/20	2020/21
Small businesses assisted	210	150	95	200
SMME's trained	175	70	20	20
Community members trained for tourism	18	7	5	0

Type of service	2017/18	2018/19	2019/20	2020/21
Local artisans and crafters assisted	1	3	7	5

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
2020/21	27	401

#### 3.11.4 Service Delivery Indicators: LED

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

-  ComLed19 Quarterly report to Mayco on investment incentives implemented.
-  ComLed20 Quarterly report to Mayco on the Small Business Entrepreneurs Development Programme.
-  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, activities and attractions to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiatives. 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. These are also rolled-out in the form of educationals, for example a group of local petrol attendants was recently invited on a tour of the region to gain first-hand knowledge and experience on all the region has to offer.

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 ongoing 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. We hope to roll out this initiative or something similar in the other towns.

As the newly launch Dining with the Locals initiative gained momentum, it had to be put on hold due to Covid-19 and the national lockdown. 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. Although some SMMEs have been asked to render services at the few events that have taken place during lockdown, however, we hope to reboot the initiative as soon as possible.

The various Witzenberg Tourism offices are also involved in community upliftment and other development projects where possible, including feeding of communities, establishing community gardens, assisting SMMEs with marketing and free advertorial space where possible, clean-up initiatives, and so much more and has especially been involved and assisting communities and projects during lockdown.

### 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. Various marketing material including area and tourism maps, information booklets and brochures have been printed and reprinted for distribution. However, due to lockdown hampering movement and distribution at strategic points, social media and online marketing have soared and continues as per usual and has become the more reliable source of communication especially during this time. For more details visit [www.visitwitzenberg.co.za](http://www.visitwitzenberg.co.za).

Tourism has thusfar 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.

Tourism has actively been marketing the region at various platforms, internationally and locally, during even lockdown. From promotional videos, to features in various publications in print and online, as well as conferences, consultants and radio and various reality TV programmes that was filmed locally or with locals. Various members and specifically wine estates have excelled in wine competitions, resulting in great exposure for the region and industry. Snow tourism remains a vital part of Witzenberg and generates great visitor numbers for the region through marketing initiatives on all media 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
Michell's Pass Half Marathon	Cancelled due to Covid-19
Eselfontein Outdoor Festival	Cancelled due to Covid-19

Annual Event	Date
Gydo Christmas Light Festival (Did a drive-through fundraising event and people could still view the lights from the safety of their cars)	28 November 2020
Ceres Cherry Route Fair	Cancelled due to Covid-19
Ceres Cherry Route Promotions	28 November – 31 December 2020
Loxtonia Cherry Trail Run	28 November 2020
Apricot Festival	Cancelled due to Covid-19
Tulbagh Vintage & Vine Faire	Cancelled due to Covid-19
Christmas in Winter	Cancelled due to Covid-19
Day at the Duck Race	24 October 2020
Tulbagh Horse Show	11 & 12 December 2020
Tulbagh Witzenville Faire	18 December 2020
Tankwa Camino Hikers Welcomed to Ceres	11 April 2021
Tankwa Trail at Kaleo Guest Farm, outside Ceres	01 & 02 May 2021
Tulbagh Vintage & Vine Faire	29 May 2021
Murludi Trail Run	29 May 2021
Tulbagh Winter Daze (Bush Pub)	19 June 2021
Duikersdrift Beer Fest Tulbagh	19 & 20 June 2021
Manley Winter Soirée (Tulbagh)	19 June 2021
Winterland Blues Festival (Bike Forge Tulbagh)	19 June 2021
Christmas in Winter	19 & 20 June (different format in keeping with the Covid-19 regulations)
Regular Market Days at Oudekloof Wine Farm Tulbagh	Weekly (Weather permitting)
Tulbagh Vintage & Vine Faire	29 May 2021

### 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.). We do not yet 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.

Tourism incurred tremendous costs for events to cover the cost of all the necessary Covid-19 requirements that needs to be in place, but which never realised. This will have to form part of the planning stages for events going forward.

### **3.12.6 Opportunities for Tourism**

A key action towards tourism growth and integration will be the focus on and roll out of various projects in the near future; aimed at job creation, social inclusion and strategic partnerships with tourism industry partners. This will promote 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 and will include various themes.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

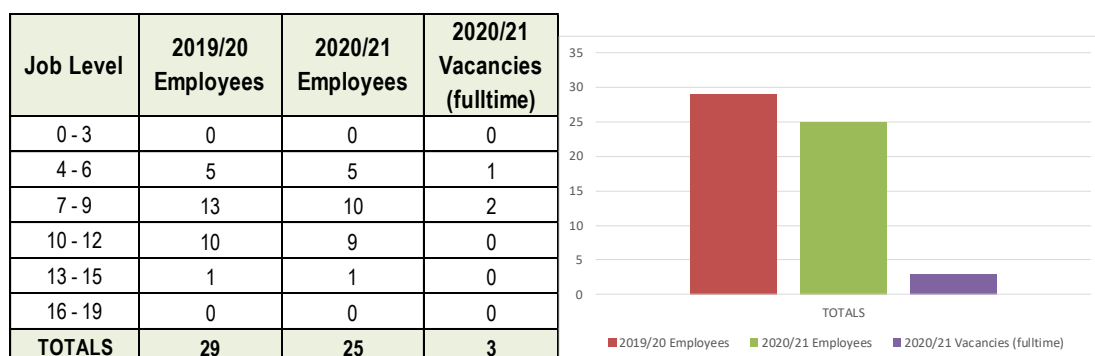
### 3.13 Libraries & Community Facilities

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	2018/19	2019/20	2020/21
<b>Libraries</b>			
<b>Number of Libraries</b>	9 and 3 mini libraries	9 and 3 mini libraries	9 and 3 mini libraries
<b>Library members</b>	29 158	29 831	30 203
<b>Books circulated</b>	313 145	208 600	73 984
<b>Exhibitions held</b>	251	181	161
<b>Internet access points</b>	40	36	36
<b>New library service points or Wheelie Wagons</b>	1	0	0
<b>Children programmes</b>	124	88	57
<b>Visits by school groups</b>	566	272	169
<b>Community Facilities</b>			
<b>Number of Community Facilities – Community- and Town Halls</b>	12	12	12

#### 3.13.2 Employees – Libraries & Community Facilities



### 3.14 Cemeteries

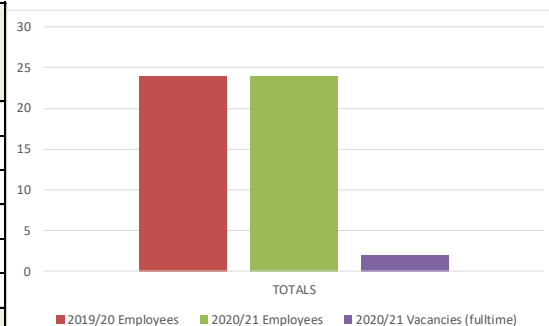
Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

### 3.14.1 Service Statistics - Cemeteries

Type of service	2018/19	2019/20	2020/21
Number of Cemeteries	4 open 2 closed	4	4
Number of private burials	576	482	1017
Number of poor burials	25	39	156
Number of indigent burials	43	51	158
#Stats are for all towns			

### 3.14.2 Employees – Cemeteries

Job Level	2019/20 Employees	2020/21 Employees	2020/21 Vacancies (fulltime)
0 - 3	21	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
<b>TOTALS</b>	<b>24</b>	<b>24</b>	<b>2</b>



## 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

2019/20	2020/21
<b>Soup kitchens established or supported</b>	
No soup kitchens were financially supported	No soup kitchens were financially supported
<b>Initiatives to increase awareness on child abuse</b>	
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	2 x awareness campaigns on child safety by distributing pamphlets at ECD centres

<p>wind farm where 80 school children from various schools in the Witzenberg Municipal area, they also were provided with school uniforms.</p>	
<p style="text-align: center;"><b>Youngsters educated and empowered</b></p>	
<p>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 &amp; Job preparation Camp (in association with Kouebokkeveld Training centre); Train-the-trainer training; Facilitated tiling &amp; 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</p> <p>The following life skills workshops were conducted (topics is listed):</p> <p>Servant Leadership: The deciding difference ; Health (TB)(mobile style); Health (HIV/AIDS) (mobile style) x 2</p> <p>Peer Pressure x4; Water saving tips (mobile style); Mandela Day x2; Life skills: Safety; ; Morals &amp; Values;</p> <p>Substance Abuse x4;; Safe sex (Mobile Style); ; Program (Team Building); ; Program(Passing the ball);</p> <p>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)</p> <p>Women's day; Computer skills; Winter Drive (in collaboration with APD); Veggie Garden (in collaboration with APD)</p> <p>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)</p> <p>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 &amp; Social wellbeing; Life skills: Conflict</p>	<ul style="list-style-type: none"> <li>➤ Carpentry training (level 1-3) for 6 youth</li> <li>➤ Film &amp;TV Production Training for +-20 youth</li> <li>➤ Youth Dialogue sessions with youth x2</li> <li>➤ Child Protection Programme workshop X3</li> <li>➤ Life skills workshop: Drug awareness</li> </ul>

<p>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 &amp; Craft x 3; Leadership x 2; Teamwork x 2; Good Communication; Action &amp; 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 &amp; Identity; Awareness on Sexual Abuse; Asset Based Development ; Goals &amp; Values ; Career Exposure; What is my purpose in life; Self Discipline; Vulnerable teens; Trust and teamwork</p> <p>Awareness on COVID 19; Informal Sport Development x11; Awareness on bullying.</p>	
<b>Initiatives to increase awareness on disability</b>	
<p>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.</p> <p>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.</p> <p>1 x heritage day programme for children with disabilities. Children were taken to Ceres Togryers Museum to learn about the history of the town.</p>	<p>Awareness and Prevention of Covid -19 amongst people with disabilities x 3</p> <p>Parent Support Group- Bella Vista Parents, PAH. This group is aimed at supporting parents and caregivers who have special needs children in their care x 4</p> <p>Life-skills session with young adults with disabilities as well as arts and crafts activity. X 1</p>
<b>Initiatives to increase awareness on women</b>	
<p>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.</p>	<p>5x Dignity programs with homeless women.</p> <p>Distribution of pamphlets and posters regarding Women's Rights and Resources to prevent domestic violence and intimate partner violence, including distribution of pamphlets creating awareness regarding Covid-19 prevention. X6</p> <p>Session about violence awareness against women and children x 1</p> <p>Focussed programme on 16 days of Activism</p> <p>Finalising Gender Study in Witzenberg Municipal area. 400 men and women were reached.</p> <p>Attended a planning meeting with group of women who aims to do upliftment and empowering programmes and projects with women in Witzenberg.</p>
<b>Initiatives to increase awareness on HIV/AIDS</b>	
<p>3 X HIV awareness programs in Witzenberg</p> <p>1 x World Aids day celebration</p>	<p>3 x HIV awareness programs in Witzenberg</p>

Initiatives to increase awareness on Early Childhood Development	
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 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	4 x ECD quarterly forum meetings in Koue Bokkeveld 2 x ECD quarterly forum meeting Witzenberg Forum 3 x First aid training programs for ECD practitioners 1 x Workshop for ECD practitioners on Covid 19 regulations. Regular site visits to ECD centres in municipal buildings Distribution of covid 19 pamphlets and information to ECD centres.
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	
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.	4 x Awareness programs on substance abuse at Primary Schools in Witzenberg. 1 x Awareness program on substance abuse with homeless people 3 x Awareness programs on Fetal Alcohol Syndrome
Special events hosted	
Awareness programs with homeless people on monthly basis.	No special event hosted due to Covid regulations.

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

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

- 🍎 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	2019/20 Employees	2020/21 Employees	2020/21 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	4	4	1
7 - 9	1	1	0
10 - 12	4	4	0
13 - 15	0	0	1
16 - 19	0	0	0
<b>TOTALS</b>	<b>9</b>	<b>9</b>	<b>2</b>



## 3.16 Community Services: Other

### 3.16.1 Capital Expenditure – Community Facilities and Libraries

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Upgrade Council chambers	1 430 000	2 879 000	2 011 166	30%	2 879 000
Upgrade Council Chambers		695 652	695 652	0%	695 652
Council chambers furniture	600 000	1 000	0	100%	1 000
Townhalls Equipment	40 000	10 000	9 415	6%	9 415
3 x 3m Containers	410 416	486 196	457 916	6%	457 916
Montana security fence	540 000	540 000	429 536	20%	429 536
<b>TOTAL</b>	<b>2 030 000</b>	<b>4 611 848</b>	<b>3 603 685</b>	<b>22%</b>	

## 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 strives to ensure environmental conservation as well as compliance to legislation.

#### 3.17.1 Service Statistics – Pollution Control

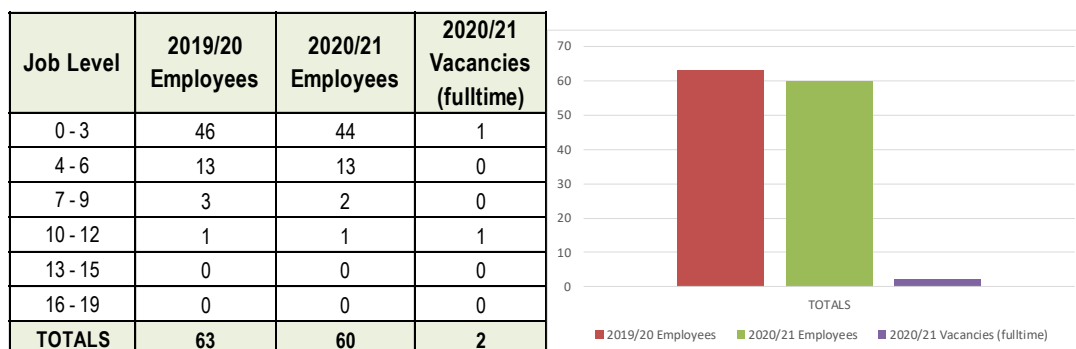
Type of service	2018/19	2019/20	2020/21
<b>Pollution Control</b>			
<b>Number of environmental education initiatives held</b>	9	9	6
<b>Number of baboon damage incidents</b>	0	0	0

### 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.

Initial and follow-up alien vegetation eradication & control programs in accordance with the Invasive alien species control, eradication & monitoring plans for the Ceres Mountain Fynbos nature reserve (CMFNR), Prince Alfred Hamlet & Wolseley commonage were implemented. There is a private-public partnership between Ceres Business Initiative (CBI) and the municipality. A memorandum of agreement has been signed between the parties of which CBI funds alien vegetation control and eradication projects of low density or follow-up clearing within the Ceres Mountain Fynbos nature reserve. Cape Winelands District municipality also appointed private contractors to do initial alien vegetation clearing at the CMFNR and the Prince Alfred Hamlet commonage.

#### 3.18.1 Employees: Parks, Public open spaces & river management



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

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Parks equipment	40 000	208 440	208 431	0%	208 431
<b>TOTAL</b>	<b>40 000</b>	<b>208 440</b>	<b>208 431</b>	<b>0%</b>	

## 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

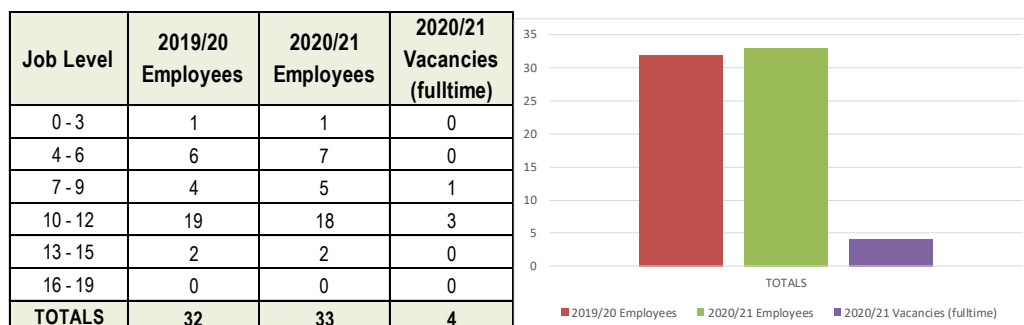
Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority is to improve service delivery at the Traffic Centre. This will be achieved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

#### 3.19.1 Service Statistics – Traffic Services

Type of service	2017/18	2018/19	2019/20	2020/21
Number of road traffic accidents during the year	618	471	631	623
Number of by-law infringements attended	293	138	870	1 635
Number of Traffic officers in the field on an average day	6	10	11	9
Number of Traffic officers on duty on an average day	11	21	17	18
Animals impounded	0	0	0	0
Motor vehicle licenses processed	27 458	26 838	23 940	28 024
Learner driver licenses processed	2 445	2 270	2 136	1 387
Driver licenses processed	1 865	1 829	1 735	2 198
Driver licenses issued	686	581	417	538
Fines issued for traffic offenses	56 816	25 111	37 529	10 628
R-value of fines collected	4 448 590	2 429 886*	2 643 825	734 450
Operational call-outs/Complaints	528	763	554	338
Roadblocks held	13	24	16	486
Special Functions – Escorts	78	89	66	0
Awareness initiatives on public safety	21	10	21	21

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

#### 3.19.2 Employees – Traffic- & Law Enforcement Services



### 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%.

The assessment in terms of the standard require the following:

Town	Ceres	Wolseley	Tulbagh	Op die Berg
<b>Risk Category</b>	B	B	B	C
<b>Minimum pumping units</b>	2	2	2	1
<b>Minimum staffing levels</b>	8	8	8	4
<b>Minimum pumping capacity</b>	3850 (L/min)	3850 (L/min)	3850 (L/min)	2250 (L/min)
<b>Maximum attendance time (•)</b>	10 min	10 min	10 min	13 min
<b>Dedicated Emergency Call taking and dispatch</b>	3 Emergency lines	N/A	N/A	N/A

<b>Control Centre operators and staff required</b>	2 Operators and one supervisor	Not required	Not required	Not required
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The Witzenberg Municipality Fire and Rescue Service was established as a professional service in 2013 and is therefore a relatively young service. In accordance with the IDP and ward requirements, fire stations were established in the towns of Wolseley and Op die Berg in December 2019. Statistical data proof that the establishment of these fire stations drastically improved response times to emergency incidents.

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.

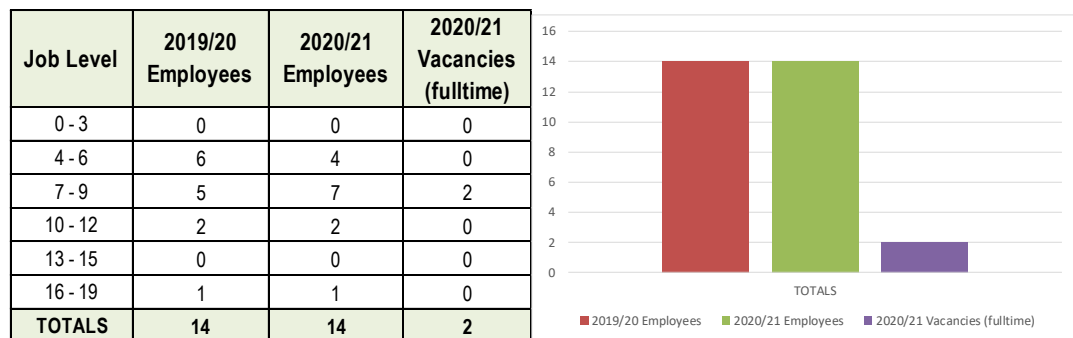
### 3.20.1 Service Statistics – Fire Services

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	2018/19	2019/20	2020/21
Emergency responses	712	515	809
Average turnout time - urban areas	10min	10:52min	10:59min
Average turnout time - rural areas	20min	17:29min	10:59min
Fire fighters in post at year end	14	14	14
Total fire appliances at year end	6	6	7
Total Operational call-outs	890*	955	1499
Reservists and volunteers not trained	0	0	2
Awareness Initiatives on Fire Safety	74	132	19
EPWP Fire Fighters	16	27	39

\*Increase due to additional drinking water provision on farms

### 3.20.2 Employees – Fire and Disaster Services



### 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.

#### WITZENBERG DISASTER MANAGEMENT PLAN

The disaster management plan of Witzenberg Municipality was reviewed in over the past financial year and was adopted by council. The stipulated plan acts as the backbone of disaster risk management in Witzenberg and includes the following:

- 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.

## DISASTER MANAGEMENT PROGRAMMES

A number of effective programmes have been implemented during the last financial year to address the above requirements, which include:

- 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
- Smoke alarm project in Pine Valley where a total of 736 smoke alarms were sponsored by SANTAM through Cape Winelands District Municipality were installed.

## DISASTER MANAGEMENT ADVISORY FORUM

The first Witzenberg Disaster Management Advisory Forum took place this past reporting period. The forums allow a point of contact for DRM related stakeholders and assist in enhanced collaborative efforts concerning DRM. The meetings involved the weather outlook for the area, presentations on DRM related topics, and a report back from each of the role-players who attended the meeting on matters such as risk reduction initiatives and incidents. Over the past year the Witzenberg DMC held their quarterly DM Advisory Forum meetings on the following dates:

- 9 September 2020
- 1 December 2020
- 17 March 2021
- 29 June 2021

## MONTHLY PLANS

Monthly plans were developed by the Witzenberg DMC this past year. The plans included an overview of the topic in relation to the Witzenberg area. The overall aim of each was to reduce specific risks and enhance related response through providing a guide to the stipulated topic. Those developed over the reporting period included the following:

- Avian Influenza
- Awareness
- Civil Unrest
- Communications
- Earthquakes
- Events
- Exercise Development Guide
- Flooding
- Hazmat
- Incident Command System
- Infectious Disease
- Transport Accidents

## EVENT APPLICATIONS

This past year an event application booklet was developed. This booklet aims to provide an event organiser, putting on a medium or high risk event, the relevant direction that they need in order to apply for one as well as documents

which they need to follow through with such. A process for event application was also developed. The table below provides the events that were received for the past reporting period by the Witzenberg DMC office.

## DISASTER RESPONSE

### a) COVID-19

The first COVID-19 case occurred in the Witzenberg area on the 13th April 2020. Since then, role-players have been working together to combat the pandemic within the municipality. Specific meetings were held in order to assist in the management of the pandemic. These meetings included the following:

- **Witzenberg local JOC**  
The local JOC met throughout the past year. The meetings ranged over the period from bi-weekly, to bi-monthly and also weekly. The meetings were chaired by the manager: fire, rescue and disaster management, Mrs Lamprecht-Vertue, and focused on the current pressing matters relating to the virus as well as brainstorming for the response plans to it.
- **Cape Winelands District JOC**  
The District JOC meetings ranged from taking place three times per week, weekly and bi-monthly over the period. It allowed for relevant role-players to state their feedback, suggestions, issues requiring escalation, shortcomings, and achievements. Witzenberg Municipality used the platform to escalate issues and obtain clarity on certain aspects. Reports were also provided from local disaster management to district on a Monday morning; these reports included the enforcement activities relating to Covid-19 from the past week. Input was received weekly by Municipal Health Services and Witzenberg Traffic and Law Enforcement for the reports.
- **Cape Winelands Hotspot Cluster Meetings**  
The stated meetings took place once every three weeks in the past year. The aim of the meeting was for cluster heads to report on their activities regarding response to the pandemic. The meetings gave insight into how the COVID-19 situation was being handled by different departments within the District.

Below the table provides an overview of the COVID-19 response from the 01 July 2020 – 30 June 2021 within the Witzenberg Municipality.

<b>Witzenberg Municipality</b>
Measures were implemented to ensure that municipal staff were safeguarded. This included screening forms to be completed before being allowed to work on the premises, the distribution and recording of the necessary PPE and communication between departmental managers and workers on the processes to be followed. The municipality were proactive in ensuring uniform workplace measures were in place to decrease the possible spread of the virus.
<b>Witzenberg Environment and Amenities</b>
<p>a) Sanitation of public places</p> <p>The spraying of taxi ranks, sidewalks and central business districts took place throughout the period. This was done by the Environment and Amenities Department. It assisted in a decrease in infectious agents and was done on a fixed weekly schedule.</p>
<b>Department of Transport</b>
<p>a) Red Dot Transportation</p> <p>Those needing transport to the quarantine and isolation (Q&amp;I) sites were assisted with the help of the Department of Transport busses. A system was utilised to track pick-ups and drop-offs of the patients. Transportation to vaccine sites as required and for healthcare workers was also provided.</p>
<b>Department of Health</b>

a) Quarantine and Isolation Sites	<p>If a person is unable to self-quarantine or isolate at home, for the recommended period, they are to stay at the quarantine and isolation (Q&amp;I) site provided for their area. Witzenberg's site was at Pine Forest Resort in Ceres for part of the year, as well as Du Kloof and Reeds Country Lodge. Females were accommodated at Du Kloof whilst males were accommodated at Reeds. In stages when there were higher numbers of COVID-19 cases, Pine Forest was utilised as the site for PUIs (Patients Under Investigation) whilst they awaited their test results.</p>
b) Testing	<p>DoH ensured ongoing COVID-19 testing at the health facilities in the municipality. This included at the clinics in the area as well as Ceres Hospital.</p>
c) Statistics	<p>DoH provided continual statistics during the reporting period. The statistics included the number of total positive cases, current active cases, deaths and recoveries per area in Witzenberg.</p>
d) Community Screening and Testing	<p>Community screening and testing took place during the months of July and August 2020.</p>
e) Vaccination Process	<p>DoH assisted with the development of the vaccine rollout plan for the area. They then began with the process at the end of May 2021 for the Witzenberg area. The first phase of the program included the healthcare workers, with the second phase being for those over 60 and patients in congregated settings (e.g. Old Age Homes). COVID-19 Vaccinations are taking place at Ceres Hospital every day from Monday till Fridays. Vaccines are also offered on set days during the week at Op die Berg, PA Hamlet, Bella Vista Tulbagh and Wolseley.</p>
f) Plan development	<p>DoH developed plans for combatting the virus. This included resurgence plans and vaccine rollout plans.</p>
<b>Department of Education</b>	
a) School Feeding Program	<p>The Department of Education (DoE) continued their feeding program at the schools within the municipality. During heavier lockdown levels and when children were not at schools, DoE continued with meal provision in the Witzenberg schools.</p>
b) Back-to-school Campaign	<p>With the high numbers of learners not coming back to school after disruptive learning during the pandemic, DoE ran the stated campaign to encourage learners to attend. This included sharing informative infographics with the public to enhance awareness.</p>
<b>Witzenberg Fire and Rescue Services</b>	
a) Water Availability	<p>To ensure that there was water availability, which is essential for assistance in combating the virus, new water points were installed in Tulbagh and Nduli. Water tanks were also installed at certain points in the municipality and were filled regularly over the year by fire services.</p>
b) Sanitising	<p>Fire services assisted with sanitising infected buildings. In the case that a COVID-19 positive person went into a municipal building, the fire service staff would assist in the process of sanitising it.</p>
<b>Communications Department</b>	

Active communication with the community took place over the entire reporting period, this was to increase awareness and assist in decreasing the spread of the virus. Platforms utilised to reach the community included the following;

- Loud hailing
- Radio messages
- Witzenberg website
- Witzenberg Facebook page
- Witzenberg WhatsApp group
- Print medium (eg: brochures, posters)

The communications team engaged with local businesses to assist with COVID-19 awareness campaigns and province erected COVID-19 posters.

The municipality's communication team worked with district and a service provider, Vulcan, to create a COVID-19 campaign. It included posters that were put up within towns; the relaying of the basic messages for the public to combat the virus and competitions.

During the time of vaccination, communication was heavily based on the vaccine and vaccine registration process. Material received from district and province on the subjects were shared on the noted platforms.

Communications often worked hand-in-hand with traffic and law enforcement in relaying the information (loud hailing and pamphlet distribution). In times when the COVID-19 numbers increased, communications in the area was increased.

#### **Traffic and Law Enforcement**

##### **a) Communications**

Assisted in COVID-19 communications through:

- Handing out of pamphlets and brochures
- Loud-hailing

##### **b) Enforcement of Regulations**

Ensuring the public are adhering to the regulations administered through

- Visible patrols
- Vehicle Check Points
- Issuing of fines
- Joint efforts with other stakeholders

##### **c) Peace Officers**

Peace Officers, trained through the Chrysalis program were appointed and worked under law enforcement. They assisted with COVID-19 compliance to regulations (eg: wearing of masks and social distancing in public spaces) and awareness through sharing awareness material such as pamphlets with the community.

#### **SAPS**

##### **a) Enforcement of Regulations**

Ensuring the public are adhering to the regulations administered through

- Visible patrols
- Vehicle Check Points
- Issuing of fines
- Joint efforts with other stakeholders

#### **Ceres Business Initiative (CBI)**

##### **a) Relaying of message**

CBI played an integral role this past year in sharing relevant COVID-19 regulations with businesses and farm owners in the Witzenberg area.

b) Providing food

CBI packaged and delivered food parcels for those in need during the pandemic. CBI, in a joint effort with churches and producers, put together vegetables, fruit and proceri parcels for those in need, for a value of R725 000. Over and above this, there have been soup kitchens over the period that provide food to hungry people.

### Department of Social Development

a) Food parcel distribution

DSD assisted those in need with food parcels during response to the virus.

b) Telephonic trauma debriefing

DSD conducted telephonic trauma debriefing with people at the Q&I sites and Old Age Homes.

### Municipal Health Services

a) COVID-19 awareness training

MHS did COVID-19 awareness training throughout the reporting period. This was conducted at specific sites including Food Premises, Old Age Homes, ECDs and Correctional Services in the area. In total, 484 respondents were trained. Training included: COVID-19 awareness, personal hygiene, food hygiene and environmental health compliance with relevant legislation.

b) COVID-19 awareness

MHS ensured ongoing awareness through pamphlet and poster distribution to the community. This being inclusive of shops and packing sheds. Posters and pamphlets were also distributed by the Ceres Business Initiative in conjunction with Witzenberg Municipality.

c) Premises Inspections

MHS did continual premises inspections throughout the reporting period to ensure that places were adhering to COVID-19 regulations. Follow-up inspections and investigations conducted at non-complying food premises

d) Other COVID-19 response activities by MHS

- Assistance with contact tracing, as requested by Department of Health Witzenberg sub-district.
- Closure of food premises infected by the virus, under Section 83 of the National Health Act (61 of 2003). The premises were instructed to open for business once a sanitizing certificate had been provided by the relevant Health Officer.
- Creation of a WhatsApp group with the funeral undertakers. This was in order to monitor the daily operations of funeral parlors and to ensure the protection of employees when handling deceased persons.
- Participation in the local JOC.

### Department of Labour

a) Workplace Inspections

Department of Labour did inspections at work premises during COVID-19 to ensure the regulations were being adhered to.

b) Storm event: 12-13 July 2020

There was one significant event which occurred on the evening of the 12 July 2020 into the morning of 13 July 2020. A weather advisory was received from the South African Weather Services, through Cape Winelands District

Municipality, which included a level 5 orange warning for wind and level 5 orange for warning for rain over from 12-13 June 2020. There was just over 100ml of rain recorded for the day that the storm happened.

**Roaming livestock** remains a problem in the Witzenberg municipal areas of Ceres, Nduli, PA Hamlet, Wolseley and Tulbagh. A total of 18 monitors have been allocated for these areas and 3 baboon monitors for the Ceres entrance from Mitchell's Pass. At the moment, several vacancies exist due to expired contracts and people quitting the work for new opportunities elsewhere. Several new applications were received and the vacancies will be filled during the second week of August 2021. The absence of an animal pound in the area, is a hampering factor and are problems caused by roaming animals, escalating. 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 cows, goats, sheep and horses. Several accidents were reported in the past, where cows and goats were 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, including cows, pigs and horses were previously impounded in terms of Section 6(1)(e) of the Witzenberg Municipality, By-law Relating to Pounds, No 7404 of 19 June 2015. In terms of the By-law, land owners may be authorised to impound trespassing animals. Another challenge is the monitoring of animals during weekends and after hours during week days. Animal complaints average 6 per week and may vary depending on the situation. Several meetings were held with roaming animal owners and in some instances, compliance notices were served. Unfortunately, certain animal owners are not very co-operative and the problems caused by their animals remain a serious problem for the Municipality. 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 2020/21 applicable to accommodation units and normal camping sites, amounted to R 2 554 937 (8 812 bed nights).

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

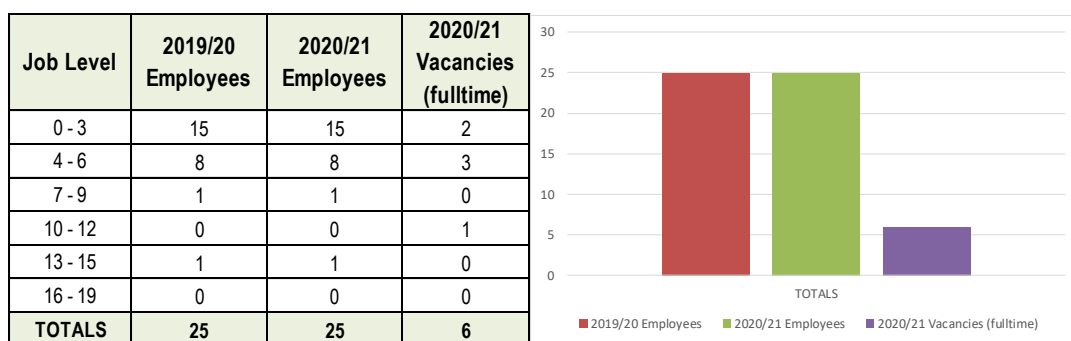
- 🍷 Ceres (one)
- 🍷 Tulbagh (one)
- 🍷 Wolseley (one)
- 🍷 Bella Vista (one)
- 🍷 PA Hamlet (one)
- 🍷 N'Duli (one)

Pools was closed for the duration of 2020/21 due to the Covid-19 restrictions.

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

### 3.22 Sport & Recreation

#### 3.22.1 Employees: Sport & Recreation



#### 3.22.2 Capital Expenditure: Sport Facilities

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Ceres upgrade Of Leyell Str Sport	869 565	6 915 251	6 837 251	1%	13 000 000
Sportfield equipment	30 000	324 396	317 471	2%	317 471
<b>TOTAL</b>	869 565	6 915 251	6 837 251	1%	

## 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

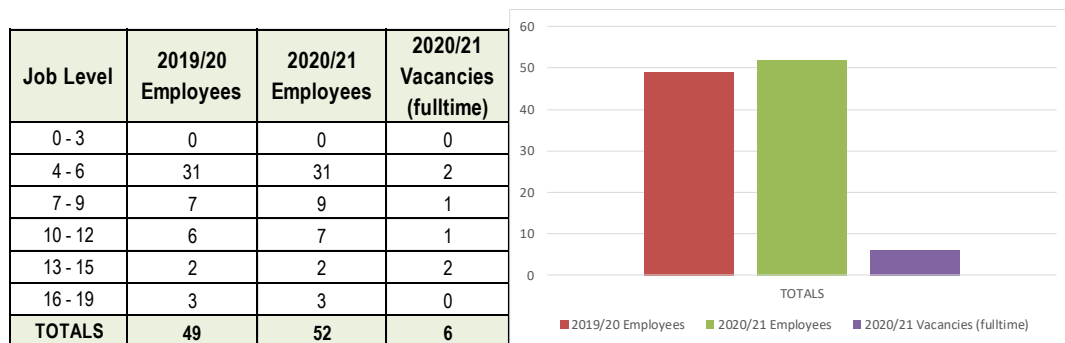
Debt Recovery						
Details of the types of account raised and recovered	2019/20			2020/21		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
R'000						
Property Rates	73 806	70 302	95%	80 972	79 504	98%
Electricity	254 977	248 395	97%	268 434	264 554	99%
Water	47 605	31 738	67%	51 732	35 969	70%
Sanitation	29 870	21 815	73%	37 615	27 254	72%
Refuse	30 546	21 622	71%	33 135	22 295	67%
Other	1.395	1.418	101%	1.44	1.35	94%
<b>Total</b>	<b>447,372</b>	<b>395,549</b>	<b>88%</b>	<b>471,889</b>	<b>429,577</b>	<b>91%</b>
<i>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</i>						

### 3.23.2 Service Delivery Indicators – Financial Services

Refer to 3.17 Strategic Performance (Top Layer SDBIP) for 2020/21:

- 🍎 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



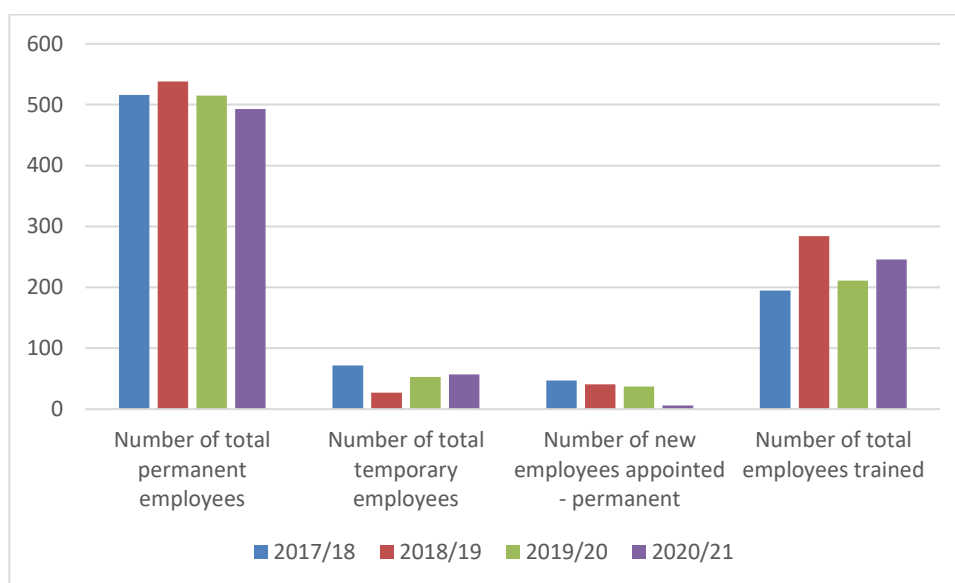
### 3.24 Human Resource Services

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

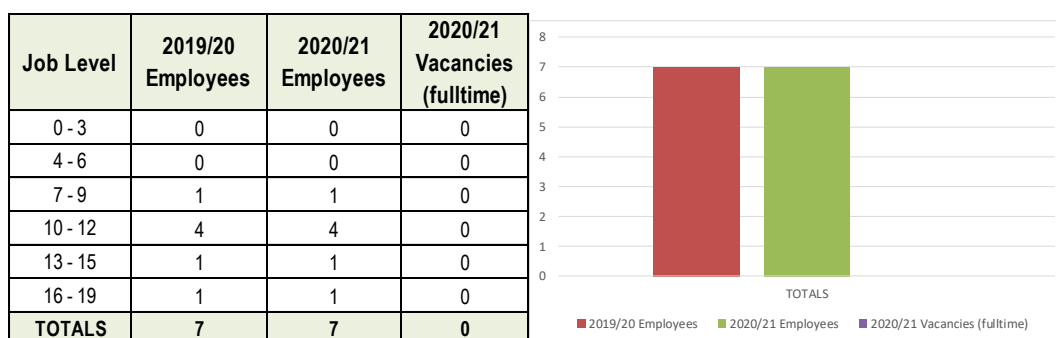
Details	2017/18	2018/19	2019/20	2020/21
Number of HR policies reviewed	1	3	0	2
Number of total permanent employees	516	538	515	493
Number of total temporary employees	72	27	53	57
Number of total injuries (injury on duty cases)	62	87	46	34
Number of total approved annual leave days taken	11 575.25	12 112.75	9511.50	11820,75
Number of family responsibility leave days taken	470.25	542.50	313	566
Number of total Health and Safety Representatives	20	20	25	21
Number of total First Aiders	39	56	59	30
Number of sick days leave taken	4118	4 490.25*	4254.50	5674
Number of termination	1	3	24	29
Number of new employees appointed - permanent	47	41	37	6
Number of new employees appointed - Interns	2	2	0	2
Number of new employees appointed - Temporary	22	38	0	3
Number of total employees trained	195	284	211	246
Number of total female employees trained	56	79	64	62
Number of total male employees trained	139	205	147	184
Number of total learner ships enrolled	10	8	2	2
Number of total training courses rolled out	26	46	24	17



### 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



## 3.25 Information & Communication Technology (ICT) Services

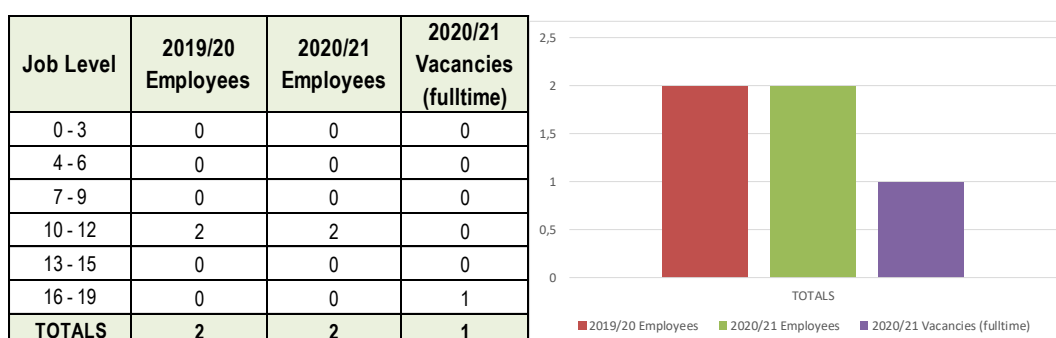
The department's functions include:

- 🍎 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	2017/18	2018/19	2019/20	2020/21
Desktop support	415	435	465	509
Network support	589	605	700	781
Network downtime experienced	8 hours	12 hours	9 hours	12 hours
Server downtime experienced (total for 15 servers)	62 hours	48 hours	15 hours	10 hours
File restores requested	94	128	105	81

### 3.25.2 Employees – ICT Services



## 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 Manager: Performance and Projects. 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.

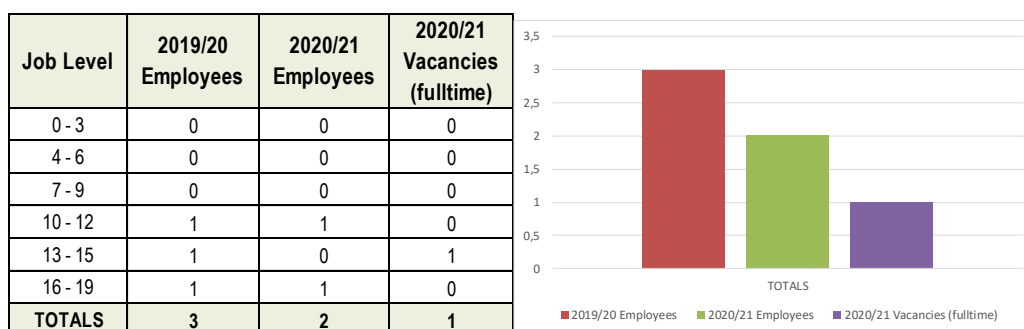
Internal Audit is an independent in-house function that performs internal audits based on the approved Risk Based Audit Plan and other statutory audits as required by the MFMA and MSA.

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	2017/18	2018/19	2019/20	2020/21
Compilation of the Risk Based Audit and 3 year strategic plans	1	1	1	1
Internal Audits	18	14	16	12

### 3.26.2 Employees – Internal Audit



## 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 supply chain management; and
- 🍎 Attend to on-going litigant matters within the legislative timeframes.
- 🍎 Co-ordinate liquor licence applications

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 taxi violence matters;

- 🍎 Proper funding and budget control to ensure that the department operate on both an optimum and efficient level;
- 🍎 Lengthy and expensive legal procedures

### 3.28 **Strategic Support: Other**

#### 3.28.1 Capital Expenditure – Strategic Support and Other

Capital Projects 2020/21	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
IT Equipment	450 000	761 844	636 367	16%	636 367
It Equipment		75 000	0	100%	75 000
<b>TOTAL</b>	<b>450 000</b>	<b>836 844</b>	<b>636 367</b>	<b>24%</b>	

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

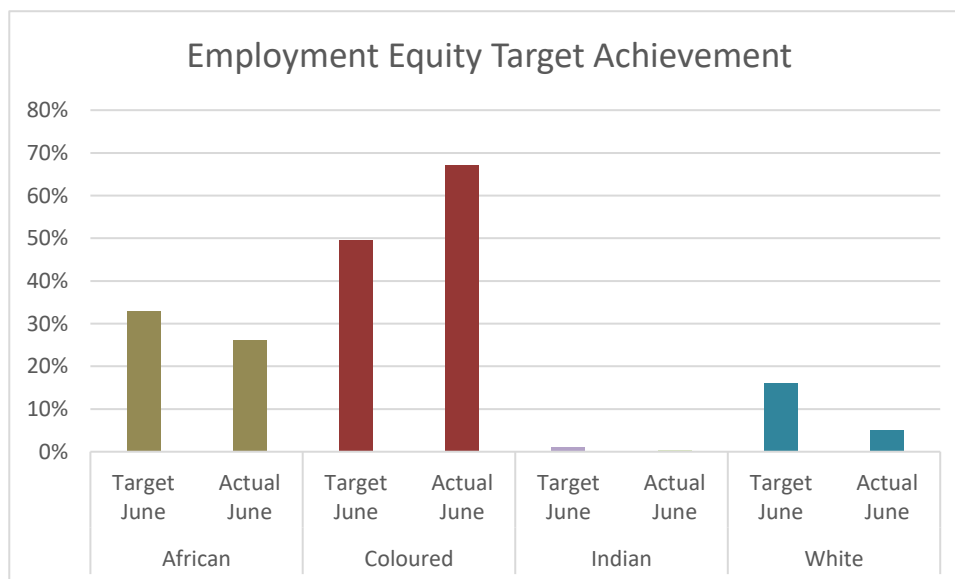
Witzenberg Municipality currently employs **552** officials, (permanent + temporary employees), excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service 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%	79%	49.6%	67%	135%	1%	0,4%	40%	16%	5%	31%



*2020/21 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%	66%	115%	51%	32%	83%	0	0	0

*2020/21 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
<b>% Population</b>	<b>33.4%</b>	<b>49.6%</b>	<b>1.1%</b>	<b>15.9%</b>	<b>100%</b>
Number for positions filled	133	331	2	27	493
<b>% for Positions filled</b>	<b>27%</b>	<b>67%</b>	<b>0.4%</b>	<b>6%</b>	<b>100%</b>
<i>Note: The total population numbers is based on projection done by Global Insight</i>					

### **EE population 2020/21**

### 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	4	22	0	8	5	5	0	3	47
Professionals	0	12	0	0	4	10	0	3	29
Technicians and associate professionals	2	21	0	1	1	6	0	0	31
Clerks	6	19	1	0	12	39	0	6	83
Service and sales workers	20	22	0	2	11	23	0	0	78
Craft and related trades workers	6	19	1	2	0	0	0	0	28
Plant and machine operators and assemblers	9	25	0	0	1	0	0	0	35
Elementary occupations	19	21	0	0	44	99	0	2	185
Total permanent	66	161	2	13	78	182	0	14	516
Non-permanent employees	9	21	0	2	6	17	0	2	57
Grand total	75	182	2	15	84	199	0	16	573

### Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	2	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management	2	25	0	6	5	20	0	5	64

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	20	80	1	5	0	7	0	0	113
Semi-skilled and discretionary decision making	26	62	1	0	23	58	0	6	176
Unskilled and defined decision making	36	57	0	2	20	21	0	0	136
<b>Total permanent</b>	<b>85</b>	<b>225</b>	<b>2</b>	<b>15</b>	<b>48</b>	<b>106</b>	<b>0</b>	<b>11</b>	<b>493</b>
Non- permanent employees	9	21	0	2	6	17	0	2	57
<b>Grand total</b>	<b>95</b>	<b>247</b>	<b>2</b>	<b>17</b>	<b>54</b>	<b>123</b>	<b>0</b>	<b>13</b>	<b>550</b>

#### 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	2	0	1	11
Corporate Services	9	26	0	1	3	17	0	1	57
Financial Services	2	15	1	1	7	21	0	6	53
Community Services	24	65	0	3	26	48	0	3	169
Technical Services	50	115	1	8	10	18	0	1	203
<b>Total permanent</b>	<b>85</b>	<b>225</b>	<b>2</b>	<b>15</b>	<b>48</b>	<b>106</b>	<b>0</b>	<b>12</b>	<b>493</b>

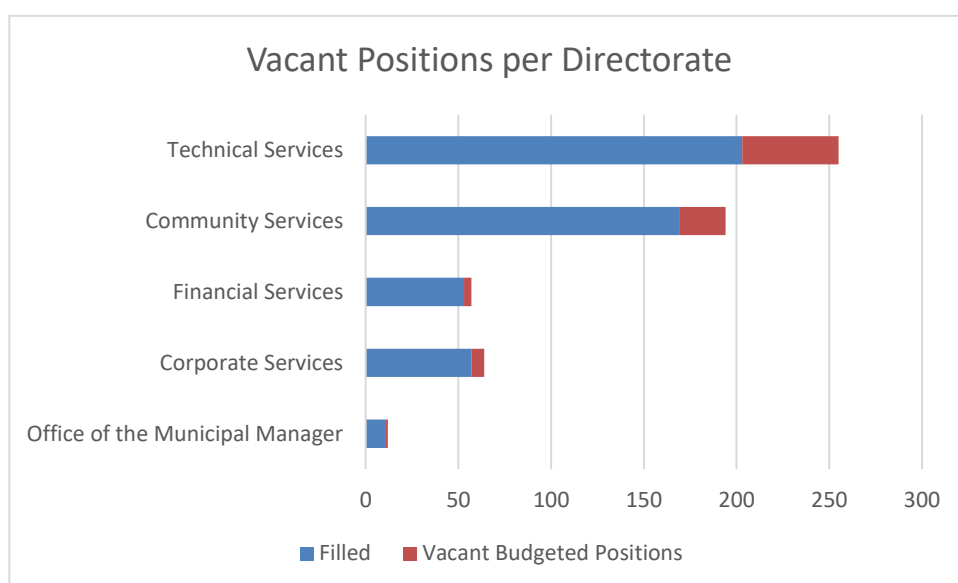
#### 4.1.2 Vacancy Rate

The approved organogram for the municipality has **865** posts for the **2020/21** financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were 89 vacant at the end of **2020/21**, resulting in a vacancy rate of 10%.

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	1
Middle management	21	4
Professionals	43	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	113	22
Semi-skilled and discretionary decision making	176	14
Unskilled and defined decision making	137	39
<b>Total</b>	<b>493</b>	<b>89</b>

PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	11	1
Corporate Services	57	7
Financial Services	53	4
Community Services	169	25
Technical Services	203	52
<b>Total</b>	<b>493</b>	<b>89</b>



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	0	0
Director: Corporate Services	0	0
Director: Community Services	1	20%
Director: Technical Services	0	0
<b>Total</b>	<b>2</b>	<b>20%</b>

### 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 4.8% in 2019/20 to 5.4% in 2020/21.

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%
2020/21	493	6	27	5.4%

## 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 2020/21 financial year of 34 employees compared to 46 employees in the 2019/20 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	2017/18	2018/19	2019/20	2020/21
Office of the Municipal Manager	0	1	1	1
Corporate Services	5	6	3	2
Financial Services	3	7	3	2
Community Services	23	30	9	5
Technical Services	31	44	30	24
<b>Total</b>	<b>62</b>	<b>88</b>	<b>46</b>	<b>34</b>

## 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 2020/21 financial year shows an increase when compared with the 2019/20 financial year.

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

Department	2017/18	2018/19	2019/20	2020/21
Office of the Municipal Manager	43.5	91.5	41.5	98
Corporate Services	560.5	619.25	709	934.5
Financial Services	305	330.5	374.5	669.5
Community Services	1 545	1 647.5	1 391.5	1 750.5
Technical Services	1 664	1 801.5	1 730	2 221.5
<b>Total</b>	<b>4 118</b>	<b>4 490.25</b>	<b>4 246.5</b>	<b>5 674</b>

## 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

Approved policies	
Name of policy	Date approved
Personnel Protective Equipment Policy	developed
Time and Attendance Policy	5 December 2017
Fraud & Corruption Prevention & Response Policy	26 July 2017
Fraud & Corruption Prevention Strategy	26 July 2017
Leave Policy	30 September 2020
Retirement Policy	30 September 2020
Mayoral Bursary Policy	25 August 2021
Witzenberg Whistle Blowing Policy	27 January 2021
Witzenberg Fraud and Corruption Policy and Response Plan	27 January 2021
Witzenberg Fraud and Corruption Prevention Strategy	27 January 2021

### 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	1	1
Legislators, senior officials and managers	Female	4	3
	Male	5	5
Professionals	Female	5	5
	Male	3	4
Associate professionals and Technicians	Female	3	3
	Male	11	9
Clerks	Female	13	19
	Male	6	8
Service and sales workers	Female	18	18
	Male	37	34
Craft and related trade workers	Female	0	0
	Male	16	17
Plant and machine operators and assemblers	Female	0	0
	Male	23	23

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Elementary occupations	Female	24	24
	Male	93	83
Sub total	Female	67	62
	Male	195	184
Total		262	246

#### 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	1	1	1	1	100
Legislators, senior officials and managers	Female	13	0	0	3	4	3	4	75
	Male	30	0	2	5	3	5	5	100
Professionals	Female	17	0	4	5	1	5	5	100
	Male	12	0	2	4	1	4	3	133
Technicians and associate professionals	Female	7	0	3	3	0	3	3	100
	Male	24	0	10	9	1	9	11	82
Clerks	Female	57	0	0	19	13	19	13	146
	Male	26	0	0	8	6	8	6	133
Service and sales workers	Female	33	0	0	18	18	18	18	100
	Male	44	0	3	34	34	34	37	92
Craft and related trade workers	Female	0	0	0	0	0	0	0	100
	Male	28	0	15	17	1	17	16	106
Plant and machine operators and assemblers	Female	1	0	0	0	0	0	0	100
	Male	34	3	11	20	12	23	23	100
Elementary occupations	Female	41	0	7	24	17	24	24	100
	Male	145	5	19	78	74	83	93	89
Sub total	Female	169	0	14	62	53	62	67	93
	Male	347	8	62	176	133	184	195	94

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
Total		516	8	76	238	186	246	262	94

#### 4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 755 802 were allocated to the workplace skills plan and that 90% of the total amount was spent in the 2020/21 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%
2019/20	R 972 629.00	R 972 629.00	R 629 570.89	64.73%
2020/21	R 755 802.00	R 755 802.00	R 681 175.56	90%

#### 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	0	0	0%
	Male	1	1	100%
White	Female	0	0	0%
	Male	2	2	100%
Disability	Female	0	0	0%
	Male	0	0	0%

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
Total		4	4	100%

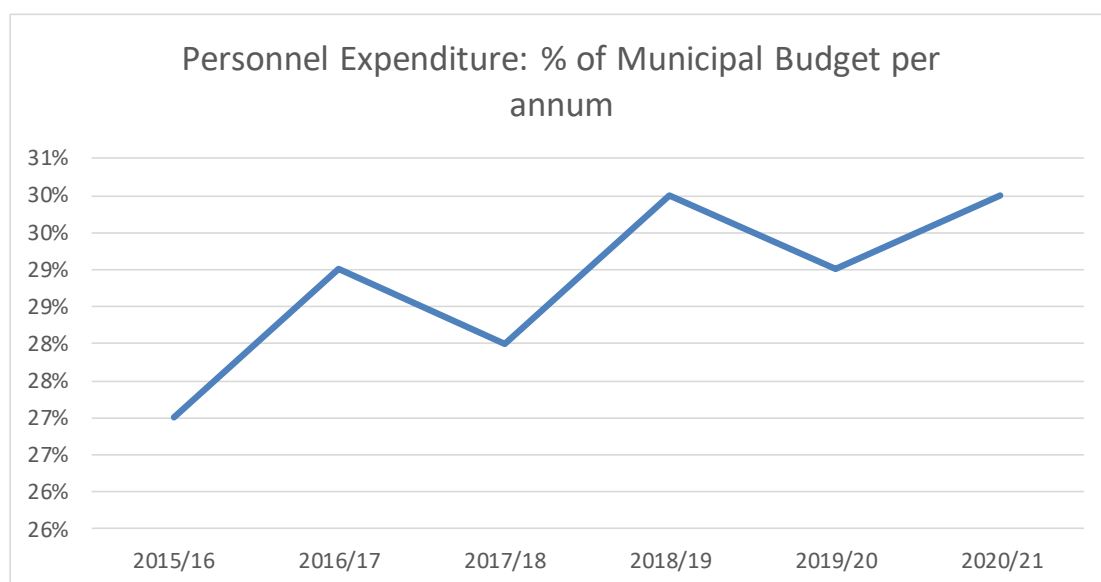
#### 4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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	165 908	556 947	29.79
2019/20	185 323	649 442	28.54
2020/21	191 682	643 353	29.79



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

Financial year	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
<b>Councillors (Political Office Bearers plus Other)</b>				
Allowance	7 600	8 104	8 104	7 617
Pension Contributions	1 106	1 194	1 194	1 076
Medical Aid Contributions	216	239	239	224
Motor vehicle allowance	0	778	778	653
Cell phone allowance	938	1 149	1 149	938
Housing allowance	41	511	511	41
Other benefits or allowances	0	56	56	0
In-kind benefits	0			0
<b>Sub Total - Councillors</b>	<b>10 604</b>	<b>12 032</b>	<b>12 032</b>	<b>10,550</b>
<b>% increase/ (decrease)</b>	<b>12%</b>			<b>-1%</b>
Financial year	2019/20	2020/21		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
<b>Senior Managers of the Municipality</b>				
Salary	2 792	4,139	3,589	3,371
Pension Contributions	196	827	827	281
Medical Aid Contributions	62	147	147	56
Motor vehicle allowance	814	1,143	950	916
Cell phone allowance	31	77	77	0
Housing allowance	0	167	167	165
Performance Bonus	721	968	768	710
Other benefits or allowances	125	150	150	124
In-kind benefits	0	0	0	0
<b>Sub Total - Senior Managers of Municipality</b>	<b>4,918</b>	<b>7,617</b>	<b>6,674</b>	<b>5,623</b>
<b>% increase/ (decrease)</b>	<b>-4%</b>			<b>19%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	111 470	129 401	123 913	117 982
Bonuses	8 591	8 895	8 895	8 733
Pension Contributions	16 273	17 967	17 967	18 128
Medical Aid Contributions	8 071	8 467	8 467	7 958
Motor vehicle allowance	5 197	4 886	6 454	5 774
Cell phone allowance	507	440	440	532
Housing allowance	1 545	1 792	1 792	1 654
Overtime	10 763	9 710	9 790	10 535
Other benefits or allowances	12 083	26 032	21 032	8 688
<b>Sub Total - Other Municipal Staff</b>	<b>174 500</b>	<b>207 589</b>	<b>198 749</b>	<b>179 985</b>
<b>% increase/ (decrease)</b>	<b>12%</b>			<b>3%</b>
<b>Total Municipality</b>	<b>189 847</b>	<b>227 238</b>	<b>217 455</b>	<b>196 158</b>
<b>% increase/ (decrease)</b>	<b>12%</b>			<b>3%</b>

## 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))
<b>Financial Officials</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	2	2	2	2
Any other financial officials	3	3	3	3
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	N/A	N/A	N/A	N/A
Manager Supply Chain Unit	1	1	1	1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

## 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 2020/21 financial year:

Financial Summary						
Description	R' 000					
	19/20	20/21		20/21		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
<b>Financial Performance</b>						
Property rates	73 594	76 529	76 529	80 775	5,55	5,55
Service charges	352 556	341 732	354 732	376 201	10,09	6,05
Investment revenue	7 446	9 111	3 340	3 078	(66,22)	(7,85)
Transfers recognised - operational	131 111	116 989	140 600	131 051	12,02	(6,79)
Other own revenue	51 309	46 364	41 233	33 116	(28,57)	(19,69)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>616 015</b>	<b>590 725</b>	<b>616 435</b>	<b>624 221</b>	<b>5,67</b>	<b>1,26</b>
Employee costs	185 323	219 290	209 507	191 682	(12,59)	(8,51)
Remuneration of councillors	10 604	12 171	12 171	10 583	(13,05)	(13,05)
Depreciation & asset impairment	33 871	40 688	35 688	32 581	(19,92)	(8,70)
Finance charges	14 622	17 418	17 418	10 017	(42,49)	(42,49)
Bulk purchases	221 831	232 760	237 360	239 632	2,95	0,96
Transfers and grants	1 495	2 179	7 769	6 534	199,94	(15,89)
Contracted Services	44 653	48 486	59 723	51 748	6,73	(13,35)
Impairment & Bad debt	64 709	44 688	54 688	52 426	17,32	(4,14)
Other expenditure	72 333	64 812	68 489	48 150	(25,71)	(29,70)
<b>Total Expenditure</b>	<b>649 442</b>	<b>682 492</b>	<b>702 812</b>	<b>643 353</b>	<b>(5,73)</b>	<b>(8,46)</b>
<b>Surplus/(Deficit)</b>	<b>(33 426)</b>	<b>(91 767)</b>	<b>(86 378)</b>	<b>(19 132)</b>	<b>(79,15)</b>	<b>(77,85)</b>
Transfers recognised - capital	54 674	44 178	46 327	13 442	(69,57)	(70,98)
Contributions recognised - capital & contributed assets	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 248</b>	<b>(47 589)</b>	<b>(40 051)</b>	<b>(5 689)</b>	<b>(88,04)</b>	<b>(85,79)</b>
Gains / (losses)	45 200	1	1	(3 829)	(276 356,20)	(276 356,20)
<b>Surplus/(Deficit) for the year</b>	<b>66 447</b>	<b>(47 587)</b>	<b>(40 049)</b>	<b>(9 518)</b>	<b>(80,00)</b>	<b>(76,23)</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	13 294	77 847	66 759	52 768	(32,22)	(20,96)
Public contributions & donations	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–
Internally generated funds	21 175	10 048	20 084	14 175	41,08	(29,42)
<b>Total sources of capital funds</b>	<b>34 468</b>	<b>87 894</b>	<b>86 843</b>	<b>66 944</b>	<b>(23,84)</b>	<b>(22,91)</b>
<b>Financial position</b>						
Total current assets	229 358	141 831	198 074	217 175	53,12	9,64
Total non current assets	944 425	1 013 410	984 977	1 028 193	1,46	4,39
Total current liabilities	143 200	101 744	187 516	125 749	23,59	(32,94)
Total non current liabilities	115 138	164 509	118 150	175 032	6,40	48,14
Community wealth/Equity	915 445	888 987	877 385	944 587	6,25	7,66
<b>Cash flows</b>						
Net cash from (used) operating	70 963	59 054	24 413	51 511	(12,77)	111,00
Net cash from (used) investing	(34 496)	(88 764)	(69 760)	(66 038)	(25,60)	(5,33)
Net cash from (used) financing	(344)	1 518	(1 800)	(561)	(136,98)	(68,81)
<b>Cash/cash equivalents at the year end</b>	<b>130 394</b>	<b>45 128</b>	<b>83 247</b>	<b>115 305</b>	<b>155,51</b>	<b>38,51</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	130 394	45 128	83 247	115 305	155,51	38,51
Application of cash and investments	191 692	911 013	927 687	230 352	(74,71)	(75,17)
<b>Balance - surplus (shortfall)</b>	<b>(61 298)</b>	<b>(865 885)</b>	<b>(844 440)</b>	<b>(115 047)</b>	<b>(86,71)</b>	<b>(86,38)</b>

Financial Summary						
						R' 000
Description	19/20	20/21		20/21		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
<b>Asset management</b>						
Asset register summary (WDV)	944 425	1 048 835	1 046 290	1 028 193	(1,97)	(1,73)
Depreciation & asset impairment	33 871	40 688	35 688	32 581	(19,92)	(8,70)
Repairs and Maintenance	16 787	18 282	22 225	18 410	0,70	(17,17)
<b>Free services</b>						
Cost of Free Basic Services provided	26 053	46 279	42 679	28 759	(37,86)	(32,61)
Revenue cost of free services provided	28 629	51 421	47 421	31 603	(38,54)	(33,36)
<b>Households below minimum service level</b>						
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			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
19/20	613 198	616 015	2 818	0,46
20/21	616 435	624 221	7 787	1,26

Financial	Operating expenditure			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
19/20	679 276	649 442	29 834	4,39
20/21	702 812	643 353	59 460	8,46

The table below indicates the Operational services performance for the 2020/21 financial year:

Financial Performance of Operational Services						
R '000						
Description	19/20	20/21			20/21	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
<b>Operating Cost</b>						
Water	40 298	36 006	43 149	41 235	(14,52)	4,44
Waste Water (Sanitation)	27 537	28 526	29 105	31 173	(9,28)	(7,11)
Electricity	243 597	265 464	274 635	268 038	(0,97)	2,40
Waste Management	47 870	47 928	48 468	44 382	7,40	8,43
Housing	28 297	5 807	11 606	4 469	23,04	61,49
<b>Component A: sub-total</b>	<b>387 598</b>	<b>383 731</b>	<b>406 962</b>	<b>389 298</b>	<b>(1,45)</b>	<b>4,34</b>
Waste Water (Stormwater Drainage)	7 325	6 691	6 082	7 145	100,00	100,00
Roads	24 213	23 425	21 409	24 378	100,00	100,00
Transport	-	-	-	-	-	-
<b>Component B: sub-total</b>	<b>31 538</b>	<b>30 116</b>	<b>27 491</b>	<b>31 523</b>	<b>100,00</b>	<b>100,00</b>
Planning	9 719	13 054	11 871	10 138	100,00	100,00
Local Economic Development	1 609	2 203	2 468	1 400	100,00	100,00
<b>Component C: sub-total</b>	<b>11 327</b>	<b>15 257</b>	<b>14 338</b>	<b>11 538</b>	<b>100,00</b>	<b>100,00</b>
Community & Social Services	23 613	28 441	28 336	23 852	100,00	100,00
Environmental Protection	1 008	2 130	1 913	506	100,00	100,00
Health	-	-	-	-	-	-
Security and Safety	47 015	37 965	37 028	37 301	100,00	100,00
Sport and Recreation	26 567	30 585	31 517	27 177	100,00	100,00
Corporate Policy Offices	23 697	31 027	30 419	24 235	100,00	100,00
Finance and administration	91 571	117 505	120 337	91 991	100,00	100,00
Other	5 508	5 734	4 471	5 932	100,00	100,00
<b>Component D: sub-total</b>	<b>218 979</b>	<b>253 387</b>	<b>254 021</b>	<b>210 995</b>	<b>100,00</b>	<b>100,00</b>
<b>Total Expenditure for the year</b>	<b>649 442</b>	<b>682 492</b>	<b>702 812</b>	<b>643 353</b>	<b>5,73</b>	<b>8,46</b>

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	19/20	20/21			20/21	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
<b>Executive and Council</b>						
<b>Total Operational Revenue</b>	27	–	–	13	–	–
<b>Expenditure:</b>						
Employees	(8 021)	(11 556)	(11 713)	(8 694)	24,76	25,77
Repairs and Maintenance	–	(15)	(20)	(17)	(16,86)	12,49
Other	(15 676)	(19 456)	(18 686)	(15 523)	20,21	16,93
<b>Total Operational Expenditure</b>	(23 697)	(31 027)	(30 419)	(24 235)	21,89	20,33
<b>Net Operational (Service) Expenditure</b>	(23 670)	(31 027)	(30 419)	(24 222)	21,93	20,37
<b>Budget and Treasury Office</b>						
<b>Total Operational Revenue</b>	89 316	97 078	92 603	91 143	6,11	1,58
<b>Expenditure:</b>						
Employees	(17 249)	(26 983)	(23 222)	(18 519)	31,37	20,25
Repairs and Maintenance	(53)	(34)	(62)	(42)	(24,03)	32,40
Other	(20 479)	(23 967)	(28 788)	(17 718)	26,07	38,45
<b>Total Operational Expenditure</b>	(37 781)	(50 984)	(52 071)	(36 278)	28,84	30,33
<b>Net Operational (Service) Expenditure</b>	51 535	46 095	40 532	54 865	(19,03)	(35,36)
<b>Corporate Services</b>						
<b>Total Operational Revenue</b>	869	1 477	977	753	49,04	22,98
<b>Expenditure:</b>						
Employees	(25 846)	(37 810)	(31 845)	(23 705)	37,30	25,56
Repairs and Maintenance	(497)	(681)	(580)	(372)	45,29	35,75
Other	(27 448)	(28 031)	(35 842)	(31 636)	(12,86)	11,74
<b>Total Operational Expenditure</b>	(53 791)	(66 522)	(68 267)	(55 713)	16,25	18,39
<b>Net Operational (Service) Expenditure</b>	(52 921)	(65 044)	(67 289)	(54 960)	15,50	18,32
<b>Community and Social Services</b>						
<b>Total Operational Revenue</b>	105 801	114 785	129 667	128 957	(12,35)	0,55
<b>Expenditure:</b>						
Employees	(20 954)	(22 903)	(23 097)	(21 389)	6,61	7,39
Repairs and Maintenance	(245)	(306)	(291)	(248)	18,93	14,93
Other	(2 414)	(5 233)	(4 947)	(2 215)	57,67	55,23
<b>Total Operational Expenditure</b>	(23 613)	(28 441)	(28 336)	(23 852)	16,14	15,82
<b>Net Operational (Service) Expenditure</b>	82 188	86 344	101 331	105 105	(21,73)	(3,72)
<b>Sport and Recreation</b>						
<b>Total Operational Revenue</b>	10 502	1 941	4 820	9 368	(382,75)	(94,37)
<b>Expenditure:</b>						
Employees	(17 860)	(20 894)	(21 102)	(18 712)	10,44	11,33
Repairs and Maintenance	(488)	(647)	(755)	(604)	6,64	19,95
Other	(8 219)	(9 044)	(9 660)	(7 861)	13,09	18,63
<b>Total Operational Expenditure</b>	(26 567)	(30 585)	(31 517)	(27 177)	11,14	13,77
<b>Net Operational (Service) Expenditure</b>	(16 064)	(28 645)	(26 697)	(17 809)	37,83	33,29
<b>Public Safety</b>						
<b>Total Operational Revenue</b>	23 541	21 059	22 060	13 466	36,05	38,96
<b>Expenditure:</b>						
Employees	(19 092)	(15 991)	(16 081)	(20 466)	(27,99)	(27,27)
Repairs and Maintenance	(196)	(531)	(595)	(363)	31,61	38,97
Other	(27 727)	(21 443)	(20 352)	(16 472)	23,18	19,07
<b>Total Operational Expenditure</b>	(47 015)	(37 965)	(37 028)	(37 301)	1,75	(0,74)
<b>Net Operational (Service) Expenditure</b>	(23 474)	(16 907)	(14 968)	(23 835)	(40,98)	(59,24)

Vote Description	19/20	20/21		20/21		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
<b>Housing</b>						
<b>Total Operational Revenue</b>	24 474	1 098	6 408	492	55,23	92,33
<b>Expenditure:</b>						
Employees	(3 309)	(3 663)	(3 808)	(3 773)	(3,00)	0,92
Repairs and Maintenance	(97)	(385)	(448)	(252)	34,58	43,80
Other	(24 890)	(1 760)	(7 350)	(445)	74,72	93,95
<b>Total Operational Expenditure</b>	(28 297)	(5 807)	(11 606)	(4 469)	23,04	61,49
<b>Net Operational (Service) Expenditure</b>	(3 823)	(4 709)	(5 198)	(3 978)	15,53	23,48
<b>Health</b>						
<b>Total Operational Revenue</b>	–	–	–	–	–	–
<b>Expenditure:</b>						
Employees	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–
Other	–	–	–	–	–	–
<b>Total Operational Expenditure</b>	–	–	–	–	–	–
<b>Net Operational (Service) Expenditure</b>	–	–	–	–	–	–
<b>Planning and Development</b>						
<b>Total Operational Revenue</b>	1 840	2 482	4 581	4 109	(65,53)	10,31
<b>Expenditure:</b>						
Employees	(8 435)	(9 460)	(9 618)	(9 079)	4,02	5,60
Repairs and Maintenance	(4)	(70)	(72)	(70)	(0,57)	3,18
Other	(1 279)	(3 525)	(2 180)	(989)	71,95	54,65
<b>Total Operational Expenditure</b>	(9 719)	(13 054)	(11 871)	(10 138)	22,34	14,59
<b>Net Operational (Service) Expenditure</b>	(7 878)	(10 572)	(7 290)	(6 029)	42,97	17,29
<b>Road Transport</b>						
<b>Total Operational Revenue</b>	7 071	21 501	22 617	17 740	17,49	21,57
<b>Expenditure:</b>						
Employees	(10 832)	(10 066)	(8 642)	(11 212)	(11,39)	(29,74)
Repairs and Maintenance	(6 731)	(6 991)	(9 232)	(9 118)	(30,43)	1,23
Other	(11 325)	(10 680)	(6 990)	(8 832)	17,30	(26,34)
<b>Total Operational Expenditure</b>	(28 889)	(27 736)	(24 864)	(29 162)	(5,14)	(17,29)
<b>Net Operational (Service) Expenditure</b>	(21 818)	(6 236)	(2 247)	(11 423)	(83,18)	(408,42)
<b>Environmental Protection</b>						
<b>Total Operational Revenue</b>	152	13	13	–	100,00	100,00
<b>Expenditure:</b>						
Employees	(203)	(1 690)	(1 690)	(416)	75,37	75,37
Repairs and Maintenance	–	–	–	–	–	–
Other	(805)	(439)	(223)	(90)	79,51	59,66
<b>Total Operational Expenditure</b>	(1 008)	(2 130)	(1 913)	(506)	76,23	73,54
<b>Net Operational (Service) Expenditure</b>	(856)	(2 116)	(1 900)	(506)	76,08	73,35
<b>Electricity</b>						
<b>Total Operational Revenue</b>	258 066	267 434	272 141	274 576	(2,67)	(0,89)
<b>Expenditure:</b>						
Employees	(12 147)	(13 935)	(14 026)	(12 346)	11,40	11,98
Repairs and Maintenance	(1 794)	(2 171)	(2 900)	(2 013)	7,27	30,59
Other	(229 656)	(249 359)	(257 709)	(253 680)	(1,73)	1,56
<b>Total Operational Expenditure</b>	(243 597)	(265 464)	(274 635)	(268 038)	(0,97)	2,40
<b>Net Operational (Service) Expenditure</b>	14 469	1 970	(2 493)	6 537	(231,93)	362,21
<b>Water</b>						
<b>Total Operational Revenue</b>	43 372	65 596	53 387	53 169	18,94	0,41
<b>Expenditure:</b>						
Employees	(7 843)	(8 757)	(8 905)	(8 477)	3,20	4,81
Repairs and Maintenance	(718)	(1 384)	(2 057)	(1 933)	(39,59)	6,06
Other	(31 737)	(25 864)	(32 186)	(30 825)	(19,18)	4,23
<b>Total Operational Expenditure</b>	(40 298)	(36 006)	(43 149)	(41 235)	(14,52)	4,44
<b>Net Operational (Service) Expenditure</b>	3 074	29 590	10 238	11 934	59,67	(16,57)

Vote Description	19/20	20/21		20/21	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget
	(R'000)		Adjust-ments Budget		
					(%)
<b>Waste Water Management</b>					
<b>Total Operational Revenue</b>	37 541	42 994	43 419	49 376	(14,85)
<b>Expenditure:</b>					
Employees	(14 217)	(12 638)	(12 760)	(14 478)	(14,57)
Repairs and Maintenance	(3 671)	(4 429)	(4 487)	(4 709)	(6,31)
Other	(16 974)	(18 513)	(18 009)	(19 170)	(3,55)
<b>Total Operational Expenditure</b>	(34 862)	(35 580)	(35 256)	(38 357)	(7,81)
<b>Net Operational (Service) Expenditure</b>	2 679	7 414	8 163	11 020	(48,63)
<b>Waste Management</b>					
<b>Total Operational Revenue</b>	29 013	31 984	29 197	33 163	(3,69)
<b>Expenditure:</b>					
Employees	(17 176)	(20 577)	(20 579)	(18 351)	10,82
Repairs and Maintenance	(550)	(590)	(597)	(563)	4,60
Other	(30 144)	(26 761)	(27 292)	(25 468)	4,83
<b>Total Operational Expenditure</b>	(47 870)	(47 928)	(48 468)	(44 382)	7,40
<b>Net Operational (Service) Expenditure</b>	(18 857)	(15 944)	(19 271)	(11 219)	29,63
<b>Other</b>					
<b>Total Operational Revenue</b>	–	–	–	–	–
<b>Expenditure:</b>					
Employees	(2 140)	(2 369)	(2 421)	(2 062)	12,94
Repairs and Maintenance	–	–	–	–	–
Other	(301)	(894)	(914)	(445)	50,17
<b>Total Operational Expenditure</b>	(2 441)	(3 263)	(3 334)	(2 508)	23,14
<b>Net Operational (Service) Expenditure</b>	(2 441)	(3 263)	(3 334)	(2 508)	23,14

## 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
	2018/19	2019/20	2020/21	
Vredebes Phase H Bulk Water			476	Provisdion of bulk & external services for the Vredebes subsidised housing project.
Vredebes Phase H Bulk Sanitation			735	
Vredebes Phase H Bulk Roads			2 562	
Vredebes Phase H Bulk Storm water			3 980	
Vredebes Access Collector	10 360			
Vredebes Bulk Storm Water	8 088	3 262		
Vredebes Streetlights	708	821	280	
Vredebes Busroutes		1 786		
Ceres Lyellstr Sport fields		12 071	7 000	Phase 1 completed in 2020
New Material Recovery Facility		998	3 063	R 27m Project to be completed in 2021/22

The table below indicates the grant performance for the 2020/21 financial year:

Grant Performance							
Description	2018/19	19/20	20/21			2019/20 Variance	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>117 878</b>	<b>111 579</b>	<b>142 218</b>	<b>147 418</b>	<b>141 339</b>	-3,66%	4,12%
Equitable share	84 602	92 850	101 915	116 085	116 086	-13,90%	0,00%
Municipal Systems Improvement	-	-	-	-	-	0,00%	0,00%
Department of Water Affairs	-	-	-	-	-	0,00%	0,00%
Regional Bulk Infrastructure Grant	2 875	235	16 931	8 696	-	48,64%	100,00%
Other transfers/grants [insert description]	-	-	-	-	-	0,00%	0,00%
Finance Management Grant	923	1 496	1 550	1 550	1 550	0,00%	0,00%
Transformation Funds	-	-	-	-	-	0,00%	0,00%
Municipal Infrastructure Grant	22 602	11 901	19 461	18 727	21 673	3,77%	-15,73%
Housing	-	-	-	-	-	0,00%	0,00%
Integrated National Electricity Program	4 850	2 640	-	-	-	0,00%	0,00%
Rural Development	-	-	-	-	-	0,00%	0,00%
Expanded Public Works	2 026	2 456	2 360	2 360	2 030	0,00%	13,98%
Neighbourhood Development Plan	-	-	-	-	-	0,00%	0,00%
<b>Provincial Government:</b>	<b>45 579</b>	<b>34 836</b>	<b>15 534</b>	<b>54 428</b>	<b>43 563</b>	-250,39%	19,96%
Regional Social Economic Project	-	995	870	4 348	4 186	-399,97%	3,72%
Capacity Building and Other	-	85	401	696	18	-73,55%	97,42%
Housing	34 515	24 206	238	25 980	26 746	-10815,87%	-2,95%
Sports and Recreation	-	-	-	-	-	0,00%	0,00%
Municipal Infrastructure Support	-	-	-	6 627	-	0,00%	100,00%
Library Services	8 942	9 239	9 764	10 460	10 564	-7,12%	-1,00%
Economic Development and Tourism SMMEs	-	23	-	1 761	2 025	0,00%	-15,00%
CDW	6	-	131	427	24	-225,95%	94,42%
Maintenance and Construction of Transport Infrastructure	-	289	4 130	4 130	-	0,00%	100,00%
Municipal Accreditation and Capacity Building	-	-	-	-	-	0,00%	0,00%
Municipal Infrastructure Support Grant	-	-	-	-	-	0,00%	0,00%
Finance Management Support Grant	-	-	-	-	-	0,00%	0,00%
Finance Management Support	-	-	-	-	-	0,00%	0,00%
Public Transport	2 116	-	-	-	-	0,00%	0,00%
Multipurpose Centre	-	-	-	-	-	0,00%	0,00%
<b>District Municipality:</b>	<b>525</b>	<b>326</b>	<b>-</b>	<b>2 989</b>	<b>969</b>	0,00%	67,58%
Water & Sanitation Informal Area	525	-	-	-	-	0,00%	0,00%
Capacity Building	-	-	-	-	-	0,00%	0,00%
Infrastructure	-	-	-	-	500	0,00%	0,00%
Tourism	-	-	-	-	-	0,00%	0,00%
Covid 19	-	326	-	2 989	469	0,00%	84,31%
<b>Other grant providers:</b>	<b>1 053</b>	<b>2 673</b>	<b>-</b>	<b>501</b>	<b>859</b>	0,00%	-71,25%
Belgium	562	543	-	501	858	0,00%	-71,17%
China	13	4	-	-	0	0,00%	0,00%
Table Mountain Fund	-	805	-	-	-	0,00%	0,00%
Development Bank of South Africa	478	1 322	-	-	-	0,00%	0,00%
<b>Total Operating Transfers and Grants</b>	<b>165 036</b>	<b>149 414</b>	<b>157 751</b>	<b>205 336</b>	<b>186 729</b>	-30,16%	9,06%
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
	2018/19	2019/20	2020/21	
Vredebes 627 serviced sites	26 163			Project completed
Vredebes top structures	8 248	23 982		Project Completed
Vredebes Phase H 529 sites			26 507	Project completed

### 5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies recognised	Total Operating Revenue	Percentage
	(R'000)		(%)
18/19	165 036	589 940	27,97%
19/20	149 414	631 584	23,66%
20/21	186 729	676 323	27,61%

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/departamental 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

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2020/21		
Asset 1		
Name	A - Vredebes Housing	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	<p>Line Manager identify the need for the project and sets out the specifications required for SCM.</p> <p>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 &amp; 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.</p>	
Asset Value	2019/20	2020/21
Capital Implications	R 36 233 031	
Future Purpose of Asset	New Housing Development in Vredebes	
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	Community	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	<p>Line Manager identify the need for the project and sets out the specifications required for SCM.</p> <p>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 &amp; 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.</p>	
Asset Value	2019/20	2020/21
Capital Implications	R 7 255 800	
Future Purpose of Asset	New Housing Development in Bella Vista	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 3		
Name	C - Material Recovery Facility	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	<p>Line Manager identify the need for the project and sets out the specifications required for SCM.</p> <p>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 &amp; 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.</p>	
Asset Value	2019/20	2020/21
Capital Implications	R 3 913 007	
Future Purpose of Asset	Improved Electrical Infrastructure	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

## 5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2020/21				
	R' 000	R' 000	R' 000	%
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	16 221	19 845	18 410	(22,35)
				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	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Current Ratio	Current Assets/Current Liabilities	1,98	1,60	1,73
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,98	1,60	1,73
Liquidity Ratio	Monetary Assets/Current Liabilities	1,01	0,91	0,92

Current Ratio:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2018/19	185 581	93 618	1,98
2019/20	229 358	143 200	1,60
2020/21	217 175	125 749	1,73

Current Ratio adjusted for aged debtors:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2018/19	185 581	93 618	1,98
2019/20	229 358	143 200	1,60
2020/21	217 175	125 749	1,73

Liquidity Ratio:

Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2018/19	94 272	93 618	1,01
2019/20	130 394	143 200	0,91
2020/21	115 305	125 749	0,92

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	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,4	3,0	2,5
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	96,9	302,2	277,6
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	60%	73%	83%

### 5.5.3 Creditors Management

Description	Basis of calculation	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	Average creditor days	42	36	37

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

### 5.5.4 Borrowing Management

Description	Basis of calculation	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,7%	0,2%	0,2%

### 5.5.5 Employee costs

Description	Basis of calculation	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	31,27%	30,20%	30,91%

The graph indicates that 30.9% 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	2018/19	2019/20	2020/21
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,73%	2,80%	3,77%

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

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 CAPITAL EXPENDITURE

R'000	Original Budget	Adjustment Budget	Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	87 894	86 843	66 944	23,8%	22,9%
Operating Expenditure	682 492	702 732	643 353	5,7%	8,4%
<b>Total expenditure</b>	<b>770 386</b>	<b>789 575</b>	<b>710 296</b>	<b>7,8%</b>	<b>10,0%</b>

### 5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2020/21 financial year:

Capital Expenditure - Funding Sources							R' 000
Details		2020/21					
		Actual 2019/20	Original Budget (OB)	Adjustment Budget (AB)	Actual	OB to AB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	–	–	–	–	–	–
	Public contributions and donations					–	–
	Grants and subsidies	13 294	77 847	66 759	52 768	0,14	0,21
	Other	21 175	10 048	20 084	14 175	(1,00)	0,29
<b>Total</b>		<b>34 468</b>	<b>87 894</b>	<b>86 843</b>	<b>66 944</b>	<b>1,20%</b>	<b>22,91%</b>
<b>Percentage of finance</b>							
	External loans	0,0%	0,0%	0,0%	0,0%		
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%		
	Grants and subsidies	38,6%	88,6%	76,9%	78,8%		
	Other	61,4%	11,4%	23,1%	21,2%		
<b>Capital expenditure</b>							
	Water and sanitation	4 242	18 231	9 542	103	99,44%	98,92%
	Electricity	7 740	2 500	3 623	3 357	-34,27%	7,35%
	Housing	–	–	–	–		
	Roads and storm water	10 937	14 217	16 626	12 258	13,78%	26,28%
	Other	11 549	52 946	57 051	51 226	3,25%	10,21%
<b>Total</b>		<b>34 468</b>	<b>87 894</b>	<b>86 843</b>	<b>66 944</b>	<b>23,84%</b>	<b>22,91%</b>
<b>Percentage of expenditure</b>							
	Water and sanitation	12,3%	20,7%	11,0%	0,2%		
	Electricity	22,5%	2,8%	4,2%	5,0%		
	Housing	0,0%	0,0%	0,0%	0,0%		
	Roads and storm water	31,7%	16,2%	19,1%	18,3%		
	Other	33,5%	60,2%	65,7%	76,5%		
T5.6.1							

## 5.8 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2020/21:

Capital Expenditure of 5 largest projects*					
Name of Project	Current Year: 2020/21			Variance Current Year: 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Vredebes Housing	46 063	36 728	36 233	21%	20%
B - Upgrade of Leyell Str Sport facilities	870	6 915	7 256	-734%	-695%
C - Material Recovery Facility	9 356	3 803	3 913	58%	59%
D- Pavement Upgrading Relief to Vosstreet	–	4 354	4 120		
E - Skoonvlei Economic Hub	–	2 089	1 934		
* Projects with the highest capital expenditure in Year 1					

Name of Project - A	A - Vredebes Housing
Objective of Project	The Provision of 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	Provision of Recreational Facilities. Community Upliftment. Youth Development. Erradication of social ills.
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained. Theft and Damage to Property
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - C	C - Material Recovery Facility
Objective of Project	Recycling of waste. Improved Environmental Management. Job Creation
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Job Creation and a clean environment

Name of Project - D	D- Pavement Upgrading Relief to Vosstreet
Objective of Project	Public Safety.Improved pedestrian walkway. Improved Town Esthetic
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 - Skoonvlei Economic Hub
Objective of Project	To foster Local Economic Development and the creation of job opportunities
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved access to local products and services
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 2020/21				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	12 462	100%	0	0%
Sanitation	12 865	100%	0	0%
Electricity	13 029	100%	0	0%
Waste management	13 321	100%	0	0%
Housing	32 005	85%	4800	15%
<i>Services indicates nr of accounts urban areas. Housing total nr of households in municipal area as per SEP-LG 2020 (WCG)</i>				

Schools & clinics with access to basic services

**Appendix P**

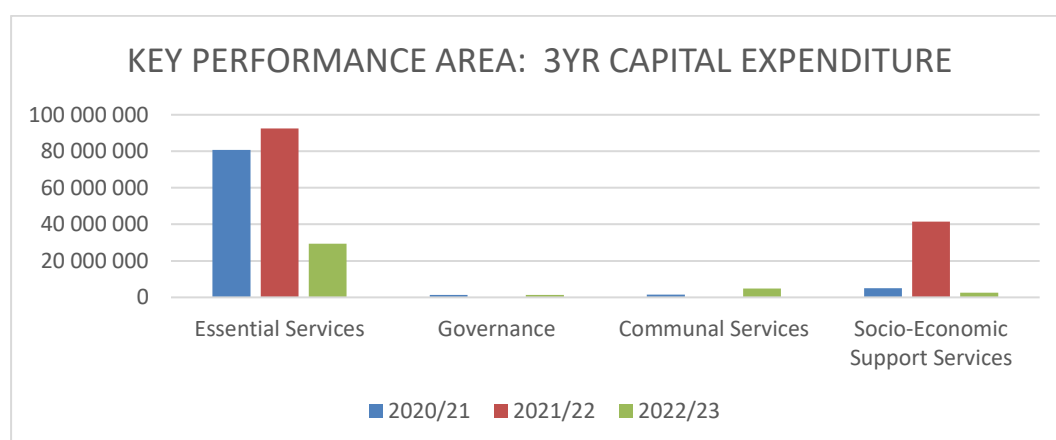
Schools & clinics with access to basic services where other spheres of government are responsible for the provision

**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 2020/2021 on Service backlogs						
R' 000						
Details	Budget	Adjust-ments	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Budget	Adjust-ments	
					Budget	
<b>Infrastructure - Road transport</b>	<b>7 389 505</b>	<b>6 542 705</b>	<b>6 542 141</b>			
Roads, Pavements & Bridges	3 058 953	2 562 153	2 561 851	(16,25)	(0,01)	
Storm water	4 330 552	3 980 552	3 980 290	(8,09)	(0,01)	
<b>Infrastructure - Electricity</b>	<b>-</b>	<b>279 770</b>	<b>222 173</b>			
Generation	-	-	-			
Transmission & Reticulation	-	-	-			
Street Lighting	-	279 770	222 173	-	(20,59)	
<b>Infrastructure - Water</b>	<b>476 300</b>	<b>476 300</b>	<b>476 300</b>			
Dams & Reservoirs	-	-	-			
Water purification	-	-	-			
Reticulation	476 300	476 300	476 300	-	-	
<b>Infrastructure - Sanitation</b>	<b>739 584</b>	<b>735 196</b>	<b>693 633</b>			
Reticulation	739 584	735 196	693 633	(6,21)	(5,65)	
Sewerage purification	-	-	-			
<b>Infrastructure - Other</b>	<b>9 356 350</b>	<b>3 147 891</b>	<b>3 085 695</b>			
Waste Management	9 356 350	3 147 891	3 085 695	(67,02)	(1,98)	
Transportation	-	-	-			
Gas	-	-	-			
<b>Other Specify:</b>	<b>1 499 565</b>	<b>7 545 251</b>	<b>7 885 800</b>			
Lyell street Sport Facilities	869 565	6 915 251	7 255 800	734,42	4,92	
Operating Expenditure	630 000	630 000	630 000	-	-	
<b>Total</b>	<b>19 461 304</b>	<b>18 727 113</b>	<b>18 905 742</b>			
* 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				
Description	2019/20	Current Year: 2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	395 125	429 573	453 516	428 024
Government - operating	149 310	116 989	140 245	105 078
Government - capital	39 070	78 716	70 330	56 583
Interest	17 961	11 608	4 868	8 648
Dividends				
<b>Payments</b>				
Suppliers and employees	(530 034)	(577 832)	(642 840)	(546 596)
Finance charges	(469)	(3 412)	(1 706)	(226)
Transfers and Grants	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING</b>	<b>70 963</b>	<b>55 642</b>	<b>24 413</b>	<b>51 511</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	28	–	–	905
Decrease (Increase) in non-current debt	–	–	–	–
Decrease (increase) other non-current investments	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(34 524)	(88 764)	(69 760)	(66 944)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(34 496)</b>	<b>(88 764)</b>	<b>(69 760)</b>	<b>(66 038)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	855	–	–	769
<b>Payments</b>				
Repayment of borrowing	(1 199)	1 518	(1 800)	(1 331)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(344)</b>	<b>1 518</b>	<b>(1 800)</b>	<b>(561)</b>
<b>NET INCREASE/ (DECREASE) IN CASH</b>	<b>36 123</b>	<b>(31 604)</b>	<b>(47 147)</b>	<b>(15 089)</b>
Cash/cash equivalents at the year beginning	94 272	130 394	130 394	130 394
Cash/cash equivalents at the year end:	<b>130 394</b>	<b>98 790</b>	<b>83 247</b>	<b>115 305</b>
Source: MBRR SA7				T5.9.1

## 5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2019/20	31 975	134 453	97 613	2 082	3 555	269 678
2020/21	33 985	159 663	119 269	2 404	4 446	319 767
Difference	2 010	25 210	21 656	322	891	50 089
% growth year on year	6%	19%	22%	15%	25%	19%

*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
2019/20	50 418	9 021	7 172	195 725	262 335
2020/21	59 870	7 204	5 462	241 934	314 470
Difference	9 452	(1 817)	(1 710)	46 209	52 134
% growth year on year	19%	-20%	-24%	24%	20%

*Note: Figures excludes provision for bad debt*

The Auditor-General of South Africa has, in its report on the 2020/2021 financial statements of the Municipal Council, has emphasized the material impairment of R 214million of receivables from exchange transactions and R 47 million of receivables from non-exchange transactions. Included in the impairment for receivables from non-exchange transactions in an amount of R 21 million in respect of traffic fines.

The gross outstanding service debtors in total increased with 14 % in relation to the 2019/2020 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 30.5 %.

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	2019/20	2020/21
	R'000	
Long(Term Loans (annuity/reducing balance)	4 588	2 775
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
<b>Municipality Total</b>	<b>4 588</b>	<b>2 775</b>

### 5.13.2 Municipal Investments

Investment type	2019/20	2020/21
	R'000	R'000
Securities ( National Government	-	-
Listed Corporate Bonds	-	-
Deposits ( Bank	130 394	115 305
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	-	-
<b>Municipality Total</b>	<b>130 394</b>	<b>115 305</b>

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.

## 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 2020/21

## 6.1 AUDITOR-GENERAL REPORTS 2019/20

Auditor-General Report on Financial Performance 2019/20	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
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.
<u>Restatement of corresponding figures</u>	
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

## 6.2 AUDITOR-GENERAL REPORTS 2020/21

Auditor-General Report on Financial Performance 2019/20	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R 214.2 million (2019-20: R 171.3 million) on receivables from exchange transactions amounting to R 285.8 million (2019-20: R 237.7 million).	A report will be submitted to Council to consider the write off debt of indigent households by end of May 2022.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R 47,1 million (2018-19: R 50.2 million) on receivables from non-exchange transactions amounting to R 58.1 million (2018-19: R 62.8 million). This impairment was made after an amount of R 14,4 million (2019-20: R 27,7 million) had been written off.	The credit control policy will be implemented again as it was not implemented fully during the lockdown period.
<u>Restatement of corresponding figures</u>	
As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of errors discovered during	None

## DRAFT ANNUAL REPORT

Auditor-General Report on Financial Performance 2019/20	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
2020-21 in the financial statements of the municipality for the year ended 30 June 2020.	

## LIST OF ABBREVIATIONS

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



## 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 2020/21
TE Abrahams	Mayco Member / Councillor	Local Economic Development, Tourism and Marketing; MAYCO	100%
K Adams	Deputy Executive Mayor / Alderman	Community Development; MAYCO	100%
P Daniels	Councillor	Community Development	100%
TT Godden	Speaker / Alderman	Council	100%
P Heradien	Councillor	Local Economic Development, Tourism and Marketing; MPAC	64%
DM Jacobs	Councillor	Technical Services; MPAC	91%
D Kinnear	Councillor	Corporate and Financial Services	100%
BC Klaasen	Executive Mayor / Alderman	Executive Mayoral Committee	100%
GG Laban	Councillor	Community Development; MPAC	73%
C Lottering	Councillor	Local Economic Development, Tourism and Marketing; MPAC	100%
M Mdala	Councillor	Technical Services	91%
TP Mgoboza	Councillor	Corporate and Financial Services	73%
ZS Mzauziwa-Mdishwa	Councillor	Housing Matters	100%
MJ Ndaba	Councillor	Corporate and Financial Services	91%
N Phatsoane	Councillor	Community Development	91%
JT Phungula	Alderslady	Housing Matters	64%
JW Schuurman	Alderman	Corporate and Financial Services; MPAC	91%
EM Sidedgo	Mayco Member / Councillor	Housing Matters; MAYCO	100%
RJ Simpson	Councillor	Technical Services	55%
HJ Smit	Mayco Member / Alderman	Corporate and Financial Services; MAYCO	100%
D Swart	Councillor	Technical Services	100%
HF Visagie	Councillor	Local Economic Development, Tourism and Marketing; MAYCO	64%
JJ Visagie	Mayco Member / Alderman	Technical Services	100%

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
31 July 2020	4	91%	50%
25 August 2020	38	78%	80%
30 September 2020	9	78%	100%
25 November 2020	48	96%	100%
17 December 2020	28	96%	100%
28 January 2021	19	87%	100%
24 February 2021	15	82%	100%
12 March 2021	6	100%	N/A

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Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
31 March 2021	7	70%	83%
11 June 2021	1	96%	100%

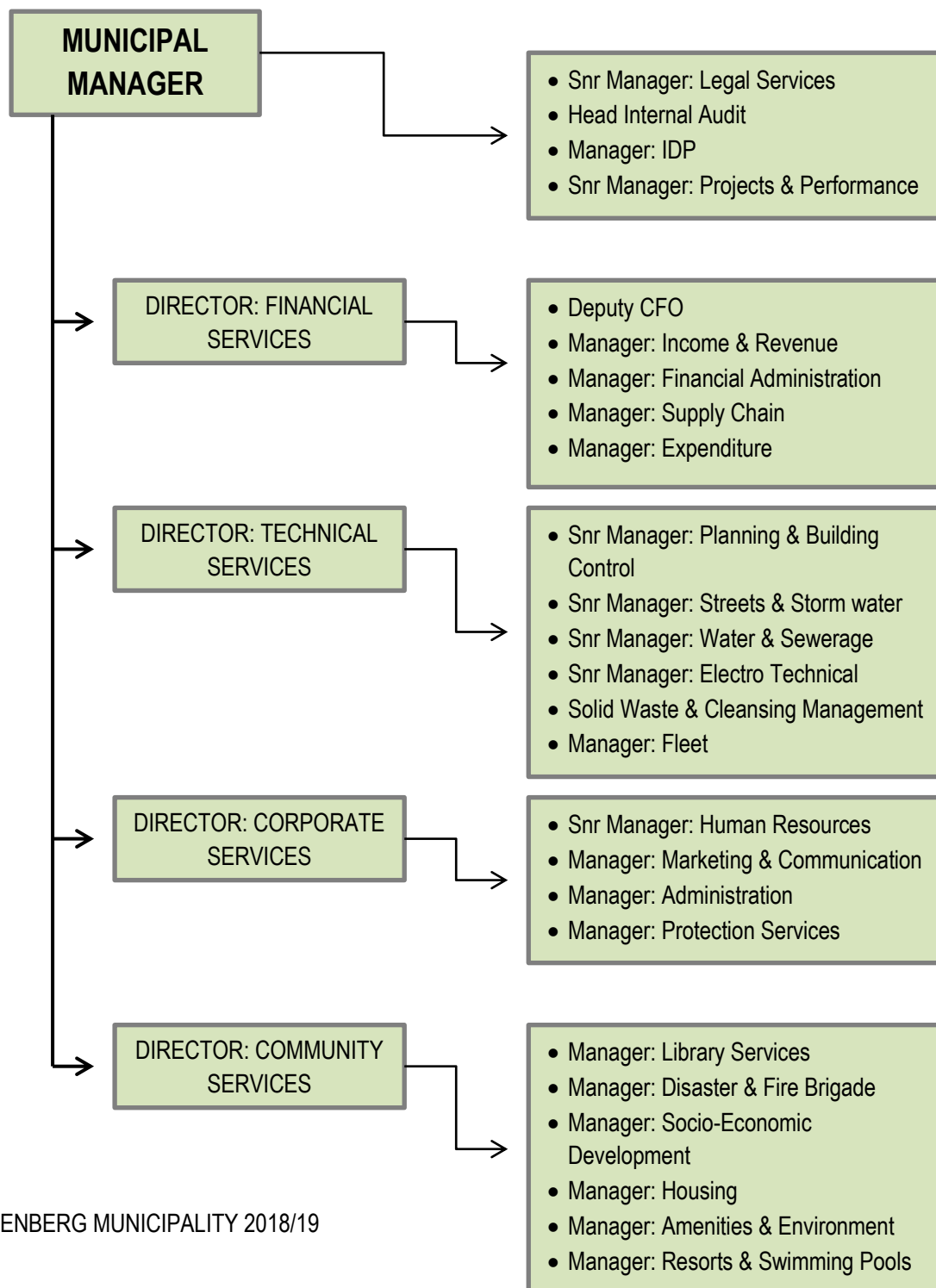
### APPENDIX B: Committees & Committee Purposes

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
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## 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
<b>Constitution Schedule 4, Part B functions:</b>	
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
<b>Constitution Schedule 5, Part B functions:</b>	
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

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Municipal Function	Municipal Function: Yes / No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
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 meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted	
2	Yes		
3	Yes		
4	Yes		
5	Yes		
6	Yes		
7	Yes		
8	Yes		
9	Yes		
10	Yes		
11	Yes		
12	Yes		

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

Ward 1: N'Duli (Polo Cross Hall)

# DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
Buyisile Nobewu	Sport & Culture	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Cynthia Davids	Health & Social	
Day Ngwane	Safety	
Nandi Mvunyiswa	Youth	
Mandisa Hinana	Education	
Kenneth Mbangula	Business Community	
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
Vacant	Safety	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
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
Vacant	Business Community	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Mark Mentoar	Health & Social	
Marinda Mankapan	Women	
Hendrik Titus	Churches	
Lorencia Jacobs	Safety	

# DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Vacant	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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Amelia Abrahams	Disabled & Elderly	
Angeline Wildschut	Youth	
Vacant	Civics & Taxes	
Rudolf Nel	Sport & Culture	
Fiona Hardneck	Churches	
Sylvia Cupido	Women	
Jonathan Nel	Safety	

## DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
Ronnie Philander	Education	
Vacant	Business & Community	

### Ward 6: Bella Vista (Bella Vista Library)

Name of representative	Capacity representing	Number meetings held during the year
Frederika Koopman	Youth	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Vacant	Churches	
Melanie Bé	Disabled & Elderly	
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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Magdalena Julius	Business Community	
Jacqueline Fortuin	Youth	
Vacant	Safety	
Kenneth Carelse	Sport & Culture	
Paulina Basson	Health & Social	
Anne Swarts	Women	
Lambertus Johnson	Civics & Taxes	
Piet Klink	Disabled & Elderly	
Vacant	Education	

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

# DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
Brendon Maghina	Disable & Elderly	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Lena Pieters	Sport & Culture	
Ayanda Teni	Business Community	
Magrieta Baardman	Women	
Elzaan Ruiters	Youth	
Lagina Baleni	Churches	
Albertus Nel	Safety	
Chriszelda Mars	Health & Social	
Gert Jantjies	Education	
Johannes Fransman	Civic & taxis	

## Ward 9: Op-die-Berg

Name of representative	Capacity representing	Number meetings held during the year
Francic Mackenzie	Churches	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Alida Slinger	Women	
Sophia De Bruin	Health & Social	
Juliana Appollis	Civics & Taxes	
Clive Young	Education	

# DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Velencia Daniels	Sport & Culture	
Gerald Davids	Sport & Culture	
Rosina Jooste	Churches	
Raymond Malapo	Women	
Vacant	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	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted
Ndenzeni Nonkasanpi	Disabled & Elderly	
Zoliswa Mona	Churches	
Thembakazi Ncaphayi	Health & Social	
Kholekile Mrwetyana	Business Community	
Humphry Ndwanya	Safety	

# DRAFT ANNUAL REPORT

Name of representative	Capacity representing	Number meetings held during the year
Namhla Mdala	Sport & Culture	
N Ruth Yisa	Women	
Siyabonga Gaba	Civics & Taxes	
Bulelwa Mzwakali	Youth	

## 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	1 430	1 350	2 033	1 338	1 114	1 490
3,5	Ceres	2 423	2 769	3 430	3 114		2 415
4,6	Bella Vista	2 632	2 586	2 550	2 574		
4,10	Hamlet	1 389	1 354	ESKOM	1 349	242	1 182
9	Op-Die-Berg	544	477	ESKOM	521		804
7,11	Tulbagh	1 932	1 845	2 264	1 933	1 610	994
2,7	Wolseley	2 575	2 612	2 750	2 636	1 790	1 298
TOTALS		12 925	12 993	13 027	13 465	4 756	8 181

\*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 2020/21
1,12	Nduli	Housing Project safety	Regular patrols at new housing developments
		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

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		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	Public transport	Negotiations needs to take place with Transport associations
		More municipal services to be rendered at Op Die Berg offices	National(State) and Provincial Services on a permanent basis
		Illegal shops and 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	Included in capital budget for 2021/22
		Back yard dwellers still a problem, housing need	Housing project planned for future, dependant on grant funding allocations.
		Illegal shops and shebeens need to be closed	Continued law enforcement and inspections

## APPENDIX G: Audit Committee recommendations

Date of the PRAC meetings	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
02 Oct 20	(a) that the Performance, Risk and Audit Committee members will submit their comments by 9 October 2020 to the Chairperson. (b) that the Chairperson and Head: Internal Audit will finalise the First Bi-Annual Report of the Performance, Risk and Audit Committee to Council on Performance Management for 2019/2020 by 16 October 2020.	Yes
02 Oct 20	(a) that the Performance, Risk and Audit Committee, after consideration, accepts the PRAC Charter for the period 1 July 2020 until 30 June 2021. (b) that the Head: Internal Audit finalises the reviewed PRAC Charter supra (a) and tables same thereafter to Council for approval.	Yes
02 Oct 20	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the 2020 reviewed Internal Audit Charter for the period 1 July 2020 until 30 June 2021 and, after consideration, same be adopted.	Yes

# DRAFT ANNUAL REPORT

Date of the PRAC meetings	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27 Nov 20	That the Performance, Risk and Audit Committee recommends to Council that the Witzenberg Fraud and Corruption Prevention Strategy, after consideration, be approved.	Yes
27 Nov 20	That the Performance, Risk and Audit Committee recommends to Council that the Witzenberg Whistle Blowing Policy, after consideration, be approved.	Yes
27 Nov 20	That the Performance, Risk and Audit Committee recommends to Council that the Witzenberg Fraud and Corruption Prevention Policy and Response Plan, after consideration, be approved.	Yes
27 Nov 20	That the Performance, Risk and Audit Committee recommends to Council that the Section 71 Monthly Budget Statement Reports of the Directorate Finance for January, February, March, April, May, June, July, August, September and October 2020, after consideration, be approved.	Yes
27 Nov 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 third quarter of 2019/2020 and, after consideration, same be accepted.	Yes
27 Nov 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 fourth quarter of 2019/2020 and, after consideration, same be accepted.	Yes
27 Nov 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 first quarter of 2020/2021 and, after consideration, same be accepted.	Yes
25 Feb 21	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the AGSA Draft Audit Report for 2019/2020.	Yes
21 May 21	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Mid-year Budget Statement and Performance Assessment (Section 72) Report for the period 1 July 2020 until 31 December 2020 and, after consideration, same be approved and accepted.	Submitted for Council consideration
21 May 21	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Section 71 Monthly Budget Statement Reports for November and December 2020 and January, February, March and April 2021 and, after consideration, same be accepted	Submitted for Council consideration
21 May 21	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 second quarter of 2020/2021 and, after consideration, same be accepted.	Submitted for Council consideration

## DRAFT ANNUAL REPORT

Date of the PRAC meetings	Committee recommendations during 2020/21	Recommendations adopted (enter Yes) If not adopted (provide explanation)
21 May 21	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 third quarter of 2020/2021 and, after consideration, same be accepted.	Submitted for Council consideration

### Audit Committee recommendations on Fraud & Financial Misconduct for 2020/21

Minutes: Performance, Risk & Audit Committee Meeting, 02 October 2020, Item 11.2

*that notice was taken that there were no disciplinary cases regarding fraud and corruption for the third quarter of 2019/2020.*




### 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 2020/21.



### 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:

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-  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

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-  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		
2020/2021		
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
	Close Corporation	None
	Interest in any trust	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

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Disclosures of Financial Interests		
2020/2021		
Name	Description of Financial interests*	
	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	31 7 <sup>th</sup> Avenue Wolseley
	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	Consolidated Retirement Fund
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
	Pension	Consolidated Retirement Fund
Cllr Kinnear	Employment and Remuneration	Witzenberg Municipality
	Pension	Telkom
	Property	3 Kort Street, Wolseley
Cllr DM Jacobs	Employment and Remuneration	Witzenberg Municipality

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Disclosures of Financial Interests		
2020/2021		
Name	Description of Financial interests*	
	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	Consolidated Retirement Fund
Chief Accounting Officer		
Mr D Nasson	Shares and securities in any company	Old Mutual
	Property	Residential
Chief Financial Officer		

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Disclosures of Financial Interests		
2020/2021		
Name	Description of Financial interests*	
Mr C Kritzing	25% interest in property	Residential
	50% interest in 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

## DRAFT ANNUAL REPORT

The table below indicates the Revenue collection performance by vote:

Revenue per Vote	19/20	20/21		20/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Vote1 - Executive and Council	27	–	–	13	–	–
Vote2 - Budget and Treasury Office	135 013	97 078	92 603	93 347	(3,84)	0,80
Vote3 - Corporate Services	869	1 477	977	753	(49,04)	(22,98)
Vote4 - Planning and Development	1 581	2 368	2 368	2 140	(9,61)	(9,61)
Vote5 - Public Safety	26 545	24 912	25 634	17 598	(29,36)	(31,35)
Vote6 - Health	–	–	–	–	–	–
Vote7 - Community and Social Services	106 212	114 913	131 894	130 926	13,93	(0,73)
Vote8 - Sports and Recreation	10 502	1 941	4 820	9 368	382,75	94,37
Vote9 - Housing	24 474	1 098	6 408	492	(55,23)	(92,33)
Vote10 - Waste Management	29 013	31 984	29 197	33 163	3,69	13,58
Vote11 - Road Transport	3 594	17 647	18 763	13 386	(24,15)	(28,66)
Vote12 - Waste Water Management	37 541	42 994	43 419	49 376	14,85	13,72
Vote13 - Water	43 372	65 596	53 387	53 169	(18,94)	(0,41)
Vote14 - Electricity	258 540	267 434	272 421	274 798	2,75	0,87
Vote15 - Environmental Management	152	13	13	–	(100,00)	(100,00)
<b>Total Revenue by Vote</b>	<b>677 433</b>	<b>669 455</b>	<b>681 904</b>	<b>678 528</b>	<b>1,36</b>	<b>(0,50)</b>

### Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2020/21 financial year:

Vote Description	0	0		2017/18 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Property rates	73 594	76 529	76 529	80 775	5,55	5,55
Property rates - penalties & collection cha	2 017	1 817	1 103	428	(76,47)	(61,24)
Service Charges - electricity revenue	255 095	266 973	271 973	274 180	2,70	0,81
Service Charges - water revenue	39 419	35 137	35 137	43 137	22,77	22,77
Service Charges - sanitation revenue	39 993	33 513	38 513	42 570	27,03	10,54
Service Charges - refuse revenue	32 236	33 311	33 311	34 110	2,40	2,40
Service Charges - other	–	–	–	–	–	–
Rentals of facilities and equipment	3 878	2 663	1 163	1 606	(39,68)	38,15
Interest earned - external investments	7 446	9 111	3 340	3 078	(66,22)	(7,85)
Interest earned - outstanding debtors	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–
Fines	22 149	20 456	20 456	11 593	(43,33)	(43,33)
Licences and permits	1 042	2 010	2 010	1 065	(47,00)	(47,00)
Agency services	3 477	3 854	3 854	4 354	12,98	12,98
Transfers recognised - operational	131 111	116 989	140 600	131 051	12,02	(6,79)
Other revenue	(40 640)	(11 639)	(11 556)	103	(100,89)	(100,90)
Gains / (losses)	45 200	1	1	(3 829)	(276 356,20)	(276 356,20)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>616 015</b>	<b>590 725</b>	<b>616 435</b>	<b>624 221</b>	<b>5,67</b>	<b>1,26</b>

*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	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Budget	Adjustments	
					Budget	
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 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
MV Substation Equipment	CRR	All	500 000	1 000 000		1 500 000	1 500 000
Upgrade of LV Network Cables	CRR	All		1 000 000		1 000 000	1 000 000
MV Network Equipment	CRR	All		1 000 000		1 000 000	1 000 000
Upgrade of MV Cables	CRR	All		1 000 000		600 000	600 000
Tools & Equipment	CRR	All				150 000	150 000
Upgrade of Streetlights	CRR	All				350 000	350 000
Network streets	CRR	All		2 000 000		2 500 000	3 000 000
Aerator replacement programme	CRR	All				500 000	
Refurbishment WWTW	CRR	All				750 000	
Sewer Pumps-replacement	CRR	All				250 000	500 000
Sewer Network Replacement	CRR	All		1 500 000		2 000 000	1 500 000
Security upgrades	CRR	All				300 000	
Transfer stations & related infrastructure (	CRR	3	5 817 400				
Network - Storm Water Upgrading	CRR	All				450 000	500 000
Infrastructure Management System	CRR	All				200 000	
Plant & Equipment	CRR	All				50 000	
Security upgrades	CRR	All				450 000	
Network- Water Pipes & Valve Replaceme	CRR	All		1 500 000		2 000 000	2 500 000
Tulbagh Dam	RBIG	7, 11	17 391 304	16 729 565			
Electrical Network Refurbishment	CRR	All				1 500 000	1 500 000
Vredebes Ph1 Busroutes	MIG	5				210 436	
New Material Recovery Facility/Drop Off	MIG	All	11 164 767				
Vehicle Replacement Program	Loans	All	1 000 000	1 000 000	1 000 000		
Grey Water System	CRR	All				1 500 000	1 500 000
Tools & Equipment	CRR	All				50 000	50 000
NMT Sidewalks Ceres	CRR	3,5				500 000	500 000
Drop-offs Transfer stations	CRR	All				2 000 000	4 000 000
Op-Die-Berg Reservoir	MIG	8	2 854 582				
Tulbagh Reservoir	MIG	7,11			7 000 000		
Tierhokskloof bulk pipeline	MIG	2,7		8 026 177			

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

Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Vredebes Electrical Network	INEP	5	11 097 391				
Nduli infill Electrical Network	INEP	1, 12		2 714 783	3 478 261		
Vredebes New Storm water Channel & De	MIG	5	107 609				
Nduli Infill Internal Roads	IHHSDG	1,12		2 820 000			
Nduli Infill Internal Sewerage	IHHSDG	1,12		2 820 000			
Nduli Infill Internal Water	IHHSDG	1,12		2 820 000			
Nduli Infill Internal Storm water	IHHSDG	1,12		2 820 000			
Vredebes Access Collector	MIG	5		1 390 435	8 085 217		
Vredebes Phase H Internal Roads	IHHSDG	5	889 371				
Vredebes Phase H Internal Water	IHHSDG	5	889 371				
Vredebes Phase H Internal Storm Water	IHHSDG	5	889 371				
Vredebes Phase H Internal Sewerage	IHHSDG	5	889 371				
Vredebes Phase H Streetlights	MIG	5	1 565 217				

## Key Performance Area: 2. GOOD GOVERNANCE

Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Office Equipment	CRR	All				50 000	
Office Equipment	CRR	All				30 000	
Office Equipment	CRR	All				30 000	
Office Equipment (Director)	CRR	All				30 000	
IT Equipment	CRR	All	200 000	600 000		650 000	700 000
Access Control - Furniture and Equipment	CRR	All					75 000
Signage & Billboards	CRR	All					80 000
Office Equipment	CRR	All				30 000	30 000
Office Equipment	MIG	All			20 000		
Traffic Calming	CRR	All				200 000	250 000
Camera equipment	CRR	All				20 000	
Council chambers furniture	CRR	All	600 000				
IT Equipment	Prov Grant	All	100 000				
IT Equipment	CRR	All	100 000	100 000	100 000		
Furniture & equipment	CRR	All	30 000	30 000	30 000		
Computer hardware	CRR	All	50 000	50 000	50 000		

**Key Performance Area: 3. COMMUNAL SERVICES**

Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Chainsaws	CRR	All				90 000	
Brushcutters	CRR	All				120 000	
Irrigation equipment for parks	CRR	All					500 000
Containers 3x3m	CRR	All				100 000	
Truck 1.3 ton	CRR	All				350 000	
Expanding of Cemetery	CRR	All				300 000	500 000
Capex Fire Fighting Equipment	CRR	All				350 000	
Firefighting Response Vehicle	Prov Grant	All			856 522		
Ceres upgrade Of Leyell Str Sport Facilities	MIG	3	5 455 652	6 843 477			
New regional cemetery	MIG	All		4 819 042	6 767 826		
Fencing Nduli Comm Hall	CRR	1, 12					500 000
Kliprug sportfield change rooms	CRR	4					1 500 000
Sportsground development	CRR	All				400 000	400 000
Resurface netball courts	CRR	All				200 000	300 000
Landscaping of parks	CRR	All				300 000	300 000
Townhalls Equipment	CRR	All		40 000			
Sportfield equipment	CRR	All		30 000			
Parks equipment	CRR	All		40 000			
Wolseley Public Toilets	CRR	2,7	1 000 000				
Wolseley Public Toilets	District	2,7	500 000				

**Key Performance Area: 4. SOCIO-ECONOMIC SUPPORT SERVICES**

Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Upgrade Van Breda Bridge	Prov Grant	3,5	20 547 826	6 200 000	152 174		
Hamlet Economic Hub	RSEP	4,1	695 652				
Rehabilitation - Streets Tulbagh	CRR	11				3 500 000	2 500 000
Chalet Furniture	CRR	3				450 000	
Upgrade Van Breda bridge (own contribution)	CRR	3,5	4 909 565	1 240 000			

**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.

**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)

C Kritzinger

16/9/2021  
Date

**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

2021



# Annual Financial Statements

30 June 2021



31/08/2021

WC022 – WITZENBERG MUNICIPALITY



AUDITOR-GENERAL  
SOUTH AFRICA

Johan Jansen van Rensburg – 11 February 2022

**AUDITED** - Trim ref 05/03/1

# WITZENBERG MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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# WITZENBERG MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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

*HJ Kritzingner*

#### 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 (Act no 89 of 1991)  
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

# WITZENBERG MUNICIPALITY

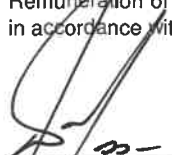
## COUNCILLORS OF THE WITZENBERG MUNICIPALITY

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

  
 3/08/2021  
 Date

**WITZENBERG MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2021 R	Restated 2020 R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>217 175 290</b>	<b>229 357 559</b>
Cash and Cash Equivalents	2	115 305 213	130 394 398
Trade and other Receivables from Exchange Transactions	3	71 504 141	66 383 889
Receivables from non-exchange transactions	4	11 026 109	12 649 904
Inventory	5	9 963 092	11 601 511
Unpaid Conditional Government Grants and Receipts	6	2 172 368	3 638 977
Statutory Receivables: VAT	7	7 204 367	4 688 880
<b>Non-Current Assets</b>		<b>1 028 192 919</b>	<b>944 425 351</b>
Property, Plant and Equipment	8	982 159 084	897 723 531
Intangible Assets	9	1 260 288	1 647 247
Investment Property	10	44 223 547	44 504 573
Heritage assets	11	550 000	550 000
<b>Total Assets</b>		<b>1 245 368 209</b>	<b>1 173 782 910</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>125 749 321</b>	<b>143 199 791</b>
Trade and Other Payables Exchange Transactions	12	58 574 828	53 747 398
Consumer Deposits	13	9 079 732	8 310 276
Current Employee benefits	14	27 825 286	26 673 944
Unspent Conditional Government Grants and Receipts	6	24 703 606	48 496 815
Unspent Public Contributions	15	3 979 250	4 003 573
Current Portion of Borrowings	16	1 586 619	1 967 785
<b>Non-Current Liabilities</b>		<b>175 032 060</b>	<b>115 137 713</b>
Borrowings	16	1 188 302	2 619 817
Non-Current Provisions	17	102 375 838	50 889 138
Employee benefits	18	71 467 920	61 628 758
<b>Total Liabilities</b>		<b>300 781 381</b>	<b>258 337 504</b>
<b>Net Assets</b>		<b>944 586 828</b>	<b>915 445 406</b>
Capital Replacement Reserve	19	10 442 209	10 617 534
Accumulated Surplus		934 144 619	904 827 872
<b>Total Net Assets and Liabilities</b>		<b>1 245 368 209</b>	<b>1 173 782 910</b>

**WITZENBERG MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

		2020/2021	2019/2020	2019/2020	2019/2020
	Notes	(Actual)	(Restated)	Correction	(Previously
		R	R	of error	reported)
				R	R
<b>REVENUE</b>					
<b>Revenue from Non-exchange Transactions</b>		<b>281 920 489</b>	<b>248 328 447</b>	<b>4 733 666</b>	<b>243 594 781</b>
<b>Taxation Revenue</b>		<b>81 202 719</b>	<b>75 610 819</b>	<b>-</b>	<b>75 610 819</b>
Property rates	20	80 775 118	73 593 785	-	73 593 785
Property Rates - penalties imposed and collection charges		427 601	2 017 034	-	2 017 034
<b>Transfer Revenue</b>		<b>200 717 770</b>	<b>172 717 628</b>	<b>4 733 666</b>	<b>167 983 962</b>
Fines, Penalties and Forfeits		11 593 392	22 148 587	2 494 500	19 654 087
Licences or Permits		1 065 472	1 042 183	-	1 042 183
Surcharges and Taxes		4 047 146	2 299 997	15 430	2 284 567
Government Grants and Subsidies - Capital	21	52 101 858	15 568 796	2 126 536	13 442 260
Government Grants and Subsidies - Operating	21	131 051 159	131 111 319	97 200	131 014 119
Public Contributions and Donations		858 743	546 746	-	546 746
<b>Revenue from Exchange Transactions</b>		<b>394 402 776</b>	<b>383 255 731</b>	<b>6 672 722</b>	<b>376 583 009</b>
Service Charges	22	376 201 066	352 555 694	6 379 949	346 175 745
Rental from Fixed Assets		1 606 130	3 877 756	(27 297)	3 905 053
Interest earned - External investments		3 078 053	7 445 685	-	7 445 685
Interest Income on Overdue Accounts		5 141 944	8 498 061	-	8 498 061
Agency Services	23	4 353 776	3 477 358	-	3 477 358
Operational Revenue	24	410 884	2 130 516	324 070	1 806 446
Sales of Goods and Rendering of services	25	3 610 923	5 270 661	(4 000)	5 274 661
<b>Total Revenue</b>		<b>676 323 265</b>	<b>631 584 178</b>	<b>11 406 388</b>	<b>620 177 790</b>
<b>EXPENDITURE</b>					
Employee related costs	26	191 681 705	185 323 268	265 158	185 058 110
Remuneration of Councillors	27	10 583 028	10 604 088	-	10 604 088
Impairment	28	34 865 297	50 522 366	1 101 950	49 420 416
Inventory Consumed		12 584 154	14 298 919	104 907	14 194 012
Depreciation and Amortisation	29	32 581 220	33 870 503	1 138 245	32 732 258
Finance Charges	30	10 016 942	14 621 685	2 126	14 619 559
Bulk Purchases	31	239 632 251	221 831 359	9 340	221 822 019
Contracted Services	32	51 747 585	44 653 454	624 335	44 029 119
Transfers and Subsidies: Operational Expenditure	33	6 534 267	1 494 563	-	1 494 563
Construction Cost		-	23 982 171	-	23 982 171
Operational Cost	34	34 632 352	33 219 123	144 281	33 074 842
Rent on Land		37 976	35 492	-	35 492
Operating Leases	35	895 211	797 612	-	797 612
Bad Debts Written Off		17 560 944	14 187 058	-	14 187 058
<b>Total Expenditure</b>		<b>643 352 932</b>	<b>649 441 661</b>	<b>3 390 342</b>	<b>646 051 319</b>
Gain / (loss) on disposal of assets		(66 047)	(497 290)	(23 120)	(474 170)
(Impairment loss) / Reversal of impairment loss	36	(649 494)	-	-	-
Gain / (loss) on Adjustment of Provision		2 204 355	37 138 937	3 243	37 135 694
Inventories: (Write-down) / Reversal of write-down		-	52	-	52
Gain / (loss) on Actuarial Valuations	18	(5 317 725)	8 557 961	-	8 557 961
<b>NET SURPLUS / (LOSS) FOR THE YEAR</b>		<b>29 141 422</b>	<b>27 342 177</b>	<b>7 996 169</b>	<b>19 346 008</b>

**WITZENBERG MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
<b>Balance at 1 JULY 2019</b>		<b>10 354 788</b>	<b>877 240 797</b>	<b>887 595 585</b>
Correction of error	37.13	-	507 644	507 644
<b>Restated Balance at 1 JULY 2019</b>		<b>10 354 788</b>	<b>877 748 441</b>	<b>888 103 229</b>
Transfers to/from Accumulated		21 437 497	(21 437 497)	-
Property, Plant and Equipment purchased		(21 174 751)	21 174 751	-
Restated Net Surplus for the year		-	27 342 177	27 342 177
<b>Balance at 30 JUNE 2020</b>		<b>10 617 534</b>	<b>904 827 872</b>	<b>915 445 406</b>
Transfers to/from Accumulated		14 000 000	(14 000 000)	-
Property, Plant and Equipment purchased		(14 175 325)	14 175 325	-
Net Surplus for the year		-	29 141 422	29 141 422
<b>Balance at 30 JUNE 2021</b>		<b>10 442 209</b>	<b>934 144 619</b>	<b>944 586 828</b>

**WITZENBERG MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020/2021 R	Restated 2019/2020 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates and other Taxes	39	82,812,107	70,589,991
Sales of goods and services		345,212,302	324,534,956
Government Grants		161,660,837	188,380,618
Interest		8,647,598	17,960,780
<b>Payments</b>			
Employee costs		(192,229,109)	(180,669,411)
Suppliers		(354,366,525)	(349,364,920)
Finance charges	30	(226,499)	(468,878)
<b>Cash generated by operations</b>		<b>51,510,711</b>	<b>70,963,136</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	8	(66,943,531)	(34,508,178)
Purchase of Intangible Assets	9	-	(15,716)
Proceeds on Disposal of Property, Plant and Equipment		905,050	27,616
<b>Net Cash from Investing Activities</b>		<b>(66,038,481)</b>	<b>(34,496,277)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans repaid		(1,330,872)	(1,198,667)
Increase in Consumer Deposits		769,456	854,521
<b>Net Cash from Financing Activities</b>		<b>(561,416)</b>	<b>(344,146)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(15,089,185)</b>	<b>36,122,713</b>
Cash and Cash Equivalents at the beginning of the year		130,394,398	94,271,685
Cash and Cash Equivalents at the end of the year	2	115,305,213	130,394,398
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(15,089,185)</b>	<b>36,122,713</b>

**WITZENBERG MUNICIPALITY**

**REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
	R	R	R	R	R
<b>Segment Revenue</b>					
External revenue from non-exchange transactions	149 544 056	15 927 645	28 844 183	87 177 003	281 492 886
External revenue from exchange transactions	2 697 417	5 920 847	376 367 249	1 197 265	386 182 779
Interest revenue	40 377	-	5 072 756	3 534 465	8 647 598
Revenue from transactions with other segments	40 574	-	20 412 344	-	20 452 918
<b>Total Revenue</b>	<b>152 322 424</b>	<b>21 848 492</b>	<b>430 696 532</b>	<b>91 908 733</b>	<b>696 776 181</b>
<b>Segment Expenditure</b>					
Employee related costs	64 340 084	20 708 159	53 652 682	52 980 783	191 681 708
Remuneration of Councillors	-	-	-	10 550 105	10 550 105
Bulk Purchases	4 200	-	239 628 051	-	239 632 251
Depreciation and Amortisation	3 863 720	6 220 333	18 233 566	4 263 601	32 581 220
Impairment and Bad debt	12 943 400	-	38 013 902	1 468 939	52 426 241
Other Expenditure	11 648 095	12 878 199	42 484 149	49 470 966	116 481 408
Internal charges	7 205 037	109 917	10 565 568	2 572 396	20 452 918
<b>Total Expenditure</b>	<b>100 004 535</b>	<b>39 916 608</b>	<b>402 577 918</b>	<b>121 306 790</b>	<b>663 805 852</b>
Gains & Losses	-1 364 223	-	2 138 308	-4 602 996	-3 828 910
<b>Surplus/deficit for the year</b>	<b>50 953 666</b>	<b>(18 068 115)</b>	<b>30 256 922</b>	<b>(34 001 054)</b>	<b>29 141 419</b>

**REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
	R	R	R	R	R
<b>Segment Revenue</b>					
External revenue from non-exchange transactions	157 130 233	4 522 673	6 921 843	77 736 664	246 311 412
External revenue from exchange transactions	7 113 582	4 540 196	352 716 012	2 942 194	367 311 984
Interest revenue	74 063	-	8 353 583	9 533 133	17 960 780
Revenue from transactions with other segments	44 095	-	18 863 132	-	18 907 227
<b>Total Revenue</b>	<b>164 361 973</b>	<b>9 062 868</b>	<b>386 854 570</b>	<b>90 211 991</b>	<b>650 491 402</b>
<b>Segment Expenditure</b>					
Employee related costs	61 215 199	19 470 068	51 382 306	53 255 693	185 323 266
Remuneration of Councillors	-	-	-	10 604 088	10 604 088
Bulk Purchases	11 260	-	221 820 099	-	221 831 359
Depreciation and Amortisation	5 394 993	6 094 550	18 703 380	3 677 580	33 870 503
Impairment and Bad debt	23 242 220	-	36 919 075	4 548 130	64 709 424
Other Expenditure	35 627 414	14 050 586	37 801 071	45 623 947	133 103 018
Internal charges	6 197 180	103 568	10 200 051	2 406 429	18 907 227
<b>Total Expenditure</b>	<b>131 688 267</b>	<b>39 718 772</b>	<b>376 825 981</b>	<b>120 115 866</b>	<b>668 348 885</b>
Gains & Losses	-	-	37 138 939	8 060 724	45 199 662
<b>Surplus/deficit for the year</b>	<b>32 673 706</b>	<b>(30 655 903)</b>	<b>47 167 528</b>	<b>(21 843 151)</b>	<b>27 342 179</b>

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The three key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;
- Reconciling items which includes executive and council, finance and administration and internal audit;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor financial performance geographically and does not at present have reliable separate financial information.

**WITZENBERG MUNICIPALITY**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
<b>ASSETS</b>						
<b>Current Assets</b>	<b>217 175 290</b>	<b>141 830 688</b>	<b>48 268 007</b>	<b>190 098 695</b>	<b>14%</b>	<b>229 357 558</b>
Cash	115 305 213	64 561 708	10 710 045	75 271 754	53%	130 394 398
Call investment deposits	-	-	-	-	-	-
Consumer debtors	82 530 250	39 362 881	58 117 769	97 480 650	-15%	79 033 792
Other debtors	9 376 735	26 213 480	(23 167 949)	3 045 531	208%	8 327 857
Current portion of long-term receivables	-	-	-	-	-	-
Inventory	9 963 092	11 692 619	2 608 142	14 300 761	-30%	11 601 511
<b>Non-Current Assets</b>	<b>1 028 192 919</b>	<b>1 013 409 971</b>	<b>(28 433 416)</b>	<b>984 976 555</b>	<b>4%</b>	<b>944 425 351</b>
Investments	-	-	-	-	-	-
Investment Property	44 223 547	44 491 786	(727 253)	43 764 533	1%	44 504 573
Property, Plant and Equipment	982 159 084	966 338 768	(27 252 670)	939 086 098	5%	897 723 531
Intangible Assets	1 260 288	2 029 417	(453 493)	1 575 924	-20%	1 647 247
Other non-current assets	550 000	550 000	-	550 000	0%	550 000
<b>Total Assets</b>	<b>1 245 368 209</b>	<b>1 155 240 659</b>	<b>19 834 591</b>	<b>1 175 075 250</b>	<b>6%</b>	<b>1 173 782 909</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>	<b>125 749 321</b>	<b>101 744 449</b>	<b>77 795 843</b>	<b>179 540 292</b>	<b>-30%</b>	<b>143 199 791</b>
Borrowings	1 586 619	-	-	-	-	1 967 785
Consumer Deposits	9 079 732	7 149 736	(7 149 736)	-	-	8 310 276
Trade and Other Payable Exchange Transactions	87 257 684	60 983 075	63 788 090	124 771 165	-30%	106 247 786
Provisions	27 825 286	33 611 638	21 157 489	54 769 127	-49%	26 673 944
<b>Non-Current Liabilities</b>	<b>175 032 060</b>	<b>164 508 775</b>	<b>(46 358 623)</b>	<b>118 150 152</b>	<b>48%</b>	<b>115 137 713</b>
Borrowings	1 188 302	6 222 409	(3 434 807)	2 787 602	-57%	2 619 817
Provisions	173 843 758	158 286 366	(42 923 816)	115 362 550	51%	112 517 896
<b>Total Liabilities</b>	<b>300 781 381</b>	<b>266 253 224</b>	<b>31 437 219</b>	<b>297 690 444</b>	<b>1%</b>	<b>258 337 504</b>
<b>Net Assets</b>	<b>944 586 828</b>	<b>888 987 435</b>	<b>(11 602 629)</b>	<b>877 384 806</b>	<b>8%</b>	<b>915 445 406</b>
Accumulated Surplus	934 144 619	878 632 647	(11 865 375)	866 767 272	8%	904 827 872
Reserve	10 442 209	10 354 788	262 746	10 617 534	-2%	10 617 534
<b>Total Net Assets and Liabilities</b>	<b>1 245 368 209</b>	<b>1 155 240 659</b>	<b>19 834 591</b>	<b>1 175 075 250</b>	<b>6%</b>	<b>1 173 782 910</b>



**WITZENBERG MUNICIPALITY**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
<b>Operating Revenue</b>						
Property rates	80 775 118	76 528 820	-	76 528 820	6%	73 593 785
Fines, Penalties and Forfeits	11 593 392	20 456 444	-	20 456 444	-43%	22 148 587
Licences or Permits	1 065 472	2 010 303	-	2 010 303	-47%	1 042 183
Government Grants and Subsidies - Operating	131 051 159	116 989 000	23 611 180	140 600 180	-7%	131 111 319
Service charges - electricity revenue	274 183 949	266 972 868	5 000 000	271 972 868	1%	255 094 538
Service charges - water revenue	43 132 314	35 137 192	-	35 137 192	23%	39 419 086
Service charges - sanitation revenue	30 920 148	18 351 575	7 000 000	25 351 575	22%	32 329 154
Service charges - refuse revenue	27 964 656	21 270 807	1 000 000	22 270 807	26%	25 712 916
Rental from Fixed Assets	1 606 130	2 662 619	(1 500 000)	1 162 619	38%	3 877 756
Interest earned - External investments	3 078 053	9 111 414	(5 771 239)	3 340 175	-8%	7 445 685
Interest earned - outstanding debtors	5 569 545	8 303 781	-	5 075 020	10%	10 515 095
Agency Services	4 353 776	3 853 713	-	3 853 713	13%	3 477 358
Other revenue	11 132 051	9 077 601	-	8 675 727	28%	47 386 857
<b>Total revenue</b>	<b>626 425 762</b>	<b>590 726 137</b>	<b>29 339 941</b>	<b>616 435 443</b>	<b>2%</b>	<b>653 154 319</b>
<b>Operating Expenditure by Nature</b>						
Employee related costs	191 681 705	219 289 869	(9 783 000)	209 506 869	9%	185 323 268
Remuneration of Councillors	10 583 028	12 170 893	-	12 170 893	13%	10 604 088
Impairment	34 865 297	44 688 248	10 000 000	54 688 248	36%	50 522 366
Inventory Consumed	12 584 154	19 527 804	(1 873 899)	17 653 905	29%	14 298 919
Depreciation and Amortisation	32 581 220	40 687 601	(5 000 000)	35 687 601	9%	33 870 503
Finance Charges	10 016 942	17 418 040	-	17 418 040	42%	14 621 685
Bulk Purchases	239 632 251	232 760 440	4 600 000	237 360 440	-1%	221 831 359
Contracted Services	51 747 585	48 485 901	11 236 986	59 722 887	13%	44 653 454
Transfers and Subsidies: Operational Expenditure	6 534 267	2 178 559	5 590 067	7 768 626	16%	1 494 563
Other Expenditure	59 093 702	45 284 125	5 550 305	50 834 430	-16%	63 663 443
Loss on disposal of PPE	66 047	-	-	-	-	497 290
<b>Total expenditure</b>	<b>649 386 198</b>	<b>682 491 480</b>	<b>20 320 459</b>	<b>702 811 939</b>	<b>8%</b>	<b>641 380 938</b>
<b>Netto Surplus/(deficit) for the period</b>	<b>(26 789 347)</b>	<b>(91 763 957)</b>	<b>9 019 482</b>	<b>(86 375 110)</b>	<b>-69%</b>	<b>56 973 041</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	52 101 858	78 657 237	(13 761 158)	64 896 079	20%	15 568 796
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	58 936	-	560 392	100%	-
<b>Surplus/ (Deficit) for the year</b>	<b>29 141 422</b>	<b>(13 049 170)</b>	<b>(7 870 855)</b>	<b>(20 920 025)</b>	<b>239%</b>	<b>27 342 177</b>
<b>Operating expenditure by vote</b>						
Budget and Treasury Office	37 898 882	52 892 137	887 336	53 779 473	30%	38 346 626
Civil services	150 182 242	144 894 011	5 373 010	150 267 021	0%	149 209 808
Community and social services	26 066 330	34 597 525	(769 566)	33 827 959	23%	26 530 454
Corporate Services	58 108 824	68 520 891	1 714 078	70 234 969	17%	55 831 653
Electro Technical Services	268 038 440	265 464 319	9 170 291	274 634 610	2%	243 725 853
Executive and Council	22 788 184	28 966 420	149 266	29 115 686	22%	22 832 610
Housing	4 469 385	5 807 352	5 798 898	11 606 250	61%	28 296 671
Planning	7 042 671	8 486 803	(1 220 631)	7 266 172	3%	6 540 160
Public Safety	42 082 504	42 277 074	(1 793 796)	40 483 278	-4%	51 561 314
Sport and recreation	27 176 839	30 585 444	931 573	31 517 017	14%	26 566 508
<b>Total operating expenditure by vote</b>	<b>643 854 301</b>	<b>682 491 976</b>	<b>20 240 459</b>	<b>702 732 435</b>	<b>8%</b>	<b>649 441 657</b>

**WITZENBERG MUNICIPALITY**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
<b>Capital expenditure by vote</b>						
Budget and Treasury Office	164 892	-	195 082	195 082	15%	205 910
Civil services	46 066 093	82 474 869	(20 597 102)	61 877 767	26%	17 803 294
Community and social services	3 546 530	580 000	3 240 471	3 820 471	7%	433 508
Corporate Services	2 998 074	800 000	3 527 303	4 327 303	31%	2 351 597
Electro Technical Services	4 054 458	2 500 000	1 992 961	4 492 961	10%	7 739 926
Executive and Council	850 322	600 000	298 826	898 826	5%	1 017 309
Housing	-	-	-	-	-	-
Planning	-	-	-	-	-	19 010
Public Safety	1 481 460	-	3 782 455	3 782 455	61%	246 308
Sport and recreation	7 781 702	939 565	6 508 522	7 448 087	-4%	4 651 424
<b>Total capital expenditure</b>	<b>66 943 531</b>	<b>87 894 434</b>	<b>(1 051 482)</b>	<b>86 842 952</b>	<b>23%</b>	<b>34 468 286</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	82 812 107	72 568 933	(6 874 952)	65 693 982	26%	70 589 991
Service charges	322 571 725	335 324 735	32 258 329	367 583 064	-12%	286 587 895
Other Revenue	22 640 577	21 678 865	(1 439 648)	20 239 217	12%	37 947 061
Government - operating	161 660 837	116 989 000	23 255 568	140 244 568	15%	188 380 618
Government - capital	-	78 716 173	(8 386 065)	70 330 108	-100%	-
Interest	8 647 598	11 608 357	(6 739 867)	4 868 489	78%	17 960 780
Dividends	-	-	-	-	-	-
<b>Payments</b>						
Suppliers and employees	(540 061 367)	(573 947 248)	(60 783 541)	(634 730 789)	15%	(528 539 768)
Finance charges	(226 499)	(1 706 226)	(0)	(1 706 226)	87%	(468 878)
Transfers and Grants	(6 534 267)	(2 178 559)	(5 931 000)	(8 109 559)	19%	(1 494 563)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>51 510 712</b>	<b>59 054 030</b>	<b>(34 641 175)</b>	<b>24 412 855</b>	<b>-111%</b>	<b>70 963 136</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	905 050	-	-	-	-	27 616
Decrease (Increase) in non-current debtors	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	(66 943 531)	(88 763 999)	19 004 028	(69 759 971)	4%	(34 523 894)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(66 038 481)</b>	<b>(88 763 999)</b>	<b>19 004 028</b>	<b>(69 759 971)</b>	<b>5%</b>	<b>(34 496 277)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	0	-	-	-	-	-
Increase (decrease) in consumer deposits	769 456	-	-	-	-	854 521
<b>Payments</b>						
Repayment of borrowing	(1 330 872)	1 518 058	(3 318 058)	(1 800 000)	-	(1 198 667)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(561 416)</b>	<b>1 518 058</b>	<b>(3 318 058)</b>	<b>(1 800 000)</b>		<b>(344 146)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(15 089 185)</b>	<b>(28 191 911)</b>	<b>(18 955 205)</b>	<b>(47 147 116)</b>	<b>-106%</b>	<b>36 122 713</b>
Cash/cash equivalents at the year begin:	<b>130 394 398</b>	<b>73 319 439</b>	<b>57 074 959</b>	<b>130 394 398</b>	<b>0%</b>	<b>94 271 685</b>
Cash/cash equivalents at the year end:	<b>115 305 213</b>	<b>45 127 528</b>	<b>38 119 754</b>	<b>83 247 282</b>	<b>-39%</b>	<b>130 394 398</b>



# WITZENBERG MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

### Reconciliation of budget deficit with the surplus in the statement of financial performance

2020/2021

Net surplus per the statement of financial performance		29 141 422
Adjusted for:		
Property rates	Increase due to interim valuations	(4 246 298)
Fines, Penalties and Forfeits	Decrease due to the withdrawal of the contractor	8 863 052
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	13 354 613
Government Grants and Subsidies - Operating	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	9 549 021
Service Charges	Increase in demand for municipal services.	(21 468 624)
Employee related costs	Over estimated the impact of adjustment of retirement age of female employees.	(17 825 164)
Inventory Consumed	Decrease in maintenance required due to Lockdown restrictions	(5 069 751)
Operational Cost	Decrease in travelling and other expenditure	(9 243 855)
Depreciation and Amortisation	Depreciation less than expected due to slow capital spending	(3 106 381)
Finance Charges	Adjustment in Provisions	(7 401 098)
Bulk Purchases	Bulk purchases more than expected.	2 271 811
Contracted Services	Contracted Services less than budget, due to Covid 19 Restrictions.	(7 975 302)
Transfers and Subsidies: Operational Expenditure	Expenditure not incurred for all grant funding received.	(1 234 359)
Construction Cost	Allocation received in April - Top structures to be buildt in 2021/22	(5 861 000)
Gain / (loss) on Adjustment of Provision	Unforeseen adjustment in Provision	(2 203 465)
Gain / (loss) on Actuarial Valuations	Unforeseen adjustment in Provision	5 317 949
Other Items		(3 782 596)
Net deficit per approved budget		<u><u>(20 920 025)</u></u>

### Explanation of Material Cash Flow Variances

Property Rates and other Taxes	26%	Implementation of new general valuation resulting in increased revenue
Service charges	-12%	The cutting of electricity was not possible in the first three quarters due to Covid 19 restrictions.
Interest	78%	Budget for cash from interest to conservative
Suppliers and employees	15%	Variance is mainly a result of underspending on Contracted Services & Bulk Purchases
Transfers and Grants	0%	Housing Top structure expenditure was slower than expected

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 executed 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:

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.

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**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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**

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). If 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.

**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
<b>Infrastructure</b>		<b>Other</b>	
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
<b>Community</b>		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		
<b>Finance lease assets</b>			
Office equipment	3-5		

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:

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:

<b>Intangible Assets</b>	<b>Years</b>
Computer Software	5
Computer Software Licenses	5

#### **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:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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.

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.

<u>Investment Property</u>	<u>Years</u>
Buildings	99 - 100

#### 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.

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The class of heritage assets are carried at its cost less any accumulated impairment losses.

### 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 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.

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 outstanding amount based on the 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.

**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

**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.

The charging of revenue in the public sector is frequently regulated by legislation, regulation, or similar means. Due to the statutory nature of this revenue, the amount of revenue charged may be subject to a review, objection, or appeal process which may result in changes to revenue already recognised. These adjustments to revenue can result in changes in accounting estimates or errors which will be disclosed in terms of applicable GRAP standard.

**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.

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 2<sup>nd</sup> and 3<sup>rd</sup> 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 and 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. 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 measured 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. 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. NO other entities is included in the budget.

**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.

#### 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.

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. 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 outstanding amount based on the interest rate of the asset. Interest is not levied on Fines issued. 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 1.36 Standards, amendments to standard and interpretation issued but not yet effective

In the current year the municipality has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The following GRAP standards have been issued, but are not yet effective during the current reporting period and the municipality did not early adopt these GRAP standards or interpretation.

GRAP 104 (Revised 2019) - Financial Instruments: The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

GRAP 25 (Revised April 2021) - Employee Benefits: The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing Employee benefits

Management has considered all of the above mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance, budget statement or cash flow of the municipality.

## 1.37 Non-living Resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality. Non-Living resources are disclosed in terms of the applicable GRAP standard in the notes to the annual financial statements

## 1.38 Segment Reporting

## Definition

A segment is an activity—

- a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- c) for which separate financial information is available.

## Identification

Segments are identified by the way in which information is reported to management for purposes of assessing performance as well as allocating resources to the various activities undertaken. Monthly management accounts and/or budget documentation usually reflect the segments reported to management.

It is prudent to note the following:

- activities performed by administrative units and functional departments which do not on its own give rise to future economic benefits or service potential, are not regarded as segments.
- post-employment benefit plans are expressly excluded from the scope of the standard of GRAP on segment reporting (i.e. GRAP 18), and thus is not regarded as a segment.

## Measurement

The measure reported to management for the purpose of making decisions regarding the allocation of resources to a segment and assessing its performance, is the amount of each segment item reported in the financial statements. Amounts are allocated to reported segment surplus or deficit, assets or liabilities on a reasonable basis. When allocating revenue and expenses, only adjustments and eliminations included in the measures of the segment's surplus or deficit used by management, are reported for that segment. Only assets and liabilities included in the measures of the segment's assets and liabilities used by management, are reported for that segment. In cases where only one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of that measure. In cases where more than one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of what management believes are consistent with those used in measuring the corresponding amounts in the entity's financial statements.

## Significant Judgements:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The municipality is structured in terms of core functions mandated in legislation. Information regarding progress in the performance of mandated functions, is reported to management for the purpose of evaluating segment performance and the allocation of resources to various activities in lieu of strategic objectives. Where more than one set of segments has been identified, management may report such information separately or as a matrix. In addition, management may choose to adopt a primary and secondary reporting structure with limited disclosures made about secondary segments.

The segment information has been prepared on the accrual basis of accounting in accordance with the historical cost convention, unless specified otherwise.

*General information - Organisation and aggregation of segments*

GRAP 18 permits the aggregation of two or more segments into a single segment where segments have similar economic characteristics and share a majority of the following:

- a) the nature of the goods and/or services delivered;
- b) the type or class of customer or consumer to which goods and services are delivered;
- c) the methods used to distribute the goods or provide the services; or
- d) the nature of the regulatory environment that applies to the segment.

In accordance with section 153 of the Constitution of South Africa, the municipality's administration, budget and planning processes are structured in order to give priority to the basic needs of the community, as well as to promote the social and economic development of the community. Management has thus decided to organise segments around the nature of goods and/or services delivered in accordance with the objects of local government as stipulated in section 152(1) of the Constitution. *General information - Goods and/or services delivered per segment* The goods and/or services delivered per segment are aligned with the local government matters listed in Schedules 4B and 5B of the Constitution. Where the number of reportable segments identified had increased to more than ten, management applied judgement regarding the practical limit of reportable segments.

The below indicates the final reportable segments-

- Community and public safety
- Economic and environmental services
- Trading Services

*Entity wide disclosures - Geographical information*

The geographical information relevant for decision making purposes is not included as part of the reportable segment information as the information is not reported and available in geographical format within the municipal jurisdiction.

Restatement of segment reporting figures of earlier periods There have been no changes to the structure of the internal organisation that resulted in the composition of reportable segments to change. Thus there was no need for segment reporting figures of earlier periods to be restated.

*Transitional provisions*

As per government gazette 41595 dated 26th April 2018, the standard of GRAP on Segment reporting became effective for municipalities from 1st April 2020. The standard of GRAP on Segment reporting has been fully complied with, apart from any transitional provisions that management may have decided to take advantage of as indicated below.

- On initial adoption of GRAP 18, comparative segment information need not be presented.
- The requirements of GRAP 18 does not apply to items that have not been recognised and/or measured in accordance with the other standards of GRAP as a result of transitional provisions under those Standards.

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2

### CASH AND CASH EQUIVALENTS

2021  
R

2020  
R

#### Assets

Cash at Bank (Current Account)

115 295 816

130 384 998

Cash on Hand

9 397

9 400

**Total Cash and Cash Equivalents - Assets**

**115 305 213**

**130 394 398**

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

130 384 998

94 262 085

Cash book balance at end of year

115 295 816

130 384 998

The municipality changed its 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

131 190 772

93 565 694

Bank statement balance at end of year

114 835 494

131 190 772

Bank statement balance at beginning of year

-

351 927

#### **ABSA Bank Limited - Account Number 350000011**

Bank statement balance at beginning of year

97 212

55 423

Bank statement balance at end of year

96 864

97 212

3

### TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity

54 771 036

46 784 836

Water

104 891 890

87 667 870

Property Rental Debtors

2 404 094

2 082 126

Waste Management

60 019 370

47 877 818

Waste Water Management

59 249 898

49 735 651

Service Charges

1 301 822

1 393 881

Prepayments and Advances

2 010 368

122 455

Land Sale Debtors

1 133 310

2 038 360

**Total Receivables from Exchange Transactions**

**285 781 789**

**237 702 997**

Less: Provision for Impairment

(214 277 648)

(171 319 108)

**Total Net Receivables from Exchange Transactions**

**71 504 141**

**66 383 889**

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.

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3

### TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED

2021  
R

2020  
R

Included in receivables is the following accrued income (estimated consumption from the last meter reading to 30 June):

Accrued Income Electricity (Including VAT)	24 936 341	19 631 243
Accrued Income Water (Including VAT)	3 638 877	3 527 814

#### Ageing of Receivables from Exchange Transactions:

##### (Electricity): Ageing

Accrued Income Electricity	24 936 341	19 631 243
Current (0 - 30 days)	18 160 067	14 997 765
31 - 60 Days	1 397 878	2 740 177
61 - 90 Days	499 220	1 828 258
+ 90 Days	9 777 527	7 587 392
<b>Total</b>	<b>54 771 033</b>	<b>46 784 835</b>

##### (Water): Ageing

Accrued Income Water	3 638 877	3 527 814
Current (0 - 30 days)	4 213 842	4 441 973
31 - 60 Days	2 153 659	2 463 367
61 - 90 Days	2 120 413	2 171 126
+ 90 Days	92 765 100	75 063 590
<b>Total</b>	<b>104 891 890</b>	<b>87 667 870</b>

##### (Housing): Ageing

Current (0 - 30 days)	66 321	78 578
31 - 60 Days	49 478	81 504
61 - 90 Days	46 764	67 498
+ 90 Days	2 241 531	1 854 545
<b>Total</b>	<b>2 404 094</b>	<b>2 082 126</b>

##### (Refuse): Ageing

Current (0 - 30 days)	2 774 927	2 736 980
31 - 60 Days	1 472 837	1 609 444
61 - 90 Days	1 280 869	1 375 757
+ 90 Days	54 490 738	42 155 637
<b>Total</b>	<b>60 019 370</b>	<b>47 877 818</b>

##### (Sewerage): Ageing

Current (0 - 30 days)	2 283 412	2 073 049
31 - 60 Days	1 217 729	1 387 931
61 - 90 Days	1 085 666	1 212 586
+ 90 Days	49 371 612	37 725 143
<b>Total</b>	<b>53 958 419</b>	<b>42 398 709</b>

##### (Service Charges): Ageing

Current (0 - 30 days)	9 367	14 325
31 - 60 Days	16 003	12 501
61 - 90 Days	20 530	17 453
+ 90 Days	1 255 923	1 349 602
<b>Total</b>	<b>1 301 822</b>	<b>1 393 881</b>

+ 90 Days

<b>Total</b>	<b>2 010 368</b>	<b>122 455</b>
	<b>2 010 368</b>	<b>122 455</b>

##### (Land Sales): Ageing

+ 90 Days	1 133 310	2 038 360
<b>Total</b>	<b>1 133 310</b>	<b>2 038 360</b>

##### (Total): Ageing

Accrued Income	28 575 218	23 159 058
Current (0 - 30 days)	27 507 936	24 342 669
31 - 60 Days	6 307 584	8 294 924
61 - 90 Days	5 053 461	6 672 678
+ 90 Days	213 046 109	167 896 725
<b>Total</b>	<b>280 490 307</b>	<b>230 366 054</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED

2021  
R

2020  
R

#### Reconciliation Provision for Impairment

Opening Balance	(171 319 108)	(131 576 489)
Recognised	(42 974 704)	(39 760 988)
Reversal (Write-off)	16 164	18 368
<b>Balance at end of year</b>	<b><u>(214 277 648)</u></b>	<b><u>(171 319 109)</u></b>

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	33 985 297	31 975 140
Provision for impairment	(25 942 434)	(24 473 636)
Carrying Value	<b><u>8 042 863</u></b>	<b><u>7 501 504</u></b>

#### Fines

Outstanding balance	23 681 460	30 433 020
Provision for impairment	(21 161 350)	(25 762 620)
Carrying Value	<b><u>2 520 110</u></b>	<b><u>4 670 400</u></b>

#### Other Receivables

**463 136**                      **478 000**

Deposits	224 615	224 615
Other receivables	238 521	253 385

#### Total Net Receivables from Non-Exchange Transactions

**11 026 109**                      **12 649 904**

#### Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	3 786 675	2 916 005
31 - 60 Days	896 843	726 011
61 - 90 Days	408 250	499 281
+ 90 Days	28 887 524	27 827 837
<b>Total</b>	<b><u>33 979 291</u></b>	<b><u>31 969 135</u></b>

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	(50 236 255)	(36 614 661)
Recognised	(14 412 198)	(27 790 285)
Reversal (Write-off)	17 544 670	14 168 690
<b>Balance at end of year</b>	<b><u>(47 103 783)</u></b>	<b><u>(50 236 256)</u></b>

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.

### 5 INVENTORY

Consumables	892 552	750 713
Materials and Supplies	8 878 678	10 633 984
Water	191 862	216 814
<b>Total Inventory</b>	<b><u>9 963 092</u></b>	<b><u>11 601 511</u></b>

Inventory written down due to losses as identified during the annual stores counts.

**-**                      **(52)**

Inventory recognised as an expense during the year

**8 730 040**                      **12 959 401**

No inventories is pledged as security for liabilities

No inventory is carried at fair value less cost to sell.

No inventory was written down to net realisable value.

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2021 R	2020 R
	<b>Unspent Grants</b>	24 703 606	48 496 815
	National Government Grants	10 811 614	29 605 007
	Provincial Government Grants	9 994 797	14 765 591
	District Municipality	3 897 195	4 126 217
	<b>Less: Grants spend but not yet received</b>	2 172 368	3 638 977
	National Government Grants	394 655	724 504
	Provincial Government Grants	1 252 623	1 252 623
	District Municipality	525 090	525 090
	Other	-	1 136 760
	<b>Total Conditional Grants and Receipts</b>	<b>22 531 238</b>	<b>44 857 838</b>

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 2021, total statutory receivables of R 64871124 (2020: R 67097040) were impaired and provided for.

The amount of the allowance for impairment was R 47103784 as of 30 June 2021 (2020: R50236256).

### Reconciliation of statutory receivables

Gross balance of statutory receivables	64 871 124	67 097 040
Provision for impairment	(47 103 784)	(50 236 256)
<b>Netto statutory receivables</b>	<b>17 767 340</b>	<b>16 860 784</b>

### Gross balance

Fines	23 681 460	30 433 020
Property rates	33 985 297	31 975 140
VAT	7 204 367	4 688 880
<b>Total</b>	<b>64 871 124</b>	<b>67 097 040</b>

### Reconciliation of Provision for impairment

Opening Balance	(50 236 256)	(36 614 661)
Recognised	(14 412 198)	(27 790 285)
Reversal (Write-off)	17 544 670	14 168 690
<b>Balance at end of year</b>	<b>(47 103 783)</b>	<b>(50 236 256)</b>

### The total amount of the Provision for impairment consists of:

Fines	(21 161 350)	(25 762 620)
Property rates	(25 942 434)	(24 473 636)
<b>Total</b>	<b>(47 103 784)</b>	<b>(50 236 256)</b>

### Net balance

Fines	2 520 110	4 670 400
Property rates	8 042 863	7 501 504
VAT	7 204 367	4 688 880
<b>Total</b>	<b>17 767 340</b>	<b>16 860 784</b>

### Interest charged

427 601                      2 017 034

### Property Rates: Ageing

Current (0 - 30 days)	3 786 675	2 916 005
31 - 60 Days	896 843	726 011
61 - 90 Days	408 250	499 281
+ 90 Days	28 887 524	27 827 837
<b>Total</b>	<b>33 979 291</b>	<b>31 969 135</b>

### 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.**



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATUTORY RECEIVABLES CONTINUED	2021 R	2020 R		
<b>Credit quality of statutory receivables</b>				
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.				
<b>There are no statutory receivables which were restricted.</b>				
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.				
<b>Basic rate</b>				
Residential	0.927c/R	0.875c/R		
Commercial	1.674c/R	1.579c/R		
Industrial	1.629c/R	1.537c/R		
Bona Fide Agricultural	0.125c/R	0.106c/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.				
<b>Balances past due not impaired:</b>	<b>2021 %</b>	<b>2021 R</b>	<b>2020 %</b>	<b>2020 R</b>
<u>Non-Exchange Receivables</u>				
Fines	10.64%	2 520 110	15.35%	4 670 400
Property rates	23.67%	8 042 863	23.46%	7 501 504
VAT	100.00%	7 204 367	100.00%	4 688 880
	<u>27.39%</u>	<u>17 767 340</u>	<u>25.13%</u>	<u>16 860 784</u>
<b>The provision for bad debts could be allocated between the different classes of debtors as follows:</b>				
	<b>2021 %</b>	<b>2021 R</b>	<b>2020 %</b>	<b>2020 R</b>
<u>Non-Exchange Receivables</u>				
Fines	44.92%	21 161 350	51.28%	25 762 620
Property rates	55.08%	25 942 434	48.72%	24 473 636
	<u>100.00%</u>	<u>47 103 784</u>	<u>100.00%</u>	<u>50 236 256</u>
<b>The provision for bad debts could be allocated between the different categories of debtors as follows:</b>				
	<b>2021 %</b>	<b>2021 R</b>	<b>2020 %</b>	<b>2020 R</b>
Residential	75.71%	35 661 412	77.98%	39 175 482
Commercial	21.07%	9 925 191	16.30%	8 189 890
Other	3.22%	1 517 181	5.71%	2 870 884
	<u>100.00%</u>	<u>47 103 784</u>	<u>100.00%</u>	<u>50 236 256</u>
<b>VAT PAYABLE</b>			<b>2021 R</b>	<b>2020 R</b>
VAT Payable			9 371 515	8 183 265
			<u>9 371 515</u>	<u>8 183 265</u>
<b>VAT RECEIVABLE</b>				
VAT input in suspense			16 575 882	12 872 145
			<u>16 575 882</u>	<u>12 872 145</u>
<b>NET VAT RECEIVABLE/(PAYABLE)</b>			<u>7 204 367</u>	<u>4 688 880</u>
VAT is receivable/payable on the cash basis.				

## 8 PROPERTY, PLANT AND EQUIPMENT

## 8.1 30 JUNE 2021

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
<b>Carrying value at 1 July 2020</b>	70,460,672	87,181,464	631,580,781	69,965,299	549,031	27,958,456	887,695,703
Cost	70,460,672	98,147,957	807,546,854	84,767,703	3,111,305	80,897,993	1,144,932,484
Accumulated Impairment	-	-	(19,803)	(278,553)	-	(1,161,232)	(1,459,588)
Accumulated Depreciation	-	(10,966,493)	(175,946,270)	(14,523,851)	(2,562,274)	(51,778,305)	(255,777,193)
<b>Acquisitions</b>	-	-	49,559,681	9,885,758	-	7,498,092	66,943,531
<b>Transfers</b>	-	-	2,879,778	1,117,231	-	(3,997,009)	-
Cost	-	-	2,879,778	1,117,231	-	(3,997,009)	-
Accumulated Depreciation	-	-	-	-	-	-	-
<b>Impairment</b>	-	-	-	(1,085,669)	-	436,175	(649,494)
Impairment	-	-	-	(1,085,669)	-	-	(1,085,669)
Reversals	-	-	-	-	-	436,175	436,175
<b>Depreciation</b>	-	(996,709)	(19,364,850)	(2,017,309)	(549,031)	(6,486,391)	(29,414,290)
<b>Carrying value of disposals</b>	(8,547)	-	-	-	-	(57,500)	(66,047)
Cost	(8,547)	-	-	-	-	(129,788)	(138,335)
Accumulated Depreciation	-	-	-	-	-	72,288	72,288
<b>Carrying value at 30 June 2021</b>	70,452,125	86,184,755	664,655,390	77,865,310	-	25,351,823	924,509,403
Cost	70,452,125	98,147,957	859,986,313	95,770,692	3,111,305	84,269,288	1,211,737,680
Accumulated Impairments	-	-	(19,803)	(1,364,222)	-	(725,057)	(2,109,082)
Accumulated Depreciation	-	(11,963,202)	(195,311,120)	(16,541,160)	(3,111,305)	(58,192,408)	(285,119,195)

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## CAPITALISED RESTORATION COST

## Net Carrying amount at 1 July

10 027 827

Cost

46 429 939

Accumulated Depreciation

(36 402 112)

Adjustment for the period

50 120 798

Depreciation for the year

(2 498 945)

## Net Carrying amount at 30 June

57 649 679

Cost

96 550 736

Accumulated Depreciation

(38 901 057)

## Total Property, Plant and Equipment

982 159 082

## 8.1.1 Work in Progress included in the Carrying Value of Property Plant &amp; Equipment

Original Cost

558 835

44 060 729

387 937

0

15 344 092

60 351 594

## 8.1.2 Expenditure incurred for repairs and maintaining property plant and equipment

17 106 278

## PROPERTY, PLANT AND EQUIPMENT CONTINUED

## 8.2 30 JUNE 2020

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
<b>Carrying value at 1 July 2019</b>	70 821 672	89 074 511	626 397 981	68 333 398	956 045	29 671 075	885 254 681
Cost	70 821 672	99 203 957	783 140 183	79 434 583	3 111 305	76 563 996	1 112 275 695
Accumulated Impairment	-	-	(19 803)	-	-	(1 439 785)	(1 459 588)
Accumulated Depreciation	-	(10 129 446)	(156 722 400)	(11 101 185)	(2 155 260)	(45 453 135)	(225 561 426)
<b>Acquisitions</b>	-	-	24 406 671	4 345 120	-	5 756 386	34 508 178
<b>Transfers</b>	-	(837 827)	-	837 827	-	(794 040)	(794 040)
Cost	-	(988 000)	-	988 000	-	(945 903)	(945 903)
Accumulated Depreciation	-	150 173	-	(150 173)	-	151 863	151 863
<b>Impairment</b>	-	-	-	(278 553)	-	278 553	-
<b>Depreciation</b>	-	(994 122)	(19 223 869)	(3 272 493)	(407 014)	(6 607 159)	(30 504 657)
<b>Carrying value of disposals</b>	(361 000)	(61 098)	-	-	-	(346 360)	(768 458)
Cost	(361 000)	(68 000)	-	-	-	(476 487)	(905 487)
Accumulated Depreciation	-	6 902	-	-	-	130 127	137 029
<b>Carrying value at 30 June 2020</b>	70 460 672	87 181 464	631 580 782	69 965 299	549 031	27 958 457	887 695 704
Cost	70 460 672	98 147 957	807 546 854	84 767 703	3 111 305	80 897 993	1 144 932 484
Accumulated Impairments	-	-	(19 803)	(278 553)	-	(1 161 232)	(1 459 588)
Accumulated Depreciation	-	(10 966 493)	(175 946 270)	(14 523 851)	(2 562 274)	(51 778 305)	(255 777 192)

## 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

(6 530 322)

Depreciation for the year

(2 688 067)

## Net Carrying amount at 30 June

10 027 827

Cost

46 429 939

Accumulated Depreciation

(36 402 112)

## Total Property, Plant and Equipment

897 723 531

## 8.2.1 Work in Progress included in the Carrying Value of Property Plant &amp; Equipment

Original Cost

558835

16 293 860

387 937

0

6 033 674

23 274 306

## 8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment

14 469 501

## 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.



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9	INTANGIBLE ASSETS	2021 R	2020 R
	<b>Computer Software</b>		
	<b>Net Carrying amount at 1 July</b>	<b>1 647 247</b>	<b>2 029 417</b>
	Cost	5 027 955	5 012 239
	Accumulated Amortisation	(3 380 708)	(2 982 822)
	Acquisitions	-	15 716
	Amortisation	(386 959)	(397 887)
	<b>Net Carrying amount at 30 June</b>	<b>1 260 288</b>	<b>1 647 247</b>
	Cost	5 027 955	5 027 955
	Accumulated Amortisation	(3 767 667)	(3 380 708)
	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	<b>INVESTMENT PROPERTY</b>		
	<b>Net Carrying amount at 1 July</b>	<b>44 504 573</b>	<b>44 459 310</b>
	Cost	47 853 850	47 554 810
	Accumulated Depreciation	(3 349 277)	(3 095 500)
	Transfers to/from Cost	-	945 903
	Transfers to/from Accumulated Depreciation	-	(151 863)
	Depreciation for the year	(281 026)	(279 891)
	Carrying value of disposals	-	(468 886)
	Cost	-	(495 000)
	Accumulated Depreciation	-	26 114
	<b>Net Carrying amount at 30 June</b>	<b>44 223 547</b>	<b>44 504 573</b>
	Cost	47 853 850	48 005 713
	Accumulated Depreciation	(3 630 304)	(3 501 140)
	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	639 712	2 623 725
	Repair and maintenance expenditure incurred on properties generating revenue	<u>388 834</u>	<u>492 260</u>
	Total Operating expenditure incurred on properties generating revenue	<u>9 601 433</u>	<u>9 502 538</u>
	Operating expenditure incurred on properties not generating revenue	<u>898 213</u>	<u>931 350</u>

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

11	<b>HERITAGE ASSETS</b>	<b>2021 R</b>	<b>2020 R</b>
	<b>Net Carrying amount at 1 July</b>	<b>550 000</b>	<b>550 000</b>
	Cost	550 000	550 000
	<b>Net Carrying amount at 30 June</b>	<b>550 000</b>	<b>550 000</b>
	Cost	550 000	550 000

Heritage assets are carried at its cost less any accumulated impairment losses

No repairs and maintenance were effected on the heritage assets.

None of the heritage assets are pledge as security.

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	<b>TRADE AND OTHER PAYABLES EXCHANGE TRANSACTIONS</b>	<b>2021 R</b>	<b>2020 R</b>
	Payables and Accruals	11 389 843	9 203 933
	Control, Clearing and Interface	101 181	(6 285)
	Electricity Bulk Purchase	31 409 381	29 051 439
	Accrued Interest	10 342	16 551
	Unallocated Deposits	4 654 172	5 129 924
	Retentions	3 358 724	3 518 982
	Advance Payments	6 811 826	6 024 459
	Overtime	839 359	808 395
	<b>Total Trade Payables</b>	<b>58 574 828</b>	<b>53 747 398</b>

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.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13	CONSUMER DEPOSITS	2021 R	2020 R
	Water and Electricity	5 777 154	5 232 346
	Rental Properties	500 937	660 469
	Building Plans	2 801 641	2 417 461
	<b>Total Consumer Deposits</b>	<b>9 079 732</b>	<b>8 310 276</b>

14	CURRENT EMPLOYEE BENEFITS		
	Current Portion of Post Employment Health Care Benefits- Note 18	2 630 000	1 823 000
	Current Portion of Long-Service Provisions - Note 18	1 354 000	1 573 000
	Current Portion of Ex-gratia Pension Provisions - Note 18	2 162	8 455
	Staff Leave	18 023 300	17 400 649
	Performance Bonuses	709 809	666 708
	Staff Bonuses	5 106 015	5 202 132
	<b>Total Current Employee Benefits</b>	<b>27 825 286</b>	<b>26 673 944</b>

The movement in current employee benefits are reconciled as follows:

**Staff Leave**

Balance at beginning of year	17 400 648	13 148 895
Contribution for the year	1 354 848	4 832 121
Expenditure incurred	(732 196)	(580 367)
Balance at end of year	<b>18 023 300</b>	<b>17 400 649</b>

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	666 708	497 567
Contribution for the year	709 809	721 323
Expenditure incurred	(666 708)	(552 181)
Balance at end of year	<b>709 809</b>	<b>666 709</b>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of their performance.

**Staff Bonuses**

Balance at beginning of year	5 202 132	4 642 349
Contribution for the year	8 733 330	8 590 849
Expenditure incurred	(8 829 448)	(8 031 067)
Balance at end of year	<b>5 106 014</b>	<b>5 202 131</b>

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.

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

15

**UNSPENT PUBLIC CONTRIBUTIONS**

	2021 R	2020 R
China - Water meters	15 627	16 004
Essen Belgium	3 963 623	3 987 569
<b>Total Unspent Public Contributions</b>	<b>3 979 250</b>	<b>4 003 573</b>

**Reconciliation of public contributions**

China - Water meters

Opening balance	16 005	19 533
Conditions met - Transferred to revenue	(378)	(3 529)
<b>Closing balance</b>	<b>15 627</b>	<b>16 004</b>

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	3 987 568	2 199 763
Receipts	834 420	2 331 023
Conditions met - Transferred to revenue	(858 365)	(543 217)
<b>Closing balance</b>	<b>3 963 623</b>	<b>3 987 569</b>

A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.

16

**BORROWINGS**

Annuity Loans	2 774 921	4 105 791
Finance Lease Liability	-	481 811
	<b>2 774 921</b>	<b>4 587 602</b>

Less Current portion of Non-current	<b>(1 586 619)</b>	<b>(1 967 785)</b>
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Annuity Loans	(1 586 619)	(1 485 974)
Finance Lease Liability	-	(481 811)

Non-Current portion	<b>1 188 302</b>	<b>2 619 817</b>
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<b>Total borrowings - At amortised cost using the effective interest rate method</b>	<b>1 188 302</b>	<b>2 619 817</b>
--	------------------	------------------

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

Payable within one year	1 762 766	1 792 988
Payable within two to five years	1 250 670	2 848 336
	3 013 435	4 641 324

<b>Less: Future finance obligations</b>	<b>(238 517)</b>	<b>(535 535)</b>
<b>Present value of annuity obligations</b>	<b>2 774 918</b>	<b>4 105 788</b>

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:

Amounts payable under finance leases:

Payable within one year	-	508 306
	-	508 306
<b>Less: Future finance obligations</b>	<b>-</b>	<b>(26 495)</b>
<b>Present value of lease obligations</b>	<b>-</b>	<b>481 811</b>

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

17

**NON-CURRENT PROVISIONS**

	2021 R	2020 R
Provision for Rehabilitation of Landfill-sites	102 375 838	50 889 138
<b>Total Non-current Provisions</b>	<b>102 375 838</b>	<b>50 889 138</b>

**Landfill Sites**

Opening Balance	50 889 138	86 471 213
Unwinding of Interest	3 570 257	8 087 185
Adjustment for the period	47 916 443	(43 669 260)
<b>Total provision 30 June</b>	<b>102 375 838</b>	<b>50 889 138</b>

Discount rate	7.02%	9.35%
Inflation Rate	4.90%	2.20%

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Ceres	2003	2 726 781	4 607 860
Prince Alfred's Hamlet	2025	48 821 093	38 545 792
Op-die- Berg	2021	7 789 062	5 672 802
Tulbagh	2032	18 584 907	905 259
Wolseley	2034	24 453 996	1 157 427
		<b>102 375 838</b>	<b>50 889 139</b>

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Ceres	2003	2 726 781	4 607 860
Prince Alfred's Hamlet	2025	64 032 189	60 723 312
Op-die- Berg	2021	7 789 062	6 296 476
Tulbagh	2032	39 181 877	51 732 646
Wolseley	2034	59 043 230	79 093 858
		<b>172 773 139</b>	<b>202 454 153</b>

18

**EMPLOYEE BENEFITS**

Post-employment Health Care Benefits	60 636 000	52 895 000
Long Service Awards	10 802 000	8 680 000
Ex-Gratia Pension Benefits	29 920	53 758
<b>Total Non-current Employee Benefit Liabilities</b>	<b>71 467 920</b>	<b>61 628 758</b>

**Post-employment Health Care Benefits**

Opening Balance	54 718 000	57 148 484
Contribution for the year	1 823 000	2 020 946
Interest Cost	5 529 000	5 242 666
Expenditure for the year	(2 333 394)	(2 379 821)
Actuarial Loss/(Gain)	3 529 394	(7 314 275)
<b>Total post retirement Health Care benefits 30 June</b>	<b>63 266 000</b>	<b>54 718 000</b>

<b>Less:</b> Transfer of Current Portion - Note 14	(2 630 000)	(1 823 000)
<b>Balance 30 June</b>	<b>60 636 000</b>	<b>52 895 000</b>

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

18

**EMPLOYEE BENEFITS CONTINUED**

**2021  
R**

**2020  
R**

**Long Service Awards**

Opening Balance	10 253 000	10 640 365
Contribution for the year	798 000	878 787
Interest Cost	687 000	818 139
Expenditure for the year	(1 382 126)	(840 493)
Actuarial Loss/(Gain)	1 800 126	(1 243 798)
<b>Total long service 30 June</b>	<b>12 156 000</b>	<b>10 253 000</b>

**Less:** Transfer of Current Portion - Note 14

**Balance 30 June**

(1 354 000)	(1 573 000)
<b>10 802 000</b>	<b>8 680 000</b>

**Ex-Gratia Pension**

Opening Balance	62 210	63 524
Interest Cost	4 186	4 817
Expenditure for the year	(22 519)	(6 240)
Actuarial Loss/(Gain)	(11 795)	112
<b>Total Ex-Gratia 30 June</b>	<b>32 082</b>	<b>62 213</b>

**Less:** Transfer of Current Portion - Note 14

**Balance 30 June**

(2 162)	(8 455)
<b>29 920</b>	<b>53 758</b>

**TOTAL NON-CURRENT EMPLOYEE BENEFITS**

Balance 1 July	65 033 210	67 852 373
Contribution for the year	2 621 000	2 899 733
Interest cost	6 220 186	6 065 622
Expenditure for the year	(3 738 039)	(3 226 554)
Actuarial Loss/(Gain)	5 317 725	(8 557 961)
<b>Total employee benefits 30 June</b>	<b>75 454 082</b>	<b>65 033 213</b>

**Less:** Transfer of Current Portion - Note 14

**Balance 30 June**

(3 986 162)	(3 404 455)
<b>71 467 920</b>	<b>61 628 758</b>

**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	246	248
In-service (employee) non-members	240	
Continuation members (e.g. Retirees, widows, orphans)	54	54
<b>Total Members</b>	<b>540</b>	<b>302</b>

The liability in respect of past service has been estimated to be as follows:

In-service (employee) members	30 183 000	26 345 000
In-service (employee) non-members	2 345 000	
Continuation members	30 738 000	28 373 000
<b>Total Liability</b>	<b>63 266 000</b>	<b>54 718 000</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2019 R</b>	<b>2018 R</b>	<b>2017 R</b>
In-service members	27 996 656	52 940 818	50 585 753
Continuation members	29 151 829	25 363 294	21 789 464
<b>Total Liability</b>	<b>57 148 485</b>	<b>78 304 112</b>	<b>72 375 217</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
Keyhealth.  
LA Health  
Hosmed and  
Samwumed.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18.1 EMPLOYEE BENEFITS CONTINUED

2021

2020

Key actuarial assumptions used:

## i) Rate of interest

Discount rate	10.06%	10.34%
Health Care Cost Inflation Rate	6.77%	6.40%
Net Effective Discount Rate	3.08%	3.70%

The discount rate are derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

## 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 65 (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:

	2021 R	2020 R
Present value of fund obligations	63 266 000	54 718 000
<b>Net liability/(asset)</b>	<b>63 266 000</b>	<b>54 718 000</b>

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	54 718 000	57 148 484
Total expenses	5 018 606	4 883 791
Current service cost	1 823 000	2 020 946
Interest Cost	5 529 000	5 242 666
Benefits Paid	(2 333 394)	(2 379 821)
Amendments	-	-
Actuarial (gains)/losses	3 529 394	(7 314 275)
Present value of fund obligation at the end of the year	63 266 000	54 718 000
<b>Less:</b> Transfer of Current Portion - Note 14	(2 630 000)	(1 823 000)
<b>Balance 30 June</b>	<b>60 636 000</b>	<b>52 895 000</b>

## Sensitivity Analysis on the Accrued Liability at 30 June 2021

Assumption	In-service members	Continuation members	Total liability (R'000)
Central Assumptions	30 183 000	30 738 000	60 921 000

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members	Continuation members	Total liability (R'000)	% change
Central assumptions		30 183 000	30 738 000	60 921 000	
Health care inflation	1%	35 463 000	33 596 000	69 059 000	9
Health care inflation	-1%	28 735 000	28 159 000	56 894 000	-10
Mortality rate	20%	31 056 000	28 649 000	59 705 000	-6
Mortality rate	-20%	34 260 000	33 344 000	67 604 000	7



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## EMPLOYEE BENEFITS CONTINUED

2021

2020

## 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.

486

512

## i) Rate of interest

Discount rate	9.13%	7.25%
General Salary Inflation (long-term)	5.77%	3.90%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.18%	3.22%

2021  
R2020  
R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

12 156 000

10 253 000

**Net liability**

**12 156 000****10 253 000**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

2019  
R2018  
R2017  
R

Present value of fund obligations

10 640 365

5 885 018

5 329 057

**Net liability**

**10 640 365****5 885 018****5 329 057**2021  
R2020  
R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

10 253 000

10 640 365

Total expenses

102 874

856 433

Current service cost

798 000

878 787

Interest Cost

687 000

818 139

Benefits Paid

(1 382 126)

(840 493)

Actuarial (gains)/losses

1 800 126

(1 243 798)

Present value of fund obligation at the end of the year

12 156 000

10 253 000

**Less:** Transfer of Current Portion - Note 14

(1 354 000)

(1 573 000)

**Balance 30 June**

**10 802 000****8 680 000**

Sensitivity Analysis on the Accrued Liability at 30 June 2021

Assumption	Change	Liability	% change
Central assumptions		12 156 000	
General salary inflation	1.00%	12 898 000	6%
General salary inflation	-1.00%	11 481 000	-6%
Withdrawal rates	20%	11 624 000	-4%
Withdrawal rates	-20%	12 736 000	5%



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## EMPLOYEE BENEFITS CONTINUED

2021

2020

## 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.

16

18

## i) Rate of interest

Discount rate

8.67%

7.21%

2021  
R2020  
R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

32 082

62 213

**Net liability****32 082****62 213**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

2019  
R2018  
R2017  
R

Present value of fund obligations

71 873

71 873

154 143

**Net liability****71 873****71 873****154 143**

## EMPLOYEE BENEFITS CONTINUED

2021  
R2020  
R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

62 210

63 524

Total expenses

(18 333)

(1 423)

Interest Cost

4 186

4 817

Benefits Paid

(22 519)

(6 240)

Actuarial (gains)/losses

(11 795)

112

Present value of fund obligation at the end of the year

32 082

62 213

**Less:** Transfer of Current Portion - Note

(2 162)

(8 455)

**Balance 30 June****29 920****53 758**

## Sensitivity Analysis on the Accrued Liability at 30 June 2021

## Assumption

Change

Total liability

% change

Central assumptions

32 082

Withdrawal rates

+20%

31 844

-1.0%

Withdrawal rates

-20%

32 332

1.0%



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

EMPLOYEE BENEFITS CONTINUED		2021 R	2020 R
18.4	Retirement funds		
	<b><u>CAPE JOINT PENSION FUND</u></b>		
	<p>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.</p>		
	Contributions paid recognised in the Statement of Financial Performance	381 065	288 723
	<b><u>SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND</u></b>		
	<p>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.</p>		
	Contributions paid recognised in the Statement of Financial Performance	244 764	186 267
	<b><u>DEFINED CONTRIBUTION FUNDS</u></b>		
	<p>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.</p>		
	Contributions paid recognised in the Statement of Financial Performance		
	Cape Joint Retirement Fund	24 174 021	21 956 888
	Municipal Councillors Pension Fund	393 038	376 758
	National Fund For Municipal Employees (IMATU)	145 755	133 462
	SAMWU National Provident Fund	4 385 295	4 275 921
		<b><u>29 098 110</u></b>	<b><u>26 743 029</u></b>
	<p>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:</p>		
	<p>The valuation results are dependent on the expected average retirement ages (EARAs) instead of the normal retirement age (NRAs).</p>		
	<p>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.</p>		
	<p>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.</p>		
19	<b>NET ASSET RESERVES</b>		
	Capital Replacement Reserve	10 442 209	10 617 534
	<b>Total Net Asset Reserves</b>	<b><u>10 442 209</u></b>	<b><u>10 617 534</u></b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

20

### PROPERTY RATES

#### Actual

#### Rates Levied

Business  
Building Clauses  
Rural  
Industrial Properties  
Residential Properties  
State-owned Properties  
Vacant Land  
Public Service Infrastructure

2021  
R

2020  
R

88 968 573

81 314 127

14 252 757	13 201 984
100 709	96 418
21 658 417	18 572 835
10 142 771	9 400 563
28 828 793	26 964 539
12 180 752	11 164 548
1 781 377	1 907 205
22 997	6 035

Less: Revenue Forgone

(8 193 455)

(7 720 342)

#### **Total Assessment Rates**

**80 775 118**

**73 593 785**

#### Valuations - 1 JULY

#### Land and Buildings

Residential Property  
Commercial Property  
Industrial Property  
Informal Property  
Agricultural Purposes  
State - National/ Provincial Services  
Public Service Infrastructure  
Vacant Property

4 082 787 000

4 052 249 000

1 017 784 700

1 013 172 700

622 997 000

610 486 000

37 168 500

37 168 500

12 675 752 300

12 588 293 000

822 627 500

822 438 000

10 040 500

9 948 500

176 507 400

166 825 800

#### **Total Valuation**

**19 445 664 900**

**19 300 581 500**

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  
Commercial  
Industrial  
Bona Fide Agricultural

0.927c/R

0.875c/R

1.674c/R

1.579c/R

1.629c/R

1.537c/R

0.125c/R

0.106c/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.

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

21		2021 R	2020 R
	<b>TRANSFERS AND SUBSIDIES</b>		
	<b>Unconditional Grants</b>	<b>116 085 531</b>	<b>92 850 157</b>
	Equitable Share	116 085 531	92 850 157
	<b>Conditional Grants</b>	<b>67 067 486</b>	<b>53 829 958</b>
	Grants and donations	67 067 486	53 829 958
	<b>Total Government Grants and Subsidies</b>	<b>183 153 017</b>	<b>146 680 115</b>
	Government Grants and Subsidies - Capital	52 101 858	15 568 796
	Government Grants and Subsidies - Operating	131 051 159	131 111 319
		<b>183 153 017</b>	<b>146 680 115</b>

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	116 085 531	92 850 157
Conditions met - Operating	(116 085 531)	(92 850 157)
Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>-</u>

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	54 161	626 923
Grants received	1 550 000	1 550 000
Conditions met - Operating	(1 550 000)	(1 495 840)
Write off / Transfers	(54 161)	(626 922)
Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>54 161</u>

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	(432 918)	(275 740)
Grants received	2 360 000	2 299 000
Conditions met - Operating	(2 030 150)	(2 456 177)
Conditions still to be met/(Grant expenditure to be recovered)	<u>(103 068)</u>	<u>(432 917)</u>

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

<b>GOVERNMENT GRANTS AND SUBSIDIES CONTINUED</b>		<b>2021</b>	<b>2020</b>
		<b>R</b>	<b>R</b>
<b>21.4</b>	<b>Municipal Infrastructure Grant (MIG)</b>		
Opening balance		9 843 224	(666 480)
Grants received		22 013 000	22 411 000
Conditions met - Operating		(630 000)	-
Conditions met - Capital		(21 042 862)	(11 901 296)
Write off / Transfers		(9 843 224)	-
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>340 138</b></u>	<u><b>9 843 224</b></u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.			
<b>21.5</b>	<b>Regional Bulk Infrastructure Grant (RBIG)</b>		
Opening balance		19 236 146	6 441 235
Grants received		10 000 000	19 471 000
Conditions met - Capital		-	(234 854)
Write off / Transfers		(19 236 146)	(6 441 235)
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>10 000 000</b></u>	<u><b>19 236 146</b></u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.			
<b>21.6</b>	<b>Housing Grants</b>		
Opening balance		3 507 702	(1 237 092)
Grants received		28 563 744	28 950 965
Conditions met - Operating		(238 000)	(224 000)
Conditions met - Capital		(26 507 700)	(23 982 171)
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>5 325 746</b></u>	<u><b>3 507 702</b></u>
Housing grants was utilised for the development of erven and the erection of top structures.			
<b>21.7</b>	<b>Integrated National Electrification Grant</b>		
Opening balance		(291 587)	(651 195)
Grants received		-	3 000 000
Conditions met - Capital		-	(2 640 392)
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>(291 587)</b></u>	<u><b>(291 587)</b></u>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.			
<b>21.8</b>	<b>Library services</b>		
Opening balance		800 000	400 000
Grants received		9 764 000	9 639 000
Conditions met - Operating		(9 764 000)	(9 239 000)
Conditions met - Capital		(800 000)	-
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>-</b></u>	<u><b>800 000</b></u>
<b>21.9</b>	<b>Other Grants</b>		
Opening balance		16 144 681	3 070 004
Grants received		4 505 240	17 577 649
Conditions met - Operating		(1 178 384)	(4 191 299)
Conditions met - Capital		(8 232 278)	(311 672)
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>11 239 259</b></u>	<u><b>16 144 682</b></u>
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.			
<b>21.10</b>	<b>Total Grants</b>		
Opening balance		48 861 409	7 707 655
Grants received		194 841 515	197 748 771
Conditions met - Operating		(131 476 065)	(110 456 473)
Conditions met - Capital		(56 582 840)	(39 070 385)
Write off / Transfers		(29 133 531)	(7 068 157)
Conditions still to be met/(Grant expenditure to be recovered)		<u><b>26 510 488</b></u>	<u><b>48 861 411</b></u>
<u>Disclosed as follows:</u>			
Unspent Conditional Government Grants and Receipts		24 703 606	48 496 815
Unspent Public Contributions		3 979 250	4 003 573
Unpaid Conditional Government Grants and Receipts		(2 172 368)	(3 638 977)
		<u><b>26 510 488</b></u>	<u><b>48 861 411</b></u>

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22	SERVICE CHARGES	2021 R	2020 R
	Electricity	276 642 088	258 382 622
	Water	46 289 114	42 853 245
	Refuse removal	34 109 824	32 235 749
	Sewerage and Sanitation Charges	42 570 075	39 992 999
		<u>399 611 101</u>	<u>373 464 615</u>
	Less: Revenue Forgone	(23 410 035)	(20 908 921)
	<b>Total Service Charges</b>	<b><u>376 201 066</u></b>	<b><u>352 555 694</u></b>
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 commission 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. The amounts as per note is inclusive of VAT - The amount retained as per the statement of financial performance is exclusive of VAT			
	Opening Balance	(1 110 393)	256 368
	Funds collected	28 896 887	25 047 100
	Retained	(5 006 842)	(3 998 961)
	Paid	(22 518 184)	(20 194 114)
	Payable to principal	<u>261 468</u>	<u>1 110 393</u>
24	OPERATIONAL REVENUE		
	Insurance Refund	106 928	1 729 242
	Collection Charges	-	(152)
	Breakages and Losses Recovered	632	3 687
	Merchandising, Jobbing and Contracts	57 113	45 476
	Other	246 212	352 263
	<b>Total Operational Revenue</b>	<b><u>410 885</u></b>	<b><u>2 130 516</u></b>
25	SALES OF GOODS AND RENDERING OF SERVICES		
	Application Fees for Land Usage	139 118	64 223
	Building Plan Approval	1 009 001	767 915
	Camping Fees	1 383 904	3 188 912
	Cemetery and Burial	328 319	175 799
	Development Charges	110 605	108 876
	Entrance Fees	33 772	591 521
	Other	606 204	373 415
	<b>Total Sales of Goods and Rendering of services</b>	<b><u>3 610 923</u></b>	<b><u>5 270 661</u></b>
26	EMPLOYEE RELATED COSTS		
	Salaries and Wages	122 994 553	115 809 475
	Bargaining Council Levy	62 113	61 997
	Bonuses	9 443 139	9 312 172
	Contributions For Pensions	18 409 619	16 469 301
	Contributions For Medical Aids	8 014 063	8 133 228
	Contributions For UIF	957 748	926 672
	Group Life Insurance	2 053 200	1 814 843
	Housing Benefits and Allowances	1 819 262	1 545 176
	Leave Reserve	1 354 848	4 832 121
	Long service awards	798 000	878 787
	Overtime	10 535 351	10 763 375
	Standby Allowance	6 074 077	6 080 327
	Post Employment Health Care Benefits	1 823 000	2 020 946
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	7 342 732	6 674 848
	<b>Total Employee Related Costs</b>	<b><u>191 681 705</u></b>	<b><u>185 323 268</u></b>
<b>KEY MANAGEMENT PERSONNEL</b>			
The Municipal Manager and Directors are appointed on fixed term contracts.			

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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## EMPLOYEE RELATED COSTS CONTINUED

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

*Remuneration of the Municipal Manager*

	2021 R	2020 R
Annual Remuneration	1 165 430	1 091 381
Performance Bonus	215 432	209 564
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	269 234	262 360
Other Allowance	61 552	58 649
<b>Total</b>	<b>1 819 648</b>	<b>1 729 954</b>

*Remuneration of the Director Technical Services*

Annual Remuneration	747 080	691 123
Performance Bonus	176 105	171 308
Travelling Allowance	510 814	510 814
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3 864	3 793
Travelling Expenses	648	31 673
Other Allowance	-	11 026
<b>Total</b>	<b>1 438 511</b>	<b>1 419 737</b>

*Remuneration of the Director Corporate Services*

Annual Remuneration	1 065 894	1 009 937
Performance Bonus	171 308	171 308
Travelling Allowance	192 000	195 119
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3 864	-
Travelling Expenses	4 096	11 848
Other Allowance	50 316	79 206
<b>Total</b>	<b>1 487 478</b>	<b>1 467 418</b>

*Remuneration of the Director Financial Services - From 1 December 2020*

Annual Remuneration	392 662	-
Travelling Allowance	105 000	-
Housing Allowance	165 431	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	71 836	-
Travelling Expenses	2 007	-
<b>Total</b>	<b>736 935</b>	<b>-</b>

*Remuneration of the Acting Director Financial Services*

Annual Remuneration	404 455	924 469
Bonus	81 854	77 039
Travelling Allowance	68 555	159 547
Contributions to UIF, Medical, Pension Funds and Bargaining Council	74 488	168 301
Other Allowance	27 445	82 949
<b>Total</b>	<b>656 797</b>	<b>1 412 305</b>

The position of Director Financial Services was vacant for 5 months of the 2020 / 2021 financial year. A senior employee was delegated to perform the duties assigned to the post in legislation.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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### REMUNERATION OF COUNCILLORS

	2021 R	2020 R
<b>Executive Mayor</b>		
Annual Remuneration	574 367	573 750
Pension fund contributions	86 155	86 772
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	291 182	281 239
<b>Total</b>	<b>951 704</b>	<b>941 761</b>
<b>Deputy Mayor</b>		
Annual Remuneration	563 541	563 047
Pension fund contributions	84 531	85 024
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	114 465	119 848
<b>Total</b>	<b>762 536</b>	<b>767 919</b>
<b>Speaker</b>		
Annual Remuneration	561 922	569 433
Pension fund contributions	84 288	81 000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	115 786	120 519
<b>Total</b>	<b>761 996</b>	<b>770 951</b>
<b>Mayoral Committee Members (4)</b>		
Annual Remuneration	2 068 036	2 070 249
Pension fund contributions	310 205	312 664
Medical aid contributions	82 033	77 425
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	385 879	400 557
<b>Total</b>	<b>2 846 153</b>	<b>2 860 896</b>
<b>Section 79 Committee Chairman</b>		
Annual Remuneration	289 932	273 284
Pension fund contributions	43 490	41 281
Medical aid contributions	29 596	48 452
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	40 939	42 478
<b>Total</b>	<b>403 956</b>	<b>405 495</b>
<b>Ordinary Councillors (15)</b>		
Annual Remuneration	3 558 817	3 550 513
Pension fund contributions	467 748	499 601
Medical aid contributions	112 862	89 737
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	717 256	717 214
<b>Total</b>	<b>4 856 683</b>	<b>4 857 065</b>

### 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.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021 R	2020 R
28	<b>PROVISION FOR IMPAIRMENT</b>		
	Receivables from exchange transactions: Contributions - Note 3	38 013 933	36 919 140
	Receivables from exchange transactions: Reversals - Note 3	(16 164)	(18 368)
	Receivables from non-exchange transactions: Contributions - Note 4	14 412 198	27 790 285
	Receivables from non-exchange transactions: Reversals - Note 4	(17 544 670)	(14 168 690)
	<b>Total Contribution to Debt Impairment</b>	<b>34 865 297</b>	<b>50 522 367</b>
29	<b>DEPRECIATION AND AMORTISATION</b>		
	Property Plant and Equipment	29 414 290	30 504 658
	Investment Property	281 026	279 891
	Intangible Assets	386 959	397 887
	Capitalised restoration cost	2 498 945	2 688 067
	<b>Total Depreciation and Amortisation</b>	<b>32 581 220</b>	<b>33 870 503</b>
30	<b>FINANCE CHARGES</b>		
	Borrowing	200 004	396 713
	Finance leases	26 495	72 165
	Ex-Gratia Pension	4 186	4 817
	Post Employment Health Care Benefits	5 529 000	5 242 666
	Long service awards	687 000	818 139
	Non-current Provision	3 570 257	8 087 185
	<b>Total finance charges</b>	<b>10 016 942</b>	<b>14 621 685</b>
31	<b>BULK PURCHASES</b>		
	Electricity	239 632 251	221 831 359
	<b>Total Bulk Purchases</b>	<b>239 632 251</b>	<b>221 831 359</b>
32	<b>CONTRACTED SERVICES</b>		
	Tracing agents and debt collection	52 625	79 637
	Legal Cost	4 333 008	2 386 851
	Electrical	2 021 189	1 602 010
	Maintenance Buiding and Facilities	689 740	664 973
	Traffic Fines Management	299 752	1 167 352
	Maintenance of Unspecified Assets	2 100 880	1 963 616
	Business and Advisory	3 537 383	3 597 132
	Security Services	21 702 696	18 315 669
	Infrastructure and Planning	13 539 746	10 678 593
	Other	3 470 564	4 197 620
		<b>51 747 583</b>	<b>44 653 453</b>
33	<b>TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE</b>		
	Public Schools	60 000	10 000
	Bursaries (Non-Employee)	17 944	205 628
	Eskom	5 000 000	-
	Witzenberg Security Forum	564 000	425 000
	Tourism	892 323	853 935
	<b>Total Transfers and Subsidies: Operational Expenditure</b>	<b>6 534 267</b>	<b>1 494 563</b>

The transfer to Eskom is for upgrading of the electricity network feeding the Ceres area to increase the available elctricity.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
<b>34 OPERATIONAL COST</b>		
Advertising, Publicity and Marketing	661 146	569 986
Bank Charges, Facility and Card Fees	642 889	538 415
Commission	2 420 897	2 354 458
Communication	2 605 128	2 276 638
External Audit Fees	3 201 445	3 370 644
External Computer Service	2 952 034	2 849 699
Hire Charges	4 104 308	3 718 054
Insurance Underwriting	3 896 785	3 351 355
Learnerships and Internships	595 789	630 243
Levies Paid - Water Resource Management Charges	719 325	719 826
Licences	219 808	391 841
Printing, Publications and Books	356 820	327 246
Professional Bodies, Membership and Subscription	2 195 246	1 777 146
Remuneration to Ward Committee	1 359 000	1 352 000
Signage	504 115	344 316
Workmen's Compensation Fund	1 090 632	1 059 531
Transport Provided as Part of Departmental Activities	6 561	15 760
Travel and Subsistence	231 277	588 109
Uniform and Protective Clothing	760 141	701 086
Wet Fuel	5 789 728	5 770 150
Other	319 280	512 617
<b>Total Operational cost</b>	<b>34 632 354</b>	<b>33 219 120</b>
Minimum lease payments	-	249 794
Payable within one year	1 102 180	553 269
Payable between 1 and 5 years	285 989	-
<b>36 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT</b>		
Property Plant & Equipment - Impairment loss	278 553	-
Property Plant & Equipment - Reversal	(714 729)	-
Property Plant & Equipment	1 085 669	-
<b>Total Impairments</b>	<b>649 493</b>	<b>-</b>

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

37	CORRECTION OF ERROR IN TERMS OF GRAP 3	2020 R
37.01	<b>Trade and other Receivables from Exchange Transactions</b>	
	<b>Balance previously reported</b>	<b>57 741 665</b>
	Recognition of land sold 2018/2019 - Note 37,13	118 702
	Recognition of land sold 2018/2019 - Note 37,14	240 000
	Recognition of investment property sold 2019/2020- Note 37,07	120 000
	Recognition of land sold 2019/2020 - Note 37,05	5 480
	Recognition of land sold 2019/2020 - Note 37,05	454 050
	Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	(4 000)
	Correction of error: Deposit not recognised against debtor 2018/19 - Note 37,13	(22 000)
	Recognition of Industrial Effluent for 2019/20- Note 37,14	7 336 942
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,08	393 050
	<b>Balance now reported</b>	<b>66 383 889</b>
37.02	<b>Receivables from non-exchange transactions</b>	
	<b>Balance previously reported</b>	<b>11 257 354</b>
	Recognition of Fines issued 2019/20- Note 37,14	2 727 700
	Reduction of fines till June 2020 - Note 37,14	(8 400)
	Withdrawals of fines till June 2020 - Note 37,14	(224 800)
	Recognising the increase in provision due to unwinding of discount - Note 37,14	(1 101 950)
	<b>Balance now reported</b>	<b>12 649 904</b>
37.03	<b>Unpaid Conditional Government Grants and Receipts</b>	
	<b>Balance previously reported</b>	<b>2 502 217</b>
	Recognition of Grant spend 2018/2019 - Note 37,13	478 464
	Recognition of Grant spend 2019/2020 - Note 37,14	658 296
	<b>Balance now reported</b>	<b>3 638 977</b>
37.04	<b>Statutory Receivables: VAT</b>	
	<b>Balance previously reported</b>	<b>5 464 126</b>
	Correction of Retention Payable 2018/19 - Note 37,08	(1 907)
	Correction of Retention Payable 2019/20 - Note 37,08	167 860
	Correction Correction on Journal Entry 129/1 2019-20 - Note	(1 104)
	Correction of error Invoices received after year end closure - Note 37,08	16 831
	Correction of Adjustment of manual creditor - Note 37,08	66
	Recognition of Industrial Effluent for 2019/20- Note 37,01	(956 992)
	<b>Balance now reported</b>	<b>4 688 880</b>
37.05	<b>Property, Plant and Equipment</b>	
	<b>Balance previously reported</b>	<b>900 002 651</b>
	Correction of Retention Payable 2018/19 - Note 37,08	(9 315)
	Correction of Retention Payable 2019/20 - Note 37,08	55 608
	Recognition of land sold 2018/19 - Note 37,01	(72)
	Recognition of land sold 2018/19 - Note 37,01	(74 000)
	Correction of depreciation 2019/20 - Note 37,14	246 507
	Recognition of land sold 2019/20 - Note 37,01	(232 000)
	Roll Back of depreciation on land sold 2019/20 - Note 37,01	18 877
	Correction of depreciation in previous financial years - Note 37,14	577
	Correction of insurance write off in previous financial years - Note 37,14	(29 000)
	Correction of rehabilitation of landfill sites provision - Note 37,12	(5 611)
	Correction of depreciation in previous financial years - Note 37,14	(1 456 652)
	Transfer of asset from PPE to investment Property - Note 37,07	(794 040)
	<b>Balance now reported</b>	<b>897 723 530</b>
37.06	<b>Intangible Assets</b>	
	<b>Balance previously reported</b>	<b>1 575 924</b>
	Correction of depreciation 2019/20 - Note 37,14	1 850
	Correction of error: Adjustment of amortization 2019/20 - Note 37,14	69 473
	<b>Balance now reported</b>	<b>1 647 247</b>
37.07	<b>Investment Property</b>	
	<b>Balance previously reported</b>	<b>43 764 533</b>
	Recognition of investment property sold 2019/20120- Note 37,01	(43 000)
	Recognition of land sold 2018/19 - Note 37,01	(11 000)
	<b>Balance now reported</b>	<b>44 504 573</b>



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**  
**CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED**

**2020**  
**R**

<b>37.08</b>	<b>Trade and Other Payables Exchange Transactions</b>	
	<b>Balance previously reported</b>	<b>52 842 744</b>
	Correction of Retention Payable 2018/19 - Note 37,05	(11 223)
	Correction of Retention Payable 2019/20 - Note 37,05	796 636
	Correction of error: Salary Control - Commision earned- Note 37,14	(324 070)
	Correction of error: Salary Control - Skill development- Note 37,14	(155 275)
	Correction of Depreciation of land disposed in previous financial years - Note 37,04	(1 104)
	Correction of error: Reallocation of expenditure incurred - Note 37,14	1 724
	Correction of error: Reversal incorrectly processed - Note 37,14	5 600
	Correction of error: Invoices received after year end closure - Note 37,04	143 164
	Correction of Adjustment of manual creditor - Note 37,04	505
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,14	625 576
	Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,14	(176 879)
	<b>Balance now reported</b>	<b>53 747 398</b>
<b>37.09</b>	<b>Current Employee benefits</b>	
	<b>Balance previously reported</b>	<b>25 901 033</b>
	Correction of error: Adjustment of Performance bonus - Note 37,14	268 544
	Correction of error: Adjustment of Leave Liability - Note 37,14	504 366
	<b>Balance now reported</b>	<b>26 673 944</b>
<b>37.10</b>	<b>Consumer Deposits</b>	
	<b>Balance previously reported</b>	<b>7 975 528</b>
	Correction of error: Rent refunded incorrectly posted against deposits- Note 37,14	(92 691)
	Correction of error: Restatement of Consumer Deposits- Note 37,14	427 439
	<b>Balance now reported</b>	<b>8 310 276</b>



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2020 R
<b>37.11 Unspent Conditional Government Grants and Receipts</b>	
<b>Balance previously reported</b>	<b>50 077 685</b>
Recognition of Grant spend 2019/2020 - Note 37,14	(663 240)
Correction of error: VAT on Transfers recognised - Note 37,14	(15 430)
Correction of error: Recognition of grant expenditure - Note 37,14	(902 200)
<b>Balance now reported</b>	<b>48 496 815</b>
<b>37.12 Non-Current Provisions</b>	
<b>Balance previously reported</b>	<b>50 895 865</b>
Correction of rehabilitation of landfill sites provision - Note 37,05	(6 727)
<b>Balance now reported</b>	<b>50 889 138</b>
<b>37.13 Accumulated Surplus as at 30 June 2019</b>	
<b>Balance previously reported</b>	<b>877 240 797</b>
Recognition of land sold 2018/2019 - Note 37,01	118 702
Recognition of land sold 2018/2019 - Note 37,01	239 928
Recognition of Grant spend 2018/2019 - Note 37,03	478 464
Deposit not recognised against debtor - Note 37,01	(22 000)
Correction of error: Restatement of Consumer Deposits- Note 37,1	(307 450)
<b>Balance now reported</b>	<b>877 748 441</b>
<b>37.14 Accumulated Surplus as at 30 June 2020</b>	
<b>Balance previously reported</b>	<b>896 324 060</b>
Correction of error - Accumulated Surplus as at 30 June 2019 - Note 37,13	507 644
Recognition of Grant spend 2019/2020 - Note 37,01 and Note 37,11	1 321 536
Correction of error - Maintenance expenditure Capitalized 2019/20 - Note 37,05	(138 555)
Correction of error: Salary Control - Commission earned- Note 37,08	324 070
Correction of error: Salary Control - Skill development- Note 37,08	155 275
Correction of error: Adjustment of Performance bonus - Note 37,09	(268 544)
Correction of error: VAT on Transfers recognised - Note 37,11	15 430
Recognition of investment property sold 2019/20120- Note 37,01	77 000
Recognition of land sold 2019/2020 - Note 37,01	(207 643)
Correction of depreciation in previous financial years - Note 37,05	577
Correction of insurance write off in previous financial years - Note 37,05	(29 000)
Correction of depreciation in previous financial years - Note 37,05	248 357
Recognition of land sold 2018/19 - Note 37,01	369 050
Correction of error: Deposit not recognised against debtor 2019/20- Note 37,01	(4 000)
Correction of error: Rent refunded incorrectly posted against deposits- Note 37,1	92 691
Correction of error: Reallocation of expenditure incurred - Note 37,08	(1 724)
Correction of error: Reversal incorrectly processed - Note 37,08	(5 600)
Correction of error Invoices received after year end closure - Note 37,04	(126 333)
Correction of Adjustment of manual creditor - Note 37,04	(439)
Correction of error: Recognition of grant expenditure - Note 37,11	902 200
Recognition of Industrial Effluent for 2019/20- Note 37,01	6 379 949
Correction of rehabilitation of landfill sites provision - Note 37,05	1 116
Recognition of Fines issued 2019/20- Note 37,02	2 727 700
Reduction of fines till June 2020 - Note 37,02	(8 400)
Withdrawals of fines till June 2020 - Note 37,02	(224 800)
Recognising the increase in provision due to unwinding of discount - Note 37,02	(1 101 950)
Correction of Retention Payable 2019/20 - Note 37,05	(434 612)
Correction of error: Adjustment of amortization 2019/20 - Note 37,06	69 473
Correction of depreciation in previous financial years - Note 37,05	(1 456 652)
Correction of error: Restatement of Consumer Deposits- Note 37,1	(119 989)
Correction of error: Adjustment of Leave Liability - Note 37,09	(504 366)
Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,01	(232 526)
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	176 879
<b>Balance now reported</b>	<b>904 827 874</b>
<b>37.15 Fines, Penalties and Forfeits</b>	
<b>Balance previously reported</b>	<b>19 654 087</b>
Recognition of Fines issued 2019/20- Note 37,02	2 727 700
Reduction of fines till June 2020 - Note 37,02	(8 400)
Withdrawals of fines till June 2020 - Note 37,02	(224 800)
<b>Balance now reported</b>	<b>22 148 587</b>
<b>37.16 Surcharges and Taxes</b>	
<b>Balance previously reported</b>	<b>2 284 567</b>
Correction of error: VAT on Transfers recognised - Note 37,14	15 430
<b>Balance now reported</b>	<b>2 299 997</b>
<b>37.17 Government Grants and Subsidies - Capital</b>	
<b>Balance previously reported</b>	<b>13 442 260</b>
Recognition of Grant spend 2019/2020 - Note 37,07 and Note 37,14	1 321 536
Correction of error: Recognition of grant expenditure - Note 37,11	805 000
<b>Balance now reported</b>	<b>15 568 796</b>



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2020 R
<b>37.18 Operational Revenue</b>	
Balance previously reported	1 806 446
Correction of error: Salary Control - Commission earned- Note 37,14	324 070
<b>Balance now reported</b>	<b>2 130 516</b>
<b>37.19 Rental from Fixed Assets</b>	
Balance previously reported	3 905 053
Correction of error: Restatement of Consumer Deposits- Note 37,14	(119 988)
Correction of error: Rent refunded incorrectly posted against deposits - Note 37,29	92 691
	<b>3 877 756</b>
<b>37.20 Employee related costs</b>	
Balance previously reported	185 058 110
Correction of error: Salary Control - Skills Levy- Note 37,14	(155 275)
Correction of error: Adjustment of Performance bonus - Note 37,14	268 544
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost - Note 37,25	(175 600)
Correction of error: Adjustment of Leave Liability - Note 37,14	504 366
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,14	(176 879)
<b>Balance now reported</b>	<b>185 323 267</b>
<b>37.21 Impairment</b>	
Balance previously reported	49 420 416
Recognising the increase in provision due to unwinding of discount - Note 37,14	1 101 950
<b>Balance now reported</b>	<b>50 522 366</b>
<b>37.22 Inventory Consumed</b>	
Balance previously reported	14 194 012
Correction of error: Reallocation of expenditure incurred - Note 37,14	1 599
Correction of error: Invoices received after year end closure - Note 37,04	102 870
Correction of Adjustment of manual creditor - Note 37,04	439
<b>Balance now reported</b>	<b>14 298 919</b>
<b>37.23 Depreciation and Amortisation</b>	
Balance previously reported	32 732 258
Correction of depreciation in previous financial years - Note 37,05	(248 357)
Correction of depreciation in previous financial years - Note 37,14	(577)
Correction of error: Adjustment of amortization 2019/20 - Note 37,14	(69 473)
Correction of depreciation in previous financial years - Note 37,14	1 456 652
<b>Balance now reported</b>	<b>33 870 503</b>
<b>37.24 Bulk Purchases</b>	
Balance previously reported	221 822 019
Correction of error: Invoices received after year end closure - Note 37,04	9 340
<b>Balance now reported</b>	<b>221 831 359</b>
<b>37.25 Contracted Services</b>	
Balance previously reported	44 029 119
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost - Note 37,2	175 600
Correction of error: Invoices received after year end closure - Note 37,04	14 123
Correction of Retention Payable 2019/20 - Note 37,08	434 612
<b>Balance now reported</b>	<b>44 653 453</b>
<b>37.26 Operational Cost</b>	
Balance previously reported	33 074 842
Correction of error - Maintenance expenditure Capitalized 2019/20 - Note 37,05	138 555
Correction of error: Reallocation of expenditure incurred - Note 37,08	125
Correction of error: Reversal incorrectly processed - Note 37,08	5 600
<b>Balance now reported</b>	<b>33 219 122</b>
<b>37.27 Gain / (loss) on disposal of assets</b>	
Balance previously reported	(474 170)
Recognition of investment property sold 2019/20120- Note 37,14	77 000
Recognition of land sold 2019/2020 - Note 37,14	(207 643)
Correction of insurance write off in previous financial years - Note 37,14	(29 000)
Recognition of land sold 2018/19 - Note 37,14	369 050
Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,14	(232 527)
<b>Balance now reported</b>	<b>(497 290)</b>
<b>37.28 CASH FLOW STATEMENT: Receipts from Property Rates and other Taxes</b>	
Balance previously reported	70 574 561
Correction of error: VAT on Transfers recognised - Note 37,3	15 430
<b>Balance now reported</b>	<b>70 589 991</b>



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2020 R
<b>37.29 CASH FLOW STATEMENT: Receipts from sales of goods and services</b>	
Balance previously reported	321 336 772
Change in output VAT included in payments to suppliers and not receipts from sales - Note 37,31	2 905 411
Correction of error: Salary Control - Commission earned- Note 37,14	324 070
Correction of error: Rent refunded incorrectly posted against deposits - Note 37,35	92 691
Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	(4 000)
Correction of error: Restatement of Consumer Deposits- Note 37,1	(119 988)
<b>Balance now reported</b>	<b>324 534 956</b>
<b>37.30 CASH FLOW STATEMENT: Receipts from Government Grants</b>	
Balance previously reported	188 396 049
Correction of error: VAT on Transfers recognised - Note 37,27	(15 431)
<b>Balance now reported</b>	<b>188 380 618</b>
<b>37.31 CASH FLOW STATEMENT: Payments in respect of employee cost</b>	
Balance previously reported	(181 177 164)
Correction of error: Salary Control - Skills Levy- Note 37,2	155 275
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost- Note 37,32	175 600
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	176 878
<b>Balance now reported</b>	<b>(180 669 411)</b>
<b>37.32 CASH FLOW STATEMENT: Payments to suppliers</b>	
Balance previously reported	(346 308 872)
Change in output VAT included in payments to suppliers and not receipts from sales - Note 37,29	(2 905 411)
Correction of Retention Payables - Note 37,33	55 609
Correction of error: Salary Control - Commission earned- Note 37,14	(324 070)
Correction of error: Salary Control - Skills Levy- Note 37,2	(155 275)
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost- Note 37,31	(175 600)
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	(176 879)
Correction of sale of land deposits - Note 37,34	625 577
<b>Balance now reported</b>	<b>(349 364 920)</b>
<b>37.33 CASH FLOW STATEMENT: Purchase of Property, Plant and Equipment</b>	
Balance previously reported	(34 452 568)
Correction of Retention Payables - Note 37,32	(55 609)
<b>Balance now reported</b>	<b>(34 508 177)</b>
<b>37.34 CASH FLOW STATEMENT: Proceeds on Disposal of Property, Plant and Equipment</b>	
Balance previously reported	649 193
Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	4 000
Correction of sale of land deposits - Note 37,32	(625 577)
<b>Balance now reported</b>	<b>27 616</b>
<b>37.35 CASH FLOW STATEMENT: Increase in Consumer Deposits</b>	
Balance previously reported	827 224
Correction of error: Rent refunded incorrectly posted against deposits - Note 37,29	(92 691)
Correction of error: Restatement of Consumer Deposits- Note 37,14	119 988
<b>Balance now reported</b>	<b>854 521</b>

## 38 CHANGE IN ACCOUNTING ESTIMATE

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intangible Asset which resulted in changes in depreciation and amortisation charges. The effect of the change in accounting estimate has resulted in the following movements for the current and future periods on the affected capital assets:

	2021 R	2022 R	2023 R	2024 R
<u>Movement in depreciation and amortisation</u>				
Before change in estimate	868 762			
After change in estimate	1 580 076	1 580 076	1 580 076	1 580 076
Net effect	<u>711 314</u>	<u>1 580 076</u>	<u>1 580 076</u>	<u>1 580 076</u>

The municipality has made an adjustment to Fines Revenue relating to previous financial years. These adjustments were accounted for prospectively and the effect thereof can be summarised as follow:

<u>Movement in fines revenue</u>	
Before change in estimate	11 603 892
After change in estimate	<u>11 591 892</u>
Net effect	<u>(12 000)</u>

**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 R
<b>39 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS</b>		
Surplus/(Deficit) for the year	29 141 422	27 342 177
<b>Adjustments for:</b>		
Depreciation	32 194 261	33 472 615
Amortisation of Intangible Assets	386 959	397 887
Gain / (loss) on disposal of assets	66 047	497 290
Gain / (loss) on Adjustment of Provision	(2 204 355)	(37 138 937)
Debt Impairment	34 865 297	50 522 366
Stock Adjustments	-	(52)
Contribution from/to provisions	3 570 257	8 087 185
Contribution from/to employee benefits	(547 404)	4 653 857
Interest cost - Employee Benefits	6 220 186	6 065 622
Gain / (loss) on Actuarial Valuations	5 317 725	(8 557 961)
(Impairment loss) / Reversal of impairment loss	649 494	-
Finance lease: deemed loan expenditure	(481 811)	(436 140)
Bad Debts Written Off	17 560 944	14 187 058
Operating Surplus/(Deficit) before changes in working capital	126 739 022	99 092 967
Changes in working capital	(75 228 309)	(28 129 830)
Increase/(Decrease) in Trade and Other Payables	4 827 430	3 336 913
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(23 793 209)	38 400 236
Increase/(Decrease) in Unspent Public Contributions	(24 323)	1 784 277
Increase/(Decrease) in Taxes	2 445 284	5 264 182
(Increase)/Decrease in Inventory	1 638 419	91 160
(Increase)/Decrease in Trade and other receivables	(61 788 520)	(77 975 842)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	1 466 609	969 244
<b>Cash generated/(absorbed) by operations</b>	<b>51 510 713</b>	<b>70 963 137</b>
<b>40 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 2	115 305 213	130 394 398
Less:	24 703 606	48 496 815
Unspent Committed Conditional Grants - Note 6	24 703 606	48 496 815
<b>Resources available for working capital requirements</b>	<b>90 601 607</b>	<b>81 897 583</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	10 442 209	10 617 534
Employee Benefits Reserve	99 293 206	88 302 702
Non-Current Provisions Reserve	102 375 838	50 889 138
<b>Shortfall in working capital requirements</b>	<b>(121 509 646)</b>	<b>(67 911 791)</b>
<b>41 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 16	2 774 921	4 587 602
Used to finance property, plant and equipment - at cost	(2 774 921)	(4 587 602)
	-	-



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

42	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2021 R	2020 R
42.1	<b>Irregular expenditure</b>		
	Reconciliation of 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
	Approved by Council	(27 674 357)	-
	Irregular expenditure awaiting further action	<u>-</u>	<u>27 674 357</u>

<p>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.</p>	<p>Matter will be dealt with in terms of applicable laws and regulations.</p>
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### Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	-	
Unauthorised expenditure current year - capital	333 615	
Unauthorised expenditure current year - operating	1 602 226	-
Condoned by council	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>1 935 841</u>	<u>-</u>

Unauthorised expenditure on operating votes are due to:

- Capital
- Recognition of retention money on sport fields project.
- Operating
- Recognition of provision for impairment and write-offs of traffic fines. The service provider responsible for collecting ended his contract prematurely.

## 43 MATERIAL LOSSES

43.1	<b>Water distribution losses</b>		
	- Kilolitres purified	7 187 597	6 708 325
	- Kilolitres sold	6 316 713	5 699 704
	- Kilolitres lost during distribution	870 884	1 008 621
	- Percentage lost during distribution	12.12%	15.04%
	- Value of kilolitres lost during distribution	355 946	379 461
	- The value of kilolitres lost is based on the treatment cost of water.		
	<p>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.</p>		
43.2	<b>Electricity distribution losses</b>		
	- Units purchased (Kwh)	201 693 361	199 707 113
	- Units sold (Kwh)	179 910 798	178 372 915
	- Units lost during distribution (Kwh)	21 782 563	21 334 198
	- Percentage lost during distribution	10.80%	10.68%
	- Value of units lost during distribution (Rand)	25 879 903	23 697 674

The electricity losses are in line with the guideline of the National Energy Regulator of South Africa of 10%

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

44.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS

Opening balance		
Council subscriptions	2 149 856	1 761 709
Amount paid - current year	(2 149 856)	(1 761 709)
<b>Balance unpaid (included in Payables from exchange transactions)</b>	<b>-</b>	<b>-</b>

44.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year audit fee	3 426 363	3 570 644
External Audit - Auditor-General	3 201 445	3 370 644
Audit Committee	224 918	200 000
Amount paid - current year	3 426 363	3 570 644
<b>Balance unpaid (included in Payables from exchange transactions)</b>	<b>-</b>	<b>-</b>

44.3 VAT - [MFMA 125 (1)(c)]

Opening balance	4 776 156	4 639 016
Amounts received - Output VAT - current year	(52 662 549)	(48 942 922)
Amounts claimed - Input VAT - current year	56 420 876	47 873 462
Amount paid - current year	3 622 954	3 421 728
Amount - previous year	(3 421 728)	(2 215 128)
<b>Closing balance</b>	<b>8 735 709</b>	<b>4 776 156</b>

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.

44.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions and Council Contributions	28 152 039	26 241 997
Amount paid - current year	(27 913 629)	(26 241 997)
<b>Balance unpaid (included in Payables from exchange transactions)</b>	<b>238 410</b>	<b>-</b>

44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions and Council Contributions	44 717 195	41 601 006
Amount paid - current year	(44 717 195)	(41 601 006)
<b>Balance unpaid (included in Payables from exchange transactions)</b>	<b>-</b>	<b>-</b>



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 R
<b>44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>		
During the financial year the following Councillors were outstanding for more than 90 days at any instance		
Schuurman	1 867	-
Heradien	333	-
Abrahams	15 872	-
Klaasen	12 472	12 336
<b>Total Councillor Arrear Consumer Accounts</b>	<b>30 542</b>	<b>12 336</b>

Klaasen has lodged a dispute in terms of the municipal account

Councillors outstanding for more than 90 days as at 30 June 2021:

Abrahams	13 673	-
Klaasen	12 472	12 336
<b>Total Councillor Arrear Consumer Accounts at year end</b>	<b>26 144</b>	<b>12 336</b>

**44.7 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)**

2020/2021	Amount	Single Supplier	Type of deviation Impossible	Impractical	Emergency
July	1 837 705	7	0	9	4
August	258 565	2	0	1	0
September	280 026	6	0	3	2
October	364 300	5	0	3	0
November	2 007 074	11	0	4	1
December	1 111 124	6	0	4	2
January	148 231	2	0	0	0
February	221 689	5	0	2	0
March	384 047	14	0	6	2
April	110 358	3	0	4	1
May	3 051 131	17	0	26	4
June	6 268 554	14	0	11	10
	<b>16 042 804</b>	<b>92</b>	<b>0</b>	<b>73</b>	<b>26</b>
<b>2019/2020</b>					
	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
	<b>7 950 870</b>	<b>61</b>	<b>0</b>	<b>30</b>	<b>26</b>



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**2021  
R**

**44.8 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 54 600
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	R 63 722
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	R 114 399
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 67 104
		Brother	D Johnson	SAPS: Worcester	
O'Neill & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	R 254 998
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	R 18 345
RJC Conservation Servises	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	R 28 000
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 18 831
Leibrandt Training Academy	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	R 17 415
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	R 3 600
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 1 565
Hilmarlandscape (Pty) Ltd	Helgardt Louw	Brother	R Louw	Witzenberg Municipality: Plumbing	R 500
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	R 42 448
Motheo Construction	L Mashau	Brother	R Manlhabi	Department of Home Affairs; Department of Statistics	R 1 622 726
RJ Designs	R Jacobs		C Africa	Saldanha Bay Municipality Assistant Librarian	R 1 950



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**2020  
R**

***Regulation 45 - Details of awards made to close family members of persons in service of State - continued***

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 Services		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

45

**COMMITMENTS**

**Commitments in respect of expenditure:**

Approved and contracted for

Infrastructure  
Community  
Other Capital  
Operational

163 106 774

115 023 865

36 610 193	47 535 480
59 515 036	1 894 894
3 984 656	11 132 328
62 996 889	54 461 163

Approved but not yet contracted for

Infrastructure  
Operational

- 1 294 967

-	1 029 851
-	265 116

**Total**

<b>163 106 774</b>	<b>116 318 831</b>
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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46

## FINANCIAL RISK MANAGEMENT

2021  
R2020  
R

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	562 604	628 987
0.5% Decrease in interest rates	(562 604)	(628 987)

**(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:**

	2021 %	2021 R	2020 %	2020 R
<u>Exchange Receivables</u>				
Electricity	88.74%	48 602 002	100.00%	40 952 315
Water	6.85%	7 188 001	9.72%	8 517 544
Housing Rentals	17.08%	410 607	19.46%	405 107
Refuse	5.71%	3 428 186	7.44%	3 561 518
Sewerage	14.54%	8 617 727	21.15%	10 516 667
Other	8.75%	113 942	19.36%	269 923
Land Sales	100.00%	1 133 310	100.00%	2 038 360
	<u>24.32%</u>	<u>69 493 774</u>	<u>27.88%</u>	<u>66 261 434</u>

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.



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46

## FINANCIAL RISK MANAGEMENT CONTINUED

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2021 %	2021 R	2020 %	2020 R
<u>Exchange Receivables</u>				
Electricity	2.88%	6 169 034	3.40%	5 832 522
Water	45.60%	97 703 889	46.20%	79 150 326
Housing Rentals	0.93%	1 993 487	0.98%	1 677 019
Refuse	26.41%	56 591 185	25.87%	44 316 299
Sewerage	23.63%	50 632 172	22.89%	39 218 983
Other	0.55%	1 187 880	0.66%	1 123 958
	<u>100.00%</u>	<u>214 277 648</u>	<u>100.00%</u>	<u>171 319 108</u>

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2021 %	2021 R	2020 %	2020 R
Residential	95.90%	205 494 465	95.90%	164 289 505
Commercial	2.03%	4 353 570	2.43%	4 161 077
Other	2.07%	4 429 612	1.67%	2 868 526
	<u>100.00%</u>	<u>214 277 648</u>	<u>100.00%</u>	<u>171 319 108</u>

Bad debts written off per debtor class:

<u>Exchange Receivables</u>				
Water management	44.45%	(7 234)	53.30%	(9 790)
Waste management	30.83%	(5 018)	28.83%	(5 296)
Waste water management	23.85%	(3 882)	17.51%	(3 217)
Other	0.86%	(141)	0.35%	(65)
	<u>100.00%</u>	<u>(16 274)</u>	<u>100.00%</u>	<u>(18 368)</u>

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:

	2021 R	2020 R
Receivables from exchange transactions	71 504 141	66 383 889
Cash and Cash Equivalents	115 295 816	130 384 998
Unpaid conditional grants and subsidies	2 172 368	3 638 977
	<u>188 972 325</u>	<u>200 407 864</u>



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46

## 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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2021</b>				
Borrowing	1 762 766	1 250 670	-	-
Capital repayments	1 586 619	1 188 300	-	-
Interest	176 147	62 370	-	-
Trade and Other Payables	42 910 747	-	-	-
Unspent conditional government grants and receipts	24 703 606	-	-	-
	<b>69 377 119</b>	<b>1 250 670</b>	<b>-</b>	<b>-</b>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2020</b>				
Borrowing	2 301 293	2 848 336	-	-
Capital repayments	1 967 784	2 619 815	-	-
Interest	333 509	228 521	-	-
Trade and Other Payables	38 265 638	-	-	-
Unspent conditional government grants and receipts	48 496 815	-	-	-
	<b>89 063 746</b>	<b>2 848 336</b>	<b>-</b>	<b>-</b>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

47	FINANCIAL INSTRUMENTS		2021 R	2020 R
	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.			
47.1	<b>Financial Assets</b>	<b>Classification</b>		
	<b>Receivables</b>			
	Receivables from exchange transactions	Financial instruments at amortised cost	71 504 141	66 383 889
	<b>Other Receivables</b>			
	Government Subsidies and Grants	Financial instruments at amortised cost	2 172 368	3 638 977
	<b>Short-term Investment Deposits</b>			
	<b>Bank Balances</b>			
	Bank Balances	Financial instruments at amortised cost	115 295 816	130 384 998
			<b>188 972 325</b>	<b>200 407 864</b>
	<b>SUMMARY OF FINANCIAL ASSETS</b>			
	Financial instruments at amortised cost		188 972 325	200 407 864
	<b>At amortised cost</b>		<b>188 972 325</b>	<b>200 407 864</b>
47.2	<b>Financial Liability</b>	<b>Classification</b>		
	<b>Long-term Liabilities</b>			
	Annuity Loans	Financial instruments at amortised cost	1 188 302	2 619 817
	<b>Payables from exchange transactions</b>			
	Trade creditors	Financial instruments at amortised cost	11 389 843	9 203 933
	Retentions	Financial instruments at amortised cost	3 358 724	3 518 982
	Deposits	Financial instruments at amortised cost	101 181	(6 285)
	Other	Financial instruments at amortised cost	31 419 723	29 067 990
	<b>Other Payables</b>			
	Government Subsidies and Grants	Financial instruments at amortised cost	24 703 606	48 496 815
	<b>Current Portion of Long-term Liabilities</b>			
	Annuity Loans	Financial instruments at amortised cost	1 586 619	1 485 974
	Capitalised Lease Liability	Financial instruments at amortised cost	-	481 811
			<b>73 747 998</b>	<b>94 869 037</b>
	<b>SUMMARY OF FINANCIAL LIABILITY</b>			
	Financial instruments at amortised cost		<b>73 747 998</b>	<b>94 869 037</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

48

### PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

49

### CONTINGENT LIABILITY

Claims against Council

2021  
R

2020  
R

**9 645 563**

**7 899 247**

Estimate legal Fees

-

**970 000**

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:

R Du Plessis	Claim in term of Labour Relations Act 66 of 1995		508 000
M Maflika & 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	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.	6 555 250	5 538 589
Gunter C Mrs	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	585 766
Smith WJ	Stepped into hole of manhole cover on c/o Friesland & Delta Street, Bella Vista. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	628 370	
Rooi JCR	Broke ankle after stepping in open storm channel. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	986 285	

**9 645 563**

**7 899 247**

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

50	CONTINGENT ASSET	2021 R	2020 R
	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.	20 975 483	20 339 656

### 51 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.

#### 51.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

#### 51.2 Compensation of key management personnel

The compensation of key management personnel is set out in Note 26 to the Annual Financial Statements.

#### 51.3 Other related party transactions

No purchases were made during the year where Councillors or staff have an interest.

#### 51.4 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 entitled 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

1 223 847	1 213 492
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### 52 FINANCIAL SUSTAINABILITY

Management is of the opinion that will Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

Financial Indicators

The current ratio increased to 1,73 from 1,6 in the prior year.

Cash and Cash Equivalents have decreased to R 115 million from R 130 million in the prior year.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

53

**NON-LIVING RESOURCES**

The responsibility for the non-living water resource emanates from chapter 3 of the Water Service Act which recognises the municipality as a water service authority.

The nature of the municipality's custodial responsibility includes the duty to provide access to water services, the duty to prepare and adopt a water service development plan and the reporting on the implementation thereof, any contracts and joint ventures with water services providers and the adoption of appropriate bylaws that sets out the conditions for the provision of water services.

Additional supporting information pertaining to the provision of water can be found in chapter 3 of the Annual Report

The Municipality has the following non-living water resources per town:

**Ceres**

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply.

**Tulbagh**

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh.

**Wolseley**

Wolseley receives its water supply from the Tierhokkloof weir.

**Prince Alfred's Hamlet**

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, one borehole and a supply line from the Koekedouw Dam.

**Op-die-Berg**

Op-die-Berg has three water sources, a fountain and two boreholes.

There is no liabilities or contingent liabilities that arose from the non-living resource which is water

**Water purchased by the farmers including VAT amount to**

304 740

311 367



**WITZENBERG MUNICIPALITY**  
**APPENDIX A - Unaudited**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2020	Received during the period	Redeemed during the period	Balance at 30 JUNE 2021
<b>ANNUITY LOANS</b>				<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
NEDBANK	8,00%	5032032 0001	2023/05/30	3 391 438	-	1 073 577	2 317 861
DBSA	9,50%	102040/1	2021/09/30	60 346		39 291	21 055
DBSA	8,59%	100605/1	2021/12/31	654 005	-	218 002	436 003
<b>Total Annuity Loans</b>				<b>4 105 789</b>	<b>-</b>	<b>1 330 870</b>	<b>2 774 919</b>
<b>LEASE LIABILITY</b>							
Office Equipment	10,00%		2021/06/30	481 811	-	481 811	-
<b>Total Lease Liabilities</b>				<b>481 811</b>	<b>-</b>	<b>481 811</b>	<b>-</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>4 587 600</b>	<b>-</b>	<b>1 812 681</b>	<b>2 774 919</b>

**WITZENBERG MUNICIPALITY**  
**APPENDIX B - Unaudited**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**  
**MUNICIPAL VOTES CLASSIFICATION**

<b>2020 Actual Income R</b>	<b>2020 Actual Expenditure R</b>	<b>2020 Surplus/ (Deficit) R</b>		<b>2021 Actual Income R</b>	<b>2021 Actual Expenditure R</b>	<b>2021 Surplus/ (Deficit) R</b>
89 315 601	(38 346 626)	50 968 974	Budget and Treasury Office	91 142 833	(37 898 882)	53 243 950
113 519 135	(149 209 808)	(35 690 673)	Civil services	149 094 178	(150 182 242)	(1 088 063)
106 211 526	(26 530 454)	79 681 072	Community and social services	130 925 503	(26 066 330)	104 859 174
869 290	(55 831 653)	(54 962 363)	Corporate Services	752 900	(57 604 457)	(56 851 557)
258 539 514	(243 725 853)	14 813 661	Electro Technical Services	274 798 044	(268 038 440)	6 759 604
27 100	(22 832 610)	(22 805 510)	Executive and Council	13 000	(22 788 184)	(22 775 184)
24 473 532	(28 296 671)	(3 823 139)	Housing	491 526	(4 469 385)	(3 977 859)
1 581 357	(6 540 160)	(4 958 803)	Planning	2 139 959	(7 042 671)	(4 902 712)
26 545 106	(51 561 314)	(25 016 207)	Public Safety	17 597 600	(42 085 504)	(24 487 904)
10 502 014	(26 566 508)	(16 064 494)	Sport and recreation	9 367 720	(27 176 839)	(17 809 119)
631 584 175	(649 441 658)	(17 857 483)	<b>Total</b>	676 323 263	(643 352 934)	32 970 329

**WITZENBERG MUNICIPALITY**  
**APPENDIX C - Unaudited**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

<b>2020 Actual Income R</b>	<b>2020 Actual Expenditure R</b>	<b>2020 Surplus/ (Deficit) R</b>		<b>2021 Actual Income R</b>	<b>2021 Actual Expenditure R</b>	<b>2021 Surplus/ (Deficit) R</b>
105 800 893	(23 612 607)	82 188 286	Community and social services	128 956 606	(23 852 053)	105 104 554
258 065 824	(243 596 542)	14 469 282	Energy sources	274 575 871	(268 038 440)	6 537 431
151 585	(1 007 975)	(856 389)	Environmental protection	-	(506 271)	(506 271)
27 100	(23 697 131)	(23 670 031)	Executive and council	13 000	(24 235 253)	(24 222 253)
90 184 891	(91 571 375)	(1 386 484)	Finance and administration	91 895 733	(91 991 466)	(95 733)
24 473 532	(28 296 671)	(3 823 139)	Housing	491 526	(4 469 385)	(3 977 859)
-	(2 440 931)	(2 440 931)	Internal audit	-	(2 507 675)	(2 507 675)
1 840 405	(9 718 580)	(7 878 175)	Planning and development	4 108 855	(10 138 143)	(6 029 288)
23 541 439	(47 015 301)	(23 473 862)	Public safety	13 465 997	(37 301 222)	(23 835 225)
7 070 878	(28 888 649)	(21 817 771)	Road transport	17 739 637	(29 162 277)	(11 422 640)
10 502 014	(26 566 508)	(16 064 494)	Sport and recreation	9 367 720	(27 176 839)	(17 809 119)
29 012 981	(47 870 023)	(18 857 042)	Waste management	33 162 764	(44 382 221)	(11 219 457)
37 541 011	(34 861 598)	2 679 414	Waste water management	49 376 353	(38 356 837)	11 019 515
43 371 622	(40 297 768)	3 073 854	Water management	53 169 200	(41 234 852)	11 934 348
631 584 175	(649 441 658)	(17 857 483)	<b>Total</b>	676 323 263	(643 352 934)	32 970 329

**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 2020 (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 2021	Unspent 2021 (Payable)	Unpaid 2021 (Receivable)
R	R	R	R	R	R	R	R	R
<b><u>National Government Grants</u></b>								
Finance Management Grant	54 161	1 550 000	(54 161)	(1 550 000)	-	-	-	-
Municipal infrastructure Grant	9 843 224	22 013 000	(9 843 224)	(630 000)	(21 042 862)	340 138	340 138	-
Regional Bulk Infrastructure Grant (DWAF)	19 236 146	10 000 000	(19 236 146)	-	-	10 000 000	10 000 000	-
Integrated National Electricity Program	(291 587)	-	-	-	-	(291 587)	-	291 587
Equitable share	-	116 085 531	-	(116 085 531)	-	-	-	-
Department of Rural Development	471 155	-	-	-	-	471 155	471 155	-
Expanded Public Works Programme	(432 918)	2 360 000	-	(2 030 150)	-	(103 068)	-	103 068
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
<b><u>Provincial Government Grants</u></b>								
Library services	800 000	9 764 000	-	(9 764 000)	(800 000)	-	-	-
CDW	738 977	131 000	-	(23 816)	-	846 161	846 161	-
Municipal Infrastructure Support Grant	(1 046 497)	-	-	-	-	(1 046 497)	-	1 046 497
Economic Development and Tourism SMME booster	1 662 236	363 060	-	-	(2 025 228)	68	68	-
Human Settlement Development	3 507 702	28 563 744	-	(238 000)	(26 507 700)	5 325 746	5 325 746	-
Fire Service Capacity Building Grant	830 000	-	-	-	(830 000)	-	-	-
Capacity Building (Internship)	294 922	300 000	-	(17 944)	-	576 978	576 978	-
Municipal Infrastructure	(206 126)	-	-	-	-	(206 126)	-	206 126
Financial Management Support	989 770	-	-	-	-	989 770	989 770	-
Financial Management	300 000	-	-	-	-	300 000	300 000	-
Maintenance and Construction of Transport Infrastructure	830 165	-	-	-	-	830 165	830 165	-
Local Government Support Grant	806 370	-	-	(499 941)	-	306 429	306 429	-
Regional Social Economical Program	4 005 448	1 000 000	-	-	(4 185 968)	819 480	819 480	-
<b><u>District Municipality</u></b>								
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	500 000	-	-	(500 000)	1 000 000	1 000 000	-
Covid 19	2 226 216	240 000	-	(279 396)	(189 626)	1 997 194	1 997 194	-
<b><u>Other</u></b>								
Table Mountain - Clearing Alien Vegetation	-	-	-	-	-	-	-	-
Development Bank of South Africa	(1 136 760)	1 136 760	-	-	-	-	-	-
<b><u>Public Contributions</u></b>								
Essen Belgium	3 987 568	834 420	-	(356 909)	(501 456)	3 963 623	3 963 623	-
China - Water meters	16 005	-	-	(378)	-	15 627	15 627	-
<b>Total</b>	<b>48 861 409</b>	<b>194 841 515</b>	<b>(29 133 531)</b>	<b>(131 476 065)</b>	<b>(56 582 840)</b>	<b>26 510 488</b>	<b>28 682 856</b>	<b>2 172 368</b>

**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	Write Offs / Transfers	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	R
<b><u>National Government Grants</u></b>								
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	-
<b><u>Provincial Government Grants</u></b>								
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	-
Human Settlement Development	(1 237 092)	28 950 965	-	(224 000)	(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	-	(112 630)	-	806 370	806 370	-
Regional Social Economical Program	-	5 000 000	-	(994 552)	-	4 005 448	4 005 448	-
<b><u>District Municipality</u></b>								
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	-
<b><u>Other</u></b>								
Table Mountain - Clearing Alien Vegetation	-	805 000	-	(805 000)	-	-	-	-
Development Bank of South Africa	(478 464)	663 240	-	(1 321 536)	-	(1 136 760)	-	1 136 760
<b><u>Public Contributions</u></b>								
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	-
<b>Total</b>	<b>7 707 655</b>	<b>197 748 771</b>	<b>(7 068 457)</b>	<b>(110 456 473)</b>	<b>(39 070 385)</b>	<b>48 861 411</b>	<b>52 500 388</b>	<b>3 638 977</b>

## 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 Witzenberg Municipality set out on pages 3 to 73, which comprise the appropriation statement, 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 2021, 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 4 of 2020 (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 my 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 37 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of errors discovered during 2020-21 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 has provided for an impairment of R214,2 million (2019-20: R171,3 million) on receivables from exchange transactions amounting to R285,3 million (2019-20: R237,3 million).
9. As disclosed in note 4 to the financial statements, the municipality has provided for an impairment of R47,1 million (2019-20: R50,2 million) on receivables from non-exchange transactions amounting to R58,1 million (2019-20: R62,8 million). This impairment was made after an amount of R14,4 million (2019-20: R27,7 million) had been written off.

### **Other matters**

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited supplementary information**

11. The supplementary information set out on pages 74 to 78 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**

12. 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 form 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**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of 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.
14. 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

15. 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.
16. 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

17. 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.
18. 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.
19. 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 objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Strategic objectives	Pages in the annual performance report
Strategic objective – essential services	11

20. 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.

21. I did not raise any material findings on the usefulness and reliability of the reported performance information for this strategic objective.

### **Other matter**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. Refer to the annual performance report on pages 14 to 15 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

24. 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.
25. 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**

26. 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 and 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.
27. 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.
28. 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.
29. I have nothing to report in this regard.

## Internal control deficiencies

30. 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.
31. I did not identify any significant deficiencies in internal control.

*Auditor-General.*

Cape Town

11 February 2022



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 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## PERFORMANCE, RISK & AUDIT COMMITTEE REPORT

