WITZENBERG
Municipality • Munisipaliteit • UMasipala Wase

2021/22

DRAFT ANNUAL REPORT

WITZENBERG

MUNICIPALITY

2021/22

CHAPTER 1: **MAYOR'S FORWARD & EX**ECUTIVE SUMMARY 7

COMPONENT A: EXECUTIVE **MAYOR'S** FORWARD 8
COMPONENT B: EXECUTIVE SUMMARY 9
1.1 MUNICIPAL MANAGER'S OVERVIEW 9
1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW 11
1.2.1 Vision & Mission 11
1.2.2 Demographic Information 11
1.2.3 Socio-Economy Summary 13
1.2.4 Population 16
1.2.5 Households 16
1.2.6 Key Economic Activities 17
1.2.7 Municipal Challenges 17
1.3 SERVICE DELIVERY OVERVIEW 18
1.3.1 Basic Services Delivery Highlights 19
1.3.2 Basic Services Delivery Challenges 19
1.3.3 Proportion of urban households with access to basic services 20
1.4 FINANCIAL HEALTH OVERVIEW 20
1.4.1 Financial viability highlights 20
1.4.2 Financial viability challenges 20
1.4.3 National Key Performance Indicators – Financial Viability (ratio's) 21
1.4.4 Financial Overview 21
1.4.5 Operating ratio's as a percentage of operating expenditure 22
1.4.6 Total Capital Expenditure 22
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW 22
1.5.1 Municipal transformation and organisational development highlights 22
1.5.2 Municipal transformation and organisational development challenges 22
1.6 AUDITOR-GENERAL REPORT 23
1.6.1 Audited outcomes 23
1.7 STATUTORY ANNUAL REPORT PROCESS 23

CHAPTER 2: GOVERNANCE 25

COMPONENT A: POLITICAL & ADMINISTRATIVE GOVERNANCE 26
2.1 POLITICAL GOVERNANCE STRUCTURE 26
2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE 31
COMPONENT B: INTERGOVERNMENTAL RELATIONS 32
2.3 INTERGOVERNMENTAL RELATIONS 32
COMPONENT C: PUBLIC ACCOUNTABILITY & PARTICIPATION 34
2.4 PUBLIC MEETINGS 34
2.5 IDP PARTICIPATION & ALIGNMENT 36
COMPONENT D: CORPORATE GOVERNANCE 37
2.6 RISK MANAGEMENT 37
2.7 ANTI-CORRUPTION & FRAUD 37
2.7.1 Developed strategies 37
2.7.2 Implementation of strategies 38
2.8 PERFORMANCE, RISK & AUDIT COMMITTEE 38
2.9 INTERNAL AUDITING 39

2.10 BY-LAWS 40
2.11 SUPPLY CHAIN MANAGEMENT 41
2.11.4 Logistics management 44
2.11.5 Disposal management 44
2.11.6 Performance management 44
2.12 WEBSITE 45
2.13 COMMUNICATION & PUBLIC SATISFACTION 46
2.13.1 Communication strategy 47
2.13.2 Communication and query/complaint management 47
2.13.3 Communication and municipal marketing 48
2.13.4 Communication and international relations 48
2.13.5 Communication and investor relations 48
2.13.6 Emergency and disaster communication 48
2.13.7 Financial communication 48
2.13.8 Electronic communication 49
2.13.9 Interpersonal communication 49
2.13.10 Media communication 49
2.13.11 Communication and legislation 49
2.13.12 Visual communication 49
2.13.13 Communication challenges 49
2.13.14 Communication milestones 50

CHAPTER 3: SERVICE DELIVERY PERFORMANCE 51

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION 51
3.1.1 Introduction 51
3.1.2 Organisational Performance 51
3.1.3 Individual Performance 52
3.1.4 The Integrated Development Plan and the Budget 52
3.1.5 Strategic Alignment 53
3.1.6 Key Performance Indicators in approved 2021/22 Top Layer SDBIP 54
3.1.7 National Key Performance Indicators 58
3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22 61
COMPONENT A: BASIC SERVICES 66
3.2 WATER SERVICES 66
3.3 WASTE WATER SERVICES (SANITATION) 69
3.4 ELECTRICITY 72
3.5 WASTE MANAGEMENT (COLLECTION, DISPOSAL, RECYCLING & CLEANING) 74
3.6 HOUSING 77
3.7 FREE BASIC SERVICES & INDIGENT SUPPORT 80
COMPONENT B: ROAD TRANSPORT 86
3.8 ROAD SERVICES 86
3.9 WASTE WATER (STORM WATER DRAINAGE) 90
COMPONENT C: PLANNING & DEVELOPMENT 93
3.10 PLANNING 93
3.11 LOCAL ECONOMIC DEVELOPMENT 95
3.12 TOURISM 98
COMPONENT D: COMMUNITY & SOCIAL SERVICES 102

3.13 LIBRARIES & COMMUNITY FACILITIES 102
3.14 CEMETERIES 102
3.15 CHILD CARE, AGED CARE & SOCIAL PROGRAMMES 103
3.16 COMMUNITY SERVICES: OTHER 105
COMPONENT E: ENVIRONMENTAL PROTECTION 106
3.17 POLLUTION CONTROL 106
3.18 PARKS, PUBLIC OPEN SPACES & RIVER MANAGEMENT 106
COMPONENT F: SECURITY & SAFETY 107
3.19 TRAFFIC & VEHICLE LICENSING 107
3.20 FIRE SERVICES 108
3.21 OTHER (DISASTER MANAGEMENT, ANIMAL CONTROL &, CONTROL OF PUBLIC NUISANCES) 110
COMPONENT G: SPORT & RECREATION 113
3.22 SPORT & RECREATION 113
COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES 114
3.23 FINANCIAL SERVICES 114
3.24 HUMAN RESOURCE SERVICES 116
3.25 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES 117
3.26 INTERNAL AUDIT & RISK MANAGEMENT 118
3.27 LEGAL SERVICES 118
3.28 STRATEGIC SUPPORT: OTHER 119

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE 120

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE 120
4.1.1 Employment Equity 120
4.1.2 Vacancy Rate 122
4.1.3 Employee Turnover Rate 123
4.2 MANAGING THE MUNICIPAL WORKFORCE 124
4.2.1 Injuries on duty 124
4.2.2 Sick Leave 124
4.2.3 HR Policies and Plans 124
4.3 CAPACITATING THE MUNICIPAL WORKFORCE 125
4.3.1 Skills Matrix 125
4.3.2 Skills Development – Training Provided 126
4.3.3 Skills Development – Budget Allocation 127
4.3.4 Employee Performance Rewards 127
4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE 128
4.4.1 Personnel Expenditure 128
4.5 MFMA COMPETENCIES 130

CHAPTER 5 – FINANCIAL PERFORMANCE 131

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE 132
5.1 FINANCIAL SUMMARY 132
5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION 135
5.3 GRANTS 138
5.3.1 Grant Performance 138
5.3.2 Level of Reliance on Grants & Subsidies 140

5.4 ASSET MANAGEMENT 140
5.4.1 Treatment of the Three Largest Assets 141
5.4.2 Repairs and Maintenance 142
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS 142
5.5.1 Liquidity Ratio 142
5.5.2 IDP Regulation Financial Viability Indicators 143
5.5.3 Creditors Management 143
5.5.4 Borrowing Management 144
5.5.5 Employee costs 144
5.5.6 Repairs & Maintenance 144
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET 145
5.6 CAPITAL EXPENDITURE 145
5.7 SOURCES OF FINANCE 145
5.8 CAPITAL SPENDING ON FIVE LARGEST PROJECTS 146
5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW 147
5.9.1 Service Backlogs 147
5.9.2 Municipal Infrastructure Grant (MIG) 149
COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS 150
5.10 CASH FLOW 150
5.11 GROSS OUTSTANDING DEBTORS PER SERVICE 151
5.12 TOTAL DEBTORS AGE ANALYSIS 151
5.13 BORROWINGS AND INVESTMENT 152
5.13.1 Actual Borrowings 152
5.13.2 Municipal Investments 152
COMPONENT D: OTHER FINANCIAL MATTERS 153
5.14 SUPPLY CHAIN MANAGEMENT 153
5.15 GRAP COMPLIANCE 153

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS 154

COMPONENT A: AUDITOR-GENERAL OPINION 2021/22 155
6.1 AUDITOR-GENERAL REPORTS 2020/21 155
6.2 AUDITOR-GENERAL REPORTS 2021/22 155
LIST OF ABBREVIATIONS 156
APPENDICES 158

APPENDIX A COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
APPENDIX B COMMITTEES AND COMMITTEE PURPOSES
APPENDIX C THIRD TIER ADMINISTRATIVE STRUCTURE
APPENDIX D FUNCTIONS OF MUNICIPALITY / ENTITY
APPENDIX E WARD REPORTING
APPENDIX F WARD INFORMATION
APPENDIX G RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
APPENDIX H LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS
APPENDIX I MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE
APPENDIX J DISCLOSURES OF FINANCIAL INTERESTS
APPENDIX K REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
APPENDIX L CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
APPENDIX M CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES
APPENDIX N CAPITAL PROGRAMME BY PROJECT 2021/22

APPENDIX O CAPITAL PROGRAMME BY PROJECT BY WARD 2021/22
APPENDIX P SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS
APPENDIX Q SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
APPENDIX R DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
APPENDIX S DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

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

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

When I tabled the annual report for the 2020/2021 financial year is was a 100% reflection of the previous term of Council's performance for the year. This time I can report on 9 months of this current Councils performance for the 2021/2022 financial year. I am proud to announce that we have maintained our clean audit status and it is Witzenberg Municipality's 10th consecutive clean audit .This shows the commitment of the institutions towards governance and sound and prudent financial management. I'm forever grateful towards the Management, Staff, and Section 79 oversight committees and Council for its relentless hard work and dedication toward achieving this goal. Our overall capital spending has vastly approved and would ever have been better if it were not for circumstances beyond our control.

The 2021 financial year has seen numerous service delivery highlights inter alia the opening of a new waste transfer station in Wolseley, completion of the Ceres –Bella Vista walkway, acquisition of various service delivery vehicles, completion of 529 service sites at the Vredebes Housing development, completion of the Tulbagh dam, and the upgrade of the water and sewer master plans.

The constraint on the Eskom network capacity remains a challenge which is currently limiting economic growth within our area. The storage capacity at our landfill sites are becoming problematic and the rehabilitation cost of same is placing a severe strain on the finances of the Municipality. The illegal occupation of land and the rapid growth within our informal areas is still a major risk for the Municipality and we require the support of various law enforcement agencies as well as the Provincial Department of Human Settlements to help solving this problem. The growing population of illegal immigrants is also problematic and there is already tension within our different communities as a result of this.

The have completed our local economic development strategy which will hopefully be adopted by Council in the new financial year. Despite the challenges the Municipality remains committed to the provision of quality services to all its citizens on the same standard and conditions.

In conclusion, Witzenberg Municipality faces the future with optimism. I would like to take this opportunity to thank our Deputy Mayor, Councillor Felicity Klazen, and Speaker of Council Councillor Elizabeth Sidego, Members of the Executive Mayoral committee, Councillors and senior management for their commitment, focus and perseverance to develop our Municipality into a flourishing hub for tourism, business development and agricultural expansion. It gives me great pride to serve Witzenberg as Executive Mayor and I welcome the challenges to come as I know that we will overcome them together.

ALDERMAN HJ SMIT

EXECUTIVE MAYOR WITZENBERG

COMPONENT B: EXECUTIVE SUMMARY

*1.1 Municipal Man**ager's Overview***

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

Mr. David Nasson, Municipal Manager

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

Arrears Assessment

The Auditor General of South Africa has, in its report on the 2021/2022 financial statements of the Municipal Council, emphasised the material impairment of R 258.7 Million on receivables from exchange transactions as well as R 443.0 Million on receivables from non-exchange transactions. As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2022 is as set out below:

- the gross outstanding service debtors in total increased with 16.7% in relation to the 2021/2022 financial year.
- the leading contributors to the outstanding debt are water at 31.3% and sanitation and refuse at 35,7%.
- 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.
- the majority of households are working in the Agricultural sector which has been adversely affected by market trends and the Russian/Ukrainian war
- the Municipality will continue to exercise all legal avenues to collect its outstanding debt.
- concerted efforts are therefore being made, inter alia through capacitating our own debt collection to recover debts older than 90 days which constitutes 72.7% of total outstanding debt.

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

Revenue Collection

The municipality's performance for revenue collection increased from at 90% in 2020/2021 to 91% in the 2021/2022 financial year. We are mindful that the Municipality's financial sustainability is dependent on its ability to optimally collect the budgeted revenue. Public participation is being done on installation of water management devices and the disconnection of illegal electricity meters.

Material losses / Impairments

Electricity

There was an increase in the electricity losses including technical and non-technical losses. The total loss for the financial year was 10.74% compared to the loss of 10.80% in the previous financial year. The electricity losses are mainly the result of ageing infrastructure and theft of electricity in certain areas within the Municipality. The upgrade of the electrical infrastructure will continue in the new financial year which will hopefully lead to a further decrease in electricity losses. As part of Councils on-going programme to cut down on energy losses the following corrective measures will be undertaken:

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

Water

The calculated water loss is 13.91%. This is higher than the 12.12% that was recorded in the 2020/2021 financial year. The technical department is robust and vigorously busy improving the effectiveness of water provision by:

- installing water meters at unmetered communal taps
- replacing and repairing bulk meters
- installing data loggers at strategic sites
- collecting and calculating monthly data
- replacing badly leaking/eroded pipes on a program within certain areas.

Incidents of Theft / Fraud / Gross Negligence

No incidents of fraud or gross negligence were reported within the Municipality. Theft and vandalism of municipal infrastructure are however on the increase.

Eskom Network

The Eskom Network providing bulk electricity to our Municipality remains under severe pressure to such an extent that no new developments can be approved. The network was due for upgrade in the 2019 financial year, but Eskom indicated that this might not happen before 2026. This will be catastrophic not only for our Municipality but also for the Agricultural Sector which is the biggest employer of human resources within our Municipality.

General and Closing Comments

The maintenance of municipal infrastructure remains a major challenge for the municipality. Financial sustainability of our Municipal financial resources and effective management of municipal labour will be crucial if Council wants to overcome the tough economic challenges. I would further like to take this opportunity to thank our Executive Mayor and Political leadership as well as our Directors and other colleagues for their continuous hard work and effort to lift the bar of Good Governance and Service Delivery.

D NASSON

MUNICIPAL MANAGER

1.2 Municipal Functions, Population & Environmental Overview

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

The 2021/22 Annual Report reflects the performance of Witzenberg Municipality for the period 1 July 2021 to 30 June 2022. The Annual report is prepared in terms of Section 121 (1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual report for each financial year.

1.2.1 Vision & Mission

Our Vision

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

Our Mission:

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

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

Value System:

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

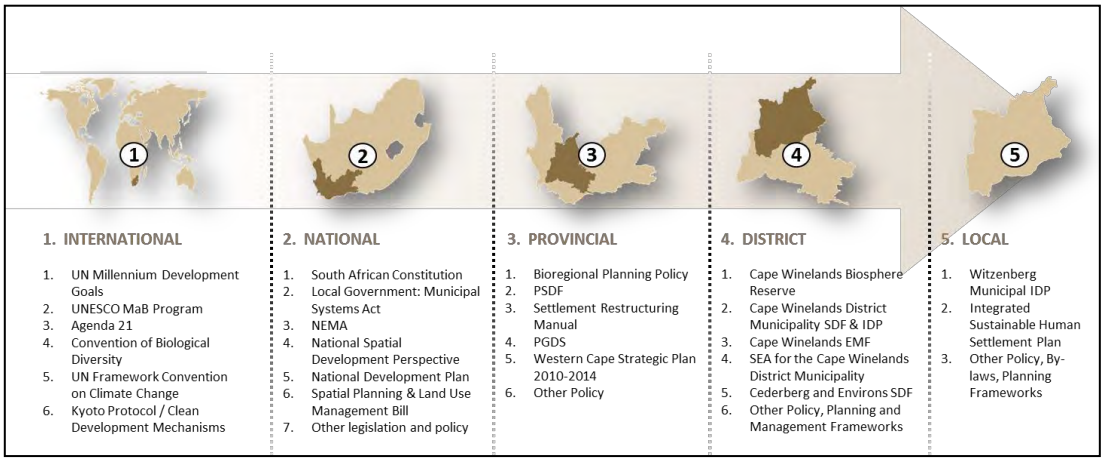
1.2.2 Demographic Information

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

<u>Municipal geographical information:</u>

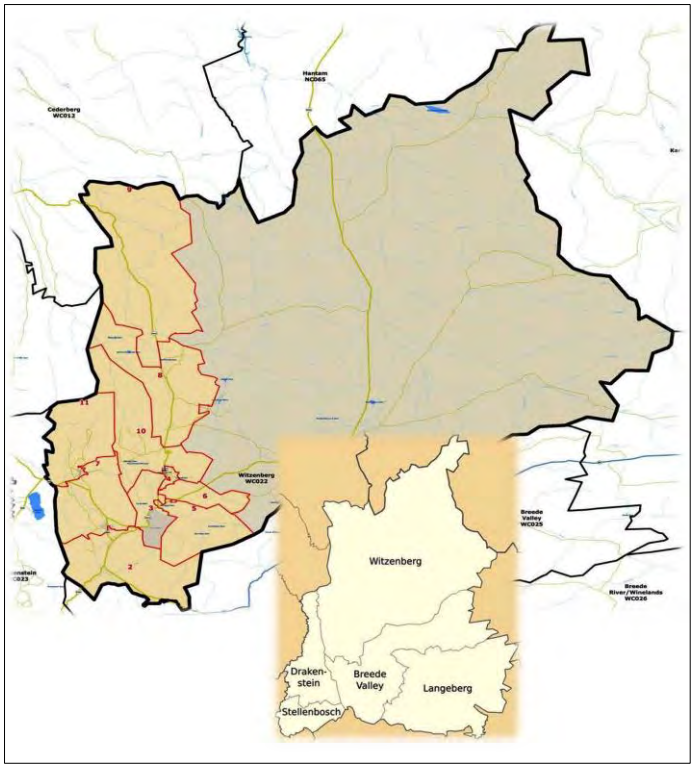
The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

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



Witzenberg Municipality in geographical context.

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



Location of Witzenberg Municipality in the Cape Winelands District.

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

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

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

1.2.3 Socio-Economy Summary

In 2019, the economy of Witzenberg was valued at R9.554 billion (current prices) and employed 64 930 people. Historical trends between 2015 and 2019 indicate that the municipal economy realised an average annual growth rate of 2.2 per cent which can be attributed to modest secondary sector growth of 2.4 per cent and stronger tertiary sector growth of 3.8 per cent; the primary sector contracted over this period.

SECTOR	GDPR			Employment		
	R Million value 2019	Trend 2015 – 2019	Real GDPR growth 2020e	Number of jobs 2019	Average annual change 2015 - 2019	Net change 2020e
Primary Sector	1 177.2	-3.1	12.2	20 005	413	-786
Agriculture	1 174.5	-3.1	12.3	19 999	413	-785
Mining & quarrying	2.7	3.2	-15.5	6	0	-1
Secondary sector	2 564.3	2.4	-11.4	8 018	214	-672
Manufacturing	1 424.2	2.2	-8.9	3 806	67	-199
Electricity & water	345.5	1.5	-4.9	230	8	-3
Construction	794.7	3.0	-19.1	3 982	139	-470
Tertiary sector	5 812.6	3.8	-3.4	36 907	1 459	-1 354
Wholesale & retail trade, catering & accommodation	1 749.7	2.9	-9.0	13 073	606	-648
Transport, storage & communication	685.2	2.2	-11.9	1 619	60	-54
Finance, insurance, real estate & business services	1 555.8	5.7	-0.5	6 860	314	-215
General government	1 111.5	2.6	2.6	6 851	157	186
Community, social & personal services	710.5	3.7	-0.5	8 504	323	-623
Witzenberg	9 554.1	2.2	-2.9	64 930	2 087	-2 812

In terms of 2019 sectoral contribution, the construction sector (R794.7 million in 2019 or 8.3 per cent of total GDPR) and the manufacturing sector (R1.424 billion in 2019 or 14.9 per cent of total GDPR) with average annual growth of 3.0 per cent and 2.2 per cent respectively between 2015 and 2019, were the main drivers of growth in the secondary sector. The finance, insurance, real estate and business services (R1.556 billion or 16.3 per cent), community, social and personal services (R710.5 million or 7.4 per cent) and wholesale and retail trade, catering and accommodation (R1.750 billion or 18.3 per cent), with average annual growth rates of 5.7 per cent, 3.7 per cent and 2.9 per cent respectively for the period, were the main drivers that contributed to the growth in the tertiary sector for the period. In large part due to the impact of the COVID-19 lockdown and restrictions, estimates for 2020 shows a severe contraction in the economy overall, by 2.9 per cent, with both the secondary and tertiary sectors experiencing sharp contractions of 11.4 per cent and 3.4 per cent respectively. The agriculture, forestry and fishing sector was the exception, with estimated growth of 12.2 per cent for 2020.

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 the Witzenberg municipal area's total employed will in 2020 amount to 62 118 workers of which 49 474 (79.6 per cent) are in the formal sector while 12 644 (20.4 per cent) are informally employed.

Most of the formally employed consisted of low-skilled (49.4 per cent) and semi-skilled (35.3 per cent) workers. Although the skilled category only contributed 15.3 per cent to total formal employment (2020), it registered the highest average annual growth – between 2016 and 2020, the skilled cohort grew on average by 2.3 per cent, while the semi-skilled category grew by 1.4 per cent; zero growth was registered for low-skilled workers group. The growth in the skilled category reflects the market demand for more skilled labour. Evidently, the demand for skilled labour is on the rise which implies the need to capacitate and empower low-skilled and semi-skilled workers. Formal employment overall grew by 0.8 per cent between 2016 and 2020.

Informal Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of informal jobs	11 937	11 733	12 115	13 067	13 134	14 936	13 834	14 168	13 739	13 314	12 644
% of Total Employment	25.4	24.5	23.9	24.4	24.1	24.5	22.4	22.5	21.5	20.5	20.4

Unemployment

Witzenberg municipal area's unemployment rate of 6.9 per cent in 2020 was the lowest in the Cape Winelands region; almost 4 percentage points below that of the Cape Winelands District (10.8 per cent). It was however notably lower than that the Western Cape's unemployment rate of 18.9 per cent. The unemployment rates are concerning given that this estimate is based on the narrow definition of unemployment i.e. the percentage of people that are actively looking for work, but unable to find employment. In turn, the broad definition refers to people that want to work but are not actively seeking employment (excludes those who have given up looking for work).

Unemployment rates	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Drakenstein	13.1	13.4	13.1	12.7	13.1	12.1	13.1	13.7	13.6	14.5	14.1
Langeberg	6.4	6.6	6.5	6.2	6.5	5.6	6.4	6.7	6.7	7.3	7.3
Witzenberg	7.3	7.4	7.1	6.7	6.9	5.9	6.4	6.7	6.6	7.1	6.9
Breede Valley	10.3	10.6	10.3	9.8	10.2	9.1	10.0	10.4	10.3	11.1	10.7
Cape Winelands	10.1	10.3	10.1	9.7	10.0	9.1	10.0	10.4	10.3	11.1	10.8
Western Cape	15.9	16.1	16.1	16.0	16.4	16.5	17.7	18.4	18.3	19.6	18.9

Income Inequality (Gini coefficient): The National Development Plan (NDP) 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. However, between 2014 and 2020, income inequality has worsened in Witzenberg area, with the Gini-coefficient increasing from 0.57 in 2014 to 0.61 in 2020.

Worsening income inequality could also be seen across the Cape Winelands District (0.59 in 2014 and 0.62 in 2020) as well as the Western Cape Province (0.60 in 2014 and 0.62 in 2020).

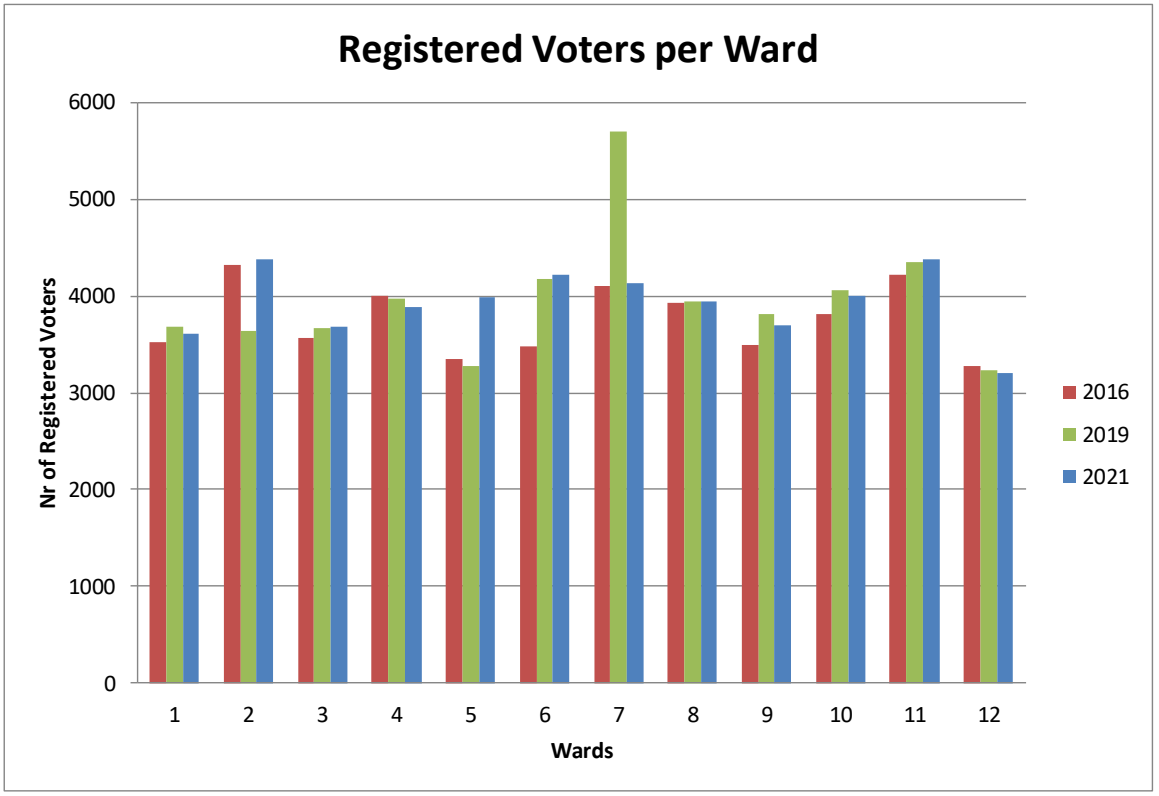
HDI (Human Development Index): The HDI (Human Development Index) is a composite indicator reflecting on education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development. The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development within countries.

There has been a general increase in the HDI for the Witzenberg area, from 0.64 in 2014 to 0.71 in 2020. There has been a similar upward trend for the Cape Winelands District as well as for the Western Cape.

Wards:

The municipality is currently structured into the following 12 wards:

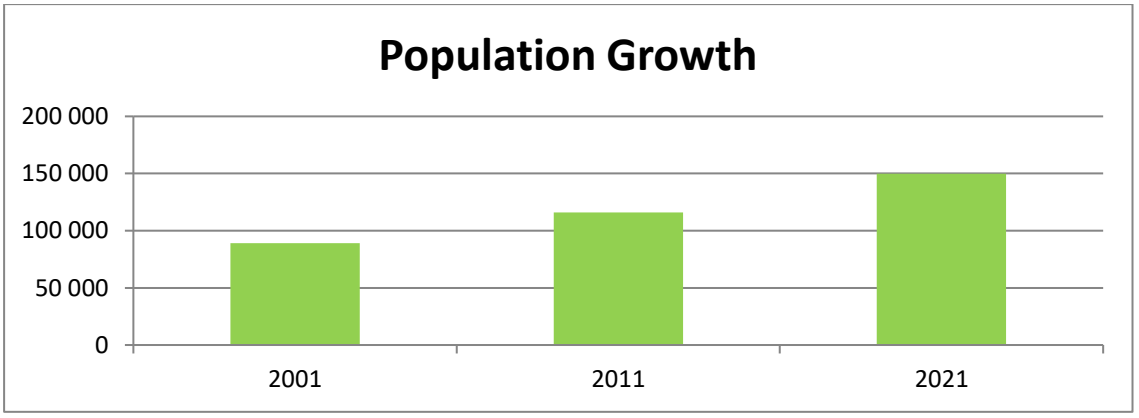
Ward	Areas	Registered Voters 2016	Registered Voters 2019	Registered Voters 2021
1	N'Duli - Polo Cross & Primary School	3529	3688	3614
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante	4318	3637	4381
3	Ceres - Primary School, Stadsaal, Fairfield School	3564	3671	3679
4	Prince Alfred's Hamlet - Town 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
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.	3818	4053	4000
11	Tulbagh - Town Hall & werkestoor, 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 150 624, rendering it the second smallest municipal area within the Cape Winelands District. This total is estimated to increase to 162 715 by 2025. Witzenberg municipal area is expected to have the highest population growth rate, with the population expected to increase by 1.9 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, 2020)*

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



1.2.5 Households

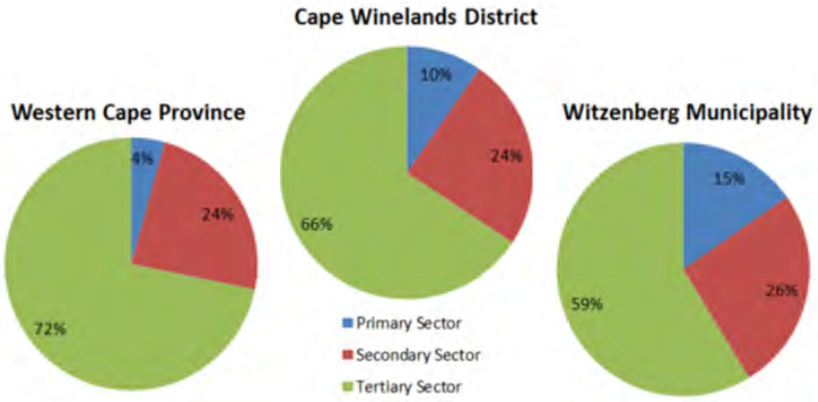
There are 32 769 households in the municipality, the household size falls from 3.2 in 2021 to 3.1 in 2022, remains steady thereafter, dipping to 3.0 in 2025.

(Western Cape DSD, 2020)

1.2.6 Key Economic Activities

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

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



1.2.7 Municipal Challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Bulk electricity supply from Eskom. The recent growth in the local agro-economy has resulted in the expansion of agro-processing industries in the rural and built environment. Our notified maximum demand limits by Eskom is under pressure and cannot be increased due to the under-capacity of the bulk supply infrastructure managed by them. This has restricted further economic expansion which can only be addressed with the bulk supply infrastructure.	Various deliberations have taken place between the municipality, Eskom, local business and the agricultural sector to address the issue. Intergovernmental engagements needed to 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 was completed by May 2022. The facility is 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	Continued funding through municipal budget.

Challenges	Actions to address
to very poor structural condition. Many of these roads have deteriorated to the point that they need to be rebuilt	
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 (with regards to solid waste service delivery) 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. Eskom is planning to supply an additional 5 MVA to Ceres by end 2024. (This upgrade will only take care of current growth ito electrical supply). 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 2020/21 financial year Ceres exceeded it's NMD by just under 5%, therefor avoiding an enormous penalty.

A new raw water storage dam was constructed at Tulbagh to alleviate the storage capacity problem. The pump station & rising main, which is phase 2 of the development will be completed by end 2023. 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
Initiated a Revenue Enhancement program that directly addresses the issue of illegal connections and theft of electricity	Consistency of supply and increased revenue
Upgrading & replacement of infrastructure	Updating of Water and Sewer Master Plans
Construction of a Material Recovery Facility in Ceres. – newly completed	Service all residents of Witzenberg ito waste services (re-use, recycle, reduce).
Construction of Drop –off Facility at Wolseley.	Service residents of Wolseley and Tulbagh ito recycling of waste.
Vredebes Phase H internal services	New roads and storm water for new phase H of the development
Van der Stel Street Pedestrian Walkway	Marked new walkway on the western side of the road, 2m wide
SDF: Ceres Priority Focus Area 1	Precinct Plan concluded for the area located between Ceres, Nduli & Bella Vista known as "Ceres Priority Focus Area 1".

1.3.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Streets & Storm water	Funding backlogs on bituminous pavements Storm water Master planning implementation	Pavement Management System 2019, all bituminous pavements, 10% is in a poor to very poor condition Budget constraints
Water	Vandalism	Vandalism at various water reservoirs, various sewer pump stations and WWTW's and infrastructure is a great concern.(especially during load shedding)
Electricity	Vandalism and Copper theft Exceeded Notified Maximum Demand, Aging Electrical Network	This scourge has shown a nationwide surge and is resulting additional costs, loss of revenue and non-consistency of supply 5 MVA increase applied for in 2019 for Ceres, available 2023 hopefully. Development in Witzenberg still stymied by Eskom's Romans river 132kV upgrade which moved to 24/25 to 27/28,

Service Area	Challenge	Actions to address
		although Eskom continually moves the goal posts. Wolseley and Tulbagh also now at their NMD 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.
Solid Waste	Old fleet of Compactors and Tipper trucks. Regional Landfill Site in Worcester (Waste licence issued) and busy with FBAR for Tulbagh Landfill site.	Collection time extended working hours during breakages. Investigation into the costs for required infrastructure and tipping fee at gate and move to Cell 2.
Town Planning & Building Control	Economic slowdown	Number of land use applications on the decrease due to the economic slowdown

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	2017/18	2018/19	2019/20	2020/21	2021/22**
Electricity - service connections	12 543	12 878	12 977	13 027	13 053
Water - available within 200m from dwelling	14 242	14 593	16 247*	16 710*	14 951
Sanitation - Households with at least VIP service	14 558	15 714	16 650*	17 507*	14 934
Waste collection - kerbside collection once a week	14 292	14 259	17 106*	17 979*	15 442

*Note: * Inluded informal areas outside of demarcated areas. **Number of accounts plus informal structures in demarcated areas.*

1.4 Financial Health Overview

1.4.1 Financial viability highlights

Highlight	Description
Debt coverage ratio 343.9 : 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. The ratio indicate that the municipality can afford to incur new long term debt.
Cost coverage ratio 3.15 months	It explains how many months' expenditure can be covered by cash and other cash equivalents available to the municipality. It need to be mentioned that the improvement of the ratio is supported by unspent government grants.

1.4.2 Financial viability challenges

Challenge	Action to address
Service debtors to revenue 0.84 : 1	A Revenue Enhancement Strategy will be implemented during the new financial year. The budget provides for the installation of water management devices which aims to reduce outstanding debt and to limit water wastage. The lockdown restrictions had a negative effect on debt collection as no cutting of services were effected.

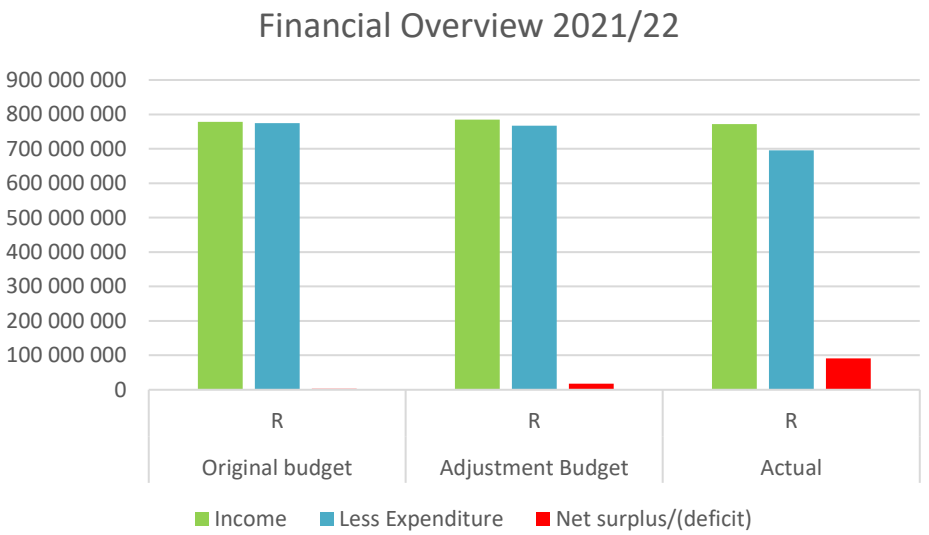
1.4.3 National Key Performance Indicators – **Financial Viability (ratio's)**

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	2019/20	2020/21	2021/22	Comments
Debt coverage (Total operating revenue - operating grants received: debt service payments due within the year)	154.1 : 1	226.6 : 1	343.9:1	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)	0.69 : 1	0.83 : 1	0.84:1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	2.66 months	2.74 months	3.15 months	The number of months that cash on hands will be able to cover expenditure, the higher, the better

1.4.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual	Variance from final budget
	R	R	R	%
Income	778 081 987	785 243 607	771 683 303	-1,7%
Grants	220 812 609	216 233 678	186 952 041	-13,5%
Taxes Levies and tariffs	497 202 434	506 102 434	523 403 018	3,4%
Other	60 066 944	62 907 495	61 328 244	-2,5%
Less Expenditure	774 920 726	767 281 309	695 921 372	-9,3%
Gains/(Losses)	931	1 167	15 815 347	1355114,0%
Net surplus/(deficit)	3 162 192	17 963 465	91 577 278	409,8%



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

Detail	Expected norm	20/21 Actual	21/22 Actual	Variance 21/22 from norm
	%	%	%	%
Employee Cost	30	31,03	29,65	0,35
Repairs & Maintenance	20	3,07	1,73	18,27
Finance Charges & Depreciation	10	6,87	7,68	2,32

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

1.4.6 Total Capital Expenditure

Detail	2018/19	2019/20	2020/21	2021/22
	R'000			
Original Budget	81 321	71 613	71 613	89 244
Adjustment Budget	90 639	76 594	86 843	81 667
Actual	86 697	34 468	66 944	73 744
Percentage Expenditure	95,7%	45,0%	77,1%	90,3%

Decrease in 2019/21 mainly related to COVID19 Impact

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	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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 11th 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.

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.

Take note that due to the Local Government election in November 2021, two sets of Councils operates for the period. The content of the documentation therefore reflects the term 1 July 2021 until 8 November 2021 and a term 9 November 2021 until 30 June 2022.

Below is a table that categorises councillors within their specific political parties and wards for the period 1 July 2021 to 8 November 2021:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
TE Abrahams	Mayco Member 03/08/2016- 08/11/2021	DA	Proportional
K Adams	Alderman: Deputy Executive Mayor 03/08/2016- 08/11/2021	DA	Ward 6
P Daniels	Councillor 03/08/2016- 08/11/2021	DA	Ward 7
TT Godden	Alderman: Speaker 03/08/2016- 08/11/2021	COPE	Proportional
P Heradien	Councillor 03/08/2016- 08/11/2021	ICOSA	Proportional
DM Jacobs	Councillor 03/08/2016- 08/11/2021	EFF	Proportional
D Kinnear	Councillor 03/08/2016- 08/11/2021	DA	Proportional
BC Klaasen	Alderman: Executive Mayor 03/08/2016- 08/11/2021	DA	Proportional
GG Laban	Councillor 03/08/2016- 08/11/2021	Witzenberg Aksie	Proportional
C Lottering	Councillor 03/08/2016- 08/11/2021	DA	Ward 2
M Mdala	Councillor 03/08/2016- 08/11/2021	ANC	Ward 12
TP Mgoboza	Councillor 03/08/2016- 08/11/2021	ANC	Ward 10
ZS Mzauziwa	Councillor 03/08/2016- 08/11/2021	DA	Proportional
MJ Ndaba	Councillor 05/12/2018- 08/11/2021	ANC	Ward 9
N Phatsoane	Councillor 03/08/2016- 08/11/2021	ANC	Ward 1
JT Phungula	Alderlady 03/08/2016- 08/11/2021	ANC	Proportional
JW Schuurman	Alderman 03/08/2016- 08/11/2021	ANC	Proportional
EM Sidego	Mayco Member 03/08/2016- 08/11/2021	DA	Ward 11
RJ Simpson	Councillor 03/08/2016- 08/11/2021	ANC	Proportional
HJ Smit	Alderman Mayco Member 03/08/2016- 08/11/2021	DA	Ward 5
D Swart	Councillor 03/08/2016- 08/11/2021	DA	Ward 3
HF Visagie	Councillor 03/08/2016- 08/11/2021	ANC	Ward 8
JJ Visagie	Alderman Mayco Member 03/08/2016- 08/11/2021	DA	Ward 4

Below is a table that categorises councillors within their specific political parties and wards for the period 9 November 2021 to 30 June 2022:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
K Adams	Alderman 09/11/2021 – 2026 Mayco Member: 10/06/2022	DA	Ward 6
J Cloete	Councillor 09/11/2021 – 2026	PA	Proportional
P Daniels	Councillor 21/04/2022 - 2026	DA	Ward 2
S de Bruin	Councillor 09/11/2021 - 2026	DA	Ward 10
G Franse	Councillor 09/11/2021 – 2026	DA	Ward 8
JP Fredericks	Mayco Member 09/11/2021 – 2026	FFP	Proportional
AL Gili	Councillor 09/11/2021 – 2026	ANC	Ward 1
LA Hardnek	Mayco Ex-Officio; MPAC 09/11/2021 – 2026	WP	Proportional
P Heradien	Councillor 09/11/2021 – 2026	ICOSA	Proportional
BC Klaasen	Alderman: 23/12/2021 – 2026 Mayco Member: 02/2022	DA	Proportional

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
FE Klazen	Mayco member 09/11/2021 – 2026 Executive Deputy Mayor	GOOD	Proportional
GG Laban	Councillor 09/11/2021 - 2026	Witzenberg Aksie	Proportional
C Lottering	Councillor 09/11/2021 – 02/02/2022 (Deceased)	DA	Ward 2
JS Mouton	Speaker 09/11/2021 – 24/05/2022 Councillor 24/05/2022 – 2026	ANC	Proportional
MJ Ndaba	Councillor 09/11/2021 – 2026	ANC	Ward 9
N Nogcinisa	Councillor 09/11/2021 – 2026	ANC	Proportional
N Phatsoane	Councillor 09/11/2021 – 2026	ANC	Proportional
K Robyn	Executive Deputy Mayor 09/11/2021 – 23/12/2021 (Removed from Council)	GOOD	Proportional
EM Sidego	Mayco Member 09/11/2021 – 24/05/2022 Speaker 24/05/2022 - 2026	DA	Ward 11
HJ Smit	Alderman; Executive Mayor 09/11/2021 – 2026	DA	Ward 5
D Swart	Councillor 09/11/2021 – 2026	DA	Ward 3
IL Swartz	Councillor 09/11/2021 – 2026	EFF	Proportional
JJ Visagie	Alderman Mayco Member 09/11/2021 – 2026	DA	Ward 4
K Yisa	Councillor 09/11/2021 – 2026	ANC	Ward 12
J Zalie	Councillor 09/11/2021 – 2026	ANC	Ward 7

Below is a table which indicates the number of items submitted to Council and meeting attendance for the 2021/22 financial year – period 1 July 2021 to 8 November 2021:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
28 July 2021	50	78.3%	60%
29 September 2021	8	91.4%	100%
08 October 2021	33	69.5%	28.5%

Below is a table which indicates the number of items submitted to Council and meeting attendance for the 2021/22 financial year – period 9 November 2021 to 30 June 2022:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
16 November 2021	2	95.6%	0%
22 November 2021	20	100%	Not Applicable
15 December 2021	19	95.6%	100%
26 January 2022	25	100%	Not Applicable
07 February 2022	4	95.6%	0%
23 February 2022	32	95.6%	0%
23 March 2022	10	86.9%	33.3%
28 March 2022	2	95.6%	0%
30 March 2022	26	86.9%	33.3%
07 April 2022	4	73.9%	66.6%
14 April 2022	11	95.6%	100%
24 May 2022	4	100%	Not Applicable
30 May 2022	29	73.9%	50%2
22 June 2022	14	95.6%	0%

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

2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, 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.

Period 1 July 2021 to 8 November 2021:

Name of member	Capacity
Mayco Member Alderman H Smit 17/08/2016- 08/11/2021	Chairperson: Committee for Corporate and Financial Services
Mayco Member Alderman JJ Visagie 17/08/2016- 08/11/2021	Chairperson: Committee for Technical Services
Mayco Member Councillor TE Abrahams 17/08/2016- 08/11/2021	Chairperson: Committee for Local Economic Development and Tourism
Mayco Member Deputy Executive Mayor Alderman K Adams 17/08/2016 – 08/11/2021	Chairperson: Committee for Community Development
Mayco Member Councillor E Sidego 17/08/2016 – 08/11/2021	Chairperson: Committee for Housing Matters

Period 9 November 2021 to 30 June 2022.

Name of member	Capacity
Mayco Member; Executive Deputy Member Councillor K Robyn 15/12/2021 – 23/12/2021	Chairperson: Committee for Technical Services
Mayco Member Alderman BC Klaasen 22/2/2022 - 2026	Chairperson: Committee for Technical Services (22/2/2022 – 09/06/2022) Chairperson: Committee for Local Economic Development and Tourism (10/06/2022 – 2026)
Mayco Member Alderman JJ Visagie 15/12/2021 - 2026	Chairperson: Committee for Local Economic Development and Tourism (15/12/2021 – 09/06-2022) Chairperson: Committee for Technical Services (10/06/2022 – 2026)
Mayco Member Councillor JP Fredericks 15/12/2021 - 2026	Chairperson: Committee for Corporate and Financial Services
Mayco Member Deputy Executive Mayor Councillor FE Klazen 15/12/2021 - 2026	Chairperson: Committee for Community Development
Mayco Member Alderman K Adams 10/06/2022 - 2026	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 2021 / 2022 financial year:

Period 1 July 2021 to 8 November 2021:

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Councillor E Sidego 03/08/2016- 08/11/2021	4	10 August 2021 26 August 2021 21 September 2021 30 September 2021
Committee for Community Development	Alderman K Adams 03/08/2016- 08/11/2021	1	15 September 2021
Committee for Corporate and Financial Services	Alderman H Smit 03/08/2016- 08/11/2021	1	15 September 2021
Committee for Technical Services	Alderman J Visagie 03/08/2016- 08/11/2021	2	18 August 2021 15 September 2021
Committee for Local Economic Development and Tourism	Councillor T Abrahams 03/08/2016 – 08/11/2021	1	18 August 2021

Period 9 November 2021 to 30 June 2022

Committee	Chairperson	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Councillor E Sidego 15/12/2021 – 24/05/2022 Alderman K Adams 10/06/2022 - 2026	1	12 August 2022
Committee for Community Development	Councillor FE Klazen 15/12/2021 - 2026	2	06 April 2022
Committee for Corporate and Financial Services	Councillor J Fredericks 15/12/2021 - 2026	2	06 April 2022
Committee for Technical Services	Alderman BC Klaasen 22/2/2022 – 09/06/2022 Alderman J Visagie 10/06//2022 - 2026	1	05 April 2022
Committee for Local Economic Development and Tourism	Alderman J Visagie 15/12/2021 – 09/06/2022 Alderman BC Klaasen 10/06/2022 - 2026	1	05 April 2022

Appendix B: Committees & Committee purposes

2.1.4 Municipal Public Accounts Committee (MPAC)

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

Council appointed the Chairperson and members of the MPAC at a Council meeting held on 16 January 2017.
The members of the MPAC are as follows:

Position	Councillor	Political Party	Councillor	Political Party
	Period 1 July 2021 to 8 November 2021		Period 9 November 2021 to 30 June 2022	
Chairperson	Clr DM Jacobs	EFF	Cllr L Hardnek	WP
Member	Clr P Heradien	ICOSA	Cllr GJ Franse	DA
	Ald JW Schuurman	ANC	Cllr J Cloete	PA
	Clr GG Laban	Witzenberg Aksie	Cllr IL Swartz	EFF
	Clr C Lottering	DA	Cllr K Yisa	ANC

2.2 *Administrative Governance Structure*

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

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

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

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

2.3.1 Intergovernmental Structures

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipals Managers Forum	SALGA, neighbouring municipality's MMs	District based initiatives
SALGA Working Groups	SALGA, Neighbouring municipality's Technical Directors and experts	Municipal wide information sharing
IDP Managers Forum	Department of Local Government (DPLG), All municipalities in the Western Cape (WC), IDP Managers	Provincial wide information sharing
District IDP Managers Forum	Cape Winelands District Municipality, all Municipalities in the Cape Winelands District	District 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 Forum (DPP)	All municipalities in the Cape Winelands District Municipality, DPLG, IDP Manager, local stakeholders for National Government Departments	District wide information sharing
Provincial Public Participation Forum (PPP)	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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Risk Management Forum	All municipal Chief Risk Officers of the province	National, District and Municipal wide information sharing
Joint District Approach	Local municipalities in District, District Municipality, Provincial Sector departments	District wide strategic planning

2.3.2 Joint projects and functions with sector departments

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

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
Intergovernmental Steering Committee Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	• Mobilising resources • Implementing projects to reduce poverty • Sharing information

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 – 14 March 2022	2	5	15
	Ward 1 & 12 N'Duli – 17 March 2022	3	7	53
	Ward 7 & 11 Tulbagh -			
	Ward 2 & 7 Wolseley – 15 March 2022	1	10	37
	Ward 4 & 10 P A Hamlet – 16 March 2022	2	5	35
	Ward 3 & 5 Ceres – 14 March 2022	1	12	3
	Ward 8 &9 Op-Die-Berg – 16 March 2022	1	8	32
IDP & Budget Public meetings				
IDP Review Public Participation	Ward 4 & 6 Bella Vista – 04 May 2022		6	52
	Ward 3 & 5 Ceres – 03 May 2022	5	4	14
	Ward 8 &9 Op-Die-Berg – 11 May 2022	8	2	32
	Ward 2 & 7 Wolseley – 12 May 2022	4	7	61
	Ward 4 & 10 P A Hamlet – 09 May 2022	3	6	72
	Ward 7 & 11 Tulbagh – 08 May 2022	3	6	93
	Ward 1 & 12 N'Duli – 10 May 2022		2	96

2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2021/22 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	No meetings were held due to elections & 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	
Essential Services	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

Strategic Alignment between IDP & Service Delivery & Budget Implementation Plan

COMPONENT D: CORPORATE GOVERNANCE

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

2.6 Risk Management

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

Witzenberg Municipality is committed to the optimal management of risk in order to protect our core public service values, achieve our vision, objectives and deliver on our core business functions.
In the course of conducting our daily business operations, we are exposed to a variety of risks. These risks include operational and other material risks which require comprehensive controls and on-going oversight to be properly managed.
To ensure business success the Municipality have adopted an enterprise-wide integrated approach to the management of risks. By embedding the risk management process into key business processes such as planning, operations and new projects, the municipality will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite.

The top 10 inherent strategic risks of Witzenberg Municipality are:

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

2.7 Anti-Corruption & Fraud

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

The municipality's Audit Committee (Performance, Risk & Audit Committee) recommendations for 2021/22 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	27 January 2021
Fraud and Corruption prevention policy and response plan	Yes	January 2021 (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 stake holders through outreach programmes
Outreach programme on fighting fraud and corruption	Lack of awareness of fraud amongst staff	Investigation of fraud and corruption cases
Whistle blowing through the National Fraud Hotline	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
To ensure that all employees and councillors in service of the Witzenberg Municipality has declared all interest/ownership/directorship.	Avoid doing business with employees in service of the municipality who does not declare that they are in service of the municipality	Use Trans Union in order to identify all employees that have interest/ownership/ directorship in companies
Regular update of the fraud risk register	Detection and prevention of fraud in the municipality	Monitoring key controls to alleviate fraud and corruption

2.8 Performance, Risk & Audit Committee

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

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

Section 14(2)(c) of the Local Government Municipal Planning and Performance Management Regulations (R796 dated 24 August 2001) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee of the said municipality.
The Public Sector Risk Management framework states that the committee should review and recommend for approval the:

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

2.8.1 Functions of the Performance, Risk & Audit Committee

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

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

2.8.2 Members of the Performance, Risk & Audit Committee

Name of representative	Capacity	Meeting dates				
		30/07/2021	20/08/2021	21/01/2022	25/02/2022	24/05/2022
Mr J. George (Second 3-year term until 31 October 2022)	Chairperson	✓	✓	✓	✓	✓
Mr. T. Lesihla (Second 3-year term ended 31 July 2021)	Member	✓				
Mr F. Redelinghuys (Second 3-year term until 31 October 2022)	Member	✓	✓	✓	✓	✓
Ms C. Fagan (Second 3-year term until 31 July 2024)	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	2019/20	2020/21	2021/22
Statutory Internal Audits			
DORA compliance	√	√	√
Performance Management System (quarterly)	√	√	√
Follow-up Audits			
Management Audit Action Plan (MAAP)	√	√	√
Follow up internal Audit findings	√	√	√
Risk based audits			
Income & Debtors	√		
Supply Chain Management	√	√	
Human Resources (Including Leave and Training)	√		
Asset Management	√		
Inventory	√		
Maintenance Management		√	√
ICT Governance	√	√	
Cash Handling	√		

Audit Activity	2019/20	2020/21	2021/22
Traffic Services	√		
Disaster Management & Business continuity			√
Housing	√		
Protection/Traffic Services			√

Annual Audit Plan

The Audit Plan for 2021/22 was implemented and the table below provides detail on audits completed:

Audit Activity	Estimated hours	Quarter	Status
Statutory Audits			
DORA compliance	250	4	Completed
Performance Management System	800	All	Completed
Follow up audit work			
Follow up Internal Audit Findings	400	All	Completed
Management Audit Action Plan	200	All	Completed
Risk based audits			
ICT Security Management	340	4	Work in Progress
ICT Governance	440	3 & 4	Completed
AD-Hoc audits			
Writing-off bad debt	287	4	Work in progress
Other			
Year-end stock count	100	1	Completed
Combined Assurance Reporting Project	200	All	Work in Progress

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
Indigent policy	30 May 2022	Yes	3 June 2022
Budget policy	30 May 2022	Yes	3 June 2022
Tariff policy	30 May 2022	Yes	3 June 2022
Property rates policy	30 May 2022	Yes	3 June 2022
Credit control and debt collection policy	30 May 2022	Yes	3 June 2022
Consumer payment incentive policy	30 May 2022	Yes	3 June 2022
Budget virement policy	30 May 2022	Yes	3 June 2022
Cellular telephone and data card policy	30 May 2022	Yes	3 June 2022
Transport- travel- and subsistence allowance policy	30 May 2022	Yes	3 June 2022
Municipal supply chain management policy	30 March 2022	No	
Integrated Waste Management By - Law	8 October 2021	No- (translating to Afrikaans and I Xhosa)	
Water and Sanitation Services and Industrial Effluent By-laws		No	11 February 2022

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 2021/22 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
55	51	34

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

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

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

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

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

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

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

Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 21 bids of an estimated value of R 40 967 187.

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
08/2/19/26	Implementation of protection study and the supply of associated equipment for the electricity network	Technical – Electricity	Adenco Construction (PTY) Ltd	8 940 843.14
08/2/19/11	Revenue Enhancement Services	Technical – Electricity	HCC Energy (Pty) Ltd	5 000 000.00
08/2/18/81	Electrical and mechanical maintenance of water and sewer pump stations, treatment works	Technical – Water & Sewerage	Keineli Investments CC T/A Megaflow	3 466 500.00

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
	and related infrastructure in Witzenberg area			
08/2/19/27	The supply and dispensing of fuel for municipal vehicles and plant from licenced fuel retail sites - Ceres	Technical – Fleet	Stenop Properties t/a Ceres Service Station	3 240 200.45
08/2/18/69	Supply and fitment of new tyres, tubes and provision of tyre repair and other related services, including the supply and fitment of steering and suspension components	Technical – Fleet	Werman Tyres t/a CT Tyre King	2 969 741.45

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 2021/22 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/18/08	Construction of the Waverenskroon Dam, Inlet Pipeline and Intake Works, Tulbagh	Technical - Water & Sewerage	Lulenco JV	27 640 655
08/2/18/05	Roads & storm water maintenance (Re-advertisement)	Technical - Streets & Stormwater	Actophambili Roads (PTY) Ltd	24 016 100
08/2/18/82	Electrification of informal houses in Vredebes, Ceres – Phase H	Technical - Electricity	Motheo Construction Group	14 525 577
08/2/17/88	Supply and delivery of Electrical Equipment and Cables	Technical - Electricity	Zonart Labour Distribution (PTY) Ltd Power Process Systems (PTY) Ltd Siyphambili Electrical & Industrial Supplies CC Pinnaculum Energy Technologies (PTY) Ltd	5 707 764
08/2/18/12	Supply and delivery of Protective Clothing	Corporate - HR	Uhambo Procurement & Distribution CC	4 803 345

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
08/2/17/51	Upgrading of van Breda bridge & associated roadworks, Ceres	26-Aug-21	Rods Construction	Reason for non-compliance	Appeal dismissed	Accounting Officer

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Dismissal	Dealt by
08/2/18/60	Short term Insurance (Re-Advertisement)	09-Jul-21	AON SA (PTY) Ltd	Reason for non-compliance	Appeal dismissed	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 2021/22 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 (%)
4	15.38	10 318 241	8.77

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 23 formal written price quotations amounting to R 2 869 031 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2021/22 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 (%)
3	13.04	218 817	7.62

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 12 190 156 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	86	1 472 796	12.08
Impossible	3	0	0.00
Impractical	33	6 847 115	56.17
Emergency	36	3 870 244	37.75

This amount shows a decrease of R 3 852 648 compared to the previous year's figure of R 16 042 804. 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 2022, the value of the stock at the municipal stores is calculated at R 6 922 679, with a satisfactory stock turnover rate of 1.27. For the 2021/22 financial year, a total of R 3 802.21 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 2021-2022 financial year. A Consolidated report of all assets identified for disposal were approved by Council on 30 May 2022 and will be auctioned in the new 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 2021/22 financial year.

2.12 Website

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

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

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

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

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 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

Description of information and/or document	Yes/No
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2020/21	Yes
IDP Process Plan for 2020/21	Yes
Supply Chain Management (Sections 14(2), 33, 37 and75(1)(e)and(f) and 120(6)(b)of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
Reports (Sections 52(d), 71, 72 and75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2019/20	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes
Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)	
Audit Committee charter	Yes
Risk Management Policy	Yes

2.13 Communication & Public Satisfaction

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

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

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

Consultation
Consultation is done through various tools is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.
Setting service standards
This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.
Increasing access

One of the primary aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services.

Ensuring courtesy

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves.

Providing information

As a requirement, available information about services should be at the point of delivery, but for residents who are located far from the point of delivery, other arrangements will be needed.

Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge.

Redress

This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

Value for money

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

2.13.1 Communication strategy

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

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

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Part of the Strategy
Media communication	Yes
Public participation and ward committees	Yes
Online communication	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

2.13.2 Communication and query/complaint management

Witzenberg Municipality runs a 24 hour emergency control centre that provides assistance to the public, 7 days a week, 365 days a year. The control centre offers the dual function of escalating service delivery queries to the correct departments such as water and sewerage, electrical, streets and storm water, as well as escalates emergency service queries to police, ambulance, fire and traffic. They also perform the function of informing senior management and

Council concerning high priority incidents such as shack fires, housing issues, motor vehicle accidents, obstructions and health hazards. This ensures that decisions regarding expenditure and overtime can be executed and monitored. Complaints are also received via email, website, social media, telephonically and letters and this communication is routed to the correct sections and personnel to address. Speedy turnaround times and feedback towards clients ensure that they are not disgruntled and have a realistic expectation of when the service will be delivered, its delivery method and how the query will be resolved. This greatly aids in educating the public on how the municipality conducts its operations, how to use the municipality to address issues as well as creating public support. Failure to validate complaints and communicate the reasons for service interruptions can result in discord and protest.

2.13.3 Communication and municipal marketing

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

2.13.4 Communication and international relations

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

2.13.5 Communication and investor relations

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

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 labor intensive and does not have great penetration in our rural environs due to limited connectivity and access to mobile data/wifi. We make use of all available means of communication tools 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. We have requested assistance from Provincial Government ito an updated complaints system and we have been identified as one of the recipients for broadband at our Centre.

2.13.9 Interpersonal communication

Witzenberg Municipality conducts internal communication with employees from the Municipal Manager's office 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 spokesperson(s) 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, website and complaints system
- Capacity
- 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 to include and update existing measures to communicate effectively with all our communities.

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 regulations 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 approved by Council on 25 July 2018.

The Top Layer SDBIP for 2021/22 was approved by the Mayor on 21 June 2021. Revisions to the SDBIP Top Layer targets was approved by Council on 23 February 2022 and the Adjusted Top Layer SDBIP approved by the Mayor on 1 March 2022. 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 2020/21
- The risks identified by the Internal Auditor during the municipal risk analysis
- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the audit

Other additional information with regards to performance:

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

3.1.2 Organisational Performance

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

- The Performance Administrator informs the relevant KPI owners, senior management and departmental secretaries of the closure date to submit actuals achieved for the preceding month. By the 10th of each month KPI owners complete the template with their actuals achieved, performance information and evidence. If a specific target was not reached, reasons with corrective measures must be provided.
- 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 — 26 January 2022
    - 2nd Quarter Budget Statement — 26 January 2022
    - Section 72 Midyear report — 26 January 2022
    - 3rd Quarterly Budget Statement — 30 May 2022
    - 4th Quarterly Budget Statement — 24 August 2022

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 2021/22 financial year were signed on 30 June 2021.

The appraisal of the actual performance in terms of the 2020/21 signed agreements, took place twice per annum as regulated. The final evaluation of the 2020/21 took place on 17 March 2022. The mid-year performance evaluation of 2021/21 took place on the same date with the final evaluation after the auditing of the 2021/22 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:

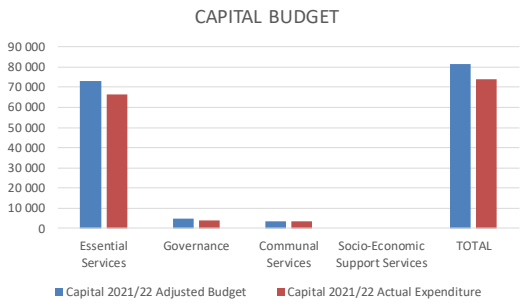
- Executive Mayor
- Portfolio Chairperson
- Chairperson of the Performance, Risk and Audit Committee
- Municipal Manager
- Manager: Human Resources
- Mr. D McThomas, Municipal Manager of Breede Valley Municipality, took part in the review of the Municipal Manager

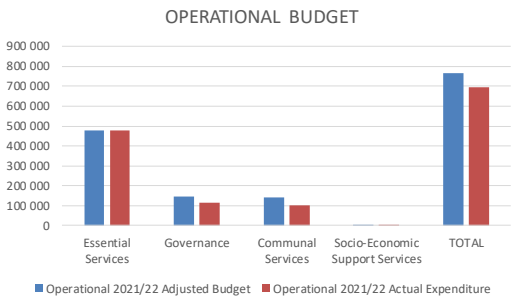
3.1.4 The Integrated Development Plan and the Budget

The Amended 2017/2022 IDP was adopted on 26 May 2021, whilst the budget for 2021/22 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 2021/22		Operational 2021/22	
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure
Essential Services	73 003	66 335	478 405	479 300
Governance	4 945	4 085	145 361	114 878
Communal Services	3 719	3 324	141 636	100 170
Socio-Economic Support Services	0	0	1 880	1 573
TOTAL	81 667	73 744	767 282	695 921





3.1.5 Strategic Alignment

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

3.1.6 Key Performance Indicators in approved 2021/22 Top Layer SDBIP

Municipal Key Performance Area: ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Ref	Key Performance Indicator	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	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. 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.
TecEl60	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	Percentage 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.
TecEl37	Percentage 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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
TecDir2	Number of subsidised serviced sites developed.	500	0	100	300	500	0	50	50	50	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	Percentage of households in demarcated informal areas with access to a water point (tap)	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a water point (tap). Access are being defined as households within 200m of a water point (tap). 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	Percentage of households in demarcated informal areas with access to a communal toilet facility.	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a communal toilet facility. Access are being defined as households within 200m of a communal toilet facility. 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	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a to a periodic solid waste removal or a skip for household waste. Access are being defined as households within 200m of a periodic waste pick-up route or skip for household waste. Certain skips 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.
TecEl36	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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	350	200	200	350	350	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%	60%	60%	60%	60%	60%	60%	60%	60%	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	93%	95%	95%	93%	93%	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. 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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
MMIDP9	Number of IDP community engagements held.	14		7		14	14	14	14	14	Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns.
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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	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	405	405	410	410	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.
ComSoc 42	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	100	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	30	5	10	20	30	40	40	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	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
ComLed19	Bi-annual report on investment incentives implemented.	2 Reports		1		1	2 Reports	2 Reports	2 Reports	2 Reports	Bi-annual 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:

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

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

c) 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

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

e) 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

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

g) Financial viability as expressed by the following ratios:

    a. 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 were not revised over the past 20 years required innovation from the municipality to practically 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 were developed that would support and report on the purpose of some of the indicators. In the paragraphs below an explanation is provided on how and why indicators were developed to support the national indicators and how they are included in the municipal SDBIP.

<u>Inclusion of general key performance indicators in SDBIP</u>

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 took place in 2022 with results not yet available.
- 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 therefore the level of electricity provision in these areas is 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 published 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 are 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 are 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 95% of households living in these three demarcated areas are within 200m of a toilet and tap. A most recent google image or GIS image is utilised to count the number of structures within a demarcated area. A structure is being counted as a household. 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 networks 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 measure 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 - Percentage of households in demarcated informal areas with access to a water point (tap) – TecWat22
- Provide basic services - Percentage of households in demarcated informal areas with access to a communal toilet facility. – TecSan13
- Improve basic services - Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. – 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 provide free basic services through its indigent policy to households earning less than R 3 000 per month. The number of account holders that are 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 eq**uity 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 2021/22

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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Percentage of budget spent.	All	98%/102%	98%	95%
Reason for under-performance: R 234 000 underspent on budget of R 7,7m. Main reason being saving on LED project with regards to service connections at LED HUB.						
Corrective measures: Monitoring across departments to utilize savings effectively.						
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	95%/86%	95%	90%
Reason for under-performance: The Van Breda project was delayed due to the fact that the consultant had to do a redesign. The Vredebes electrification project could not be completed due to the fact that no top structures were built, the Wolseley ablution project was delayed due to the court order issued against NT re tenders.						
Corrective measures: Construction programme on Van Breda bridge to be adjusted. Top structures to be built at Vredebes to ensure electrification project can continue, the Contractor for the Wolseley ablution block has been appointed.						
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	Percentage of unaccounted water losses	Percentage water losses.	All	18%/12%	18%	14%
Note: The name of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.1 of Council Meeting held on the 23rd of February 2022 to exclude "decrease". The AG has commented with the 2020/21 audit that "decrease" might give the impression that the decrease from previous year is measured. The intent is to report only on the percentage losses for a particular period.						
TecEl37	Percentage of unaccounted electricity losses.	Percentage electricity losses.	All	10%/10,8%	10%	10,7%
Reason for under-performance: Increase can be attributed mainly to the theft of electricity in the informal areas of Witzenberg.						
Corrective measures: Addressed in terms of the "Illegal Connection Strategy" that is in the process of being implemented.						
Note: The name of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.1 of Council Meeting held on the 23rd of February 2022 to exclude "decrease". The AG has commented with the 2020/21 audit that "decrease" might give the impression that the decrease from previous year is measured. The intent is to report only on the percentage losses for a particular period.						
TecRo7	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	06-Apr	4,0	0,6
Reason for under-performance: The applicable budget was redirected with the approval of the adjustment budget in February 2022.						
Corrective measures: The target needs to be adjusted when resources such as the budget are redirected with the adjustment budget.						

Municipal Key Performance Area: ESSENTIAL SERVICES

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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
TecDir2	Number of subsidised serviced sites developed.	Number of serviced plots.	5	No target	500	529
Note: The Phase H project at Vredebes was implemented over 2 financial years.						
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Percentage of households	All	3/3	95%	100%
Note: The definition of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.1 of Council Meeting held on the 23rd of February 2022 to exclude "radius". Remove "radius" as a scale bar is being used. Äccess are being defined as households within 200m of water point.						
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Percentage of households	All	3/3	95%	100%
Note: The definition of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.1 of Council Meeting held on the 23rd of February 2022 to exclude "radius". Remove "radius" as a scale bar is being used. Äccess are being defined as households within 200m of communal toilet,						
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	Percentage of households	All	3/3	95%	100%
Note: The definition of the KPI was adjusted in terms of Section 54(1)c of the Municipal Finance & Management Act and approved per item 8.1.1 of Council Meeting held on the 23rd of February 2022 to exclude "radius". Remove "radius" as a scale bar is being used. Äccess are being defined as households within 200m of periodic waste pick-up route or skip for household waste.						
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%/100%	95%	N/A
Note: The project relates to the Phase H project at Vredebes. Although serviced sites was completed, the construction of top structures was postponed. The construction of rudimentary structures are being considered as a pilot project for Witzenberg.						

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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	96%/91%	96%	93%
Reason for under-performance: The total number of employees participating in certain skills tenders was less than anticipated.						
Corrective measures: Monitoring across departments to utilize savings effectively.						
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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Ratio	All	200/322	350	431
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 8.1.1 of Council Meeting held on the 23rd of February 2022 from 200 to 350. The target was adjusted to align with the mid-year results.						
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Ratio	All	2,8/2,7	2,8	3,22
FinFAdm11	Financial viability expressed outstanding service debtors	Ratio	All	60%/70%	60%	69%
Reason for under-performance: The Covid19 pandemic had a prolonged negative financial impact on households which impacted the accumulative collection rate.						
Corrective measures: Ensure compliance to Credit Control Policy. Consider write off of irrecoverable debt						
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	90%/90%	93%	91%
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 8.1.1 of Council Meeting held on the 23rd of February 2022 from 95% to 93%. The indicator measures the percentage rate by which revenue is collected. The target was adjusted to align with the mid-year results.						
Reason for under-performance: The collection rate for June 2022 jumped to 117% which resulted to a slight improvement to the previous year. The impact of the Covid19 pandemic had a prolonged negative financial impact on households which impacted the accumulative collection rate.						
Corrective measures: Ensure compliance to Credit Control Policy.						
MM1	Percentage expenditure on the preventative maintenance budget of the whole of the municipality.	Percentage of budget spent.	All	98%/101%	98%	95%
Reason for under-performance: Planned maintenance budget of R 7,9m of which R 260 000 was unspent due to delayes in procurement process and savings at year end.						
Corrective measures: Monitoring across departments to utilize savings effectively.						
MM2	Percentage spend of capital budget for the whole of the municipality.	Percentage of budget spent.	All	95%/86%	95%	90%
Reason for under-performance: The Van Breda project was delayed due to the fact that the consultant made design errors, The Vredebes electrification project could not be completed due to the fact that no top structures were built, the Wolseley ablution project was delayed due to the court order issued against NT re tenders.						
Corrective measures: Construction programme on Van Breda bridge to be adjusted. Top structures to be built at Vredebes to ensure electrification project can continue, the Contractor for the Wolsley ablution block has been appointed.						

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.

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
MMIDP9	Number of IDP community engagements held.	Number of engagements held.	All	12/12	14	14
ComSoc49	Number of meetings with inter-governmental partners.	Number of meetings attended.	All	12/12	12	12

Municipal Key Performance Area: COMMUNAL SERVICES

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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
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%/81%	98%	94%
ComDir2	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%/85%	95%	92%
Reason for under-performance: Savings on Flood light project contributed to underspending. Delay in procurement processess main reason. ComDir1 savings.						
Corrective measures: Projects to be completed by end of July 2022.						

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

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

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders.	All	4500/2867	4500	3111
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	400/401	400	404
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	Number of programmes.	All	20/27	20	34
ComHS14	Number of housing opportunities provided per year.	Number of top structures.	All	No Target	No target	No target
ComHS15	Number of Rental Stock transferred	Number of properties transferred.	All	40/14	30	35

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.

2021/22 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2020/21 (Baseline)	Target 2021/22	Result 2021/22
ComLed19	Quarterly report on investment incentives implemented.	Quarterly Reports	All	4/4	4 Reports	4 Reports
ComLed20	Quarterly report 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

3.2 Water Services

3.2.1 Introduction

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

Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply. Water quality from the Koekedouw is good and it is only chlorinated before distribution. Two reservoirs (3 and 5 Ml) serve as storage reservoirs to the 132km distribution network, with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes 2 X 2 Ml service reservoirs, a booster pump station to the pressure tower (500kl) at Bella Vista, as well as a 750 kl service reservoir, 4.5Ml reservoir and booster pump station at N'Duli. Three additional boreholes were drilled in Ceres and the Koekedouw borehole equipped.

The Ceres Koekedouw 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 x 10^6m3/annum from the Klein Berg River. The project will also include a storage dam with a capacity of approximately 1 200 000 m3. Funding applications has been approved by the Department of Water and Sanitation (DWS) for the construction of the dam. All the water is stored in a 570 Ml raw water dam at present. Two reservoirs (800 kl and 1 Ml) serve as a clear

water storage reservoir to the 41.7km 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 Ml Wolseley Reservoir serves as a storage reservoir to the 55.9km distribution network, with two pressure zones. The network includes a 4.5 Ml services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of "lei" water during periods of low flow, from the Artois Canal to this reservoir. The project also allows for treatment at the reservoir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, 1 borehole and a supply line from the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the 35km 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 7.6km 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 Construction of the Waverenskroon Dam, Tulbagh. Updating of Water Master Plans

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%
2021/22	6 937 365	965 175	13.9%

Water losses increased from 12% in the 2020/21 to 13.9% in the 2021/22 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	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Household			
Water: (above minimum level)			
Piped water inside dwelling (accounts)	12 462	12 925	12 972
Piped water inside yard (but not in dwelling) (accounts)			
Using public tap (within 200m from dwelling) (households)	3 785	4 756	5 610
Other water supply (within 200m)	0	0	0
Minimum Service Level and Above Sub-total	16 247	17 681	18 582
Minimum Service Level and Above Percentage	100%	100%	100%
Water: (below minimum level)			
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
Below Minimum Service Level Sub-total	436	0	0
Below Minimum Service Level Percentage	2;9%	0%	0%
Total number of households (formal and informal)	15 314	17 681	18 582
**Formal households calculated based on accounts issued (excluding informal households which is actual households)*			
***The number of informal households below the minimum level are located adjacent Pine Valley, Wolseley, and was the result of an illegal land invasion. Growth of the settlement continuous without any control. Hpuseholds outside demarcated areas are not officially provided with a service. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres. In some cases private connections occur for distribution.*			

3.2.5 Service Delivery Indicators: Water Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- TecWat21 Percentage compliance with drinking water quality standards
- TecWat36 Percentage of valid water connection applications connected by reporting period end
- TecWat20 Percentage of unaccounted water losses.
- TecWat22 Percentage of households in demarcated informal areas with access to a water point

3.2.6 Employees: Water & Sanitation Services

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	16	21	4
4 - 6	15	11	7
7 - 9	3	4	2
10 - 12	6	6	1
13 - 15	1	2	0
16 - 19	1	1	0
TOTALS	42	45	14

3.2.7 Capital Expenditure: Water Services

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Tulbagh Dam	17 391 304	17 391 304	17 253 753	1%	27 000 000
Vredebes Phase H Internal Water	889 371	889 371	889 371	0%	6 282 925
TOTAL	18 280 675	18 280 675	18 143 124	1%	

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

At the town of 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. Security Upgrades at Sewer PS's Updating of Sewer Master Plans 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	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Household			
Sanitation: (above minimum level)			
Flush toilet (connected to sewerage) (accounts)	*12 865	*12 993	*12 955
Flush toilet (with septic tank) (nr. of erven, not included in calculation)	717	717	717
Chemical toilet (only indicate nr of toilets, not included in calculation)	58	58	58
Pit toilet (ventilated)	0	0	0

Description	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Household			
Other toilet provisions (above minimum service level) (households – informal areas)	3 785	4 514	5 610
Minimum Service Level and Above Sub-total	16 650	18 466	19 340
Minimum Service Level and Above Percentage	100%	100%	100%
Sanitation: (below minimum level)			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	**0	**0	**0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	16 650	18 466	19 340
**Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households)*			
***The number of informal households below the minimum level are located adjacent Pine Valley, Wolseley, and was the result of an illegal land invasion. Growth of the settlement continuous without any control. Hpuseholds outside demarcated areas are not officially provided with a service. The construction of serviced sites in the area were planned for over the long term as all planning and funding for the next 3 years is focused on the Vredebes development at Ceres. In some cases private connections occur for distribution.*			

3.3.5 Service Delivery Indicators: Waste Water (Sanitation)

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- TecSan22 Percentage of valid sanitation connection applications connected by reporting period end
- TecSan13 Percentage of households in demarcated informal areas with access to a communal toilet facility.

3.3.6 Capital Expenditure: Waste Water (Sanitation)

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Plant & Equipment		220 640	188 587	15%	188 587
Security upgrades		370 300	309 096	17%	309 096
Vredebes Phase H Internal Sewera	889 371	889 371	889 371	0%	6 626 925
Toilets for informal settlements		521 739	0	100%	521 739
TOTAL	889 371	2 002 050	1 387 054	31%	

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 although recently completed is scheduled to be updated in the 2022/23 financial year with MER funding from Western Cape Government. 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
Initiated a Revenue Enhancement program that directly addresses the issue of illegal connections and theft of electricity	Consistency of supply and increased revenue
Improved the safety and security of the community by upgrading many streetlights with the new LED lights and installed improved lighting in high risk areas as identified by the public.	Safety and Security
Installed Pepper Spray and Alarms in numerous substations to ensure enhanced safety and security of Municipal property.	Safety and Security

3.4.3 Challenges

Challenges	Description
Vandalism and Copper theft	This scourge has shown a nationwide surge and is resulting additional costs, loss of revenue and non-consistency of supply
Load shedding	Besides the negative effect on the economy of Witzenberg, this is enabling even more theft and vandalism
Exceeded Notified Maximum Demand,	5 MVA increase applied for in 2019 for Ceres, available 2023 hopefully. Development in Witzenberg still stymied by Eskom's Romans river 132kV upgrade which moved to 24/25 to 27/28, although Eskom continually moves the goal posts. Wolseley and Tulbagh also now at their NMD
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.

Challenges	Description
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

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD) from previous year	Maximum Demand Peak (NMD)
Ceres	36,5MVA (Additional 5 MVA applied for May 2019)	+1,88 MVA	38,85 MVA
Wolseley	5.2	+ 0,24 MVA	5,04 MVA
Tulbagh	4.5	+ 0,91 MVA	4,18 MVA

The energy losses for the 2021/22 financial year were 10.7%. This is a decrease from the 10.8% of the previous year and is attributed to the Revenue Enhancement program that targets illegal electrical connections and electricity theft.

3.4.4 Electricity Service Delivery Levels

Description	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Household			
Energy: (above minimum level)			
Electricity (at least minimum service level - accounts)	2 262	2 103	2 103
Electricity - prepaid (minimum service level)	10 715	10 715	10 924
Minimum Service Level and Above Sub-total	12 977	12 924	13 027
Minimum Service Level and Above Percentage	100%	100%	100%
Energy: (below minimum level)			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	12 977	13 027	16 500
**The below minimum service level cannot be determined as the number of pre-paid meters installed in informal areas is unknown. Therefor it cannot be determined the number of households in informal areas without electricity. Dept. of Energy does not fund these connections if households are not on a formalised plot.*			

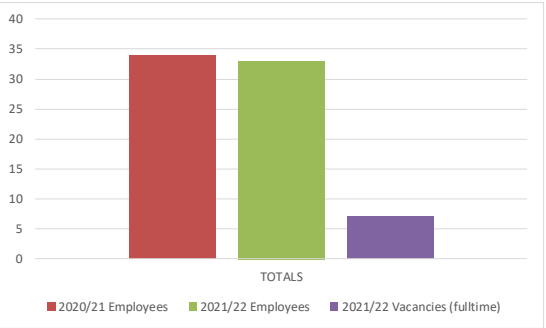
3.4.5 Electricity Service Delivery Indicators

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

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

3.4.6 Electricity Service: Employees

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	16	15	4
4 - 6	8	8	1
7 - 9	3	4	1
10 - 12	5	4	1
13 - 15	0	0	0
16 - 19	2	2	0
TOTALS	34	33	7



3.4.6 Electricity Service: Capital Expenditure

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Vredebes Electrical Network Hous	11 097 391	11 097 391	7 475 330	33%	11 097 391
MV Substation Equipment	500 000	541 640	532 775	2%	532 775
Vredebes Ph H Streetlights	1 565 217	1 565 217	1 565 217	0%	1 565 217
TOTAL	13 162 608	13 204 248	9 573 322	27%	

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 was developed for the 2022 to 2025and was endorse by MEC Local Government. 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 and Permanent staff
- Waste disposal 3 licensed landfill sites with 1 site closed and 1 non –operational site.
- Cleansing of streets and public toilets in Central Business Districts and skips (garden refuse)
- After hours teams from 16h00 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 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.
- Integrated Waste Management By –Law.
- Integrated Waste Management Plan has been completed.

Witzenberg Municipality currently operates three landfills. The Tulbagh landfill site is licensed as a GSB- site and receives no waste from Witzenberg. The Prince Alfred Hamlet site is licensed as a GCB- operated by Municipality and hired plant and equipment 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 a Material Recovery Facility in Ceres. – newly completed	Wil Service all residents of Witzenberg.
Appoint Waste Ambassadors in all ward 7 – 5 from Pine Valley	Do awareness and education from door to door, cleaning of open spaces, around recycling and greening of open spaces.
Drop –off Facility at Wolseley.	Service residents of Wolseley and Tulbagh.
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
Old fleet of Compactors and Tipper trucks.	Collection time extended working hours during breakages.
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 126,0 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	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Household			
Refuse removal: (above minimum level)			
Removed at least once a week (accounts)	13 321	13 465	13 463
Removed at least once a week or through periodic cleaning programmes (households in informal settlements)	3 785	4 514	5 610
Minimum Service Level and Above Sub-total	17 106	17 979	19 073
Minimum Service Level and Above Percentage	100%	100%	100%
Refuse removal: (below minimum level)			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below Minimum Service Level Sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	17 106	17 979	17 979

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 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- TecRef46 Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.
- TecRef31 Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.

3.5.6 Waste Management - Employees

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	48	42	10
4 - 6	9	10	3
7 - 9	16	14	5
10 - 12	2	1	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	75	67	18

3.5.6 Waste Management – Capital Expenditure

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
New Material Recovery Facilit	16 982 167	21 935 001	21 705 701	1%	29 000 000
Wolseley Public Toilets	1 500 000	1 500 000	163 897	89%	1 500 000
TOTAL	18 482 167	23 435 001	21 869 598	7%	

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

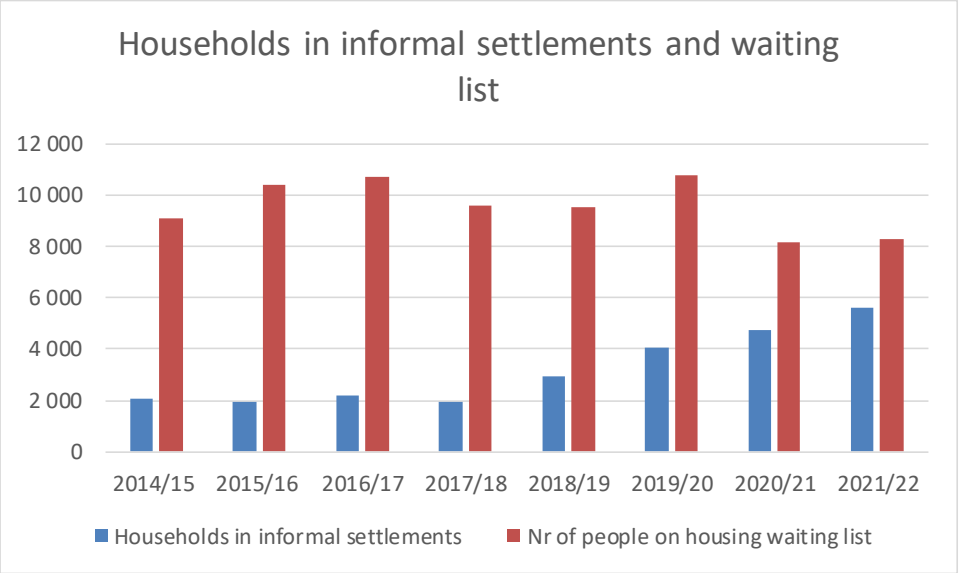
Challenges	Description
Selling and renting of RDP houses	Beneficiaries are in desperate need for money and this is a way to generate an extra income. Sales are made illegally without houses being transferred which hampers the transfer processes because in some case the beneficiaries who received the 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 ± 3 years to be completed depending on additional fund allocations

Challenges	Description
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 over weekends when the no personnel is on duty 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.
Current Vredebes Project stalled and the further development of N'duli	Inability of ESCOM to provide electricity and no timelines can be provided

3.6.4 Housing Service Delivery Levels

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2014/15		86.7%	2 077	9 065	(3.75)%
2015/16			1 945	10 421	14.96%
2016/17	29 969	83.3%	2 200	10 736	3%
2017/18	27 295	86.8%	1 942	9 568	(10%)
2018/19	29 969	83.3%	2 967	9 546	0%
2019/20	30 000e	87%	4 027	10 774	13%
2020/21	30 000e	87%	4 756	8 181	(25%)
2021/22	27 866	85%	5 610	8 300	1%

** 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	
2021/22 (Capital)	4 125 138	4 125 138	100%		529
2021/22 (Operational)	19 268 708	430 900	2%	0	

3.6.5 Service Delivery Indicators: Housing

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/21:

- 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	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	4	3	1
7 - 9	1	3	1
10 - 12	4	1	0
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	10	8	2

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 that 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	%
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
2021/22	17 418	7 755	45	7 755	45	7 755	45	7 755	45

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
2021/22	17 418	133	0.007	133	0.007	133	0.007	133	0.007

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			**R'000**
2018/19	3 697	120 000	3 600	12 875	120 000	12 746

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			**R'000**
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
2021/22	3 111	120 000	3 669	13 680	120 000	16 136

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**
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
2021/22	2 967	50	2 884	10 507	50	10 212	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						
2021/22	133	25	6 463						

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**
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
2021/22	7 755	6	13 912			

Water (50%)						
Financial year	Indigent Households-50%			Non-indigent households		
	No of HH	Unit per HH (kl)	Value R'000	No of HH	Unit per HH (kl)	Value R'000
2020/21	67	3	1 360			
2021/22	133	3	1 193			

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value R'000	No of HH	Unit per HH per month	Value R'000
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
2021/22	7 755	223.21	20 771			

Sanitation 50%						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value R'000	No of HH	Unit per HH per month	Value R'000
2020/21	67	105.29	8 463	9 444	0	0
2021/22	133	111.60	17 811			

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value R'000	No of HH	Unit per HH per month	Value R'000
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
2021/22	7 755	1	17 764			

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
2021/22	133	1	1 523			

COMPONENT B: ROAD TRANSPORT

This component includes roads and storm water management.

3.8 Road Services

3.8.1 Introduction

Integrated Transport Planning

This transport field is responsible for transport planning, road planning, traffic engineering and implementation of the Integrated Transport Plan (ITP) with the streets and storm water infrastructure that include the upgrade, rehabilitation and maintenance of road infrastructure, storm water drainage and the adequacy of traffic signage and road markings and public transport infrastructure.

The Witzenberg Local Integrated Transport Plan 2010-2015 was adopted in 14 December 2010, with the Witzenberg Local Integrated Transport Plan (LITP) 2022-2027 being reviewed prepared as part of the Cape Winelands District Integrated Transport Plan (DITP) 2022- 2027.

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 approved by Council in February 2021. The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Roads Master Plan. The Vision for Witzenberg LM Roads Master Plan was formulated to be "To provide a safe, reliable, effective and efficient road and transport system to serve the public of Witzenberg Municipality". The municipal road network is in good condition, 59% of road network being in a very good to good condition, 30% being in fair condition with 11% being poor and very poor. Out of the 204.8km of road, 91% is black top roads, 2% is block paved and 7% is gravel roads. The proposed maintenance cost over 2-3years is R42.4 mil.

Five bridges and 3 major culverts were assessed as part of the RRAMS project. The maintenance cost of these structures without professional fees were estimated to be R1.59 mil. Traffic counts were done on 108 intersections. The AM & PM peak hours were extracted, and operational analysis were done for the current scenario and geometry. Only six intersections operated with an approach lower than LOS D. Potentially dangerous intersections on Vos Street (R303) and Voortrekker Street (R46) were identified by others and further investigated.

Minibus taxis is the main source of public transport within Witzenberg LM, in the absence of a public bus service. There is a need to consolidate the various taxi ranks in Ceres. A host of new pedestrian walkways were identified as well as the required maintenance on existing facilities. In the town of Ceres, kerbs at pedestrian crossings must be dropped to improve universal access.

Precinct planning were previously done in Ceres and Tulbagh. A variety of projects were proposed to connect nodes with general beautifying of the area, improve vehicular, pedestrian and cycle movements. The proposed cost for Ceres was R56 mil and R7.2 mil for Tulbagh. New spatial plans from the 2020 SDF were used to assess new roads to be developed. Various new bridge connections were also identified in Ceres and Tulbagh. The six intersections which previously exceeded LOS D, were further analysed at a 3.7% traffic growth over the next 5 years. Some proposal is made in terms of the upgrading of these intersections. An additional two intersections in Nduli which did not exceed the LOS D were also analysed with a growth of 3.7% over the next 5 years, as these intersections are expected to see a rapid growth in traffic volumes upon completion of the Vredebes development. The site for the new taxi rank has been identified and should be pursued within the short to medium term. Negotiations with the property owner must precede any formal planning.

Pedestrian and cycle facilities should be a requirement up to Class 4 roads which are generally bus or taxi routes. Class 5 roads may however be fitted with walkways or cycling lanes, if it serves public land-uses like schools, hospitals or community buildings. Freight routes and by-pass routes were identified by previous studies. The initial survey, planning and environmental approvals should be sought in the short to medium term. Mention is made of a Petroport truck stop facility outside Ceres. This would give the trucks a place to overnight and eliminate the current illegal parking within the Witzenberg LM towns.

Master Planning is key to provide long term steering of projects, with the SDF and IDP planning for a shorter term. Municipal Grants like MIG is key to the sustainability of municipal projects. Developer contributions should be used to augment the bulk infrastructure where required.

The strategy for prioritising projects would be;

- All maintenance and repair actions should happen over the short and medium term;
- All small to medium size capital projects should happen over the short and medium term;
- All project likely to fall outside of this scope should happen over the long term;
- The initial work for the long-term projects (survey, planning and environmental), should be done over the short to medium term;

3.8.2 Highlights

Highlights	Description
Upgrade Van Breda Bridge	Widening and upgrade bridge
Vredebes Phase H internal services	New roads and storm water for new phase H of the development
Van der Stel Street Pedestrian Walkway	Marked new walkway on the western side of the road, 2m wide

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 Master 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
2021/22	232.23	0	0.6	0	232.23

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

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
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
2021/22	8.9	0	0	8.0

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
2021/22	15 271	0	9 398

3.8.5 Service Delivery Indicators: Road Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- TecRo7 Kilometres of roads upgraded & rehabilitated

3.8.6 Employees: Roads & Storm water

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	13	14	10
4 - 6	7	7	4
7 - 9	7	3	4
10 - 12	6	3	0
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	35	29	18

3.8.7 Capital Expenditure: Roads & Storm water

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Upgrade Van Breda Bridge	25 457 391	13 101 972	10 379 538	21%	24 000 000
Vredebes Phase H Internal Roads	889 371	1 457 025	1 457 025	0%	6 626 925
Vredebes Phase H Internal Storm \	889 371	889 371	889 371	0%	6 626 925
Tulbagh VanderStelstr walkways		712 591	712 176	0%	869 565
TOTAL	27 236 133	16 160 959	13 438 110	17%	

3.9 Waste Water (Storm Water Drainage)

3.9.1 Introduction

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

The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Storm water Plan. The Vision for Witzenberg LM Storm water Plan was formulated to be "To provide a database for the Witzenberg Municipality where all storm water data can be viewed, queried, stored, added, maintained and expanded. The Storm water Master Plans must identify upgrades to the existing storm water system and propose new infrastructure in order to meet current and future infrastructure needs to accommodate growth. It must include a funding model and a programme for the implementation of all the projects identified and prioritized. It must evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation."

The Witzenberg LED Strategy (2004) stated that flooding of storm water pipes is common in winter as these pipes are not inspected for blockages in the summer as required. The Draft Reviewed IDP 2019-2020 indicated that some areas within the Witzenberg Municipality have inadequate storm water systems. The existing storm water infrastructure within Witzenberg is made up of 68.6 km of reticulation and 35.6 km of open channel. The condition of the storm water infrastructure was assessed based on blockage and structural integrity. 92% were found to be less than 25% blocked, 3% were found be partially blocked, and 5% were full of material (litter or debris). 46% of the structures were in a good condition, 39% were found to be in fair condition, and 15% were found to be in poor (damaged or broken) condition. For the study area 28% of the Witzenberg PCSWMM model (existing minor system) require new storm water infrastructure (upgrades, replacements and additional storm water systems). Pipe replacement and new minor systems for resolving the problem areas are proposed in this report, together with preliminary cost estimates. Costs have been calculated for each conduit that requires upgrading or new infrastructure to increase the capacity of the existing storm water network.

The total cost estimate for the installation and upgrading of the local minor storm water network to either the 1:2 year and 1:5 year return period standard amounts to R180.8 million, excluding long-term upgrade proposals, and R190.2 million including long-term upgrade proposals. The hydrological analyses have indicated that the future developments requires the inclusion of detention facilities in the modelling in order to reduce the estimated post-development flood peaks to the predevelopment flood peaks. Where practically possible, developments should be required to accommodate the difference between the pre and post- development run-offs up to the 1:50 year flood, on the development. This will reduce major and minor storm water run-off and improve water quality.

The detention ponds modelled and proposed to be implemented to reduce the future peak floods within Witzenberg Municipal area. The high level cost estimate to construct these detention ponds amounts to R159.9 million. The bulk storm water infrastructure required to connect the future developments to existing watercourses or the existing storm water network amounts to R19.7 million. The main concern is that developments within Ceres and Wolseley are within the 1:50 Koekedow Flood lines.

3.9.2 Highlights

Highlights	Description
Vredebes Phase H Internal Storm Water	New bulk storm water channel with retention dam constructed

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
Storm water Master planning implementation	Budget constraints

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
2021/22	146.00	0	0	146.00

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

Financial year	Storm water measures	
	Capital	Maintained
	R'000	**R'000**
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
2021/22	889	3 364

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

The Witzenberg Spatial Development Framework (WSDF) was adopted by Council on 27 May 2020 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 & Challenges

Highlights	Description
Timeous decisions	Applications turnaround time well within statutory timeframes
GIS Zoning Data	GIS programme expanded to include new data sets and civil services "as built" plans
SDF: Ceres Priority Focus Area 1	Precinct Plan concluded for the area located between Ceres, Nduli & Bella Vista known as "Ceres Priority Focus Area 1".

Challenges	Description
Eskom capacity	Eskom is unable to supply increased capacity which is hampering new development
Economic slowdown	Number of land use applications on the decrease due to the economic slowdown
Shortage of Vacant Plots	Ceres has a shortage of serviced vacant stands for residential and industrial uses.

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	2018/19	2019/20	2020/21	2021/22
Town Planning and Building Control				
Building plan applications processed	455	368	354	480
Total surface (m^2)	58 318m^2	44 327m^2	60 113m^2	83 693 m^2
Approximate value	*R 3 232 931 532	R 212 778 595	R 328 052 888	R 412 036 060
New residential dwellings	167	124	45	82
Residential extensions	87	90	123	177
New Business buildings	1	1	1	3
Business extensions	1	3	7	18
Rural applications	73	39	50	96
Land use applications processed	31	34	44	26

*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

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	4	4	1
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	6	6	1

3.11 Local Economic Development

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2021/22 financial year:

Achievement/Highlight	Description
Upgrading of 2 existing business Hubs	Completion of Phase 2 of PAH Business Hub, as well as atomization of access to Skoonvlei Business Hub.
Facilitated tax workshops for entrepreneurs	4 Tax workshops were conducted at various towns to equip entrepreneurs with information regarding tax matters and entity registration.
Implementation and coordination of the informal trader program	Issuing of 113 hawker permits and 44 business licenses in the whole of Witzenberg
Business consultations to assist clients with starting their own businesses	Providing information regarding business registrations, how to start a business and municipal support services
Facilitate 2 Supplier registration workshops	SMME`s were informed concerning the municipal supplier registration, the Cape Winelands District tender processes and also the central supplier database registration process.

Achievement/Highlight	Description
Linked entrepreneurs with funding opportunities	Linked entrepreneurs from SMME database & business Hubs with funding opportunities
Business dialogue with entrepreneurs in Wolseley, Tulbagh and Nduli	Business dialogue sessions creates a platform where challenges, information, needs and procurement opportunities can be discussed.
Implemented a maintenance project of under roof hawker stands	Maintenance of hawker stand infrastructure to improve stand visibility, improve dignity and to foster a sense of pride
Participate in Perdekraal entrepreneurial day	Presented LED related information regarding supplier registration & SMME support
Linked local entrepreneurs with CWDM Seed fund & small farmer support programme	Ten entrepreneurs were successfully linked with the seed fund programme and one business with the small farmer program
Information session regarding SEDA support services	SEDA facilitated information session in Tulbagh regarding support services that they offer to smme's
Linked three smmes with GODISA Program	Trioplus Development facilitated the GODISA Programme (online programme) which is designed to assist operational businesses to position themselves for growth. The programme is delivered exclusively through virtual engagement with businesses that are operationally stable and ready to take the next step towards growth and sustainability; through investigating options available to them in terms of streamlining operations or employing innovation in their businesses to accelerate growth.
Organised standing SEDA business support sessions	SEDA visits Witzenberg on monthly basis to have individual consultations with emerging businesses
Informal trader engagement with representatives from towns	Engagement to determine needs and challenges and provide support
Facilitated the Exchange Mentorship programme in March	This international Programme was presented by a Belgium expert in business support. Purpose of the programme was to give mentorship support, as well as to introduce ways of improving their business operations. Eight smmes' was linked with the initiative. Post programme support was given to the entrepreneurs who attended (1 entrepreneur seized the opportunity for further support).
Linked woman contractor with 2 maintenance related projects	An increased focus of linking woman in construction with construction opportunities.
SMME surveys conducted	3 small business surveys was conducted to determine the perception of municipal support, as well as to determine the main corresponding needs. An informal trader survey were conducted, a Witzenberg wide survey were conducted with a sample of entrepreneurs, as well as an informal settlement survey.
Hosted a LED Intern	Provided the opportunity for a youth who has a degree to gain experience as a LED intern, funded by Department of Economic Development and Tourism (DEDAT)
Liaison with Witzenberg Waste Management Forum	LED unit provided input and are part of a newly formed Witzenberg Waste Management forum consisting of representatives of waste entrepreneurs and municipal officials
Funding and support workshop with Witzenberg Waste Management forum members	Funding and support workshop for invited members of the Witzenberg Waste Forum in order to be equipped with the supplychain regulations, as well as funding support from stakeholders.
Completion of Youth Placement Carpentry programme	Completed a 3 year Carpentry Youth Placement programme where the youth received accredited training and exposure in carpentry and broader maintenance skills, being placed at the Municipality and a carpentry related business. 3 Youth finished the programme (out of a team of 5).
Initiated 3 Year Plumbing Apprenticeship programme	A 3 Year Plumbing apprenticeship started where 5 youth has been given the opportunity to receive accredited training in plumbing, as well as being placed in the Municipality and a host company to gain practical experience.
Assisted with 2-day workshop for informal traders	Workshop was presented by SEDA to formalize traders and link them with funding

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

The LED Strategy is built upon commitment to develop a climate in which economic development and economic growth can prosper. The LED Strategy has been reviewed and edited and will be implemented from 2022/2023 onwards.

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	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 2021/22, 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	2018/19	2019/20	2020/21	2021/22
Small businesses assisted	150	95	200	185
SMME's trained	70	20	20	86
Community members trained for tourism	7	5	0	13
Local artisans and crafters assisted	3	7	5	9

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2015/16	40	427
2016/17	32	398
2017/18	37	403
2018/19	34	397
2019/20	25	409
2020/21	27	401
2021/22	23	404

3.11.4 Service Delivery Indicators: LED

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- ComLed19 Quarterly report on investment incentives implemented.
- ComLed20 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.

3.12 Tourism

3.12.1 Aim & Function of the Tourism Sector

Witzenberg Municipality has a service level agreement, signed in 2021 for the next three years, with one local tourism entity, Witzenberg Tourism, 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. Specific projects were identified to be rolled out over the next three years.

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 educational, 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.

During COVID-19 to shift focus from Dining with the Locals initiative to supporting local entrepreneurs to help with initiatives during and due to lockdown. As far as possible local SMMEs are utilised for catering and other services. 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 municipal area. Tourism bureaus for Wolseley, Ceres and Tulbagh have also created their own brochures with niche marketing of their towns and, with ongoing 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.

Tourism has thus far 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 educational 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 and at other local events and outreach activities.

3.12.4 Tourism Awareness/events

Annual events taking place in the Witzenberg municipal region:

Annual Event	Date
Olive Rock Food Experience	08 August 2021
Ceres Chase – Amazing Race	24 September 2021
Eselfontein Outdoor Festival	08 – 10 October 2021
Absa Cape Epic in Witzenberg area	18 – 21 October 2021
Wines of Wolseley	27 October 2021
Wolseley MTB	Cancelled due to covid
Gydo Christmas Light Festival	27 November 2021
Loxtonia Cherry Trail Run	27 November 2021
Hoogwater Fruit picking	27 November 2021 - 30 Jan 2022
Bosjes Jelena Picking	27 November 2021
Apricot Picking	16 – 19 December 2021
Adene's Farm Flowers	17 Dec 2021 till 30 April 2022
Tankwa Camino Hikers Welcomed to Ceres	12 September 2021, 03 April 2022 & 08 May 2022
Tankwa Trail at Kaleo Guest Farm, outside Ceres	30 April 2022
Tulbagh Vintage & Vine Faire	28 May 2022
Christmas in Winter	25 & 26 June 2022
Seven Oaks Pop Restaurant	Monthly
Creative Hub Market	Monthly (month ends)
Olive Rock Food Experience	08 August 2021
Ceres Chase – Amazing Race	24 September 2021
Eselfontein Outdoor Festival	08 – 10 October 2021
Absa Cape Epic in Witzenberg area	18 – 21 October 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 its 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. However, the individual tourism offices also source additional funding from other sources.

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. However, the local Tourism industry business is steadily picking up post COVID-19. 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 as set out in the new SLA; 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

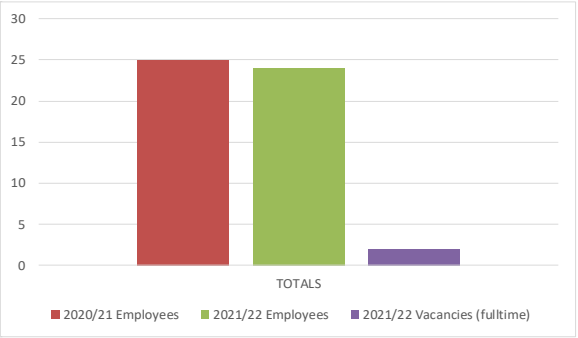
Libraries are managed by the section, Library Services, located in the directorate of Community Services. All towns have a library, with mini libraries at Op-die-Berg, Laastedrif and Agter Witzenberg.

3.13.1 Service Statistics - Libraries

Type of service	2019/20	2020/21	2020/21
Libraries			
Number of Libraries	9 and 3 mini libraries	9 and 3 mini libraries	9 and 3 mini libraries
Library members	29 831	30 203	30 631
Books circulated	208 600	73 984	116 987
Exhibitions held	181	161	212
Internet access points	36	36	33
New library service points or Wheelie Wagons	0	0	0
Children programmes	88	57	128
Visits by school groups	272	169	230
Community Facilities			
Number of Community Facilities – Community- and Town Halls	12	12	12

3.13.2 Employees – Libraries & Community Facilities

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	5	5	1
7 - 9	10	10	0
10 - 12	9	8	1
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	25	24	2



3.14 Cemeteries

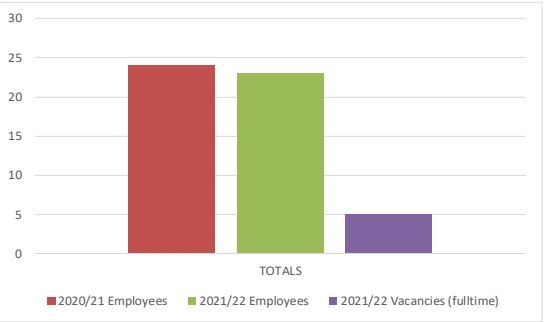
Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

3.14.1 Service Statistics - Cemeteries

Type of service	2019/20	2020/21	2021/22
Number of Cemeteries	4	4	4
Number of private burials	482	1017	427
Number of poor burials	39	156	173
Number of indigent burials	51	158	148
#Stats are for all towns			

3.14.2 Employees – Cemeteries

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	21	18	3
4 - 6	3	4	1
7 - 9	0	1	0
10 - 12	0	0	1
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	24	23	5



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

2020/21	2021/22
Soup kitchens established or supported	
No soup kitchens were financially supported	No soup kitchens were financially supported. 24 soup kitchens were supported with soup ingredients.
Initiatives to increase awareness on child abuse	
2 x awareness campaigns on child safety by distributing pamphlets at ECD centres	Awareness programs on stranger danger at ECD centres x 5 Children life skills programme focussed on safety x 3 Fatherhood programme x 1
Youngsters educated and empowered	
Carpentry training (level 1-3) for 6 youth Film &TV Production Training for +-20 youth Youth Dialogue sessions with youth x2 Child Protection Programme workshop X3 Life skills workshop: Drug awareness	Carpentry Training (level 3) for 3 youth Accredited plumbing training for 5 youth (ongoing) Youth dialogue sessions x5 Film &TV Production Training for 20 youth Life Skills: Identity x4 Career day x 1 Life skills: Safety x2 Life skills: Relationships; Alcohol & Substance Abuse x4 Life skills: Motivation x2 Crime prevention workshop x1

	Life skills: Anti-bullying x 1 Life Skills: Identity & Leadership x 1
Initiatives to increase awareness on disability	
Awareness and Prevention of Covid -19 amongst people with disabilities x 3 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 Life-skills session with young adults with disabilities as well as arts and crafts activity. X 1	Disability awareness at communities x 2 Disability life skills programme x 3 Discrimination against persons with disabilities programme x 3 Awareness and prevention programme on drug induced psychosis and treatment x 1 Programme for mothers with children with disabilities x 1 Arts & crafts skills programme with persons with disabilities group x 1
Initiatives to increase awareness on women	
5x Dignity programs with homeless women. 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 Session about violence awareness against women and children x 1 Focussed programme on 16 days of Activism Finalising Gender Study in Witzenberg Municipal area. 400 men and women were reached. Attended a planning meeting with group of women who aims to do upliftment and empowering programmes and projects with women in Witzenberg.	Awareness on domestic violence and intimate partner violence x 6 16 days of Activism programme x 2 Woman's day programme with homeless woman x 1 Woman's day programme at community x 1
Initiatives to increase awareness on HIV/AIDS	
3 X HIV awareness programs in Witzenberg	5 x HIV awareness programs in Witzenberg
Initiatives to increase awareness on Early Childhood Development	
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.	5 x ECD Quarterly forum meetings 1 x Workshop on Fire Safety for ECD practitioners 1 x Training on food safety for ECD cooks 1x Training for ECD practitioners on Little Seed reading program 1 x Training workshop for ECD principals Distribution of smoke alarms at ECD centres 4 x Awareness programs on fires safety for ECD children
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	
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	4 x Awareness programs on substance abuse at Primary Schools in Witzenberg 7 x Awareness programs on Fetal Alcohol Syndrome 1 Awareness program on substance abuse with homeless people
Special events hosted	
No special event hosted due to Covid regulations.	No special event hosted due to Covid regulations.

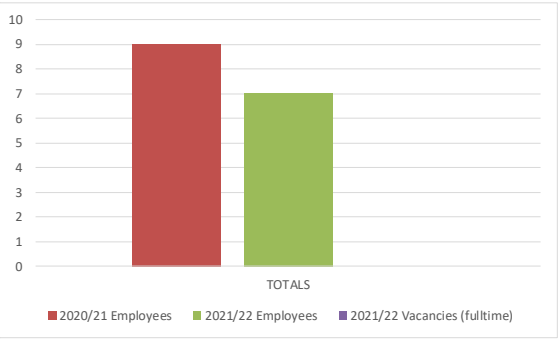
3.15.2 Service Delivery Indicators: Child Care, Aged Care & Social Programmes

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

- 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	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	4	4	0
7 - 9	1	1	0
10 - 12	4	2	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	9	7	0



3.16 Community Services: Other

3.16.1 Capital Expenditure – Community Facilities and Libraries

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Library furniture & equipment	600 000	670 000	667 497	0%	667 497
TOTAL	600 000	670 000	667 497	0%	

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	2019/20	2020/21	2021/22
Pollution Control			
Number of environmental education initiatives held	9	6	8
Number of baboon damage incidents	0	0	0

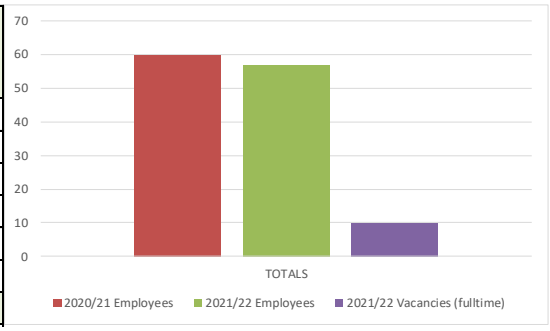
3.18 Parks, Public Open Spaces & River Management

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

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

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	44	40	2
4 - 6	13	12	6
7 - 9	2	5	2
10 - 12	1	0	0
13 - 15	0	0	0
16 - 19	0	0	0
TOTALS	60	57	10



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	2021/22
Number of road traffic accidents during the year	618	471	631	623	632
Number of by-law infringements attended	293	138	870	1 635	313
Number of Traffic officers in the field on an average day	6	10	11	9	5
Number of Traffic officers on duty on an average day	11	21	17	18	18
Animals impounded	0	0	0	0	0
Motor vehicle licenses processed	27 458	26 838	23 940	28 024	29 545
Learner driver licenses processed	2 445	2 270	2 136	1 387	2 612
Driver licenses processed	1 865	1 829	1 735	2 198	2 346
Driver licenses issued	686	581	417	538	564
Fines issued for traffic offenses	56 816	25 111	37 529	10 628	32 769
R-value of fines collected	4 448 590	2 429 886*	2 643 825	734 450	1 100 800
Operational call-outs/Complaints	528	763	554	338	404
Roadblocks held	13	24	16	486	130
Special Functions – Escorts	78	89	66	0	9
Awareness initiatives on public safety	21	10	21	21	7

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

3.19.2 Employees – Traffic- & Law Enforcement Services

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	1	1	0
4 - 6	7	5	1
7 - 9	5	1	0
10 - 12	18	19	4
13 - 15	2	3	1
16 - 19	0	0	0
TOTALS	33	29	6

3.20 *Fire Services*

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

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

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

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

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

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
Risk Category	B	B	B	C
Minimum pumping units	2	2	2	1
Minimum staffing levels	8	8	8	4
Minimum pumping capacity	3850 (L/min)	3850 (L/min)	3850 (L/min)	2250 (L/min)
Maximum attendance time (•)	10 min	10 min	10 min	13 min
Dedicated Emergency Call taking and dispatch	3 Emergency lines	N/A	N/A	N/A
Control Centre operators and staff required	2 Operators and one supervisor	Not required	Not required	Not required

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.

Hydrant Testing

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.

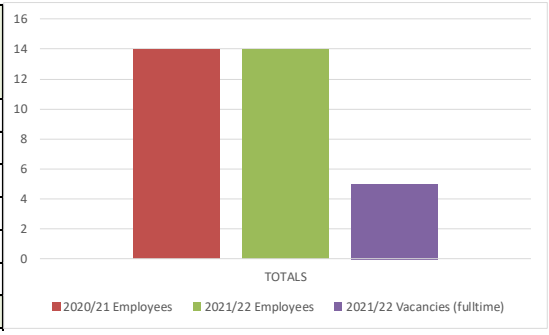
3.20.1 Service Statistics – Fire Services

The table below provide an overview of the service statistics.

Type of service	2019/20	2020/21	2021/22
Emergency responses	515	809	1 061
Average turnout time - urban areas	10:52min	10:59min	6:28min
Average turnout time - rural areas	17:29min	10:59min	10:45min
Fire fighters in post at year end	14	14	14
Total fire appliances at year end	6	7	7
Total Operational call-outs	955	1499	1076
Reservists and volunteers not trained	0	2	0
Awareness Initiatives on Fire Safety	132	19	24
EPWP & WoF Fire Fighters	27	39	39

3.20.2 Employees – Fire and Disaster Services

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	4	6	1
7 - 9	7	5	3
10 - 12	2	2	1
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	14	14	5



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 over the past financial year. 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 ADVISORY FORUM

The Witzenberg DM Advisory Forums took place quarterly in this past reporting period. The forums allow a point of contact for DRM related stakeholders and assist in enhanced collaborative efforts. 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 dates as follows:

- 28 September 2021
- 07 December 2021
- 08 March 2022
- 08 June 2022

DISASTER RISK REDUCTION

Over the past year, a number of risk reduction plans were followed through with to aid in the reduction of disaster risk within the Witzenberg area. The plans developed included the following:

- Witzenberg Response Plan
- Disaster Risk Reduction Plans, inclusive of:
    - Evacuation Guide
    - Collective Violence Plan
    - Polyphagous Shot-Hole Borer Plan
    - Election Incident Plan
- Seasonal Preparedness plans (Winter and Summer)

EVENT APPLICATIONS

The Disaster Management Division handles the event applications within the municipal area. With the decrease in the number of COVID-19 cases in Witzenberg, the number of events within the area were seen to increase. This past year 22 events were received by the division, each one going through the application process.

COVID-19 RESPONSE

A National State of Disaster was declared in 2020 as a result of the COVID-19 pandemic. The first COVID-19 case occurred in the Witzenberg area on the 13th April 2020. The municipality entered the 2021/2022 financial year still in the State of Disaster. The effective processes and systems to assist in the management of the virus developed in the previous financial year, 2020/2021, continued into 2021/2022. The following was done to assist in the response to the virus:

- Local and district Joint Operational Centre Meetings
- Continual communication and messaging to the public
- Sanitisation of specific areas
- Providing of water to specific areas
- Distribution of food
- Vaccination rollout

EDUCATION, TRAINING AND PUBLIC AWARENESS

- Disaster Management Plan Sessions
  - Over this past year, sessions on the municipality's disaster management plan were developed by the Witzenberg DMC. These involved what the DM plan entails and the application of it. They were conducted with disaster management stakeholders within the municipal area.
- Witzenberg Event Process Session
  - A workshop was held in collaboration with the Witzenberg Tourism Offices on the 17th March 2022. The session involved a step-by-step walk through on the application process for events in Witzenberg. Those who are involved in putting on events in the municipality attended and a time for questions and answers followed. There was a total of 30 people who attended.
- Emergency Number Magnets
  - Magnets with the emergency numbers for the area were designed this past year. The purpose of this project was to enhance the communities' awareness of who to call in the case of an incident.
- Hazards in my Community
  - A pilot for the Hazards in my Community' programme was done with a grade 6 class at Nduli Primary School over two lessons. There were 41 children who were a part of it. The programme is an interactive way to teach the children about 5 high risk hazards in the municipal area.
- Flood awareness
  - To prepare for the upcoming Winter period, the Disaster Management Division developed flooding information sheets which were shared over the Witzenberg Facebook page as well as flooding awareness pamphlets which were given out to people in the community. This assisting with public awareness on what flooding entails and how to decrease ones risk of it.

Roaming livestock remains a problem within the Witzenberg municipal areas of Ceres, Nduli, PA Hamlet, Wolseley and Tulbagh. The absence of an animal pound in the Witzenberg Municipal area, is a hampering factor. Six cows and a neglected horse was impounded on a farm in the Wolseley area during May 2022. The horse was taken away by Sandy's Eden Animal Rescue (Worcester) to a safe haven. Four accidents were reported in the past six months, where 3 cows and 1 goat was involved in 4 collisions with motor vehicles.

A total of 17 monitors have been appointed for all areas affected by roaming animals and 3 baboon monitors for the Ceres entrance from Mitchell's Pass, including the surrounding businesses, sport fields, schools and Pine Forest holiday resort. Currently there is 1 vacancy at PA Hamlet. Monitors function on the basis of the EPWP programme. The function of the monitors are 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. The municipality is, however, still 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). Several Municipalities and other institutions in the Western Cape were contacted with regards to impoundment of animals, but without any success. Another challenge is the monitoring of animals during weekends and after hours during week days. Animal complaints varies on average between 6 and 10 per week. Most of the animals in the Municipal areas, are not marked and thus not possible for identification in the event of any incident. The Worcester stock theft unit was contacted on several occasions for assistance, which, unfortunately, did not materialise. Animal owners are not very co-operative and the problems remains 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 2021/22 applicable to accommodation units and normal camping sites, amounted to R 3 684 736 (42 952 bed nights).

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

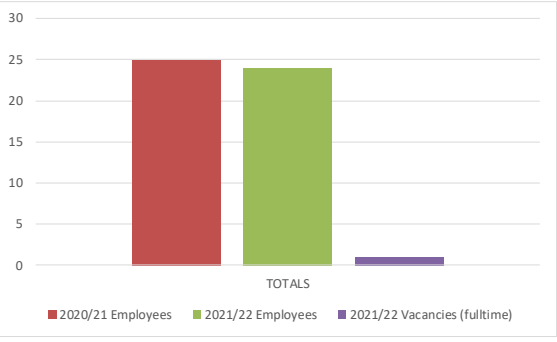
- Ceres (one)
- Tulbagh (one)
- Wolseley (one)
- Bella Vista (one)
- PA Hamlet (one)
- N'Duli (one – out of order due to vandalism)

Pools was closed for the duration of 2021 due to the Covid-19 restrictions and opened on the 7th of January 2022. Pools was visited by 1 803 adults and 26 059 children with a total revenue of R 84 980.
All pools are maintained daily to ensure clean and safe pools for visitors.

3.22 Sport & Recreation

3.22.1 Employees: Sport & Recreation

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	15	14	1
4 - 6	8	8	0
7 - 9	1	1	0
10 - 12	0	1	0
13 - 15	1	0	0
16 - 19	0	0	0
TOTALS	25	24	1



3.22.2 Capital Expenditure: Sport Facilities

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Ceres upgrade Of Leyell Str Sport	5 455 652	3 465 007	1 839 081	47%	13 000 000
TOTAL	5 455 652	3 465 007	1 839 081	47%	

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	2020/21			2021/22		
	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	80 972	79 504	98%	89 050	85 453	96%
Electricity	268 434	264 554	99%	320 826	320 210	100%
Water	51 732	35 969	70%	54 335	39 693	73%
Sanitation	37 615	27 254	72%	33 222	29 633	89%
Refuse	33 135	22 295	67%	35 094	25 832	74%
Other	1.44	1.35	94%	1.58	1.48	94%
Total	471,889	429,577	91%	550,109	502,302	91%
The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the b**ills raised in the year by **the year's billed revenues						

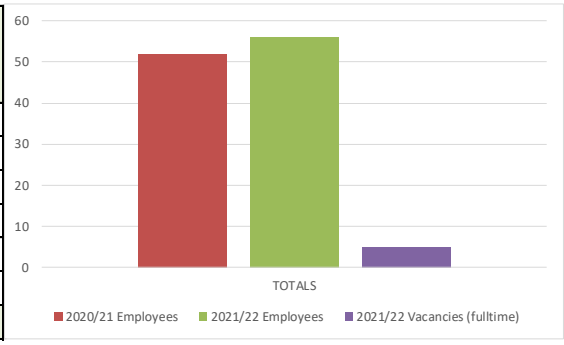
3.23.2 Service Delivery Indicators – Financial Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2021/22:

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

3.23.2 Employees – Financial Services

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	31	36	2
7 - 9	9	9	1
10 - 12	7	2	1
13 - 15	2	6	1
16 - 19	3	3	0
TOTALS	52	56	5



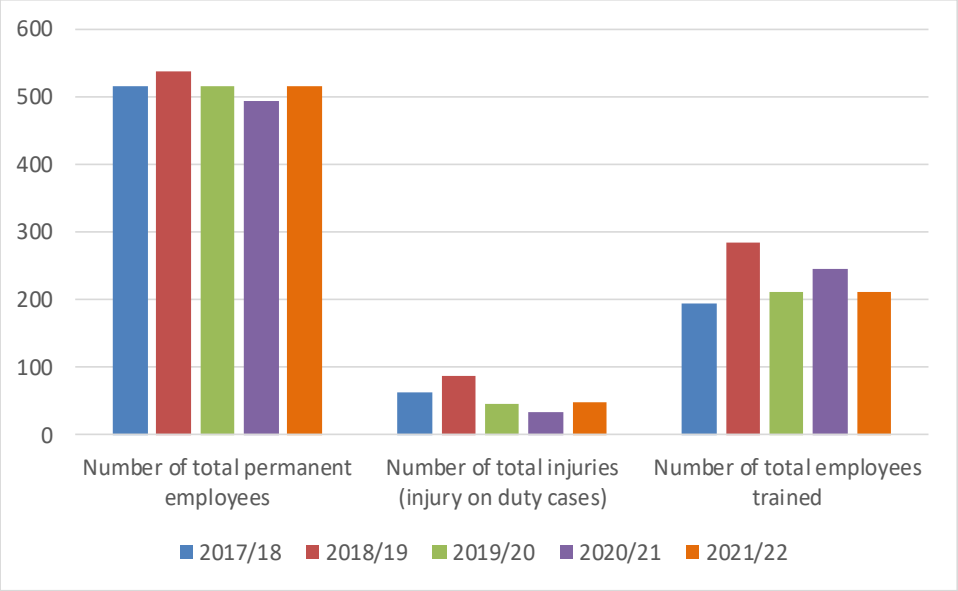
3.24 *Human Resource Services*

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	2021/22
Number of HR policies reviewed	1	3	0	2	1
Number of total permanent employees	516	538	515	493	515
Number of total temporary employees	72	27	53	57	45
Number of total injuries (injury on duty cases)	62	87	46	34	48
Number of total approved annual leave days taken	11 575.25	12 112.75	9511.50	11820,75	12110
Number of family responsibility leave days taken	470.25	542.50	313	566	571
Number of total Health and Safety Representatives	20	20	25	21	16
Number of total First Aiders	39	56	59	30	59
Number of sick days leave taken	4118	4 490.25*	4254.50	5674	5610
Number of termination	1	3	24	29	17
Number of new employees appointed - permanent	47	41	37	6	51
Number of new employees appointed - Interns	2	2	0	2	2
Number of new employees appointed - Temporary	22	38	0	3	38
Number of total employees trained	195	284	211	246	212
Number of total female employees trained	56	79	64	62	32
Number of total male employees trained	139	205	147	184	180
Number of total learner ships enrolled	10	8	2	2	4
Number of total training courses rolled out	26	46	24	17	23

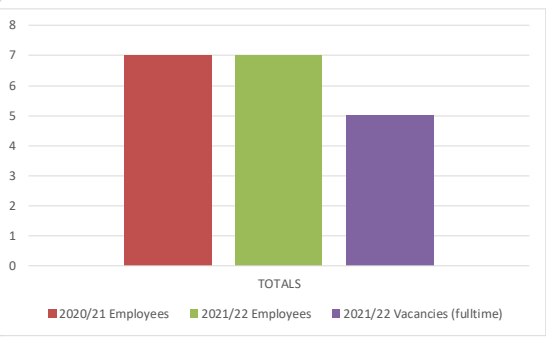


3.24.2 Service Delivery Indicators – Human Resources

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

3.24.3 Employees – Human Resources

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	4
7 - 9	1	1	0
10 - 12	4	4	1
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	7	7	5



3.25 Information & Communication Technology (ICT) Services

The department's functions include:

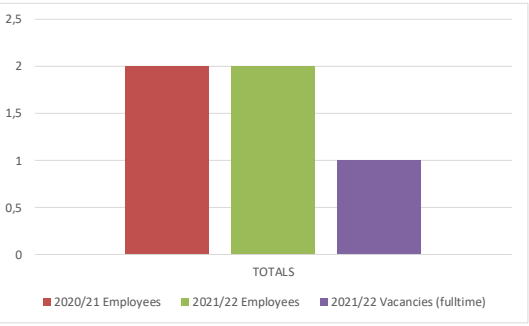
- Management and maintenance of the IT infrastructure that includes hardware and software
- Update and maintenance of municipal website
- Upkeep and maintenance of LAN and WAN
- Administration of the electronic documents system (TRIM)
- Manage service providers for outsourced functions.

3.25.1 Service Statistics – ICT Services

Details	2017/18	2018/19	2019/20	2020/21	2021/22
Desktop support	415	435	465	509	588
Network support	589	605	700	781	861
Network downtime experienced	8 hours	12 hours	9 hours	12 hours	9 hours
Server downtime experienced (total for 15 servers)	62 hours	48 hours	15 hours	10 hours	12 hours
File restores requested	94	128	105	81	102

3.25.2 Employees – ICT Services

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	2	2	0
13 - 15	0	0	0
16 - 19	0	0	1
TOTALS	2	2	1



3.26 Internal Audit & Risk Management

Witzenberg Municipality does not have a Risk Management sub-directorate. The responsibility for Risk Management and the duties of a Chief Risk Officer has been delegated to the 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 opportunities 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 Municipal Finance Management Act and the Municipal System Act.

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	2021/22
Compilation of the Risk Based Audit and 3 year strategic plans	1	1	1	1	1
Internal Audits	18	14	16	12	14

3.26.2 Employees – Internal Audit

Job Level	2020/21 Employees	2021/22 Employees	2021/22 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	1	0
7 - 9	0	1	0
10 - 12	1	1	2
13 - 15	0	0	1
16 - 19	1	0	1
TOTALS	2	3	4

3.27 Legal Services

Legal Services render an advisory and support function within the Municipality to the respective Directorates. This section is tasked to render proper and efficient legal advice to strengthen the capacity of WM to fulfil its' legislative mandate.

The functions rendered by Legal Services amongst others are:

1. Municipal Property Administration
    - a. Drafting of items for Council/Delegated Authority
    - b. Administration of applications for:
        - i. Leases
        - ii. Disposals
        - iii.Encroachments
        - iv. Servitudes

2. General Legal Matters
    - a. Administer litigious matters

b. Provision of legal opinions and advice
c. Liquor licence applications administration
d. Drafting and review of contracts, policies and by-laws
e. Consideration of public liability claims
f. Supply Chain Management opinions

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:

- There is an increase in eviction matters and cannot provide alternative housing
- The inability of Eskom to increase electricity supply severely hampers development.
- Legal services are expensive and lengthy

3.28 Strategic Support: Other

3.28.1 Capital Expenditure – Strategic Support and Other

Capital Projects 2021/22	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
IT Equipment	300 000	473 500	445 872	6%	445 872
TOTAL	300 000	473 500	445 872	6%	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

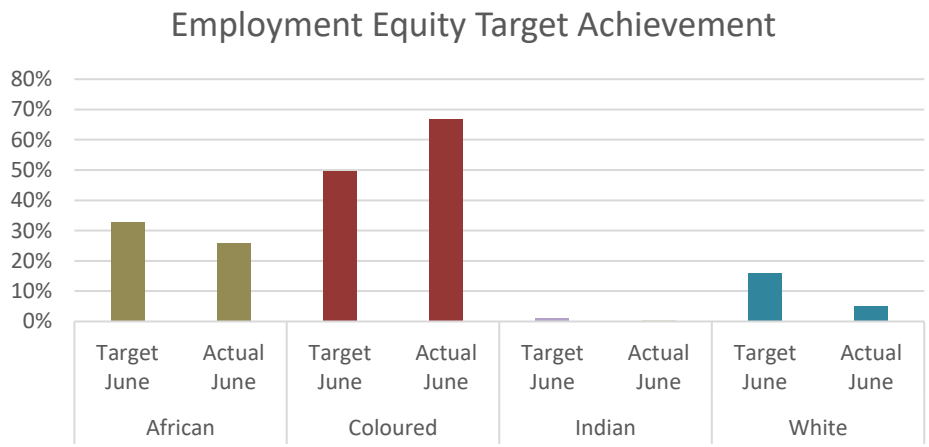
Witzenberg Municipality currently employs 583 officials, (permanent + temporary employees), excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service 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%



2021/22 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

2021/22 EE targets/actual by gender classification

Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers (WC Province)	1 912 547	2 840 404	60 761	915 053	5 728 765
% Population	33.4%	49.6%	1.1%	15.9%	100%
Number for positions filled	145	346	2	22	515
% for Positions filled	28%	67%	0.4%	4.3%	100%
Note: The total population numbers is based on projection done by Global Insight					

EE population 2021/22

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	21	0	6	4	10	0	3	48
Professionals	0	10	0	0	4	8	0	1	23
Technicians and associate professionals	2	21	0	1	1	6	0	0	31
Clerks	6	19	1	0	11	43	0	8	88
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	10	30	0	0	0	0	0	0	40
Elementary occupations	52	99	0	1	23	27	0	0	202
Total permanent	100	241	2	12	54	117	0	12	538
Non-permanent employees	5	17	0	2	5	14	0	2	45
Grand total	105	258	2	14	59	131	0	14	583

Occupational Levels - Race

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

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	**1**
Senior management	1	0	0	2	0	0	0	0	**3**
Professionally qualified and experienced specialists and mid-management	2	25	0	6	5	20	0	5	**63**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	21	81	1	5	0	7	0	0	**115**
Semi-skilled and discretionary decision making	31	64	1	0	23	59	0	6	**184**
Unskilled and defined decision making	39	66	0	2	21	21	0	0	**149**
Total permanent	**94**	**237**	**2**	**15**	**49**	**107**	**0**	**11**	**515**
Non- permanent employees	5	17	0	2	5	14	0	2	45
Grand total	**99**	**254**	**2**	**17**	**54**	**121**	**0**	**13**	**560**

Departments - Race

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

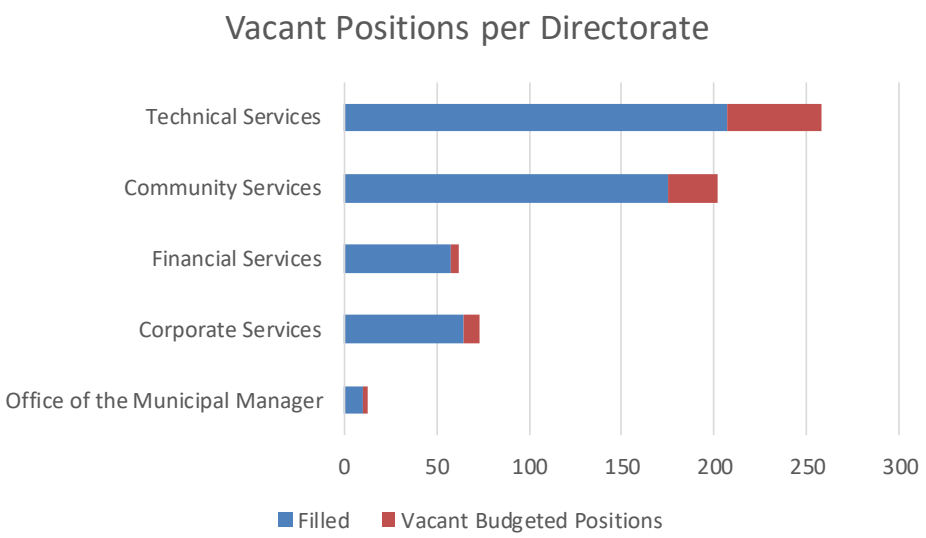
Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	3	0	2	2	3	0	1	**11**
Corporate Services	12	32	0	2	7	22	0	1	**76**
Financial Services	2	16	1	1	7	22	0	6	**55**
Community Services	28	68	0	3	23	49	0	3	**174**
Technical Services	51	114	1	5	10	17	0	1	**199**
Total permanent	**93**	**233**	**2**	**13**	**49**	**113**	**0**	**12**	**515**

4.1.2 Vacancy Rate

The approved organogram for the municipality has 926 posts for the 2021/22 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were 93 vacant at the end of 2021/22, resulting in a vacancy rate of 10.4%.

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	4	1
Middle management	22	4
Professionals	42	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	110	25
Semi-skilled and discretionary decision making	188	19
Unskilled and defined decision making	149	39
Total	515	93
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	10	3
Corporate Services	65	8
Financial Services	58	4
Community Services	175	27
Technical Services	207	51
Total	515	93



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
Total	1	20%

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 decrease from 5.4% in 2020/21 to 3.3% in 2021/22.

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%
2021/22	515	45	17	3.3%

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 an increase for the 2021/22 financial year of 48 employees compared to 34 employees in the 2020/21 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	2021/22
Office of the Municipal Manager	0	1	1	1	2
Corporate Services	5	6	3	2	3
Financial Services	3	7	3	2	4
Community Services	23	30	9	5	9
Technical Services	31	44	30	24	30
Total	62	88	46	34	48

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 2021/22 financial year shows a decrease when compared with the 2020/21 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	2021/22
Office of the Municipal Manager	43.5	91.5	41.5	98	107.5
Corporate Services	560.5	619.25	709	934.5	685.5
Financial Services	305	330.5	374.5	669.5	789
Community Services	1 545	1 647.5	1 391.5	1 750.5	2083.5
Technical Services	1 664	1 801.5	1 730	2 221.5	1944
Total	4 118	4 490.25	4 246.5	5 674	5 609.5

4.2.3 HR Policies and Plans

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

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

Approved policies	
Name of policy	Date approved
Attendance and Punctuality	4 August 2010
Employment Practice	4 August 2010
Employment Equity	4 August 2010
Employees under the Influence of Intoxicating Substances	4 August 2010
Legal Aid Policy	4 August 2010
Relocation Policy	4 August 2010
HIV/Aids Policy	4 August 2010
Internal Bursary	4 August 2010
Occupational Health And Safety	4 August 2010
Incapacity due to Poor Work Performance	4 August 2010
Sexual Harassment Policy	4 August 2010
Incapacity: Due to Ill Health/Injury Policy	4 August 2010
Private Work and Declaration of Interests	4 August 2010
Overtime Policy	31 May 2012
Proposed Scares Skills Policy	31 May 2012
Employee Assistance Policy	31 May 2012
Employment Policy	29 February 2012
Remuneration Policy	To be developed
Training and Development Policy	developed
Personnel Protective Equipment Policy	developed
Time and Attendance Policy	5 December 2017
Fraud & Corruption Prevention & Response Policy	26 July 2017
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	0	0
Legislators, senior officials and managers	Female	2	14
	Male	8	15
Professionals	Female	5	5
	Male	4	7
Associate professionals and Technicians	Female	3	1
	Male	9	11
Clerks	Female	19	3
	Male	8	9
Service and sales workers	Female	14	12
	Male	33	31
Craft and related trade workers	Female	0	0
	Male	13	14
Plant and machine operators and assemblers	Female	1	1
	Male	12	13
Elementary occupations	Female	11	9
	Male	53	52
Sub total	Female	55	45
	Male	140	152
Total		195	197

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	0	0	0	0	100
Legislators, senior officials and managers	Female	13	2	2	12	0	14	2	700
	Male	30	3	3	12	5	15	8	188
Professionals	Female	17	6	5	0	0	5	5	100

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
	Male	12	5	4	2	0	7	4	175
Technicians and associate professionals	Female	7	0	0	1	3	1	3	34
	Male	24	0	6	11	3	11	9	123
Clerks	Female	57	2	3	1	16	3	19	34
	Male	26	2	2	7	6	9	8	113
Service and sales workers	Female	33	0	3	12	11	12	14	86
	Male	44	1	9	30	24	31	33	94
Craft and related trade workers	Female	0	0	0	0	0	0	0	100
	Male	28	2	4	12	9	14	13	108
Plant and machine operators and assemblers	Female	1	0	0	1	1	1	1	100
	Male	34	0	7	13	5	13	12	109
Elementary occupations	Female	41	0	0	9	11	9	11	82
	Male	145	2	5	50	48	52	53	99
Sub total	Female	169	**10**	13	36	42	45	55	82
	Male	347	15	40	137	100	152	140	109
Total		516	25	53	173	142	197	195	101

4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 580 592 were allocated to the workplace skills plan and that 93% of the total amount was spent in the 2021/22 financial year: The main reason for the underspending is due to the COVID-19 epidemic.

Year	Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
2018/19	R 1 000 000	R 1 000 000	R 964 411	96%
2019/20	R 972 629	R 972 629	R 629 570	65%
2020/21	R 755 802	R 755 802	R 681 175	90%
2021/22	R 580 592	R 580 592	R 542 052	93%

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 2021/22 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%
Total		4	4	100%

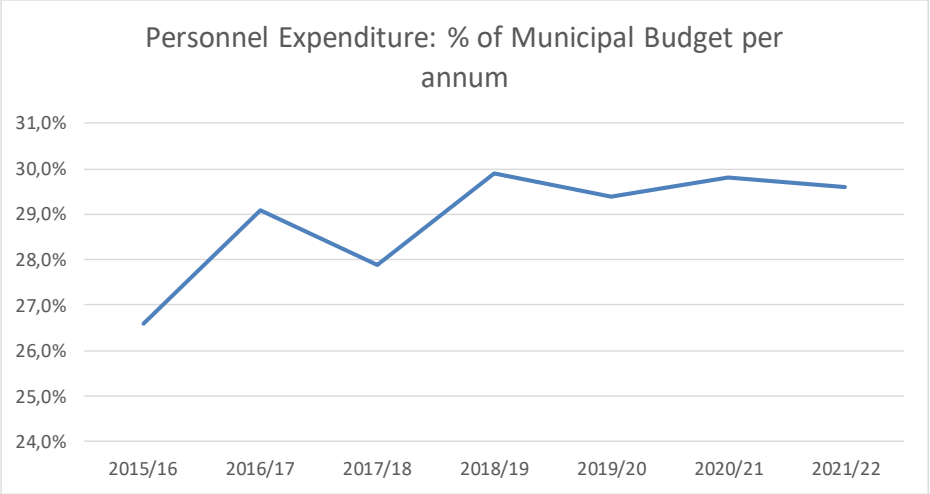
4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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	29,9
2019/20	185 058	646 051	29,4
2020/21	191 682	643 353	29,8
2021/22	206 347	695 921	29,7



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

Financial year	20/21		21/22	
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	**R'000**	**R'000**	**R'000**
Councillors (Political Office Bearers plus Other)				
Allowance	7 617	7 980	7 980	7 711
Pension Contributions	1 076	1 787	1 706	1 071
Medical Aid Contributions	224	335	335	122
Motor vehicle allowance	653	817	0	391
Cell phone allowance	938	985	942	1 006
Housing allowance	41	43	43	15
Other benefits or allowances	0	59	0	0
In-kind benefits	0	0	0	0
Sub Total - Councillors	10 550	12 007	11 007	10 316
% increase/ (decrease)	12%			-2%
Senior Managers of the Municipality				
Basic Salaries and Wages	3 371	4 497	3 788	3 901
Pension Contributions	281	898	898	331
Medical Aid Contributions	56	159	159	57
Motor vehicle allowance	916	1 242	1 242	990
Cell phone allowance	0	84	94	-2
Housing allowance	165	182	182	282
Performance Bonus	710	1 052	1 052	781
Other benefits or allowances	124	162	162	127
In-kind benefits	0	0	0	0
Sub Total - Senior Managers of Municipality	5 623	8 276	7 577	6 468
% increase/ (decrease)	-4%			15%
Other Municipal Staff				
Basic Salaries and Wages	117 982	139 555	131 046	125 380
Bonuses	8 733	9 311	12 428	9 382
Pension Contributions	18 128	19 522	18 925	19 100
Medical Aid Contributions	7 958	9 200	9 080	8 462
Motor vehicle allowance	5 774	5 309	5 915	5 922
Cell phone allowance	532	478	511	503
Housing allowance	1 654	1 947	1 131	1 130
Overtime	10 535	6 771	7 497	13 010
Standby Allowance	6 074	4 134	4 134	5 823
Other benefits or allowances	8 688	27 254	30 325	11 167
Sub Total - Other Municipal Staff	186 059	223 481	220 993	199 879
% increase/ (decrease)	12%			7%
Total Municipality	202 232	243 764	239 576	216 663
% increase/ (decrease)	12%			7%

4.5 MFMA COMPETENCIES

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

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

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

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	2	2	2	2
Any other financial officials	3	3	3	3
Supply Chain Management Officials				
Heads of supply chain management units	N/A	N/A	N/A	N/A
Manager Supply Chain Unit	1	1	1	1
Total	8	8	8	8

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 2021/22 financial year:

Financial Summary						R' 000
Description	20/21	21/22			21/22	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
Financial Performance						
Property rates	80 775	83 430	83 430	88 813	6,45	6,45
Service charges	376 201	413 772	422 672	434 590	5,03	2,82
Investment revenue	3 078	6 971	6 971	5 580	(19,95)	(19,95)
Transfers recognised - operational	131 051	121 885	123 703	120 676	(0,99)	(2,45)
Other own revenue	33 116	53 096	55 937	55 748	4,99	(0,34)
Total Revenue (excluding capital transfers and contributions)	624 221	679 154	692 713	705 407	3,87	1,83
Employee costs	191 682	231 757	228 569	206 347	(10,96)	(9,72)
Remuneration of councillors	10 583	12 123	11 123	10 331	(14,79)	(7,13)
Depreciation & asset impairment	32 429	39 729	39 729	38 324	(3,53)	(3,53)
Finance charges	10 017	14 983	14 971	15 145	1,08	1,16
Bulk purchases	239 632	285 789	288 779	285 708	(0,03)	(1,06)
Transfers and grants	6 534	2 273	2 448	2 183	(3,93)	(10,83)
Contracted Services	52 293	48 390	36 382	33 782	(30,19)	(7,15)
Impairment & Bad debt	52 426	63 750	63 750	50 983	(20,03)	(20,03)
Other expenditure	48 277	76 126	81 529	53 118	(30,22)	(34,85)
Total Expenditure	643 873	774 921	767 281	695 921	(10,19)	(9,30)
Surplus/(Deficit)	(19 652)	(95 766)	(74 568)	9 486	(109,91)	(112,72)
Transfers recognised - capital	52 102	98 928	92 530	66 276	(33,01)	(28,37)
Contributions recognised - capital & contributed assets	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	32 450	3 161	17 962	75 762	2 296,57	321,78
Gains / (losses)	(3 829)	1	1	15 815	1 698 648,34	1 355 113,97
Surplus/(Deficit) for the year	28 621	3 162	17 963	91 577	2 796,01	409,80
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	52 769	75 087	70 260	64 379	(14,26)	(8,37)
Public contributions & donations					–	–
Borrowing	–	–	–	–	–	–
Internally generated funds	14 175	14 157	11 407	9 365	(33,85)	(17,91)
Total sources of capital funds	66 944	89 244	81 667	73 744	(17,37)	(9,70)
Financial position						
Total current assets	216 793	59 336	253 223	272 366	359,02	7,56
Total non current assets	1 032 565	49 516	1 072 761	1 120 498	2 162,91	4,45
Total current liabilities	127 838	70 203	145 620	120 692	71,92	(17,12)
Total non current liabilities	175 032	35 741	213 111	234 105	555,00	9,85
Community wealth/Equity	946 489	2 908	967 252	1 038 066	35 595,75	7,32
Cash flows						
Net cash from (used) operating	51 621	182 253	103 110	102 443	(43,79)	(0,65)
Net cash from (used) investing	(66 149)	–	(81 950)	(73 744)	–	(10,01)
Net cash from (used) financing	(561)	–	–	876	–	–
Cash/cash equivalents at the year end	115 305	182 253	136 465	144 880	(20,51)	6,17
Cash backing/surplus reconciliation						
Cash and investments available	115 305	182 253	136 465	144 880	(20,51)	6,17
Application of cash and investments	229 852	76 081	972 104	278 879	266,55	(71,31)
Balance - surplus (shortfall)	(114 547)	106 172	(835 639)	(134 000)	(226,21)	(83,96)

Financial Summary						
						R' 000
Description	20/21	21/22			21/22	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF	(%)	(%)
Asset management						
Asset register summary (WDV)	1 032 565	49 516	1 072 751	1 120 498	2 162,91	4,45
Depreciation & asset impairment	32 429	39 729	39 729	38 324	(3,53)	(3,53)
Repairs and Maintenance	16 787	19 633	14 874	12 062	(38,56)	(18,91)
Free services						
Cost of Free Basic Services provided	28 759	40 198	35 698	26 004	(35,31)	(27,16)
Revenue cost of free services provided	31 603	44 665	39 665	28 576	(36,02)	(27,96)
Households below minimum service level						
Water:	Nil	Nil	Nil	Nil	Nil	Nil
Sanitation/sewerage:	Nil	Nil	Nil	Nil	Nil	Nil
Energy:	Nil	Nil	Nil	Nil	Nil	Nil
Refuse:	Nil	Nil	Nil	Nil	Nil	Nil
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

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

The table below shows a summary of performance against budgets:

Financial	Revenue excluding capital transfers			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
20/21	616 673	624 221	7 549	1,22
21/22	692 713	705 407	12 694	1,83

Financial	Operating expenditure			
Year	Budget	Actual	Diff.	Diff.
	(R'000)	(R'000)	(R'000)	%
20/21	702 812	643 873	58 939	8,39
21/22	767 281	695 921	71 360	9,30

The table below indicates the Operational services performance for the 2021/22 financial year:

Financial Performance of Operational Services						
						R '000
Description	20/21	21/22			21/22	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
Operating Cost						
Water	41 234	36 881	37 523	39 383	(6,78)	(4,96)
Waste Water (Sanitation)	31 173	36 407	32 801	31 913	12,35	2,71
Electricity	268 153	324 300	319 104	312 116	3,76	2,19
Waste Management	44 379	53 812	51 044	58 139	(8,04)	(13,90)
Housing	4 469	29 011	26 598	4 947	82,95	81,40
Component A: sub-total	389 409	480 412	467 070	446 498	7,06	4,40
Waste Water (Stormwater Drainage)	19	–	–	19	–	–
Roads	31 687	31 051	27 664	27 820	100,00	100,00
Transport	–	–	–	–	–	–
Component B: sub-total	31 706	31 051	27 664	27 839	100,00	100,00
Planning	10 138	11 331	11 576	11 138	100,00	100,00
Local Economic Development	1 400	2 115	1 880	1 573	100,00	100,00
Component C: sub-total	11 538	13 446	13 456	12 712	100,00	100,00
Community & Social Services	23 852	28 159	29 535	27 255	100,00	100,00
Enviromental Proctection	506	2 659	1 570	886	100,00	100,00
Health	–	–	–	–	–	–
Security and Safety	37 314	38 498	45 197	29 623	100,00	100,00
Sport and Recreation	26 997	32 089	30 486	30 197	100,00	100,00
Corporate Policy Offices	24 408	30 406	29 280	23 675	100,00	100,00
Finance and administration	91 856	112 502	115 139	89 312	100,00	100,00
Other	6 287	5 701	7 884	7 924	100,00	100,00
Component D: sub-total	211 221	250 012	259 092	208 872	100,00	100,00
Total Expenditure for the year	**643 873**	**774 921**	**767 281**	**695 921**	**10,19**	**9,30**

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	20/21	21/22			21/22	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)				(%)	
Executive and Council						
Total Operational Revenue	13	–	–	27	–	–
Expenditure:						
Employees	(8 694)	(12 418)	(12 612)	(8 317)	33,03	34,06
Repairs and Maintenance	(17)	(16)	(26)	(12)	20,02	51,27
Other	(15 696)	(17 973)	(16 643)	(15 240)	15,21	8,43
Total Operational Expenditure	(24 408)	(30 406)	(29 280)	(23 569)	22,49	19,51
Gains / (losses)	–	–	–	8 062	–	–
Net Operational (Service) Expenditure	(24 395)	(30 406)	(29 280)	(15 481)	49,09	47,13
Budget and Treasury Office						
Total Operational Revenue	91 143	107 712	109 575	109 827	(1,96)	(0,23)
Expenditure:						
Employees	(18 519)	(28 821)	(23 628)	(19 769)	31,41	16,33
Repairs and Maintenance	(42)	(35)	(47)	(27)	22,74	41,81
Other	(17 735)	(21 238)	(24 072)	(21 678)	(2,07)	9,94
Total Operational Expenditure	(36 295)	(50 095)	(47 747)	(41 474)	17,21	13,14
Gains / (losses)	–	–	–	(2)	–	–
Net Operational (Service) Expenditure	54 848	57 617	61 828	68 351	(18,63)	(10,55)
Corporate Services						
Total Operational Revenue	753	1 006	1 433	966	3,98	32,62
Expenditure:						
Employees	(23 705)	(39 977)	(43 650)	(26 080)	34,76	40,25
Repairs and Maintenance	(372)	(632)	(467)	(373)	41,04	20,17
Other	(31 484)	(21 798)	(23 276)	(21 467)	1,52	7,77
Total Operational Expenditure	(55 561)	(62 407)	(67 393)	(47 919)	23,21	28,90
Gains / (losses)	(5 976)	–	(0)	7 762	–	3 289 020,58
Net Operational (Service) Expenditure	(60 784)	(61 401)	(65 960)	(39 192)	36,17	40,58
Community and Social Services						
Total Operational Revenue	128 957	119 722	122 046	121 667	(1,63)	0,31
Expenditure:						
Employees	(21 389)	(24 069)	(25 406)	(24 913)	(3,51)	1,94
Repairs and Maintenance	(248)	(318)	(331)	(299)	6,24	9,92
Other	(2 215)	(3 771)	(3 798)	(2 043)	45,82	46,21
Total Operational Expenditure	(23 852)	(28 159)	(29 535)	(27 255)	3,21	7,72
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	105 105	91 563	92 511	94 413	(3,11)	(2,06)
Sport and Recreation						
Total Operational Revenue	9 368	1 985	3 057	9 579	(382,59)	(213,31)
Expenditure:						
Employees	(18 712)	(21 224)	(20 155)	(21 143)	0,38	(4,90)
Repairs and Maintenance	(607)	(796)	(805)	(713)	10,45	11,38
Other	(7 678)	(10 068)	(9 526)	(8 341)	17,16	12,44
Total Operational Expenditure	(26 997)	(32 089)	(30 486)	(30 197)	5,89	0,95
Gains / (losses)	–	–	–	(9)	–	–
Net Operational (Service) Expenditure	(17 629)	(30 104)	(27 428)	(20 627)	31,48	24,80

Vote Description	20/21	21/22			21/22	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)				(%)	
Public Safety						
Total Operational Revenue	13 466	23 677	24 421	12 584	46,85	48,47
Expenditure:						
Employees	(20 466)	(15 478)	(19 436)	(21 588)	(39,48)	(11,07)
Repairs and Maintenance	(363)	(660)	(410)	(368)	44,30	10,33
Other	(16 485)	(22 360)	(25 351)	(7 668)	65,71	69,75
Total Operational Expenditure	(37 314)	(38 498)	(45 197)	(29 623)	23,05	34,46
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(23 848)	(14 821)	(20 776)	(17 039)	(14,97)	17,99
Housing						
Total Operational Revenue	492	23 998	22 691	1 029	95,71	95,46
Expenditure:						
Employees	(3 773)	(3 947)	(3 900)	(3 692)	6,47	5,33
Repairs and Maintenance	(252)	(308)	(226)	(110)	64,21	51,14
Other	(445)	(24 756)	(22 473)	(1 145)	95,37	94,90
Total Operational Expenditure	(4 469)	(29 011)	(26 598)	(4 947)	82,95	81,40
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(3 978)	(5 013)	(3 907)	(3 918)	21,85	(0,27)
Health						
Total Operational Revenue	–	–	–	–	–	–
Expenditure:						
Employees	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Operational Expenditure	–	–	–	–	–	–
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	–	–	–	–	–	–
Planning and Development						
Total Operational Revenue	4 109	2 271	2 842	1 866	17,82	34,35
Expenditure:						
Employees	(9 079)	(10 013)	(9 981)	(9 958)	0,54	0,23
Repairs and Maintenance	(70)	(73)	(76)	(75)	(3,53)	1,31
Other	(989)	(1 245)	(1 518)	(1 104)	11,30	27,25
Total Operational Expenditure	(10 138)	(11 331)	(11 576)	(11 138)	1,70	3,78
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(6 029)	(9 060)	(8 733)	(9 272)	(2,34)	(6,17)
Road Transport						
Total Operational Revenue	24 367	27 843	21 677	18 645	33,03	13,99
Expenditure:						
Employees	(16 475)	(16 491)	(16 920)	(17 722)	(7,46)	(4,74)
Repairs and Maintenance	(11 080)	(10 299)	(6 646)	(6 242)	39,39	6,07
Other	(8 916)	(9 011)	(10 753)	(10 761)	(19,43)	(0,07)
Total Operational Expenditure	(36 471)	(35 801)	(34 319)	(34 726)	3,00	(1,18)
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(12 105)	(7 958)	(12 642)	(16 080)	(102,07)	(27,20)
Environmental Protection						
Total Operational Revenue	–	14	14	0	98,31	98,31
Expenditure:						
Employees	(416)	(1 837)	(1 286)	(735)	59,98	42,83
Repairs and Maintenance	–	–	–	–	–	–
Other	(90)	(822)	(284)	(151)	81,63	46,81
Total Operational Expenditure	(506)	(2 659)	(1 570)	(886)	66,67	43,55
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(506)	(2 645)	(1 556)	(886)	66,50	43,05

Vote Description	20/21	21/22			21/22	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)				(%)	
Electricity						
Total Operational Revenue	274 576	335 097	339 097	335 303	(0,06)	1,12
Expenditure:						
Employees	(12 346)	(14 213)	(12 567)	(13 040)	8,25	(3,77)
Repairs and Maintenance	(2 013)	(2 546)	(1 636)	(1 465)	42,46	10,46
Other	(253 795)	(307 542)	(304 901)	(297 611)	3,23	2,39
Total Operational Expenditure	(268 153)	(324 300)	(319 104)	(312 116)	3,76	2,19
Gains / (losses)	–	–	–	(1 311)	–	–
Net Operational (Service) Expenditure	6 422	10 797	19 993	21 876	(102,61)	(9,42)
Water						
Total Operational Revenue	53 169	72 201	72 101	72 814	(0,85)	(0,99)
Expenditure:						
Employees	(8 477)	(9 217)	(9 041)	(9 299)	(0,89)	(2,85)
Repairs and Maintenance	(1 933)	(1 429)	(776)	(766)	46,42	1,32
Other	(30 824)	(26 235)	(27 706)	(29 318)	(11,75)	(5,82)
Total Operational Expenditure	(41 234)	(36 881)	(37 523)	(39 383)	(6,78)	(4,96)
Gains / (losses)	(58)	–	–	(1 053)	–	–
Net Operational (Service) Expenditure	11 878	35 319	34 578	32 378	8,33	6,36
Waste Water Management						
Total Operational Revenue	42 749	27 281	30 803	36 498	(33,78)	(18,49)
Expenditure:						
Employees	(9 216)	(9 400)	(9 433)	(9 740)	(3,61)	(3,25)
Repairs and Maintenance	(3 286)	(1 861)	(2 868)	(2 855)	(53,40)	0,44
Other	(19 085)	(25 181)	(21 174)	(20 008)	20,54	5,50
Total Operational Expenditure	(31 586)	(36 443)	(33 475)	(32 603)	10,54	2,60
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	11 163	(9 161)	(2 672)	3 894	142,51	245,75
Waste Management						
Total Operational Revenue	33 163	35 024	37 024	51 071	(45,82)	(37,94)
Expenditure:						
Employees	(18 351)	(22 080)	(18 543)	(18 601)	15,76	(0,32)
Repairs and Maintenance	(563)	(618)	(1 031)	(927)	(50,09)	10,05
Other	(25 465)	(31 114)	(31 470)	(38 610)	(24,09)	(22,69)
Total Operational Expenditure	(44 379)	(53 812)	(51 044)	(58 139)	(8,04)	(13,90)
Gains / (losses)	2 204	(1)	(1)	–	100,00	100,00
Net Operational (Service) Expenditure	(9 012)	(18 789)	(14 021)	(7 068)	62,38	49,59
Other						
Total Operational Revenue	–	–	–	–	–	–
Expenditure:						
Employees	(2 062)	(2 574)	(2 012)	(1 751)	31,98	12,98
Repairs and Maintenance	–	–	–	–	–	–
Other	(445)	(457)	(423)	(170)	62,74	59,78
Total Operational Expenditure	(2 508)	(3 031)	(2 435)	(1 921)	36,62	21,11
Gains / (losses)	–	–	–	–	–	–
Net Operational (Service) Expenditure	(2 508)	(3 031)	(2 435)	(1 921)	36,62	21,11

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
	2019/20	2020/21	2021/22	
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 Bulk Storm Water	3 262			
Vredebes Streetlights	821	280	1 565 217	
Vredebes Busroutes	1 786			
Ceres Lyellstr Sport fields	12 071	7 000	3 022 707	Phased project
New Material Recovery Facility	998	3 063	16 559 903	Completed

The table below indicates the grant performance for the 2021/22 financial year:

Grant Performance							
							R' 000
Description	2019/20	20/21	21/22			2019/20 Variance	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants							
National Government:	111 579	141 339	160 992	160 992	165 194	0,00%	-2,61%
Equitable share	92 850	116 086	106 666	106 666	106 666	0,00%	0,00%
Municipal Systems Improvement	–	–	–	–	–	0,00%	0,00%
Department of Water Affairs	–	–	–	–	–	0,00%	0,00%
Regional Bulk Infrastructure Grant	235	–	17 391	17 391	22 160	0,00%	-27,42%
Other transfers/grants [insert description]	–	–	–	–	–	0,00%	0,00%
Finance Management Grant	1 496	1 550	1 413	1 413	1 550	0,00%	-9,70%
Transformation Funds	–	–	–	–	–	0,00%	0,00%
Municipal Infrastructure Grant	11 901	21 673	21 808	21 808	23 707	0,00%	-8,71%
Housing	–	–	–	–	–	0,00%	0,00%
Integrated National Electricity Program	2 640	–	11 097	11 097	8 597	0,00%	22,53%
Rural Development	–	–	–	–	–	0,00%	0,00%
Expanded Public Works	2 456	2 030	2 617	2 617	2 514	0,00%	3,94%
Neighbourhood Development Plan	–	–	–	–	–	0,00%	0,00%
Provincial Government:	34 836	43 563	59 069	53 920	28 761	8,72%	46,66%
Regional Social Economic Project	995	4 186	696	1 409	1 619	-102,38%	-14,94%
Capacity Building and Other	85	18	850	250	–	70,59%	100,00%
Housing	24 206	26 746	26 251	27 143	4 804	-3,40%	82,30%
Sports and Recreation	–	–	–	–	–	0,00%	0,00%
Municipal Infrastructure Support	–	–	889	1 457	–	-63,83%	100,00%
Library Services	9 239	10 564	9 703	10 427	10 536	-7,47%	-1,04%
Economic Development and Tourism SMME boo	23	2 025	–	–	–	0,00%	0,00%
CDW	–	24	132	132	38	0,00%	71,19%
Maintenance and Construction of Transport Infra	289	–	20 548	13 102	11 764	36,24%	10,21%
Municipal Accreditation and Capacity Building G	–	–	–	–	–	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	–	–	–	–	–	0,00%	0,00%
Multipurpose Centre	–	–	–	–	–	0,00%	0,00%
District Municipality:	326	969	–	2 438	480	0,00%	80,30%
Water & Sanitation Informal Area	–	–	–	–	–	0,00%	0,00%
Capacity Building	–	–	–	744	264	0,00%	64,52%
Infrastructure	–	500	–	–	188	0,00%	0,00%
Tourism	–	–	–	–	–	0,00%	0,00%
Covid 19	326	469	–	1 694	28	0,00%	98,35%
Other grant providers:	2 673	859	279	851	1 461	-204,74%	-71,77%
Belgium	543	858	279	851	1 453	-204,74%	-70,77%
China	4	0	–	–	8	0,00%	0,00%
Table Mountain Fund	805	–	–	–	–	0,00%	0,00%
Development Bank of South Africa	1 322	–	–	–	–	0,00%	0,00%
Total Operating Transfers and Grants	149 414	186 729	220 340	218 201	195 896	0,97%	10,22%
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
	2019/20	2020/21	2021/22	
Vredebes top structures	23 982			Project Completed
Vredebes Phase H 529 sites		26 507	4 125 138	Project completed

5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies recognised	Total Operating Revenue	Percentage
	(R'000)		(%)
19/20	149 414	1 048 362	14,25%
20/21	186 729	676 323	27,61%
21/22	195 896	771 683	25,39%

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

5.4 ASSET MANAGEMENT

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

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

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

5.4.1 Treatment of the Three Largest Assets

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/22		
Asset 1		
Name	A - Upgrade Van Breda Bridge	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
	2020/21	2021/22
Asset Value	R 2 470 444	R 10 231 470
Capital Implications	**R 12 701 913**	
Future Purpose of Asset	Improved Public Transport Facilities	
Describe Key Issues	Continuous commitment from Provincial Government to complete the project on time	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

Asset 2		
Name	B - Tulbagh Dam	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
	2020/21	2021/22
Asset Value	2 590 072,78	19 269 575
Capital Implications	**R 21 859 648**	
Future Purpose of Asset	Provision of Water to the Tulbagh Community	
Describe Key Issues	Commitment from farmer to complete the project	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/22		
Asset 3		
Name	C - New Material Recovery Facility/Drop Off	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2020/21	2021/22
	5 056 220	21 754 042
Capital Implications	**R 26 810 261**	
Future Purpose of Asset	Recycling of Waste	
Describe Key Issues	The removal of the unrecycled waste to the landfill sites will require a capital investment for a 30 ton Skip Truck	
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2021/22				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	34 585	24 921	23 646	31,63
				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	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Current Ratio	Current Assets/Current Liabilities	1,58	1,70	2,26
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,58	1,70	2,26
Liquidity Ratio	Monetary Assets/Current Liabilities	0,89	0,90	1,20

Current Ratio:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2019/20	230 327	145 857	1,58
2020/21	216 793	127 838	1,70
2021/22	272 366	120 692	2,26

Current Ratio adjusted for aged debtors:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2019/20	230 327	145 857	1,58
2020/21	216 793	127 838	1,70
2021/22	272 366	120 692	2,26

Liquidity Ratio:

Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2019/20	130 394	145 857	0,89
2020/21	115 305	127 838	0,90
2021/22	144 880	120 692	1,20

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	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3,0	2,5	2,9
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	213,3	319,8	598,1
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	78%	83%	84%

5.5.3 Creditors Management

Description	Basis of calculation	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	Average creditor days	54	41	35

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	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,6%	0,2%	0,2%

5.5.5 Employee costs

Description	Basis of calculation	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	17,94%	30,60%	28,61%

The graph indicates that 28.6% of revenue excluding grant revenue are utilised to fund employee related cost. The ratio is well within the norm of 25 to 40 %.

5.5.6 Repairs & Maintenance

Description	Basis of calculation	2019/20	2020/21	2021/22
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital	1,50%	3,87%	2,09%

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	89 244	81 667	73 744	17,4%	9,7%
Operating Expenditure	774 921	767 281	695 921	10,2%	9,3%
Total expenditure	864 165	848 949	769 665	10,9%	9,3%

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2021/22 financial year:

Capital Expenditure - Funding Sources							R' 000
			2021/22				
Details		Actual 2020/21	Original Budget	Adjustment Budget (AB)	Actual	OB to AB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	–	–	–	–	–	–
	Public contributions and donations					–	–
	Grants and subsidies	52 769	75 087	70 260	64 379	0,06	0,08
	Other	14 175	14 157	11 407	9 365	0,19	0,18
Total		66 944	89 244	81 667	73 744	**8,49%**	**9,70%**
Percentage of finance							
	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	78,8%	84,1%	86,0%	87,3%		
	Other	21,2%	15,9%	14,0%	12,7%		
Capital expenditure							
	Water and sanitation	103	17 391	17 762	19 586	-12,62%	-10,27%
	Electricity	3 357	13 163	13 204	9 573	27,27%	27,50%
	Housing	–	–	–	–		
	Roads and storm wat	12 258	20 655	13 102	10 231	50,47%	21,91%
	Other	51 227	38 035	37 599	34 353	9,68%	8,63%
Total		66 944	89 244	81 667	73 744	**17,37%**	**9,70%**
Percentage of expenditure							
	Water and sanitation	0,2%	19,5%	21,7%	26,6%		
	Electricity	5,0%	14,7%	16,2%	13,0%		
	Housing	0,0%	0,0%	0,0%	0,0%		
	Roads and storm wat	18,3%	23,1%	16,0%	13,9%		
	Other	76,5%	42,6%	46,0%	46,6%		
							T5.6.1

5.8 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2021/22:

Capital Expenditure of 5 largest projects*					R' 000
Name of Project	Current Year: 2021/22			Variance Current Year: 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Upgrade Van Breda Bridge	20 548	13 102	10 231	50%	36%
B - Tulbagh Dam	17 391	17 391	19 270	-11%	0%
C - New Material Recovery Facility/Drop Off	16 982	22 377	21 754	-28%	-32%
D- Vredebes Housing	14 655	15 679	11 872	19%	-7%
E - Leyell street Sportfacilities	5 456	3 023	2 812	48%	45%
** Projects with the highest capital expenditure in Year 1*					

Name of Project - A	A - Upgrade Van Breda Bridge
Objective of Project	The Provision of Basic Services
Delays	Increase in cost estimate requiring approval from Provincial Government
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained.Continuous commitment from Provincial Government to complete the project on time
Anticipated citizen benefits	Improved Transport Facilities

Name of Project - B	B - Tulbagh Dam
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. Conitinuous commitment from Department of Water Affairs and Farmer to complete the project
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Name of Project - C	C - New Material Recovery Facility/Drop Off
Objective of Project	The Provision of Waste Management Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained. Community Education & Awareness in terms of Waste Management
Anticipated citizen benefits	Effective waste management. Increased job opportunities. Positive environmental impact. Decrease in provision for the Rehabilitation of Landfill sites. Extension of the life time of Landfill sites

Name of Project - D	D- Vredebes Housing
Objective of Project	The establishment of Human Settlements
Delays	Delay in the roll out of electrical infrastructure due to vandilism
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 - Leyell street Sportfacilities
Objective of Project	The Provision of Community Facilities
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Community Facilities. Hosting of Regional sporting events which will stimuluate the economy and tourism. Youth Development
	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 2021/22				
				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	14 951	100%	0	0%
Sanitation	14 934	100%	0	0%
Electricity	13 053	100%	0	0%
Waste management	15 442	100%	0	0%
Housing	32 769	85%	4915	15%
Services indicates nr of acounts urban areas. Housing total nr of households in municipal area as per SEP-LG 2021 (WCG) Excluding informal settlements outside of demarcated areas.				

Schools & clinics with access to basic services Appendix P

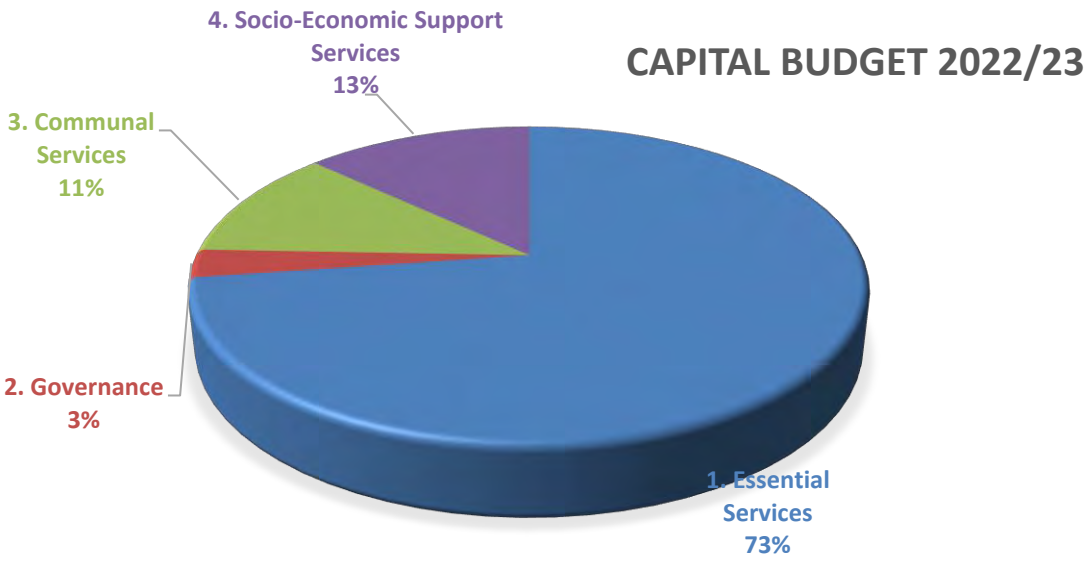
Schools & clinics with access to basic services where other spheres of government are responsible for the provision

Appendix Q

CAPITAL INVESTMENT FRAMEWORK

The past couple of financial years, capital investment were dominated by bulk infrastructure projects linked to especially the Vredebes subsidized housing project. The majority of the required bulk infrastructure has been completed and construction of houses and servicing of sites has commenced. No top structures will be constructed in the next two years due to the incapacity of Eskom bulk supply electricity network to Witzenberg as well as a policy change from the National Department of Housing where the focus will be more on serviced sites. It was indicated that upgrading of the electricity supply lines would only commenced by 2030. With regards to housing, 529 sites at Vredebes was completed with the purpose to accommodate the informal settlement at Nduli which should be upgraded the year after. Major projects mainly include the construction of a storage dam in Tulbagh that will be phased over 2 years, and other network upgrading for water/sanitation and electricity services.
The construction of a new Material Recovery Facility where solid waste are recycled was completed in July 2022 followed by the construction of drop-off points and transfer stations in various towns. The upgrading of the Van Breda Bridge in Ceres has commenced and expected to be completed by 2023/24.
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 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).



The 2022/23 Capital Budget per Key Performance Area as in included in 2022/23 SDBIP

Detailed three-year Capital Budget

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

5.9.2 Municipal Infrastructure Grant (MIG)

Municipal Infrastructure Grant (MIG)* Expenditure 2021/22 on Service backlogs						
						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport	–	–	–			
Roads, Pavements & Bridges	–	–	–			
Storm water	–	–	–			
Infrastructure - Electricity	1 565	1 565	1 565	0,00%	0,00%	
Generation	–	–	–			
Transmission & Reticulation	–	–	–			
Street Lighting	1 565	1 565	1 565	0,00%	0,00%	
Infrastructure - Water	–	–	–			
Dams & Reservoirs	–	–	–			
Water purification	–	–	–			
Reticulation	–	–	–			
Infrastructure - Sanitation	–	–	–			
Reticulation	–	–	–			
Sewerage purification	–	–	–			
Infrastructure - Other	16 982	22 377	21 754	21,94%	-2,87%	
Waste Management	16 982	22 377	21 754	21,94%	-2,87%	
Transportation	–	–	–			
Gas	–	–	–			
Other Specify:	5 456	3 023	2 812	-94,00%	-7,48%	
Leyell Street Sport facilities	5 456	3 023	2 812	-94,00%	-7,48%	
	–	–	–			
	–	–	–			
	–	–	–			
Total	24 003	26 965	26 131	8,15%	-3,19%	

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

T5.8.3

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

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

5.10 CASH FLOW

Cash Flow Outcomes				R'000
Description	2020/21	Current Year: 2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	428 024	474 087	481 606	501 217
Government - operating	105 078	124 778	140 667	95 077
Government - capital	56 583	112 333	99 150	73 607
Interest	8 648	15 666	6 971	22 831
Dividends				
Payments				
Suppliers and employees	(546 486)	(544 611)	(624 822)	(590 067)
Finance charges	(226)	(922)	(461)	(222)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	51 621	181 331	103 110	102 443
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	905	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receiva	–	–	–	–
Decrease (increase) in non-current investmer	–	–	–	–
Payments				
Capital assets	(67 054)	–	(81 950)	(73 744)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 149)	–	(81 950)	(73 744)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	769	–	–	2 246
Payments				
Repayment of borrowing	(1 331)	–	–	(1 370)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(561)	–	–	876
NET INCREASE/ (DECREASE) IN CASH HELI	(15 089)	181 331	21 160	29 574
Cash/cash equivalents at the year begin:	130 394	115 305	115 305	115 305
Cash/cash equivalents at the year end:	115 305	296 636	136 465	144 880
Source: MBRR SA7				T5.9.1

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	(R'000)					
2020/21	33 985	159 663	119 269	2 404	4 446	319 767
2021/22	39 656	186 028	143 147	2 670	13 122	384 622
Difference	5 670	26 365	23 877	266	8 676	64 855
% growth year on year	17%	17%	20%	11%	195%	20%

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
2020/21	65 161	7 204	5 462	241 934	319 761
2021/22	70 623	7 864	14 439	291 696	384 622
Difference	5 462	660	8 977	49 762	64 861
% growth year on year	8%	9%	164%	21%	20%

Note: Figures excludes provision for bad debt

The Auditor-General of South Africa has, in its report on the 2021/2022 financial statements of the Municipal Council, has emphasized the material impairment of R 259million of receivables from non-exchange transactions. Included in the impairment for receivables from non-exchange transactions in an amount of R 11 million in respect of traffic fines.

The gross outstanding service debtors in total increased with 20 % in relation to the 2020/2021 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 31.3 %.

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

5.13 BORROWINGS AND INVESTMENT

5.13.1 Actual Borrowings

Instrument	2020/21	2021/22
	R'000	
Long(Term Loans (annuity/reducing balance)	2 775	2 424
Long(Term Loans (non(annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non(Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Municipality Total	2 775	2 424

5.13.2 Municipal Investments

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.

Investment type	2020/21	2021/22
	R'000	R'000
Securities (National Government	-	-
Listed Corporate Bonds	-	-
Deposits (Bank	115 305	144 880
Deposits (Public Investment Commissioners	-	-
Deposits (Corporation for Public Deposits	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit (Banks	-	-
Guaranteed Endowment Policies (sinking)	-	-
Repurchase Agreements (Banks	-	-
Municipal Bonds	-	-
Other	-	-
Municipality Total	115 305	144 880

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 2021/22

6.1 AUDITOR-GENERAL REPORTS 2020/21

Auditor-General Report on Financial Performance 2020/21	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
Emphasis of matter:	
Material impairments	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of 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.
Restatement of corresponding figures	
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.	None

6.2 AUDITOR-GENERAL REPORTS 2021/22

Auditor-General Report on Financial Performance 2021/22	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
Emphasis of matter:	
Material impairments	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R 258.7 million (2020-21: R 214.2 million) on receivables from exchange transactions amounting to R 344.9 million (2019-20: R 285.7 million).	A report will be submitted to Council to consider the write off debt of indigent households by end of May 2023. A council workshop will be arranged to address the outstanding debt.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R 43.0 million (2020-21: R 47.1 million) on receivables from non-exchange transactions amounting to R 56.5 million (2020-21: R 58.1 million).	The credit control policy will be implemented again as it was not implemented fully during the lockdown period.
Restatement of corresponding figures	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2021 have been restated as a result of errors discovered during 2021-22 in the financial statements of the municipality for the year ended 30 June 2022.	None

LIST OF ABBREVIATIONS

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

Period 1 July 2021 to 8 November 2021

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	Alderlady	Housing Matters	64%
JW Schuurman	Alderman	Corporate and Financial Services; MPAC	91%
EM Sidego	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%

Period 9 November 2021 to 30 June 2022

Name of Councillor / Alderman	Capacity	Committee Allocation	% Attendance of Council Meetings 2020/21
K Adams	Mayco Member / Councillor	Mayco; Committee for Housing Matters; Local Labour Forum	100%

Name of Councillor / Alderman	Capacity	Committee Allocation	% Attendance of Council Meetings 2020/21
J Cloete	Councillor	Committee for Corporate and Financial Services; MPAC	100%
P Daniels	Councillor	Committee for Community Development	100%
S de Bruin	Councillor	Committee for Housing Matters	100%
G Franse	Councillor	Committee for Technical Services; MPAC	100%
JP Fredericks	Mayco Member / Councillor	Mayco; Committee for Corporate and Financial Services	92.3%
AL Gili	Councillor	Committee for Technical Services; Local Labour Forum	84.6%
LA Hardnek	Councillor	MPAC; Committee for Community Development	100%
P Heradien	Councillor	Committee for Corporate and Financial Services	76.9%
BC Klaasen	Mayco Member / Alderman	Mayco; Committee for Local Economic Development	90.9%
FE Klazen	Executive Deputy Mayor	Mayco; Committee for Community Development	100%
GG Laban	Councillor	Committee for Local Economic Development; Local Labour Forum	92.3%
C Lottering	Councillor	Councillor 03/08/2016- 08/11/2021	100%
JS Mouton	Councillor	Committee for Technical Services	92.3%
MJ Ndaba	Councillor	Committee for Housing Matters	84.6%
N Nogcinisa	Councillor	Committee for Local Economic Development	92.3%
N Phatsoane	Councillor	Committee for Local Economic Development	92.3%
K Robyn	Executive Deputy Mayor	GOOD	100%
EM Sidego	Mayco Member / Councillor / Speaker	Council; Mayco Ex-Officio	100%
HJ Smit	Executive Mayor / Alderman	Council; Mayco; Local Labour Forum	100%
D Swart	Councillor	Committee for Corporate and Financial Services	100%
IL Swartz	Councillor	Committee for Housing Matters; MPAC	100%
JJ Visagie	Mayco Member / Alderman	Mayco; Committee for Technical Services	100%
K Yisa	Councillor	Committee for Community Development; MPAC	100%
J Zalie	Councillor	Committee for Corporate and Financial Services	100%

Total attendance of Council Meetings

Period 1 July 2021 to 8 November 2021

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
28 July 2021	50	78.3%	60%
29 September 2021	8	91.4%	100%
08 October 2021	33	69.5%	28.5%

Period 9 November 2021 to 30 June 2022

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
16 November 2021	2	95.6%	0%
22 November 2021	20	100%	Not Applicable
15 December 2021	19	95.6%	100%
26 January 2022	25	100%	Not Applicable
07 February 2022	4	95.6%	0%
23 February 2022	32	95.6%	0%
23 March 2022	10	86.9%	33.3%

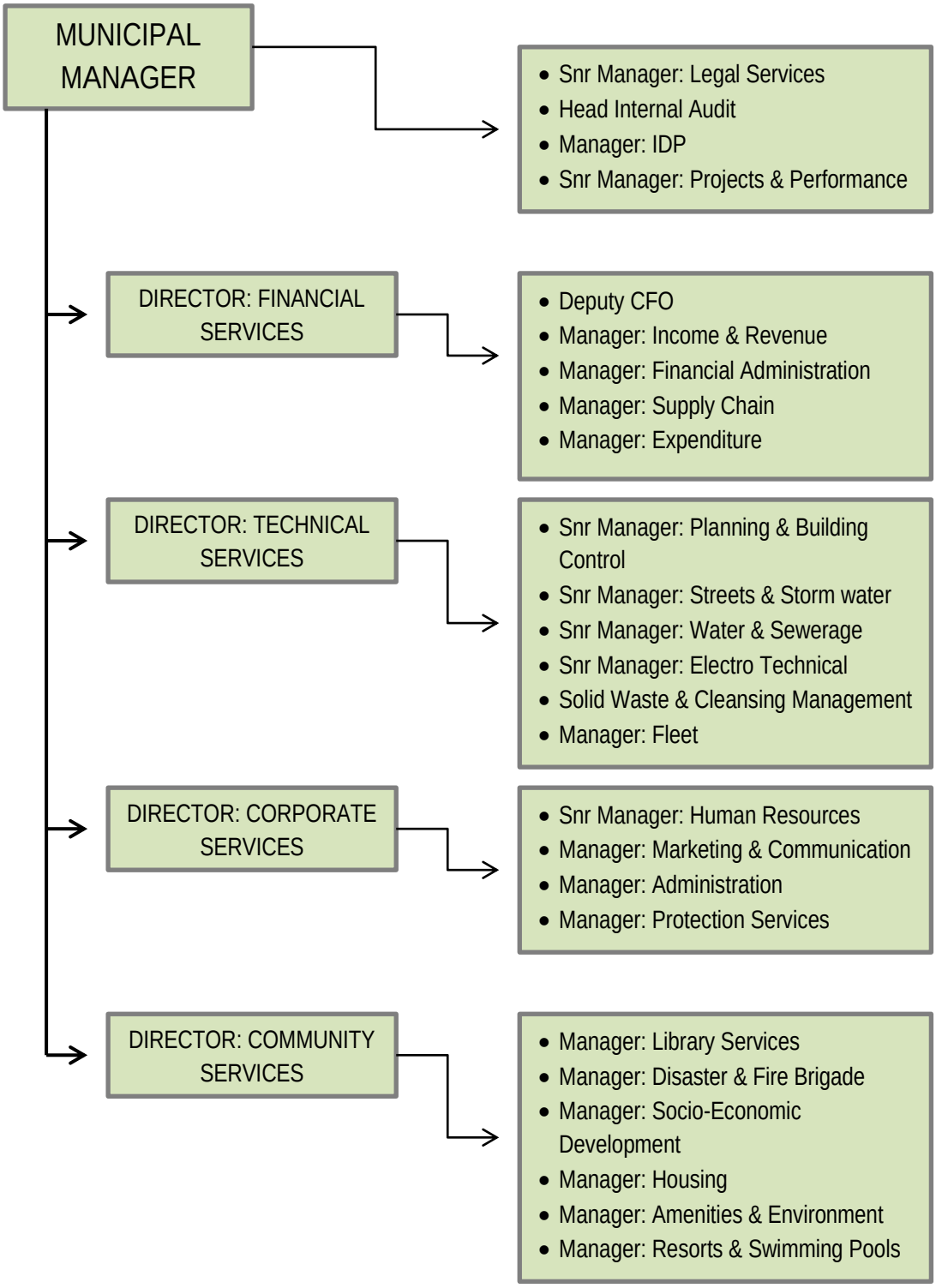
Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
28 March 2022	2	95.6%	0%
30 March 2022	26	86.9%	33.3%
07 April 2022	4	73.9%	66.6%
14 April 2022	11	95.6%	100%
24 May 2022	4	100%	Not Applicable
30 May 2022	29	73.9%	50%
22 June 2022	14	95.6%	0%

APPENDIX B: Committees & Committee Purposes

See also Chapter 2.1.1 of Annual Report

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

APPENDIX C: Third Tier Administrative Structure



APPENDIX D: Functions of the Municipality

The municipal functional areas are as indicated below:

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

Municipal Function	Municipal Function: Yes / No
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:

(Note: Ward Committees was disbanded in October 2021 as Local Government Elections took place in November 2021. New Ward Committees was established in all wards in April 2022 and induction was concluded in June 2022.)

Ward Number	Committee established: Yes / No	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	2	Yes
2	Yes	1	Yes
3	Yes	3	Yes
4	Yes	3	Yes
5	Yes	1	Yes
6	Yes	1	Yes
7	Yes	1	Yes
8	Yes	2	Yes
9	Yes	1	Yes
10	Yes	3	Yes
11	Yes	1	Yes
12	Yes	1	Yes

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

Ward 1: N'Duli (Polo Cross Hall)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022.
Buyisile Nobewu	Vuyisa Solly Yisa	Sport & Culture	
Cynthia Davids	Pontso Mona	Health & Social	
Day Ngwane	Hazel Mancayi	Safety	
Nandi Mvunyiswa	Noluvo Zwelinjani	Youth	
Mandisa Hinana	Cingiswa Tshuta	Education	

Name of representative		Capacity representing	Number meetings held during the year
Kenneth Mbangula	Eric Ndwanya	Business Community	2 Meeting
Ntombi Kwene	Xoliswa Mazomba	Women	
Alfred Mpondwana	Nombulelo Sehlahla	Churches	
Cingiswa Tshuta	Kenneth Mbangula	Civics & Taxes	
Mandlakazi Mjelele	Buyiswa Stuurman	Disabled& Elderly	

Ward 2: Wolseley (Montana Library)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Vacant	Jan Pietersen	Safety	
Audrey Longman	Audrey Longman	Education	
Lucille Classen	Lucille Claasen	Health & Social	
Elizabeth Van Rooyen	Petronela Moses	Disability & Eldery	
Annemien Bezuidenhout	Pauldine September	Civics & Taxes	
Elizabeth Wynand	Jaqueline Fortuin	Women	
Katrina Van Rensburg	Doreen Lottering	Business Community	
Cornelia Moses	George Fredericks	Youth	
Adan Maarman	Sara Jacobs	Sport & Culture	
Brian Albertus	Marilise Marthinus	Churches	

Ward 3: Ceres (Rietvallei Library)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 3 Meeting
Vacant	Petrus Wolfaart	Business Community	
Mark Mentoor	Clifton Japhets	Health & Social	
Marinda Mankapan	Saartjie Franse	Women	
Hendrik Titus	Violet Zekoe	Churches	
Lorencia Jacobs	Mark Mentor	Safety	
Mariaan Van Rooi	Mariaan Van Rooi	Youth	

Name of representative		Capacity representing	Number meetings held during the year
Elizabeth Velensky	Marinda Mankapan	Disabled & Elderly	
Saartjie Franse	Carel Jacobs	Sport & Culture	
Amanda Whitebooi	Helen Hendricks	Education	
Ronald Ross	Ronald Ross	Civics & Taxes	

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

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 3 Meeting
Alma Goosen	Alma Goosen	Business Community	
Vacant	Jane Haas	Civics & Taxes	
Johan Jacobs	Willie Abrahams	Youth	
Jane Haas	Katrina Robyn	Women	
Christelle Kosie	Moses Davids	Safety	
Anneline Smit	Kamit Slinger	Churches	
Jerome Barends	Johnnie Meyer	Sport & Culture	
Moses Davids	Le-Marco Smit	Health & Social	
Jacobus de Wee	Jacobus De Wee	Disabled & Elderly	
Le-Marco Smit	Anneline Smit	Education	

Ward 5: Ceres (John Steyn Library)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Hyno Baartman	Jonathan Higgins	Health & Social	
Amelia Abrahams	Andries Slinger	Disabled & Elderly	
Angeline Wildschut	Pieter Fredericks	Youth	
Vacant	Charmain Paulse	Civics & Taxes	
Rudolf Nel	Rudolf Nel	Sport & Culture	
Fiona Hardneck	Cornelia Moses	Churches	
Sylvia Cupido	Paulina Bitterbos	Women	
Jonathan Nel	Jonathan Nel	Safety	

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

Ward 6: Bella Vista (Bella Vista Library)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Frederika Koopman	Sara Krotz	Youth	
Vacant	Willie Mars	Churches	
Melanie Bé	Geraldine Adams	Disabled & Elderly	
Sara Krotz	Chantel Pietersen	Sport & Culture	
Chantel Pietersen	Jonathan Fredericks	Health & Social	
Johannes Crotz	Abraham Crotz	Safety	
Oelsen Seroot	Pieter Farao	Business & Community	
Sylvia Minnaar	Sylvia Minaar	Women	
Letichia Crotz	Katinka Koopman	Education	
Alwyn Fransman	Demetri Opperman	Civics & Taxes	

Ward 7: Wolseley (Montana Library)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Deborah Hlongwana	Rose January	Churches	
Magdalena Julius	Neville Jansen	Business Community	
Jacquelina Fortuin	Daniel Malan	Youth	
Vacnt	Filemon Philander	Safety	
Kenneth Carelse	Sophia Thomas	Sport & Culture	
Paulina Basson	Elizabeth Madani	Health & Social	
Anne Swarts	Elizabeth madani	Women	
Lambertus Johnson	Daleen Kinear	Civics &Taxes	
Piet Klink	Melodie T Bles	Disable &Elderly	

Name of representative		Capacity representing	Number meetings held during the year
Vacnt	Jannie J Van Wyngaardt	Education	

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

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 2 Meeting
Brendon Maqhina	Wilton Fortuin	Disable & Elderly	
Lena Pieters	Liezel Tromp	Sport & Culture	
Ayanda Teni	Anna Kywa	Business Community	
Magrieta Baardman	Elsie Olivier	Women	
Elzaan Ruiters	Sophia Zass	Youth	
Legina Baleni	Carlo Galant	Churches	
Albertus Nel	Salmon Jantjies	Safety	
Chriszelda Mars	Heinrich Swart	Health & Social	
Gert Jantjies	Susanna Schippers	Education	
Johannes Fransman	Audrey Coetzee	Civic & taxis	

Ward 9: Op-die-Berg

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Francic Mackenzie	Ndelelo Shweni	Churches	
Carlo Galant	Heyley Fransman	Health &Social	
Ndelelo Shweni	Heinrich Mackenzie	Disabled & Elderly	
Thuliswa Mayekiso	Zukuswa Phuphuma	Women	
Tom Persens	Thomas Persens	Education	
Jika Bongiswa	Mzwanele Mrhwetyana	Civics & Taxes	
Mzwandile Phuphuma	Bongeka Rini	Safety	
Aneline Arries	Elizabeth Smith	Youth	
Jack Tromp	Nkosinathi Nonjola	Business Community	
Chrisjan Fortuin	Thuliswa Mayekiso	Sport & Culture	

Ward 10: PA Hamlet (Council Chambers)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 3 Meeting
Shaun Moses	Jaqualine Moses +	Youth	
Alida Slinger	Bulelwa Dywasha	Women	
Sophia De Bruin	Victoria Mandazaya	Health & Social	
Juliana Appollis	Johannes Conradie	Civics & Taxes	
Clive Young	Leonard Baartman	Education	
Berend Skippers	Thabisani Kwinana	Sport &Culture	
Thamsanqa Mpithi	Zibongile Gqibisa	Business Community	
Jacob Faro	Hermanus Hartnek	Churches	
Leonard Baardman	Mandilakhe Zilinga	Safety	
Clara Swarts	Carine Visagie	Disable &Elderly	

Ward 11: Tulbagh (Council Chamber)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Sittimio Louw	Sittimio Louw	Education	
Velencia Daniels	Siyabulela Ndzongana	Sport & Culture	
Gerald Davids	Gerald Davids	Health	
Rosina Jooste	Sindiswa Bede	Churches	
Raymond Malapo	Rosina Jooste	Women	
Vacant	Daniel Thomas	Disabled & Elderly	
Allistar Booysen	Norman Collins	Civics &Taxes	
Nceba Nyosana	Dinene Coetzee	Youth	
Theo Lombaard	Nick Van Huyssteen	Business Community	
Sittimio Louw	Allistar Booysen	Safety	

Ward 12: N'Duli (Community Hall)

Name of representative		Capacity representing	Number meetings held during the year
July 2021 – October 2021	April 2022 – June 2022		

Name of representative		Capacity representing	Number meetings held during the year
Zingiswa Senoamali	Thembisa Mhlophe	Education	Due to Disaster Management: Regulations and Guidelines - Coronavirus COVID-19 in place, no meetings were permitted. The National State of Disaster was lifted as from 5 April 2022. 1 Meeting
Ndenzeni Nonkasanpi	Legina Balani	Disabled &Elderly	
Zoliswa Mona	Mabhuti Silere	Churches	
Thembakazi Ncaphayi	Lucia Gambushe	Health & Social	
Kholekile Mrwetyana	Vukile Manzi	Business Community	
Humphry Ndwanya	Humphry Ndwanya	Safety	
Namhla Mdala	Lindy Gili	Sport & Culture	
N Ruth Yisa	Pamela Dumbisa	Women	
Siyabonga Gaba	Mabandla Shasha	Civics & Taxes	
Bulelwa Mzwakali	Thembakazi Ncaphayi	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*	1 432	1 449	2 382	1 320	1 114	1 499
3,5	*Ceres*	2 397	2 501	2 879	3 164		2 465
4,6	*Bella Vista*	2 683	2 580	2 602	2 568		
4,1	*Hamlet*	1 397	1 395	ESKOM	1 472	242	1 191
9	*Op-Die-Berg*	544	490	ESKOM	614		850
7,11	*Tulbagh*	1 943	1 964	2 681	1 900	1 988	993
2,7	*Wolseley*	2 576	2 576	2 509	2 425	2 266	1 302
TOTALS		12 972	12 955	13 053	13 463	5 610	8 300

*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 2021/22
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
		Taxi Violence	Public Transport Plan to address and continuous engagements with roleplayers.
		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	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
4,1	Hamlet	Animal control in all areas	Increased law-enforcement
		Illegal occupation of land	Continued law enforcement and inspections
		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
		Restoration and securing of Skurweberg Sports grounds	Sports Master Plan Dev
		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
		River Rehabilitation Programs	Negotiations needs to take place with illegal occupants on river banks
2,7	Wolseley	Illegal occupation of land	Continued law enforcement and inspections
		Restoration and securing of Pine Valley Sports grounds	Sports Master Plan Dev
		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 2021/22	Recommendations adopted (enter Yes) If not adopted (provide explanation)
30-Jul-21	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the Section 71 Monthly Budget Statement report of the Directorate Finance for June 2021 and recommends for consideration.	Yes
21-Jan-22	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for July, August, September and October 2021 and recommends for consideration.	Yes
21-Jan-22	(a) That notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021. (b) That the Performance, Risk and Audit Committee recommends to Council: that the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021, after consideration, be accepted.	Yes
21-Jan-22	(a) That notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the first quarter of 2021/2022. (b) That the Performance, Risk and Audit Committee recommends to Council: that the Quarterly Budget Statement Report in terms of Section 52(d) for the first quarter of 2021/2022, after consideration, be accepted.	Yes
25-Feb-22	That the Performance, Risk and Audit Committee recommends to Council: (a) that notice be taken of the AGSA Audit Report for 2020/2021. (b) that the AGSA Audit Report for 2020/2021, after consideration, be accepted.	Yes
25-Feb-22	That the Performance, Risk and Audit Committee recommends to Council: that notice be taken of the Annual Financial Statements 2020/2021 (after COMAF's) and recommends to Council for consideration.	Yes
24-Jun-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Witzenberg Whistleblowing Policy and, after consideration, same be approved.	Yes
24-Jun-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Witzenberg Fraud and Corruption Prevention Policy and Response Plan and, after consideration, same be approved.	Yes

24-Jun-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Witzenberg Fraud and Corruption Prevention Strategy and, after consideration, same be approved	Yes
24-Jun-22	That the Performance, Risk and Audit Committee recommends to Council: (a) that notice be taken of the Section 71 Monthly Budget Statement Reports for November and December 2021 and January, February, March, April and May 2022 and, after consideration, same be accepted. (b) that Council considers holding a workshop meeting to discuss the writing off of long outstanding debt. (c) that the Municipal Public Accounts Committee considers to advise Council to hold a workshop to discuss debt collection.	Yes
24-Jun-22	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 2021/2022 and, after consideration, same be accepted.	Yes
24-Jun-22	That the Performance, Risk and Audit Committee recommends to Council: (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the third quarter of 2021/2022 and, after consideration, same be approved.	Yes

Audit Committee recommendations on Fraud & Financial Misconduct for 2021/22

Minutes: Performance, Risk & Audit Committee Meeting, 21 January 2022 & 24 June 2022

that notice was taken that there were no disciplinary cases regarding fraud and corruption for the period 1 July 2021 to 30 June 2022.

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 2021/22.

APPENDIX I: Service delivery performance of entities & service providers

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

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

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

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

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

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

APPENDIX J: Disclosure on Financial Interests

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

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

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

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

Disclosures of Financial Interests		
1 July 2021 – 8 November 2021		
Name	Description of Financial interests*	
Executive Mayor		
Cllr BC Klaasen	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
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

Disclosures of Financial Interests		
1 July 2021 – 8 November 2021		
Name	Description of Financial interests*	
	Directorships	Duiwelsberg Berries (Pty) Ltd Breede Gouritz Catchment Management Agency
	Employment and Remuneration	Witzenberg Municipality
	Other Financial Interest in any Business	Duiwelsberg Berries (Pty) Ltd
	Property	7 Fortuin Street, Ceres, 1 Cloete Street, Ceres
	Pension	Consolidated Retirement Fund
Alderman HJ Smit	Employment and Remuneration	Witzenberg Municipality
	Pension	LA Health Retirement Fund
Alderman JJ Visagie	Employment and Remuneration	Witzenberg Municipality
	Property	1 Skuinsbaai Cresent, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Cllr EM Sidego	Employment and Remuneration	Witzenberg Municipality
	Shares & securities in any company	SANLAM
	Pension	Consolidated Retirement Fund & PPS Sanlam
Councillor		
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 M Mdala	Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Daniels	Employment and Remuneration	Witzenberg Municipality and Cape Wineland District Municipality
	Property	31 7th Avenue Wolseley
	Pension	Consolidated Retirement Fund
Alderman J Schuurman	Employment and Remuneration	Witzenberg Municipality
	Property	2 St James Street, Ceres
	Pension	Consolidated Retirement Fund
Cllr GG Laban	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr TP Mgoboza	Employment and Remuneration	Witzenberg Municipality

Disclosures of Financial Interests		
1 July 2021 – 8 November 2021		
Name	Description of Financial interests*	
	Pension	Consolidated Retirement Fund
	Property	83 Hector Pietersen Street, Prince Alfred's Hamlet
Cllr Z Mzauziwa	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
	Property	158 Phakamisa Street, Nduli 26 Hollenbach Street, Worcester
	Pension	Consolidated Retirement Fund
Cllr C Lottering	Employment and Remuneration	Witzenberg Municipality
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
	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

Disclosures of Financial Interests		
1 July 2021 – 8 November 2021		
Name	Description of Financial interests*	
	Employment and Remuneration	Donkerbos Landgoed and Witzenberg Municipality
	Property	Entsimekweni Village, Eastern Cape
	Pension	Consolidated Retirement Fund

Disclosures of Financial Interests		
9 November 2021 – 30 June 2022		
Name	Description of Financial interests*	
Executive Mayor		
Cllr HJ Smit	Employment and Remuneration	Witzenberg Municipality
	Pension	LA Health 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 JJ Visagie	Employment and Remuneration	Witzenberg Municipality
	Property	1 Skuinsbaai Avenue, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Cllr FE Klazen	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr JP Fredericks	Employment and Remuneration	Witzenberg Municipality
	Directorship	Dakaf's Costruction
	Pension	Consolidated Retirement Fund
Alderman BC Klaasen (Term Started -23 December 2022)	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
	Interest in any trust	Joseph Stuart Testament Trust
Councillor		
Cllr EM Sidego	Employment and Remuneration	Witzenberg Municipality
	Shares & securities in any company	SANLAM
	Pension	Consolidated Retirement Fund & PPS Sanlam

Disclosures of Financial Interests		
9 November 2021 – 30 June 2022		
Name	Description of Financial interests*	
Cllr P Daniels (Term Started - 21 April 2022)	Employment and Remuneration	Witzenberg Municipality
	Property	31 7th Avenue Wolseley
	Pension	Consolidated Retirement Fund
Cllr D Swart	Employment and Remuneration	Witzenberg Municipality
	Property	27 Umzimaai Avenue, Ceres
	Pension	Consolidated Retirement Fund
Cllr GG Laban	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr NJ 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
	Property	Entsimekweni Village, Eastern Cape
Cllr JS Mouton	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
	Directorship	Owner of a business
Cllr N Phatsoane	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr J Zalie	Employment and Remuneration	Witzenberg Municipality
	Other financial interest in any business	JB's Place
	Property	156 Madani Street, Wolseley
	Pension	Consolidated Retirement Fund
Cllr IL Zwartz	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Heradien	Shares and Securities in any company	Mardorpet (PTY)
	Directorship	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; Cobalt Pension Fund (ABSA)
Cllr A Gili	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund

Disclosures of Financial Interests		
9 November 2021 – 30 June 2022		
Name	Description of Financial interests*	
Cllr JJ Cloete	Employment and Remuneration	Witzenberg Municipality
	Property	190 Impalaweg, Bella Vista
	Pension	Consolidated Retirement Fund
Cllr S de Bruin	Employment and Remuneration	Witzenberg Municipality / Du Toit Group
	Shares	Crispy Coolers
	Pension	Consolidated Retirement Fund / Verso
Cllr G Franse	Employment and Remuneration	Witzenberg Municipality Ceres Fonteintjie Boerdery
	Property	354 River Cresent, Op-die-Berg, Koue Bokkeveld
	Pension	Consolidated Retirement Fund
Cllr LA Hardnek	Employment and Remuneration	Witzenberg Municipality
	Other financial interest in any business	Lilly's Catering and Hiring Service
	Property	283 Marina Street, Ceres 284 Marina Street, Ceres 23 Starking Street, Ceres
	Pension	GEPF SASSA – Old Age
Cllr K Yisa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr N Nogcinisa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
	Property	4 Ashley Kriel Street, Prince Alfred's Hamlet
	Subsidies. grants and sponsorships by any organisation	Child Support Gant
Cllr C Lottering (Term ended – 2 February 2022)	Employment and Remuneration	Witzenberg Municipality
Cllr K Robyn (Term ended – 22)	Employment and Remuneration	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		
Mr C Kritzinger	25% interest in property	Residential

Disclosures of Financial Interests		
9 November 2021 – 30 June 2022		
Name	Description of Financial interests*	
	50% interest in property	Residential
Directors		
Mr JF Barnard	Property	Residential & Small Holding
Mr M Mpeluza	Property	Residential
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		

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

Revenue collection by vote

The table below indicates the Revenue collection performance by vote:

Revenue per Vote	20/21	21/22			21/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Vote1 - Executive and Council	1 606	5	74	4 604	98 045,40	6 127,35
Vote2 - Budget and Treasury Office	218 878	191 900	228 022	228 961	19,31	0,41
Vote3 - Corporate Services	6 154	7 491	7 491	6 913	(7,71)	(7,71)
Vote4 - Technical	374 256	442 241	484 994	444 664	0,55	(8,32)
Vote5 - Community and Social Services	(356)	8 788	7 126	23 411	166,41	228,52
Total Revenue by Vote	600 537	650 423	727 707	708 553	8,94	(2,63)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2021/22 financial year:

Vote Description	20/21	21/22			21/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)	(R'000)	(R'000)	(R'000)	(%)	(%)
Property rates	79 189	78 476	80 384	85 454	8,89	6,31
Service Charges - electricity revenue	258 985	317 197	318 000	302 960	(4,49)	(4,73)
Service Charges - water revenue	35 970	28 882	31 841	39 693	37,43	24,66
Service Charges - sanitation revenue	27 255	15 274	16 614	29 633	94,01	78,37
Service Charges - refuse revenue	22 295	17 975	19 390	25 832	43,71	33,22
Rentals of facilities and equipment	1 606	5	74	4 604	98 045,40	6 127,35
Interest earned - external investments	3 078	1 918	6 971	5 580	190,98	(19,95)
Interest earned - outstanding debtors	5 570	–	–	17 251	–	–
Fines	734	1 333	1 333	1 300	(2,51)	(2,51)
Licences and permits	1 065	2 209	2 209	1 198	(45,76)	(45,76)
Agency services	4 354	3 948	3 948	4 415	11,82	11,82
Transfers recognised - operational	131 041	111 506	140 667	120 676	8,22	(14,21)
Transfers receipts - capital	29 751	62 912	99 150	46 546	(26,01)	(53,05)
Other receipts	(356)	8 788	7 126	23 411	166,41	228,52
Total Revenue	600 537	650 423	727 707	708 553	8,94	(2,63)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

APPENDIX L: Conditional Grants excluding MIG

Conditional Grants: excluding MIG R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Regional Bulk Infrastructure Grant – DWS – Tulbagh Dam	20 000	20 000	22 160	-10,80%	-10,80%	Grant for Tulbagh Raw Water Dam
Public Transport Infrastructure and Systems Grant	20 548	13 102	11 764	42,75%	42,75%	Maintenance and Upgrading of transport infrastructure
Integrated National Electricity Programme	11 097	11 097	8 597	22,53%	22,53%	Upgrading of electricity infrastructure
Human Settlement Development Grant	26 251	27 143	4 804	81,70%	81,70%	Provision of Housing
Expanded Public Works Programme	2 617	2 617	2 514	3,94%	3,94%	Job creation
Libraries	9 703	10 427	10 536	-8,58%	-8,58%	Funding for library function
District – Waste Water Management	11 097	11 097	8 597	22,53%	22,53%	n/a
Finance Management Grant	1 413	1 413	1 550	-9,70%	-9,70%	
Total	102 725	96 896	70 521	31,35%	31,35%	

APPENDIX M: New Capital works & renewal programme

APPENDIX N: Full programme of 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 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
MV Substation Equipment	CRR	All	1 000 000		1 500 000	1 500 000	1 500 000
Upgrade of LV Network Cables	CRR	All	1 000 000		1 000 000	1 000 000	1 000 000
MV Network Equipment	CRR	All	1 000 000		1 000 000	1 000 000	1 000 000
Upgrade of MV Cables	CRR	All	1 000 000		600 000	600 000	1 500 000
Tools & Equipment	CRR	All			150 000	150 000	200 000
Electrical Network Refurbishment	CRR	All			1 500 000	1 500 000	
Upgrade of Streetlights	CRR	All			350 000	350 000	400 000
Network streets	CRR	All	2 000 000		2 500 000	3 000 000	
Rehabilitation - Streets Tulbagh	CRR	11			3 500 000	2 500 000	
Tools & Equipment	CRR	All			50 000	50 000	
NMT Sidewalks Ceres	CRR	3,5			500 000	500 000	
Road Maintenance & Upgrading	MIG	All			13 035 982		
Aerator replacement programme	CRR	All			500 000		700 000
Refurbishment WWTW	CRR	All			750 000		1 000 000
Sewer Pumps-replacement	CRR	All			250 000	500 000	500 000
Sewer Network Replacement	CRR	All	1 500 000		2 000 000	1 500 000	2 000 000
Security upgrades	CRR	All	62 710		300 000		116 000
Plant & Equipment	CRR	All					344 000
Upgrade WWTW Wolseley	WSIG	7	13 653 043	12 433 913			
Upgrade WWTW Wolseley (Own Contribu	CRR	7	990 000				
Transfer stations & related infrastructure (	CRR	3					5 817 400
Fencing Landfill site	Loan	4,10	4 000 000				
Drop-offs Transfer stations Tulb/PAH/BV	Loan	All	6 000 000				
Drop-offs Transfer stations	CRR	All		2 000 000	4 000 000		
Furniture & Office equipment	CRR	All	260 296				
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	16 729 565				
Grey Water System	CRR	All			1 500 000	1 500 000	
Op-Die-Berg Reservoir	MIG	8	2 854 582				
Tulbagh Reservoir	MIG	7,11		3 635 303	3 641 410		
Tierhokskloof bulk pipeline	MIG	2,7	869 565	10 869 809			
Tierhokskloof bulk pipeline (own contributi	CRR	2,7		2 956 522			
Tulbagh Dam (own contribution)	CRR	7,11	6 412 275				

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

Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Electrical Network Housing Project	INEP	All	3 622 060	4 000 000	4 180 000		
Nduli Infill Internal Roads	IHHSDG	1,12					
Vredebes Access Collector	MIG	5	10 909 809	2 284 454			
Nduli Infill Internal Sewerage	IHHSDG	1,12					
Toilets for informal settlements	Prov Grant	7	521 739				
Nduli Infill Internal Storm water	IHHSDG	1,12					
Nduli Infill Internal Water	IHHSDG	1,12					

Key Performance Area: 2. GOOD GOVERNANCE

Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Capex Fire Fighting Equipment	CRR	All			350 000		400 000
Firefighting Response Vehicle	Prov Grant	All		856 522			
Furniture & Equipment	CRR	All	50 000				
Access Control - Furniture and Equipment	CRR	All				75 000	
Signage & Billboards	CRR	All				80 000	
Camera equipment	CRR	All			20 000		
Office Equipment	CRR	All			30 000		
Office Equipment	CRR	All			50 000		
Office Equipment	CRR	All			30 000		
Office Equipment (Director)	CRR	All			30 000		
IT Equipment	CRR	All	600 000		650 000	700 000	215 000
IT Equipment	CRR	All					254 000
Office Equipment	CRR	All			30 000	30 000	
Security Cameras	Prov Grant	All	229 565				
Vehicle Replacement Programme	CRR	All					240 000
Furniture & equipment	Equitable Share	All					40 000
Furniture & equipment	CRR	All	130 000	130 000			711 157
Computor hardware	CRR	All	50 000	50 000			50 000
IT Equipment	Grant	All					75 000
Vehicle Replacement Program	CRR	All	1 480 567	1 000 000			2 201 140
Vehicle Replacement Program	Belgium	All	192 808				
Tools & Equipment	CRR	All	140 000				
Workshop Building Upgrade	CRR	3	60 000				
Traffic Calming	CRR	All			200 000	250 000	

Key Performance Area: 3. COMMUNAL SERVICES

Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Expanding of Cemetery	CRR	All			300 000	500 000	
New regional cemetery	MIG	All		4 996 521	5 000 000		
Fencing Nduli Comm Hall	CRR	1, 12				500 000	
Townhalls Equipment	CRR	All	40 000			100 000	
Chainsaws	CRR	All			90 000		100 000
Brushcutters	CRR	All			120 000		120 000
Irrigation equipment for parks	CRR	All				500 000	
Truck 1.3 ton	CRR	All			350 000		
Landscaping of parks	CRR	All			300 000	300 000	
Parks equipment	CRR	All	40 000			50 000	
Tools & equipment	CRR	All	150 000				
Library Nduli	CRR	1,12	1 000 000				
Swimming Pool Nduli	CRR	1,12	1 000 000				
IT Equipment	MRF	All	182 000				
Ablution facilities at Hamlet (Breestr) spor	RSEP	4,10	434 783				695 652
Containers 3x3m	CRR	All			100 000		
Ceres upgrade Of Leyell Str Sport Facilitie	MIG	3	6 354 740				
Vredebes sportsgrounds	MIG	5			1 000 000	15 000 000	
Kliprug sportfield change rooms	CRR	4				1 500 000	
Sportsground development	CRR	All			400 000	400 000	600 000
Resurface netball courts	CRR	All			200 000	300 000	
Upgrade Sportsgrounds	Prov Grant	4	894 783				
Sportfield equipment	CRR	All	30 000				
Wolseley Public Toilets	District	2,7	705 669				
Wolseley Public Toilets	CRR	2,7	663 897				

Key Performance Area: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Fencing of Trichardtstr Flats	CRR	3		500 000			
Chalet Furniture	CRR	3			450 000		
Upgrade Van Breda Bridge	Prov Grant	3,5	15 173 561	152 174			
Upgrade Van Breda bridge (own contribut	CRR	3,5	5 817 400				

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 2021/22 financial year.

Signed (Chief Financial Officer)
C Kritzinger

31/10/2022
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

2022

WITZENBERG
Municipality • Munisipaliteit • UMasipala Wase

Annual Financial Statements

30 June 2022

WC022 – WITZENBERG MUNICIPALITY

AUDITED - Trim ref 05/03/1

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Index

Contents	*Page*
General Information	1
Approval of the Financial Statements	2
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Reportable Segments	8
Statement of comparison of budget and actual amounts	9 - 12
Accounting Policies	13 - 31
Notes to the Financial Statements	32 - 72

APPENDICES - Unaudited

A	Schedule of External Loans	73
B	Segmental Statement of Financial Performance - Municipal Votes	74
C	Segmental Statement of Financial Performance	75
D	Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	76

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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), with demarcation code WC 022

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 Kritzinger

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

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type	Date From	Date To
Executive Mayor	Alderman Klaasen, BC	DA	PR		08/11/2021
Executive Mayor	Alderman Smit, HJ *	DA	Ward 5	22/11/2021	
Deputy Executive Mayor	Alderman Adams, K *	DA	Ward 6		08/11/2021
Deputy Executive Mayor	Robyn K	GOOD	PR	22/11/2021	23/12/2021
Deputy Executive Mayor	Klazen FE	GOOD	PR	26/01/2022	
Speaker	Alderman Godden, TT	COPE	PR		08/11/2021
Speaker	Mouton JS	ANC	PR	22/11/2021	23/05/2022
Speaker	Sidego, EM *	DA	Ward 11	24/05/2022	
Mayoral Committee Member	Sidego, EM *	DA	Ward 11		08/11/2021
Mayoral Committee Member	Sidego, EM *	DA	Ward 11	02/12/2021	23/05/2022
Mayoral Committee Member	Alderman Smit, HJ *	DA	Ward 5		08/11/2021
Mayoral Committee Member	Alderman Visagie, JJ *	DA	Ward 4		08/11/2021
Mayoral Committee Member	Alderman Visagie, JJ *	DA	Ward 4	02/12/2021	
Mayoral Committee Member	Abrahams, T	DA	PR		08/11/2021
Mayoral Committee Member	Fredericks JP	VF+	PR	02/12/2021	
Mayoral Committee Member	Klazen FE	GOOD	PR	02/12/2021	25/01/2022
Mayoral Committee Member	Alderman Klaasen, BC	DA	PR	01/02/2022	
Mayoral Committee Member	Alderman Adams, K *	DA	Ward 6	10/06/2022	
MPAC Chairperson	Jacobs, DM	EFF	PR		08/11/2021
MPAC Chairperson	Hardnek LA	WP	PR	23/02/2022	
Ordinary Councillor	Alderman Adams, K *	DA	Ward 6	09/11/2021	09/06/2022
Ordinary Councillor	Alderman Smit, HJ *	DA	Ward 5	09/11/2021	21/11/2021
Ordinary Councillor	Alderman Visagie, JJ *	DA	Ward 4	09/11/2021	01/12/2021
Ordinary Councillor	Sidego, EM *	DA	Ward 11	09/11/2021	01/12/2021
Ordinary Councillor	Kinnear, D	DA	PR		08/11/2021
Ordinary Councillor	Laban, G *	WA	PR		
Ordinary Councillor	Alderman Schuurman, JW	ANC	PR		08/11/2021
Ordinary Councillor	Alderlady Phungula, JT	ANC	PR		08/11/2021
Ordinary Councillor	Herandien, P *	ICOSA	PR		
Ordinary Councillor	Simpson, RJ	ANC	PR		08/11/2021
Ordinary Councillor	Mzauziwa, Z	DA	PR		08/11/2021
Ordinary Councillor	Phatsoane, N *	ANC	Ward 1		08/11/2021
Ordinary Councillor	Phatsoane, N *	ANC	PR	09/11/2021	
Ordinary Councillor	Lottering, C	DA	Ward 2		01/02/2022
Ordinary Councillor	Swart, D *	DA	Ward 3		
Ordinary Councillor	Visagie, H	ANC	Ward 8		08/11/2021
Ordinary Councillor	MJ Ndaba	ANC	Ward 9		
Ordinary Councillor	Mgoboza, TP	ANC	Ward 10		08/11/2021
Ordinary Councillor	Mdala, M	ANC	Ward 12		08/11/2021

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY; CONTINUED

Position	Surname	Party	Seat type	Date From	Date To
Ordinary Councillor	Mouton JS	ANC	PR	09/11/2021	21/11/2021
Ordinary Councillor	Mouton JS	ANC	PR	24/05/2022	
Ordinary Councillor	Gili AL	ANC	Ward 1	09/11/2021	
Ordinary Councillor	Zalie J	ANC	Ward 7	09/11/2021	
Ordinary Councillor	Yisa K	ANC	Ward 12	09/11/2021	
Ordinary Councillor	Mouton JS	ANC	PR	09/11/2021	
Ordinary Councillor	Nogcinisa N	ANC	PR	09/11/2021	
Ordinary Councillor	Franse GW	DA	Ward 8	09/11/2021	
Ordinary Councillor	De Bruin S	DA	Ward 10	09/11/2021	
Ordinary Councillor	Swartz IL	EFF	PR	09/11/2021	
Ordinary Councillor	Klazen FE	GOOD	PR	09/11/2021	01/12/2021
Ordinary Councillor	Robyn K	GOOD	PR	09/11/2021	21/11/2021
Ordinary Councillor	Cloete JJ	PA	PR	09/11/2021	
Ordinary Councillor	Fredericks JP	VF+	PR	09/11/2021	01/12/2021
Ordinary Councillor	Hardnek LA	WP	PR	09/11/2021	22/02/2022
Ordinary Councillor	Alderman Klaasen, BC	DA	PR	23/12/2021	31/01/2022
Ordinary Councillor	Daniels, P	DA	Ward 7		08/11/2021
Ordinary Councillor	Daniels, P	DA	Ward 2	21/04/2022	

Councillors indicated with an * were re-elected during the November 2021 elections

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

31/08/2022
Date

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 R	Restated 2021 R
ASSETS			
Current Assets		**271,947,200**	**216,793,008**
Cash and Cash Equivalents	**2**	144,879,638	115,305,213
Trade and other Receivables from Exchange Transactions	**3**	86,202,955	71,504,141
Receivables from non-exchange transactions	**4**	13,411,718	11,026,109
Inventory	**5**	9,035,225	9,963,092
Unpaid Conditional Government Grants and Receipts	**6**	10,816,494	1,672,368
Statutory Receivables: VAT	**7**	7,601,170	7,322,085
Non-Current Assets		**1,118,690,097**	**1,032,565,497**
Property, Plant and Equipment	**8**	1,073,184,977	986,262,986
Intangible Assets	**9**	2,113,032	2,190,924
Investment Property	**10**	42,842,088	43,561,587
Heritage assets	**11**	550,000	550,000
Total Assets		**1,390,637,297**	**1,249,358,505**
LIABILITIES			
Current Liabilities		**120,616,817**	**127,837,758**
Trade and Other Payables Exchange Transactions	**12**	61,869,335	60,940,402
Consumer Deposits	**13**	11,548,609	9,302,595
Current Employee benefits	**14**	27,705,126	27,825,286
Unspent Conditional Government Grants and Receipts	**6**	14,410,793	24,203,606
Unspent Public Contributions	**15**	3,186,213	3,979,250
Current Portion of Borrowings	**16**	1,896,741	1,586,619
Non-Current Liabilities		**234,104,628**	**175,032,060**
Borrowings	**16**	527,449	1,188,302
Non-Current Provisions	**17**	162,372,711	102,375,838
Employee benefits	**18**	71,204,468	71,467,920
Total Liabilities		**354,721,445**	**302,869,818**
Net Assets		**1,035,915,852**	**946,488,687**
Capital Replacement Reserve	**19**	12,539,508	10,442,209
Accumulated Surplus		1,023,376,344	936,046,478
Total Net Assets and Liabilities		**1,390,637,297**	**1,249,358,505**

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022 (Actual) R	2020/2021 (Restated) R	2020/2021 Correction of error R	2020/2021 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**299,493,231**	**281,920,489**	**-**	**281,920,489**
Taxation Revenue		**91,128,405**	**81,202,719**	**-**	**81,202,719**
Property rates	**20**	88,812,979	80,775,118	-	80,775,118
Property Rates - penalties imposed and collection charges		2,315,426	427,601	-	427,601
Availability Charges		-	-	-	-
Transfer Revenue		**208,364,826**	**200,717,770**	**-**	**200,717,770**
Fines, Penalties and Forfeits		9,670,067	11,593,392	-	11,593,392
Licences or Permits		1,198,303	1,065,472	-	1,065,472
Surcharges and Taxes		9,082,954	4,047,146	-	4,047,146
Government Grants and Subsidies - Capital	**21**	66,276,090	52,101,858	-	52,101,858
Government Grants and Subsidies - Operating	**21**	120,675,951	131,051,159	-	131,051,159
Public Contributions and Donations		1,461,461	858,743	-	858,743
Revenue from Exchange Transactions		**488,201,001**	**396,607,131**	**-**	**396,607,131**
Service Charges	**22**	434,782,117	376,201,066	-	376,201,066
Rental from Fixed Assets		4,604,001	1,606,130	-	1,606,130
Interest earned - External investments		5,580,245	3,078,053	-	3,078,053
Interest Income on Overdue Accounts		14,935,260	5,141,944	-	5,141,944
Agency Services	**23**	4,414,566	4,353,776	-	4,353,776
Operational Revenue	**24**	2,652,042	410,884	-	410,884
Sales of Goods and Rendering of services	**25**	5,413,919	3,610,923	-	3,610,923
Gain on disposal of assets		7,176,709	-	-	-
Reversal of impairment loss	**36**	-	-	-	-
Gain on Adjustment of Provision		-	2,204,355	-	2,204,355
Inventories: Reversal of write-down		-	-	-	-
Gain on Actuarial Valuations	**18**	8,642,142	-	-	-
Total Revenue		**787,694,232**	**678,527,620**	**-**	**678,527,620**
EXPENDITURE					
Employee related costs	**26**	206,346,744	191,681,705	-	191,681,705
Remuneration of Councillors	**27**	10,475,781	10,583,028	-	10,583,028
Impairment	**28**	36,272,420	34,865,297	-	34,865,297
Inventory Consumed		14,448,761	12,699,380	115,226	12,584,154
Depreciation and Amortisation	**29**	38,324,340	32,429,026	(152,194)	32,581,220
Finance Charges	**30**	15,145,445	10,016,942	-	10,016,942
Bulk Purchases	**31**	285,708,344	239,632,251	-	239,632,251
Contracted Services	**32**	33,781,763	52,292,633	545,048	51,747,585
Transfers and Subsidies: Operational Expenditure	**33**	2,183,334	6,534,267	-	6,534,267
Construction Cost		430,900	-	-	-
Operational Cost	**34**	37,076,590	34,644,605	12,253	34,632,352
Rent on Land		40,635	37,976	-	37,976
Operating Leases		951,111	895,211	-	895,211
Bad Debts Written Off		14,710,875	17,560,944	-	17,560,944
Loss on disposal of assets		-	66,047	-	66,047
Impairment loss	**36**	2,370,024	649,494	-	649,494
Loss on Adjustment of Provision		-	-	-	-
Inventories: Write-down		-	-	-	-
Loss on Actuarial Valuations	**18**	-	5,317,725	-	5,317,725
Total Expenditure		**698,267,067**	**649,906,531**	**520,333**	**649,386,198**
NET SURPLUS / (LOSS) FOR THE YEAR		**89,427,165**	**28,621,089**	**(520,333)**	**29,141,422**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2020		**10,617,534**	**904,827,872**	**915,445,406**
Correction of error	**36.09**	-	2,422,192	2,422,192
Restated Balance at 1 JULY 2020		**10,617,534**	**907,250,064**	**917,867,598**
Transfers to/from Accumulated		14,000,000	(14,000,000)	-
Property, Plant and Equipment purchased		(14,175,325)	14,175,325	-
Restated Net Surplus for the year		-	28,621,089	28,621,089
Balance at 30 JUNE 2021		**10,442,209**	**936,046,478**	**946,488,687**
Transfers to/from Accumulated		11,462,047	(11,462,047)	-
Property, Plant and Equipment purchased		(9,364,748)	9,364,748	-
Net Surplus for the year		-	89,427,165	89,427,165
Balance at 30 JUNE 2022		**12,539,508**	**1,023,376,344**	**1,035,915,852**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022 R	Restated 2020/2021 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates and other Taxes		92,225,613	82,812,107
Sales of goods and services		408,858,801	345,527,377
Government Grants		168,683,526	161,660,839
Interest		22,830,931	8,647,598
Payments			
Employee and Councillor costs		(215,374,661)	(202,781,173)
Suppliers		(379,922,901)	(344,750,751)
Finance charges		(226,009)	(232,708)
Cash generated by operations	**38**	**97,075,300**	**50,883,289**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**8**	(68,376,818)	(66,316,109)
Proceeds on Disposal of Property, Plant and Equipment		-	905,050
Net Cash from Investing Activities		**(68,376,818)**	**(65,411,059)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(1,370,071)	(1,330,871)
Increase in Consumer Deposits		2,246,014	769,456
Net Cash from Financing Activities		**875,943**	**(561,415)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**29,574,425**	**(15,089,185)**
Cash and Cash Equivalents at the beginning of the year		115,305,213	130,394,398
Cash and Cash Equivalents at the end of the year	**2**	144,879,638	115,305,213
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**29,574,425**	**(15,089,185)**

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
Segment Revenue	R	R	R	R	R
External revenue from non-exchange transactions	137,294,013	14,510,955	46,001,924	99,370,913	297,177,805
External revenue from exchange transactions	7,409,680	6,000,532	434,960,112	3,496,322	451,866,646
Interest revenue	156,535	-	14,722,732	7,951,664	22,830,931
Revenue from transactions with other segments	42,547	-	22,674,221	-	22,716,768
Total Revenue	144,902,775	20,511,487	518,358,989	110,818,899	794,592,150
Segment Expenditure					
Employee related costs	71,335,868	28,415,510	50,679,846	55,915,521	206,346,745
Remuneration of Councillors	-	-	-	10,475,781	10,475,781
Bulk Purchases	7,500	-	285,700,844	-	285,708,344
Depreciation and Amortisation	3,972,797	7,634,849	23,683,486	3,033,207	38,324,340
Impairment and Bad debt	4,147,300	-	40,345,108	6,490,887	50,983,295
Other Expenditure	12,559,335	10,718,598	41,812,789	38,967,815	104,058,537
Internal charges	7,123,665	132,161	12,981,460	2,479,482	22,716,768
Total Expenditure	99,146,466	46,901,118	455,203,533	117,362,693	718,613,810
Gains & Losses	-9,187	-	-2,363,678	15,821,693	13,448,827
Surplus/deficit for the year	**45,747,122**	**(26,389,631)**	**60,791,778**	**9,277,899**	**89,427,168**

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
Segment Revenue	R	R	R	R	R
External revenue from non-exchange transactions	149,544,056	22,554,570	22,217,258	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
Total Revenue	152,322,424	28,475,417	424,069,607	91,908,733	696,776,181
Segment Expenditure					
Employee related costs	64,340,084	25,970,866	48,389,975	52,980,783	191,681,708
Remuneration of Councillors	-	-	-	10,583,028	10,583,028
Bulk Purchases	4,200	-	239,628,051	-	239,632,251
Depreciation and Amortisation	3,689,643	7,505,594	16,949,708	4,284,081	32,429,026
Impairment and Bad debt	12,943,400	-	38,013,902	1,468,939	52,426,241
Other Expenditure	11,655,189	13,658,191	42,352,508	49,455,126	117,121,013
Internal charges	7,205,037	109,917	10,565,568	2,572,396	20,452,918
Total Expenditure	99,837,553	47,244,568	395,899,711	121,344,354	664,326,185
Gains & Losses	-	-	2,146,855	-5,975,766	-3,828,910
Surplus/deficit for the year	**52,484,871**	**(18,769,151)**	**30,316,751**	**(35,411,387)**	**28,621,085**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Actual 2021/2022 R	Approved budget 2021/2022 R	Adjustments 2021/2022 R	Final budget 2021/2022 R	Difference between final budget and actual	Actual 2020/2021 R
ASSETS						
Current Assets	**271,947,200**	**59,335,879**	**193,886,753**	**253,222,632**	**7%**	**216,793,008**
Cash	144,879,638	60,735,629	75,779,097	136,514,726	6%	115,305,213
Consumer debtors	99,614,673	(22,444,305)	95,994,676	73,550,371	35%	82,530,250
Other debtors	18,417,664	20,145,994	13,317,290	33,463,284	-45%	8,994,453
Inventory	9,035,225	898,561	8,795,689	9,694,250	-7%	9,963,092
Non-Current Assets	**1,118,690,097**	**49,515,880**	**1,023,244,792**	**1,072,760,672**	**4%**	**1,032,565,497**
Investments	-	-	9,382	9,382	-100%	-
Investment Property	42,842,088	(741,856)	43,429,506	42,687,650	0%	43,561,587
Property, Plant and Equipment	1,073,184,977	50,655,591	978,133,874	1,028,789,465	4%	986,262,986
Intangible Assets	2,113,032	(397,855)	1,122,030	724,175	192%	2,190,924
Other non-current assets	550,000	-	550,000	550,000	0%	550,000
Total Assets	**1,390,637,297**	**108,851,759**	**1,217,131,545**	**1,325,983,304**	**5%**	**1,249,358,505**
LIABILITIES						
Current Liabilities	**120,616,817**	**70,202,518**	**75,417,843**	**145,620,361**	**-17%**	**127,837,758**
Borrowings	1,896,741	(988,184)	1,586,619	598,435	217%	1,586,619
Consumer Deposits	11,548,609	-	8,731,990	8,731,990	32%	9,302,595
Trade and Other Payable Exchange Transactions	79,466,341	71,190,702	37,298,088	108,488,790	-27%	89,123,258
Provisions	27,705,126	-	27,801,146	27,801,146	0%	27,825,286
Non-Current Liabilities	**234,104,628**	**35,741,147**	**177,369,721**	**213,110,868**	**10%**	**175,032,060**
Borrowings	527,449	415,205	1,176,303	1,591,508	-67%	1,188,302
Provisions	233,577,179	35,325,942	176,193,419	211,519,361	10%	173,843,758
Total Liabilities	**354,721,445**	**105,943,665**	**252,787,564**	**358,731,229**	**-1%**	**302,869,818**
Net Assets	**1,035,915,852**	**-**	**967,252,077**	**967,252,077**	**7%**	**946,488,687**
Accumulated Surplus	1,023,376,344	-	956,809,868	956,809,868	7%	936,046,478
Reserve	12,539,508	-	10,442,209	10,442,209	20%	10,442,209
Total Net Assets and Liabilities	**1,390,637,297**	**105,943,665**	**1,220,039,641**	**1,325,983,306**	**5%**	**1,249,358,505**

The MSCOA chart of accounts are used for all financial transactions. The compilation of budget information from the MSCOA data strings continues to remain a challenge. The adjustments as per the above report is mainly in respect of corrections made to the budgeted statement of financial position.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Actual 2021/2022 R	Approved budget 2021/2022 R	Adjustments 2021/2022 R	Final budget 2021/2022 R	Difference between final budget and actual	Actual 2020/2021 R
Operating Revenue						
Property rates	88,812,979	83,430,495	(140,000)	83,290,495	7%	80,775,118
Service charges - electricity revenue	326,893,922	323,477,588	4,000,000	327,477,588	0%	274,179,622
Service charges - water revenue	46,200,623	39,677,157	(100,000)	39,577,157	17%	43,136,640
Service charges - sanitation revenue	32,036,919	25,043,141	3,000,000	28,043,141	14%	30,920,148
Service charges - refuse revenue	29,650,652	25,574,053	2,000,000	27,574,053	8%	27,964,656
Rental from Fixed Assets	4,604,001	1,469,599	1,500,000	2,969,599	55%	1,606,130
Interest earned - External investments	5,580,245	6,989,524	-	6,989,524	-20%	3,078,053
Interest Income on Overdue Accounts	17,250,686	8,676,745	-	8,676,745	99%	5,569,545
Fines, Penalties and Forfeits	9,670,067	21,479,331	-	21,479,331	-55%	11,593,392
Licences or Permits	1,198,303	2,110,812	-	2,110,812	-43%	1,065,472
Agency Services	4,414,566	4,046,400	-	4,046,400	9%	4,353,776
Transfers and Subsidies	131,220,366	145,902,716	2,389,128	148,291,844	-12%	135,957,048
Other revenue	8,065,961	15,155,333	768,913	15,924,246	-49%	4,021,807
Gains	15,818,851	-	-	-	0%	2,204,355
Total Revenue (excluding capital transfers and contributions)	**721,418,142**	**703,032,894**	**13,418,041**	**716,450,935**	**1%**	**626,425,762**
Operating Expenditure by Nature						
Employee related costs	206,346,744	238,079,853	(3,188,247)	234,891,606	12%	191,681,705
Remuneration of Councillors	10,475,781	12,123,426	(999,988)	11,123,438	6%	10,583,028
Impairment	36,272,420	63,750,387	(10,000,000)	53,750,387	33%	34,865,297
Depreciation and Amortisation	38,324,340	39,728,569	-	39,728,569	4%	32,429,026
Finance Charges	15,145,445	8,660,859	-	8,660,859	-75%	10,016,942
Bulk Purchases	285,708,344	285,788,598	2,990,750	288,779,348	1%	239,632,251
Other materials	14,448,761	14,977,325	1,792,072	16,769,397	14%	12,699,380
Contracted Services	33,781,763	48,389,998	(12,008,292)	36,381,706	7%	52,292,633
Transfers and Subsidies: Operational Expenditure	2,183,334	25,603,155	(1,655,167)	23,947,988	91%	6,534,267
Other Expenditure	53,210,111	37,818,556	15,441,455	53,260,011	0%	53,138,736
Losses	2,370,024	931	236	1,167		6,033,266
Total expenditure	**698,267,067**	**774,921,657**	**-7,627,181**	**767,294,476**	**9%**	**649,906,531**
Surplus/(Deficit)	**23,151,075**	**(71,888,763)**	**21,045,222**	**(50,843,541)**	**-146%**	**-23,480,769**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	66,276,090	74,937,093	(4,606,421)	70,330,672	6%	52,101,858
Surplus/ (Deficit) for the year	**89,427,165**	**3,048,330**	**16,438,801**	**19,487,131**	**359%**	**28,621,089**
Operating expenditure by vote						
Budget and Treasury Office	43,188,267	52,452,830	(2,889,851)	49,562,979	13%	37,915,735
Civil services	162,200,072	160,268,968	(8,433,413)	151,835,555	-7%	151,432,571
Community and social services	30,070,461	34,848,456	(269,001)	34,579,455	13%	26,066,330
Corporate Services	49,823,645	64,519,862	4,954,518	69,474,380	28%	62,770,218
Electro Technical Services	312,116,280	324,300,307	(5,196,121)	319,104,186	2%	268,153,405
Executive and Council	21,841,617	27,001,180	(677,763)	26,323,417	17%	22,960,858
Housing	4,947,451	29,011,143	(2,413,172)	26,597,971	81%	4,469,385
Planning	7,353,346	7,182,844	283,134	7,465,978	2%	7,042,671
Public Safety	36,528,511	43,247,549	8,605,132	51,852,681	30%	42,098,664
Sport and recreation	30,197,417	32,088,518	(1,602,644)	30,485,874	1%	26,996,696
Total operating expenditure by vote	**698,267,067**	**774,921,657**	**-7,639,181**	**767,282,476**	**9%**	**649,906,533**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Actual 2021/2022 R	Approved budget 2021/2022 R	Adjustments 2021/2022 R	Final budget 2021/2022 R	Difference between final budget and actual	Actual 2020/2021 R
Capital expenditure by vote						
Budget and Treasury Office	1,604,057	180,000	1,511,955	1,691,955	5%	164,892
Civil services	56,761,628	67,850,537	(8,051,289)	59,799,248	5%	46,066,093
Community and social services	735,636	695,652	40,000	735,652	0%	3,547,345
Corporate Services	1,745,535	1,300,000	953,209	2,253,209	23%	2,998,074
Electro Technical Services	9,573,284	13,162,608	41,640	13,204,248	27%	4,054,458
Executive and Council	-	600,000	(600,000)	-	-	850,322
Planning	-	-	-	-	-	-
Public Safety	240,000	-	504,000	504,000	52%	1,481,460
Sport and recreation	3,083,912	5,455,652	(1,976,737)	3,478,915	11%	7,781,702
Total capital expenditure	**73,744,052**	**89,244,449**	**(7,577,222)**	**81,667,227**	**10%**	**66,944,346**
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property Rates and other Taxes	92,225,613	78,475,605	1,908,366	80,383,971	15%	82,812,107
Service charges	408,858,801	395,611,195	5,610,560	401,221,755	2%	345,527,377
Other revenue						
Government Grants	168,683,526	237,110,868	2,705,609	239,816,477	-30%	161,660,839
Interest	22,830,931	15,666,269	(8,695,509)	6,970,760	228%	8,647,598
Payments						
Suppliers and employees	(595,297,562)	(544,149,969)	(80,672,316)	(624,822,285)	5%	(547,531,924)
Finance charges	(226,009)	(461,000)	-	(461,000)	51%	(232,708)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**97,075,300**	**182,252,968**	**(79,143,290)**	**103,109,678**	**6%**	**50,883,289**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	-	-	905,050
Capital assets	(68,376,818)	-	(81,950,029)	(81,950,029)	17%	(66,316,109)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(68,376,818)**	**-**	**(81,950,029)**	**(81,950,029)**	**17%**	**(65,411,059)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	2,246,014	-	-	-	-	769,456
Payments						
Repayment of borrowing	(1,370,071)	-	-	-		(1,330,871)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**875,943**	**-**	**-**	**-**		**(561,415)**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Explanation of Material Statement of Financial Position Variances			**2021/2022**
Cash	6%	Conservative aproach to Cash Flow budgeting	
Consumer Debtors	35%	Increase in demand for municipal services.	
Other Debtors	-45%	Absence of contractor for trafic fine management	
Trade and Other Payable Exchange Transactions	-27%	Effective management of Grants received and Payables and Accruals	
Provisions	10%	Unexpected increase in expected rehabilitation cost of landfill sites	

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

Net surplus per the statement of financial performance		89,427,165
Adjusted for:		
Property rates	Increase due to interim valuations	(5,522,484)
Interest Income on Overdue Accounts	Budget was reduced due to relieve granted to limit impact of lockdown regulation	(8,573,941)
Fines, Penalties and Forfeits	Decrease due to the withdrawl of the contractor	11,809,264
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	4,054,582
Government Grants and Subsidies - Operating	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	17,071,478
Service Charges	Increase in demand for municipal services.	(12,110,178)
Employee related costs	Over estimated the impact of adjustment of retirement age of female employees.	(28,544,862)
Impairment	Decrease in maintenance required due to Lockdown restrictions	(17,477,967)
Operational Cost	Decrease in travelling and other expenditure	(5,165,972)
Depreciation and Amortisation	Depreciation less than expected due to slow capital spending	(1,404,229)
Finance Charges	Adjustment in Provisions	6,484,586
Bulk Purchases	Bulk purchases more than expected.	(3,071,004)
Contracted Services	Contracted Services less than budget, due to Covid 19 Restrictions.	(2,599,943)
Transfers and Subsidies: Operational Expenditure	Expenditure not incurred for all grant funding received.	(21,764,654)
Other Expenditure	Allocation received in April - Top structures to be buildt in 2021/22	(49,900)
Gain / (loss)	Unforseen adjustment in Provision and surplus on land sold	(15,818,851)
Other Items		(3,235,594)
Net deficit per approved budget		**19,487,131**

Explanation of Material Cash Flow Variances

Property Rates and other Taxes	15%	Implementation of new general valuation resulting in increased revenue
Service charges	2%	Reinstatement of credit control measures as lockdown restrictions were eased
Interest	228%	Council resolved to levy interest on accounts as lockdown restrictions
Suppliers and employees	5%	Budget for payments to suppliers and employees was to conservative

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

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

The changes between the approved and final budget are a consequence of reallocations within the budget and and of other factors allowable in terms of the Municipal Finance Management Act

Impact of Covid 19

The Covid 19 Restriction did not impact the sale of municipal services significantly, as the economy of Witzenberg is dependant on agriculture, that is regarded as an essential service.

Debt collection was suspended in support of the fight against Covid 19, resulting in a decrease in payment for services.

The effect of Covid 19 was more on projects that could not be excecuted as explained in the reconciliation of budget deficit with the surplus in the statement of financial performance.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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). It the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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***
Infrastructure		**Other**	
Roads and Paving	5-100	Airports	20
Electricity	4-46	Buildings	30-100
Water	15-150	Computer equipment	3-30
Sanitation	10-75	Furniture and equipment	3-30
Other	10-15	Landfill sites	10-15
		Markets	30
Community	)	Other	3-30
Recreational Facilities	5-30	Other vehicles	2-67
Sport fields & Stadia	10-20	Plant and Equipment	3-32
Halls	5-100	Specialist vehicles	6-38
Libraries	10-30		
Parks and gardens	10-30		
Other assets	5-30		
Cemeteries	5-30		
Finance lease assets			
Office equipment	3-5		

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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:

Intangible Assets	Years
Computer Software	5
Computer Software Licenses	5

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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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

1.14.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.14.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.14.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Investment Property	**Years**
Buildings	99 - 100

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

1.15.2. *Subsequent Measurement*

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.
The class of heritage assets are carried at its cost less any accumulated impairment losses.

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker, members of the Mayoral Committee and ordinary councillors.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.23. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.27. PRESENTATION OF BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements, has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements. 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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

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1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality participates as a non-accredited municipality in the national housing programme. The municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the Western Cape Department of Human Settlements. The municipality assesses the terms and conditions of each contract concluded with the Western Cape Department of Human Settlements to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, the municipality considers whether it is a contractor.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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.

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

- 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:

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 us 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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

- 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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
2	**CASH AND CASH EQUIVALENTS**	**R**	**R**
	Assets		
	Cash at Bank (Current Account)	144,870,308	115,295,816
	Cash on Hand	9,330	9,397
	Total Cash and Cash Equivalents - Assets	**144,879,638**	**115,305,213**

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Cash book balance at beginning of year	115,295,816	130,384,998
Cash book balance at end of year	144,870,308	115,295,816

The municipality has the following bank accounts:

Primary Bank Account: First National Bank - Account Number 62748215979		
Bank statement balance at beginning of year	114,835,494	131,190,772
Bank statement balance at end of year	144,482,216	114,835,494
ABSA Bank Limited - Account Number 350000011		
Bank statement balance at beginning of year	96,864	97,212
Bank statement balance at end of year	584,503	96,864

3	**TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	60,527,212	54,771,036
	Water	125,501,181	104,891,890
	Property Rental Debtors	2,669,845	2,404,094
	Waste Management	73,126,669	60,019,371
	Waste Water Management	70,019,894	59,249,898
	Service Charges	1,389,729	1,301,822
	Prepayments and Advances	2,098,771	2,010,368
	Land Sale Debtors	9,633,310	1,133,310
	Total Receivables from Exchange Transactions	**344,966,611**	**285,781,789**
	Less: Provision for Impairment	(258,763,656)	(214,277,648)
	Total Net Receivables from Exchange Transactions	**86,202,955**	**71,504,141**

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.

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

Accrued Income Electricity (Including VAT)	29,948,368	24,936,341
Accrued Income Water (Including VAT)	4,043,827	3,638,877
Accrued Income Waste Water (Including VAT)	5,347,731	5,291,479

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing		
Accrued Income Electricity	29,948,368	24,936,341
Current (0 - 30 days)	19,145,128	18,160,067
31 - 60 Days	1,639,694	1,397,878
61 - 90 Days	949,830	499,220
+ 90 Days	8,844,192	9,777,530
Total	**60,527,212**	**54,771,036**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

3	TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2022 R	2021 R
	(Water): Ageing		
	Accrued Income Water	4,043,827	3,638,877
	Current (0 - 30 days)	3,684,244	4,213,842
	31 - 60 Days	2,477,074	2,153,659
	61 - 90 Days	1,832,465	2,120,413
	+ 90 Days	113,463,571	92,765,100
	Total	**125,501,181**	**104,891,890**
	(Housing): Ageing		
	Current (0 - 30 days)	97,569	66,321
	31 - 60 Days	65,009	49,478
	61 - 90 Days	58,523	46,764
	+ 90 Days	2,448,744	2,241,531
	Total	**2,669,845**	**2,404,094**
	(Refuse): Ageing		
	Current (0 - 30 days)	2,883,420	2,774,927
	31 - 60 Days	1,665,726	1,472,837
	61 - 90 Days	1,409,717	1,280,869
	+ 90 Days	67,167,805	54,490,738
	Total	**73,126,669**	**60,019,370**
	(Waste Water): Ageing		
	Accrued Income Waste Water	5,347,731	5,291,479
	Current (0 - 30 days)	2,280,485	2,283,412
	31 - 60 Days	1,324,051	1,217,729
	61 - 90 Days	1,090,786	1,085,666
	+ 90 Days	59,976,841	49,371,612
	Total	**70,019,894**	**59,249,898**
	(Service Charges): Ageing		
	Current (0 - 30 days)	6,780	9,367
	31 - 60 Days	20,432	16,003
	61 - 90 Days	20,405	20,530
	+ 90 Days	1,342,111	1,255,923
	Total	**1,389,729**	**1,301,823**
	(Prepayments and Advances): Ageing		
	+ 90 Days	2,098,771	2,010,368
	Total	**2,098,771**	**2,010,368**
	(Land Sales): Ageing		
	61 - 90 Days	8,500,000	-
	+ 90 Days	1,133,310	1,133,310
	Total	**9,633,310**	**1,133,310**
	(Total): Ageing		
	Accrued Income	39,339,926	33,866,697
	Current (0 - 30 days)	28,097,627	27,507,936
	31 - 60 Days	7,191,986	6,307,584
	61 - 90 Days	13,861,727	5,053,461
	+ 90 Days	256,475,344	213,046,112
	Total	**344,966,611**	**285,781,790**
	Reconciliation Provision for Impairment		
	Opening Balance	(214,277,648)	(171,319,108)
	Recognised	(44,548,134)	(42,974,704)
	Reversal (Write-off)	62,126	16,164
	Balance at end of year	**(258,763,656)**	**(214,277,648)**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
4	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**	**R**	**R**
	Property Rates		
	Outstanding balance	39,655,617	33,985,297
	Provision for impairment	(32,432,334)	(25,942,434)
	Carrying Value	**7,223,283**	**8,042,863**
	Fines		
	Outstanding balance	16,171,010	23,681,460
	Provision for impairment	(10,659,900)	(21,161,350)
	Carrying Value	**5,511,110**	**2,520,110**
	Other Receivables	**677,325**	**463,136**
	Deposits	224,615	224,615
	Other receivables	452,710	238,521
	Total Net Receivables from Non-Exchange Transactions	**13,411,718**	**11,026,109**

Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	3,185,712	3,786,675
31 - 60 Days	672,255	896,843
61 - 90 Days	577,405	408,250
+ 90 Days	35,220,244	28,887,524
Total	**39,655,617**	**33,979,291**

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	(47,103,783)	(50,236,255)
Recognised	(10,637,200)	(14,412,198)
Reversal (Write-off)	14,648,750	17,544,670
Balance at end of year	**(43,092,233)**	**(47,103,783)**

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	954,811	892,552
	Materials and Supplies	7,908,331	8,878,678
	Water	172,083	191,862
	Total Inventory	**9,035,225**	**9,963,092**
	Inventory recognised as an expense during the year	**10,911,337**	**8,730,040**

No inventories is pledged as security for liabilities

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

No inventory was writen down to net realisable value.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
6	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
	Unspent Grants	14,410,793	24,203,606
	National Government Grants	5,618,297	10,811,614
	Provincial Government Grants	5,211,650	9,994,797
	District Municipality	3,580,846	3,397,195
	Less: Grants spend but not yet received	10,816,494	1,672,368
	National Government Grants	2,160,011	394,655
	Provincial Government Grants	8,631,393	1,252,623
	District Municipality	25,090	25,090
	Total Conditional Grants and Receipts	**3,594,299**	**22,531,238**

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 63427797 (2020: R 64988842) were impaired and provided for.

The amount of the allowance for impairment was R 43092234 as of 30 June 2021 (2020: R47103784).

Reconciliation of statutory receivables		
Gross balance of statutory receivables	63,427,797	64,988,842
Provision for impairment	(43,092,234)	(47,103,784)
Netto statutory receivables	**20,335,563**	**17,885,058**
Gross balance		
Fines	16,171,010	23,681,460
Property rates	39,655,617	33,985,297
VAT	7,601,170	7,322,085
Total	**63,427,797**	**64,988,842**
Reconciliation of Provision for impairment		
Opening Balance	(47,103,783)	(50,236,255)
Recognised	(10,637,200)	(14,412,198)
Reversal (Write-off)	14,648,750	17,544,670
Balance at end of year	**(43,092,233)**	**(47,103,783)**
The total amount of the Provision for impairment consists of:		
Fines	(10,659,900)	(21,161,350)
Property rates	(32,432,334)	(25,942,434)
Total	**(43,092,234)**	**(47,103,784)**
Net balance		
Fines	5,511,110	2,520,110
Property rates	7,223,283	8,042,863
VAT	7,601,170	7,322,085
Total	**20,335,563**	**17,885,058**
Interest charged	2,315,426	427,601
Property Rates: Ageing		
Current (0 - 30 days)	3,185,712	3,786,675
31 - 60 Days	672,255	896,843
61 - 90 Days	577,405	408,250
+ 90 Days	35,220,244	28,887,524
Total	**39,655,617**	**33,979,291**

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.

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

7 STATUTORY RECEIVABLES CONTINUED	2022 R	2021 R

Credit quality of statutory receivables

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of non-exchange receivables on initial recognition is not deemed necessary.

There are no statutory receivables which were restricted.

Property rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also new buildings.

Basic rate		
Residential	0.983c/R	0.927c/R
Commercial	1.775c/R	1.674c/R
Industrial	1.727c/R	1.629c/R
Bona Fide Agricultural	0.135c/R	0.125c/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.

Balances past due not impaired:	2022 %	2022 R	2021 %	2021 R
Non-Exchange Receivables				
Fines	34.08%	5,511,110	10.64%	2,520,110
Property rates	18.22%	7,223,283	23.67%	8,042,863
VAT	100.00%	7,601,170	100.00%	7,322,085
	32.06%	**20,335,563**	**27.52%**	**17,885,058**

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

	2022 %	2022 R	2021 %	2021 R
Non-Exchange Receivables				
Fines	24.74%	10,659,900	44.92%	21,161,350
Property rates	75.26%	32,432,334	55.08%	25,942,434
	100.00%	**43,092,234**	**100.00%**	**47,103,784**

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

	2022 %	2022 R	2021 %	2021 R
Residential	63.68%	27,441,576	75.71%	35,661,412
Commercial	28.15%	12,128,826	21.07%	9,925,191
Other	8.17%	3,521,832	3.22%	1,517,181
	100.00%	**43,092,234**	**100.00%**	**47,103,784**

VAT PAYABLE	2022 R	2021 R
VAT Payable	9,745,847	9,371,515
	9,745,847	**9,371,515**
VAT RECEIVABLE		
VAT input in suspense	17,347,017	16,693,600
	17,347,017	**16,693,600**
NET VAT RECEIVABLE/(PAYABLE)	**7,601,170**	**7,322,085**

VAT is receivable/payable on the cash basis.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

8 PROPERTY, PLANT AND EQUIPMENT

8.1 30 JUNE 2022

Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community Assets	Leased Assets	Other Assets	Total
	R	R	R	R	R	R	R
Carrying value at 1 July 2021	72,041,066	85,972,704	668,207,652	63,963,897	-	38,427,986	928,613,305
Cost	72,041,066	97,091,957	864,583,935	81,502,585	3,084,935	95,355,645	1,213,660,123
Accumulated Impairment	-	-	(19,802)	(2,100,383)	-	(1,061,647)	(3,181,832)
Accumulated Depreciation	-	(11,119,253)	(196,356,481)	(15,438,305)	(3,084,935)	(55,866,012)	(281,864,986)
Acquisitions	-	-	66,146,328	4,494,915	1,478,069	3,661,861	75,781,173
Transfers	-	(3,208,086)	(5,233,406)	(1,588,003)	-	10,029,495	-
Cost	-	(312,888)	(5,531,293)	(3,922,601)	-	9,766,783	1
Accumulated Depreciation	-	(2,895,198)	297,887	2,334,598	-	262,712	(1)
Accumulated Impairment	-	(361,349)	-	-	-	361,349	-
Impairment	-	-	(2,363,678)	-	-	(6,346)	(2,370,024)
Impairment	-	-	(2,363,678)	-	-	(6,346)	(2,370,024)
Reversals	-	-	-	-	-	-	-
Depreciation	-	(996,709)	(20,246,373)	(2,413,803)	(597,341)	(3,595,655)	(27,849,881)
Carrying value of disposals	(267,000)	-	-	-	-	(617,819)	(884,819)
Cost	(267,000)		-	-	-	(760,339)	(1,027,339)
Accumulated Depreciation	-		-	-	-	142,520	142,520
Carrying value at 30 June 2022	71,774,066	81,406,560	706,510,523	64,457,006	880,728	48,260,871	973,289,754
Cost	71,774,066	96,779,069	925,198,970	82,074,899	4,563,004	108,023,950	1,288,413,958
Accumulated Impairments	-	(361,349)	(2,383,480)	(2,100,383)	-	(706,644)	(5,551,856)
Accumulated Depreciation	-	(15,011,160)	(216,304,967)	(15,517,510)	(3,682,276)	(59,056,435)	(309,572,348)

CHANGE IN ACCOUNTING ESTIMATES

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intagible 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:

Movement in depreciation and amortisation	2022	2023	2024	2025
	R	R	R	R
Before change in estimate	3,150,638	-	-	-
After change in estimate	(568,555)	(568,555)	(568,555)	(568,555)
Net effect	2,582,083	(568,555)	(568,555)	(568,555)

CAPITALISED RESTORATION COST	2022
Net Carrying amount at 1 July	**57,649,679**
Cost	96,550,736
Accumulated Depreciation	(38,901,057)
Adjustment for the period	52,361,086
Depreciation for the year	(10,115,542)
Net Carrying amount at 30 June	**99,895,223**
Cost	148,911,822
Accumulated Depreciation	(49,016,599)
Total Property, Plant and Equipment	**1,073,184,977**

	Land	Buildings	Infrastructure	Community	Leased Assets	Other Assets	Total
	R	R	R	R	R	R	R
8.1.1 Work in Progress included in the Carrying Value of Property Plant & Equipment							
Original Cost		558,835	50,403,985	1,397,244	0	0	52,360,065
8.1.2 Expenditure incurred for repairs and maintaining property plant and equipment							22,901,255

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

PROPERTY, PLANT AND EQUIPMENT CONTINUED

8.2 30 JUNE 2021

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2020	72,049,613	88,018,511	635,049,167	56,063,886	549,031	39,807,123	891,537,331
Cost	72,049,613	98,147,957	812,060,601	70,499,596	3,084,935	90,902,146	1,146,744,847
Accumulated Impairment	-	-	(19,803)	(1,014,713)	-	(1,497,822)	(2,532,338)
Accumulated Depreciation	-	(10,129,446)	(176,991,631)	(13,420,997)	(2,535,904)	(49,597,201)	(252,675,179)
Acquisitions	-	-	49,643,557	9,885,758	-	7,524,297	67,053,612
Transfers	-	(988,000)	2,879,778	1,117,231	-	(3,009,009)	-
Cost	-	(988,000)	2,879,778	1,117,231	-	(3,009,009)	-
Accumulated Depreciation	-	-	-	-	-	-	-
Impairment	-	-	-	(1,085,669)	-	436,175	(649,494)
Impairment	-		-	(1,085,669)	-	-	(1,085,669)
Reversals	-		-	-	-	436,175	436,175
Depreciation	-	(996,709)	(19,364,850)	(2,017,309)	(549,031)	(6,334,197)	(29,262,096)
Carrying value of disposals	(8,547)	(61,098)	-	-	-	3,598	(66,047)
Cost	(8,547)	(68,000)	-	-	-	(61,788)	(138,335)
Accumulated Depreciation	-	6,902	-	-	-	65,386	72,288
Carrying value at 30 June 2021	72,041,066	85,972,704	668,207,652	63,963,898	0	38,427,987	928,613,306
Cost	72,041,066	97,091,957	864,583,936	81,502,585	3,084,935	95,355,645	1,213,660,124
Accumulated Impairments	-	-	(19,803)	(2,100,382)	-	(1,061,647)	(3,181,832)
Accumulated Depreciation	-	(11,119,253)	(196,356,482)	(15,438,305)	(3,084,935)	(55,866,012)	(281,864,987)

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	**986,262,986**

	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
8.2.1 Work in Progress included in the Carrying Value of Property Plant & Equipment							
Original Cost		558,835	16,293,860	387,937	0	6,033,674	23,274,306

8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment 28,650,497

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
9	**INTANGIBLE ASSETS**		
	Computer Software		
	Net Carrying amount at 1 July	**2,190,924**	**2,577,883**
	Cost	5,760,942	5,760,942
	Accumulated Amortisation	(3,570,018)	(3,183,059)
	Amortisation	(77,892)	(386,958)
	Net Carrying amount at 30 June	**2,113,032**	**2,190,924**
	Cost	5,760,942	5,760,942
	Accumulated Amortisation	(3,647,909)	(3,570,018)

No intangible assets are pledged as security

No intangible assets were in construction or development and consequently halted.

No intangible assets took significantly long to complete.

10	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**43,561,586**	**43,842,613**
	Cost	47,186,144	47,186,144
	Accumulated Depreciation	(3,624,558)	(3,343,531)
	Transfers to/from Cost	-	-
	Transfers to/from Accumulated Depreciation	-	-
	Depreciation for the year	(281,026)	(281,026)
	Carrying value of disposals	(438,472)	-
	Cost	(438,472)	-
	Net Carrying amount at 30 June	**42,842,088**	**43,561,587**
	Cost	46,747,672	47,186,144
	Accumulated Depreciation	(3,905,585)	(3,624,558)

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	3,391,893	639,712
Repair and maintenence expenditure incurred on properties generating revenue	**566,803**	**388,834**
Total Operating expenditure incurred on properties generating revenue	**11,018,943**	**9,606,209**
Operating expenditure incurred on properties not generating revenue	**861,061**	**898,213**

AUDITOR GENERAL SOUTH AFRICA

KA 30/11/2022

11	HERITAGE ASSETS	2022 R	2021 R
	Net Carrying amount at 1 July	**550,000**	**550,000**
	Cost	550,000	550,000
	Net Carrying amount at 30 June	**550,000**	**550,000**
	Cost	550,000	550,000

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

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	TRADE AND OTHER PAYABLES EXCHANGE TRANSACTIONS	2022 R	2021 R
	Payables and Accruals	8,498,370	16,485,991
	Control, Clearing and Interface	227,707	93,513
	Electricity Bulk Purchase	35,594,206	31,409,381
	Accrued Interest	6,300	10,342
	Unallocated Deposits	1,168,006	1,590,715
	Retentions	8,176,979	3,699,275
	Advance Payments	6,881,386	6,811,826
	Employee cost and councillor remuneration	1,316,381	839,359
	Total Trade Payables	**61,869,335**	**60,940,402**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
13	**CONSUMER DEPOSITS**	**R**	**R**
	Water and Electricity	7,393,896	5,777,154
	Rental Properties	889,772	724,300
	Posters	28,514	(500)
	Building Plans	3,236,427	2,801,641
	Total Consumer Deposits	**11,548,609**	**9,302,595**

14	**CURRENT EMPLOYEE BENEFITS**		
	Current Portion of Post Employment Health Care Benefits- Note 18	317,053	2,630,000
	Current Portion of Long-Service Provisions - Note 18	2,321,698	1,354,000
	Current Portion of Ex-gratia Pension Provisions - Note 18	2,162	2,162
	Staff Leave	18,927,318	18,023,300
	Performance Bonuses	743,747	709,809
	Staff Bonuses	5,393,148	5,106,015
	Total Current Employee Benefits	**27,705,126**	**27,825,286**

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	18,023,300	17,400,648
Contribution for the year	1,859,014	1,354,848
Expenditure incurred	(954,996)	(732,196)
Balance at end of year	**18,927,318**	**18,023,300**

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	709,809	666,708
Contribution for the year	781,348	709,809
Expenditure incurred	(747,409)	(666,708)
Balance at end of year	**743,748**	**709,809**

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

Staff Bonuses

Balance at beginning of year	5,106,014	5,202,132
Contribution for the year	9,381,991	8,733,330
Expenditure incurred	(9,094,856)	(8,829,448)
Balance at end of year	**5,393,149**	**5,106,014**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
15	**UNSPENT PUBLIC CONTRIBUTIONS**		
	China - Water meters	7,183	15,627
	Essen Belgium	3,179,030	3,963,623
	Total Unspent Public Contributions	**3,186,213**	**3,979,250**

Reconciliation of public contributions

China - Water meters

Opening balance	15,626	16,005
Conditions met - Transferred to revenue	(8,443)	(378)
Closing balance	**7,183**	**15,627**

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	3,963,623	3,987,568
Receipts	668,424	834,420
Conditions met - Transferred to revenue	(1,453,017)	(858,365)
Closing balance	**3,179,030**	**3,963,623**

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

16	**BORROWINGS**		
	Annuity Loans	1,404,850	2,774,921
	Finance Lease Liability	1,019,340	-
		2,424,190	**2,774,921**
	Less Current portion of Non-current	**(1,896,741)**	**(1,586,619)**
	Annuity Loans	(1,404,850)	(1,586,619)
	Finance Lease Liability	(491,891)	-
	Non-Current portion	**527,449**	**1,188,302**

The obligations under annuity loans are scheduled below:

	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	1,476,145	1,762,765
Payable within two to five years	-	1,250,670
	1,476,145	3,013,435
Less: Future finance obligations	(71,295)	(238,517)
Present value of annuity obligations	**1,404,850**	**2,774,918**

Annuity loans at amortised cost is calculated at an average 12.47% interest rate, with a final maturity date of 30 June 2023.

The obligations under finance leases are scheduled below:

	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	547,662	-
Payable within two to five years	547,662	-
	1,095,324	-
Less: Future finance obligations	(75,983)	-
Present value of lease obligations	**1,019,340**	**-**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

17 NON-CURRENT PROVISIONS

	2022 R	2021 R
Provision for Rehabilitation of Landfill-sites	162,372,711	102,375,838
Total Non-current Provisions	**162,372,711**	**102,375,838**

Landfill Sites

Opening Balance	102,375,837	50,889,138
Unwinding of Interest	7,635,788	3,570,257
Adjustment for the period	52,361,086	47,916,443
Total provision 30 June	**162,372,711**	**102,375,838**
Discount rate	7.39%	7.02%
Inflation Rate	7.40%	4.90%

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	5,668,839	2,726,781
Prince Alfred's Hamlet	2028	79,520,487	48,821,093
Op-die- Berg	2022	9,037,899	7,789,062
Tulbagh	2031	28,319,722	18,584,907
Wolseley	2033	39,756,158	24,453,996
		162,303,105	**102,375,838**

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Ceres	2003	5,952,528	2,726,781
Prince Alfred's Hamlet	2028	107,316,734	64,032,189
Op-die- Berg	2022	10,691,790	7,789,062
Tulbagh	2031	62,024,226	39,181,877
Wolseley	2033	103,086,753	59,043,230
		289,072,031	**172,773,139**

18 EMPLOYEE BENEFITS

Post-employment Health Care Benefits	61,317,947	60,636,000
Long Service Awards	9,855,065	10,802,000
Ex-Gratia Pension Benefits	31,456	29,920
Total Non-current Employee Benefit Liabilities	**71,204,468**	**71,467,920**

Post-employment Health Care Benefits

Opening Balance	63,266,000	54,718,000
Contribution for the year	2,141,000	1,823,000
Interest Cost	6,235,000	5,529,000
Expenditure for the year	(2,312,948)	(2,333,394)
Actuarial Loss/(Gain)	(7,694,052)	3,529,394
Total post retirement Health Care benefits 30 June	**61,635,000**	**63,266,000**
Less: Transfer of Current Portion - Note 14	(317,053)	(2,630,000)
Balance 30 June	**61,317,947**	**60,636,000**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

18	EMPLOYEE BENEFITS CONTINUED	2022 R	2021 R
	Long Service Awards		
	Opening Balance	12,156,000	10,253,000
	Contribution for the year	966,000	798,000
	Interest Cost	1,050,000	687,000
	Expenditure for the year	(1,048,302)	(1,382,126)
	Actuarial Loss/(Gain)	(946,935)	1,800,126
	Total long service 30 June	**12,176,763**	**12,156,000**
	Less: Transfer of Current Portion - Note 14	(2,321,698)	(1,354,000)
	Balance 30 June	**9,855,065**	**10,802,000**
	Ex-Gratia Pension		
	Opening Balance	32,083	62,210
	Interest Cost	2,690	4,186
	Expenditure for the year	-	(22,519)
	Actuarial Loss/(Gain)	(1,155)	(11,795)
	Total Ex-Gratia 30 June	**33,618**	**32,082**
	Less: Transfer of Current Portion - Note 14	(2,162)	(2,162)
	Balance 30 June	**31,456**	**29,920**
	TOTAL NON-CURRENT EMPLOYEE BENEFITS		
	Balance 1 July	75,454,083	65,033,210
	Contribution for the year	3,107,000	2,621,000
	Interest cost	7,287,690	6,220,186
	Expenditure for the year	(3,361,250)	(3,738,039)
	Actuarial Loss/(Gain)	(8,642,142)	5,317,725
	Total employee benefits 30 June	**73,845,381**	**75,454,082**
	Less: Transfer of Current Portion - Note 14	(2,640,913)	(3,986,162)
	Balance 30 June	**71,204,468**	**71,467,920**

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	239	246
In-service (employee) non-members	268	240
Continuation members (e.g. Retirees, widows, orphans)	49	54
Total Members	**556**	**540**

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

In-service (employee) members	32,044,000	30,183,000
In-service (employee) non-members	2,585,000	2,345,000
Continuation members	27,006,000	30,738,000
Total Liability	**61,635,000**	**63,266,000**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2020 R	2019 R	2018 R
In-service members	26,345,000	27,996,656	52,940,818
Continuation members	28,373,000	29,151,829	25,363,294
Total Liability	**54,718,000**	**57,148,485**	**78,304,112**

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

Bonitas;
Keyhealth.
LA Health
Hosmed and
Samwumed.

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

18.1 EMPLOYEE BENEFITS CONTINUED

	2022	2021
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	11.80%	10.06%
Health Care Cost Inflation Rate	8.42%	6.77%
Net Effective Discount Rate	3.12%	3.08%

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:	**2022 R**	**2021 R**
Present value of fund obligations	61,634,999	63,266,001
Net liability/(asset)	**61,634,999**	**63,266,001**

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	63,265,999	54,718,001
Total expenses	6,063,052	5,018,606
Current service cost	2,141,000	1,823,000
Interest Cost	6,235,000	5,529,000
Benefits Paid	(2,312,948)	(2,333,394)
Amendments	-	-
Actuarial (gains)/losses	(7,694,052)	3,529,394
Present value of fund obligation at the end of the year	61,634,999	63,266,001
Less: Transfer of Current Portion - Note 14	(317,053)	(2,630,000)
Balance 30 June	**61,317,946**	**60,636,001**

Sensitivity Analysis on the Accrued Liability at 30 June 2022

Assumption	**members liability**	**members liability**	**Total liability (R'000)**
Central Assumptions	34,629,000	27,006,000	61,635,000

The effect of movements in the assumptions are as follows:

Assumption	**Change**	**In-service members**	**Continuation members**	**Total liability (R'000)**	**% change**
Central assumptions		34,629,000	27,006,000	61,635,000	
Health care inflation	1%	37,123,000	29,372,000	66,495,000	8
Health care inflation	-1%	31,250,000	24,872,000	56,122,000	-9
Mortality rate	20%	33,146,000	25,149,000	58,295,000	-5
Mortality rate	-20%	36,356,000	29,323,000	65,679,000	7

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

EMPLOYEE BENEFITS CONTINUED

	2022	2021

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.	507	486

i) Rate of interest

Discount rate	10.98%	9.13%
General Salary Inflation (long-term)	7.33%	5.77%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.40%	3.18%

	2022 R	2021 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	12,176,763	12,156,000
Net liability	**12,176,763**	**12,156,000**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2020 R	2019 R	2018 R
Present value of fund obligations	10,253,000	10,640,365	5,885,018
Net liability	**10,253,000**	**10,640,365**	**5,885,018**

	2022 R	2021 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	12,156,000	10,253,000
Total expenses	967,698	102,874
Current service cost	966,000	798,000
Interest Cost	1,050,000	687,000
Benefits Paid	(1,048,302)	(1,382,126)
Actuarial (gains)/losses	(946,935)	1,800,126
Present value of fund obligation at the end of the year	12,176,763	12,156,000
Less: Transfer of Current Portion - Note 14	(2,321,698)	(1,354,000)
Balance 30 June	**9,855,065**	**10,802,000**

Sensitivity Analysis on the Accrued Liability at 30 June 2022

Assumption	Change	Liability	% change
Central assumptions		12,176,763	
General salary inflation	1.00%	12,876,000	6%
General salary inflation	-1.00%	11,538,000	-5%
Withdrawal rates	20%	11,672,000	-4%
Withdrawal rates	-20%	12,726,000	5%

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

EMPLOYEE BENEFITS CONTINUED

	2022	2021
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	16
i) Rate of interest		
Discount rate	9.38%	8.67%

	2022 R	2021 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	33,618	32,082
Net liability	**33,618**	**32,082**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2020 R	2019 R	2018 R
Present value of fund obligations	62,213	71,873	71,873
Net liability	**62,213**	**71,873**	**71,873**

EMPLOYEE BENEFITS CONTINUED

	2022 R	2021 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	32,083	62,210
Total expenses	2,690	(18,333)
Interest Cost	2,690	4,186
Benefits Paid	-	(22,519)
Actuarial (gains)/losses	(1,155)	(11,795)
Present value of fund obligation at the end of the year	33,618	32,082
Less: Transfer of Current Portion - Note	(2,162)	(2,162)
Balance 30 June	**31,456**	**29,920**

Sensitivity Analysis on the Accrued Liability at 30 June 2022

Assumption	**Change**	**(R'000)**	**% change**
Central assumptions		33,618	
Withdrawal rates	+20%	33,510	0.0%
Withdrawal rates	-20%	33,750	0.0%

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

	EMPLOYEE BENEFITS CONTINUED	2022 R	2021 R
18.4	**Retirement funds**		

CAPE JOINT PENSION FUND

The funding level of the CJPF (Pensions Account section) was 105.1% as at the 30 June 2013 valuation date compared with a 99.4% funding level as at 30 June 2012. The Fund is in a sound financial condition at the valuation date. As at the 30 June 2013 valuation date (in totality) the members contributed at a rate of 9% of pensionable salaries and (in totality) the Local Authorities contributed at a rate of 18% of pensionable salaries.

Contributions paid recognised in the Statement of Financial Performance	387,834	381,065

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The funding level at the most recent actuarial valuation (1 July 2012) of 100% was calculated on a Discounted Cash Flow (DCF) basis. The funding level has improved since the previous valuation. The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2012 be maintained at 15.26%. This includes a margin of 3.92% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs.

Contributions paid recognised in the Statement of Financial Performance	267,406	244,764

DEFINED CONTRIBUTION FUNDS

Council contributes to: the Government Employees Pension Fund; Municipal Council Pension Fund; National Fund for Municipal Workers (IMATU); and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Cape Joint Retirement Fund	23,773,729	24,174,021
Municipal Councillors Pension Fund	214,160	393,038
National Fund For Municipal Employees (IMATU)	160,120	145,755
SAMWU National Provident Fund	4,384,277	4,385,295
	28,532,285	**29,098,110**

The municipality adjusted the retirement age of female employees from 60 to 65 years of age. No change in estimated figures are expected due to the following:

The valuation results are dependent on the expected average retirement ages (EARAs) instead of the normal retirement age (NRAs).

Witzenberg's own recent employee-retirement history will be too small a sample to be solely relied on in setting these assumptions. Nevertheless, this recent experience seems to be in line with the EARAs used in the 2020 valuation.

If there is concern that the change in NRA for females will affect their EARA, then we recommend that the retirement-experience be monitored for several years after the change.

19 NET ASSET RESERVES

Capital Replacement Reserve	12,539,508	10,442,209
Total Net Asset Reserves	**12,539,508**	**10,442,209**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

20	PROPERTY RATES	2022 R	2021 R
	Actual		
	Rates Levied	98,284,330	88,968,573
	Business	15,152,336	14,252,757
	Building Clauses	104,120	100,709
	Rural	25,212,466	21,658,417
	Industrial Properties	10,345,245	10,142,771
	Residential Properties	31,115,888	28,828,793
	State-owned Properties	14,291,803	12,180,752
	Vacant Land	2,062,472	1,781,377
	Public Service Infrastructure	-	22,997
	Less: Revenue Forgone	(9,471,351)	(8,193,455)
	Total Assessment Rates	**88,812,979**	**80,775,118**
	Valuations - 1 JULY		
	Land and Buildings		
	Residential Property	4,116,598,800	4,082,787,000
	Commercial Property	1,021,460,200	1,017,784,700
	Industrial Property	615,673,000	622,997,000
	Informal Property	36,946,500	37,168,500
	Agricultural Purposes	12,779,241,220	12,675,752,300
	State - National/ Provincial Services	830,275,000	822,627,500
	Public Service Infrastructure	10,040,500	10,040,500
	Vacant Property	168,481,100	176,507,400
	Total Valuation	**19,578,716,320**	**19,445,664,900**

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4-6 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates:		
Residential	0.983c/R	0.927c/R
Commercial	1.775c/R	1.674c/R
Industrial	1.727c/R	1.629c/R
Bona Fide Agricultural	0.135c/R	0.125c/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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
21	**TRANSFERS AND SUBSIDIES**		
	Unconditional Grants	**106,666,000**	**116,085,531**
	Equitable Share	106,666,000	116,085,531
	Conditional Grants	**80,286,041**	**67,067,486**
	Grants and donations	80,286,041	67,067,486
	Total Government Grants and Subsidies	**186,952,041**	**183,153,017**
	Government Grants and Subsidies - Capital	66,276,090	52,101,858
	Government Grants and Subsidies - Operating	120,675,951	131,051,159
		186,952,041	**183,153,017**

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	106,666,000	116,085,531
Conditions met - Operating	(106,666,000)	(116,085,531)
Conditions still to be met/(Grant expenditure to be recovered)	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.2 Local Government Financial Management Grant (FMG)

Opening balance	-	54,161
Grants received	1,550,000	1,550,000
Conditions met - Operating	(1,550,000)	(1,550,000)
Write off / Transfers	-	(54,161)

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	(103,068)	(432,918)
Grants received	2,617,000	2,360,000
Conditions met - Operating	(2,513,932)	(2,030,150)
Conditions still to be met/(Grant expenditure to be recovered)	-	**(103,068)**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

	GOVERNMENT GRANTS AND SUBSIDIES CONTINUED	2022 R	2021 R
21.4	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	340,138	9,843,224
	Grants received	24,980,000	22,013,000
	Conditions met - Operating	-	(630,000)
	Conditions met - Capital	(23,707,100)	(21,042,862)
	Write off / Transfers	(340,000)	(9,843,224)
	Conditions still to be met/(Grant expenditure to be recovered)	**1,273,038**	**340,138**

The grant was used to upgrade infrastructure in previously disadvantaged areas.

21.5	**Regional Bulk Infrastructure Grant (RBIG)**		
	Opening balance	10,000,000	19,236,146
	Grants received	20,000,000	10,000,000
	Conditions met - Capital	(22,160,011)	-
	Write off / Transfers	(10,000,000)	(19,236,146)
	Conditions still to be met/(Grant expenditure to be recovered)	**(2,160,011)**	**10,000,000**

The grant was used to upgrade infrastructure in previously disadvantaged areas.

21.6	**Housing Grants**		
	Opening balance	5,325,746	3,507,702
	Grants received	2,961,094	28,563,744
	Conditions met - Operating	-	(238,000)
	Conditions met - Capital	(4,803,773)	(26,507,700)
	Conditions still to be met/(Grant expenditure to be recovered)	**3,483,067**	**5,325,746**

Housing grants was utilised for the development of erven and the erection of top structures.

21.7	**Integrated National Electrification Grant**		
	Opening balance	(291,587)	(291,587)
	Grants received	12,762,000	-
	Conditions met - Capital	(8,596,630)	-
	Conditions still to be met/(Grant expenditure to be recovered)	**3,873,783**	**(291,587)**

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

21.8	**Library services**		
	Opening balance	-	800,000
	Grants received	10,536,000	9,764,000
	Conditions met - Operating	(9,768,378)	(9,764,000)
	Conditions met - Capital	(767,622)	(800,000)
	Conditions still to be met/(Grant expenditure to be recovered)	**-**	**-**

21.9	**Other Grants**		
	Opening balance	11,239,258	16,144,681
	Grants received	9,199,828	4,505,240
	Conditions met - Operating	(3,391,352)	(1,178,384)
	Conditions met - Capital	(13,571,658)	(8,232,278)
	Write off / Transfers	(3,165,441)	-
	Conditions still to be met/(Grant expenditure to be recovered)	**310,635**	**11,239,259**

Various grants were received from other spheres of government of which the material ones are: RBIG R9.3 million and Essen R2.2 million, etc.

21.10	**Total Grants**		
	Opening balance	26,510,487	48,861,409
	Grants received	191,271,922	194,841,515
	Conditions met - Operating	(123,889,662)	(131,476,065)
	Conditions met - Capital	(73,606,794)	(56,582,840)
	Write off / Transfers	(13,505,441)	(29,133,531)
	Conditions still to be met/(Grant expenditure to be recovered)	**6,780,512**	**26,510,488**

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	14,410,793	24,203,606
Unspent Public Contributions	3,186,213	3,979,250
Unpaid Conditional Government Grants and Receipts	(10,816,494)	(1,672,368)
	6,780,512	**26,510,488**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
22	**SERVICE CHARGES**	**R**	**R**
	Electricity	330,783,383	276,642,088
	Water	47,131,627	46,289,114
	Refuse removal	35,806,716	34,109,824
	Sewerage and Sanitation Charges	40,164,881	42,570,075
		453,886,607	399,611,101
	Less: Revenue Forgone	(19,104,490)	(23,410,035)
	Total Service Charges	**434,782,117**	**376,201,066**

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

Agent for the Western Cape Department of Transport and Public Works

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives and commision on the collection of monies. The municipality act as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year. The amounts as per note is incusive of VAT - The amount retained as per the statement of financial performance is exclusive of VAT

Reconciliation of amounts payable to the WC Department of Transport and Public Works

Opening Balance	261,468	(1,110,393)
Funds collected	29,969,548	28,896,887
Retained	(5,076,750)	(5,006,842)
Paid	(24,811,090)	(22,518,184)
Payable to principal	**343,176**	**261,468**

Agent for the National Department of Justice

The municipality act as agent for the National Department of Justice, where it collects contempt of court fines imposed for non-appearance in court iof traffic fine offenders. The amounts collected are trivial. The municipality does not derive any revenue from this function.

Reconciliation of amounts payable to the Department of Justice

Opening Balance	(9,899)	(9,599)
Funds collected	235,200	3,200
Retained	-	-
Paid	(146,700)	(3,500)
Payable to principal	**78,601**	**(9,899)**

Principal arrangements: Traffic services TCS

The municipality has a service provider TCS (2020: TCS) who acts as agent for the municipality with the issuing of traffic fines. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable

Commission received by the agent	**89,953**	**134,067**

Principal arrangements: Financial Services

Agent for the Witzenberg Municipality: Syntell
The municipality has a service provider Syntell who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. No penalties are payable if the contract with the agent is terminated

Commission received by the agent	**2,936,255**	**2,503,716**

Agent for the Witzenberg Municipality: Easy Pay
The municipality has a service provider EasyPay who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	**220,263**	**242,786**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

Agent for the Witzenberg Municipality: Pay a Bill

The municipality has a service provider Pay-a-bill who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	**12,024**	**17,166**

Agent for the Witzenberg Municipality: Pay AT

The municipality has a service provider Pay-at who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Commission received by the agent	**276,281**	**208,068**

24 OPERATIONAL REVENUE

Insurance Refund	2,440,752	106,928
Breakages and Losses Recovered	6,152	632
Merchandising, Jobbing and Contracts	56,466	57,113
Other	148,672	246,212
Total Operational Revenue	**2,652,042**	**410,885**

25 SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage	118,807	139,118
Building Plan Approval	1,066,180	1,082,615
Camping Fees	2,588,897	1,383,904
Cemetery and Burial	261,937	328,319
Development Charges	107,174	110,605
Entrance Fees	638,357	33,772
Other	632,567	532,590
Total Sales of Goods and Rendering of services	**5,413,919**	**3,610,923**

26 EMPLOYEE RELATED COSTS

Salaries and Wages	131,367,647	122,994,553
Bargaining Council Levy	66,076	62,113
Bonuses	10,163,339	9,443,139
Contributions For Pensions	19,430,837	18,409,619
Contributions For Medical Aids	8,519,075	8,014,063
Contributions For UIF	1,108,801	957,748
Group Life Insurance	2,943,273	2,053,200
Housing Benefits and Allowances	1,411,972	1,819,262
Leave Reserve	1,859,014	1,354,848
Long service awards	966,000	798,000
Overtime	13,009,971	10,535,351
Standby Allowance	5,822,958	6,074,077
Post Employment Health Care Benefits	2,141,000	1,823,000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	7,536,781	7,342,732
Total Employee Related Costs	**206,346,744**	**191,681,705**

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on fixed term contracts.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

26 EMPLOYEE RELATED COSTS CONTINUED

	2022 R	2021 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager		
Annual Remuneration	1,164,002	1,165,430
Performance Bonus	215,432	215,432
Travelling Allowance	106,910	108,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	271,296	269,234
Other Allowance	54,328	61,552
Total	**1,811,969**	**1,819,648**
Remuneration of the Director Technical Services		
Annual Remuneration	747,080	747,080
Performance Bonus	176,105	176,105
Travelling Allowance	510,814	510,814
Contributions to UIF, Medical, Pension Funds and Bargaining Council	4,498	3,864
Travelling Expenses	10,974	648
Total	**1,449,472**	**1,438,511**
Remuneration of the Director Corporate Services		
Annual Remuneration	1,065,894	1,065,894
Performance Bonus	176,105	176,105
Travelling Allowance	192,000	192,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	4,498	3,864
Travelling Expenses	1,721	4,096
Other Allowance	50,316	50,316
Total	**1,490,534**	**1,492,275**
Remuneration of the Director Financial Services - From 1 December 2020		
Annual Remuneration	673,134	392,662
Performance Bonus	102,728	-
Travelling Allowance	180,000	105,000
Housing Allowance	282,356	165,431
Contributions to UIF, Medical, Pension Funds and Bargaining Council	122,828	71,836
Travelling Expenses	1,854	2,007
Total	**1,362,901**	**736,935**
Remuneration of the Acting Director Financial Services		
Annual Remuneration		404,455
Bonus		81,854
Travelling Allowance		68,555
Contributions to UIF, Medical, Pension Funds and Bargaining Council		74,488
Other Allowance		27,445
Total	**-**	**656,797**

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

27 REMUNERATION OF COUNCILLORS

	2022 R	2021 R
Executive Mayor		
Annual Remuneration	623,631	574,367
Pension fund contributions	103,636	86,155
Medical aid contributions	33,882	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	149,215	291,182
Total	**910,363**	**951,704**
Deputy Mayor		
Annual Remuneration	524,894	563,541
Pension fund contributions	85,297	84,531
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	65,847	114,465
Total	**676,038**	**762,536**
Speaker		
Annual Remuneration	562,865	561,922
Pension fund contributions	93,325	84,288
Medical aid contributions	1,933	-
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	71,817	115,786
Total	**729,941**	**761,996**
Mayoral Committee Members (4)		
Annual Remuneration	1,983,514	2,068,036
Pension fund contributions	283,971	310,205
Medical aid contributions	37,606	82,033
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	329,549	385,879
Total	**2,634,640**	**2,846,153**
Section 79 Committee Chairman		
Annual Remuneration	224,370	289,932
Pension fund contributions	36,735	43,490
Medical aid contributions	-	29,596
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	31,941	40,939
Total	**293,046**	**403,956**
Ordinary Councillors (15)		
Annual Remuneration	3,900,293	3,558,817
Pension fund contributions	482,758	467,748
Medical aid contributions	50,395	112,862
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	798,307	717,256
Total	**5,231,753**	**4,856,683**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
28	**PROVISION FOR IMPAIRMENT**	**R**	**R**
	Receivables from exchange transactions: Contributions - Note 3	40,346,095	38,013,933
	Receivables from exchange transactions: Reversals - Note 3	(62,126)	(16,164)
	Receivables from non-exchange transactions: Contributions - Note 4	10,637,200	14,412,198
	Receivables from non-exchange transactions: Reversals - Note 4	(14,648,750)	(17,544,670)
	Total Contribution to Debt Impairment	**36,272,419**	**34,865,297**
29	**DEPRECIATION AND AMORTISATION**		
	Property Plant and Equipment	27,849,880	29,262,097
	Investment Property	281,026	281,026
	Intangible Assets	77,892	386,958
	Capitalised restoration cost	10,115,542	2,498,945
	Total Depreciation and Amortisation	**38,324,340**	**32,429,026**
30	**FINANCE CHARGES**		
	Borrowing	133,034	200,004
	Finance leases	88,933	26,495
	Ex-Gratia Pension	2,690	4,186
	Post Employment Health Care Benefits	6,235,000	5,529,000
	Long service awards	1,050,000	687,000
	Non-current Provision	7,635,788	3,570,257
	Total finance charges	**15,145,445**	**10,016,942**
31	**BULK PURCHASES**		
	Electricity	285,708,344	239,632,251
	Total Bulk Purchases	**285,708,344**	**239,632,251**
32	**CONTRACTED SERVICES**		
	Tracing agents and debt collection	67,976	52,625
	Legal Cost	213,480	4,333,008
	Electrical	2,281,378	2,024,301
	Maintenance Buiding and Facilities	853,967	692,059
	Traffic Fines Management	191,440	299,752
	Maintenance of Unspecified Assets	2,783,059	2,100,880
	Business and Advisory	2,900,304	3,537,383
	Security Services	12,083,277	21,702,696
	Infrastructure and Planning	7,873,443	13,720,366
	Other	4,533,438	3,829,563
		33,781,762	**52,292,633**
33	**TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE**		
	Sport	52,700	-
	Public Schools	175,598	60,000
	Bursaries (Non-Employee)	87,566	17,944
	Eskom	-	5,000,000
	Witzenberg Security Forum	967,470	564,000
	Tourism	900,000	892,323
	Total Transfers and Subsidies: Operational Expenditure	**2,183,334**	**6,534,267**

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
34	**OPERATIONAL COST**		
	Advertising, Publicity and Marketing	676,054	661,146
	Bank Charges, Facility and Card Fees	751,443	642,889
	Commission	2,784,995	2,420,897
	Communication	2,959,917	2,605,128
	External Audit Fees	3,232,047	3,209,125
	External Computer Service	3,276,716	2,957,784
	Hire Charges	4,426,272	4,105,308
	Insurance Underwriting	2,926,726	3,896,785
	Learnerships and Internships	972,149	595,789
	Levies Paid - Water Resource Management Charges	381,448	719,325
	Licences	366,025	219,808
	Printing, Publications and Books	323,403	356,820
	Professional Bodies, Membership and Subscription	1,929,725	2,195,246
	Remuneration to Ward Committee	551,000	1,359,000
	Signage	132,389	504,115
	Workmen's Compensation Fund	1,529,692	1,090,632
	Transport Provided as Part of Departmental Activities	20,096	6,561
	Travel and Subsistence	325,979	231,277
	Uniform and Protective Clothing	1,167,220	760,141
	Wet Fuel	7,879,670	5,784,127
	Other	463,623	322,703
	Total Operational cost	**37,076,589**	**34,644,606**
35	**(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT**		
	Property Plant & Equipment - Impairment loss	-	1,364,223
	Property Plant & Equipment - Reversal	-	(714,729)
	Property Plant & Equipment	2,370,024	-
	Total Impairments	**2,370,024**	**649,494**

		2021 R
36	**CORRECTION OF ERROR IN TERMS OF GRAP 3**	
36.01	**Unpaid Conditional Government Grants and Receipts**	
	Balance previously reported	**2,172,368**
	Correction of grant spend - Note 36.08	(500,000)
	Balance now reported	**1,672,368**
36.02	**Statutory Receivables: VAT**	
	Balance previously reported	**7,204,367**
	Retention not raised during 2020/2021 - Operational - Note 36.06	27,909
	Retention not raised during 2020/2021 - Capital - Note 36.06	16,512
	Correction of year end creditors - Note 36.06	73,297
	Balance now reported	**7,322,085**
36.03	**Property, Plant and Equipment**	
	Balance previously reported	**982,159,084**
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.09	(263,057)
	Correction of incorrect depreciation charge - Note 36.09	1,456,652
	Adjustment to correct review of depreciation done in previuos years - Note 36.09	1,234,466
	Adjustment to correct disposals done in previuos years - Note 36.09	2,363,433
	Roll Back depreciation on Impaired Asset_Ablution Facilties Pine Valley - Note 36.09	24,551
	Impairment of Assets_Ablution Facilities Pine Valley - Note 36.09	(1,014,713)
	Roll Back depreciation on Impaired Asset_Ablution Facilities Pine Valley - Note 36.09	40,294
	Correction of incorrect depreciation charge - Note 36.09	152,194
	Retention not raised during 2020/2021 - Capital - Note 36.06	110,082
	Balance now reported	**986,262,986**
36.04	**Intangible Assets**	
	Balance previously reported	**1,260,288**
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.09	981,351
	Correction of incorrect depreciation charge - Note 36.09	(69,473)
	Adjustment to correct review of depreciation done in previuos years - Note 36.09	18,759
	Balance now reported	**2,190,924**
36.05	**Investment Property**	
	Balance previously reported	**44,223,547**
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.09	(718,294)
	Adjustment to correct disposals done in previuos years - Note 36.09	56,333
	Balance now reported	**43,561,586**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

		2021 R
36.06	**Trade and Other Payables Exchange Transactions**	
	Balance previously reported	**58,574,828**
	Retention not raised during 2020/2021 - Operational - Note 36.1	213,958
	Retention not raised during 2020/2021 - Capital - Note 36.03	126,593
	Recognise old unallocated deposits as revenue - Note 36.1	(3,071,126)
	Correction of year end creditors - Note 36.02	559,775
	Correction of amount due to compensation commisioner - Note 36.09	4,546,405
	Correction of retention payable - Note 36.09	(10,032)
	Balance now reported	**60,940,401**
	Current Employee benefits	
36.07	**Consumer Deposits**	
	Balance previously reported	**9,079,732**
	Correction of consumer Deposits - Note 36.09	148,164
	Correction of consumer deposits 2019 2020 - Note 36.09	74,698
	Balance now reported	**9,302,594**
36.08	**Unspent Conditional Government Grants and Receipts**	
	Balance previously reported	**24,703,606**
	Correction of grant spend - Note 36.01	(500,000)
	Balance now reported	**24,203,606**
36.09	**Accumulated Surplus as at 30 June 2020**	
	Balance previously reported	**904,827,872**
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.03	(263,057)
	Correction of incorrect depreciation charge - Note 36.03	1,456,652
	Adjustment to correct review of depreciation done in previuos years - Note 36.03	1,234,466
	Adjustment to correct disposals done in previuos years - Note 36.03	2,363,433
	Roll Back depreciation on Impaired Asset_Ablution Facilties Pine Valley - Note 36.03	24,551
	Impairment of Assets_Ablution Facilities Pine Valley - Note 36.03	(1,014,713)
	Roll Back depreciation on Impaired Asset_Ablution Facilities Pine Valley - Note 36.03	40,294
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.04	981,351
	Correction of incorrect depreciation charge - Note 36.04	(69,473)
	Adjustment to correct review of depreciation done in previuos years - Note 36.04	18,759
	Reclassification of Main Ledger Cost, Depreciation & Accumulated Impairment with Asset Register - Note 36.05	(718,294)
	Adjustment to correct disposals done in previuos years - Note 36.05	56,333
	Recognise old unallocated deposits as revenue - Note 36.06	3,071,126
	Correction of consumer Deposits - Note 36.07	(148,164)
	Correction of amount due to compensation commisioner - Note 36.06	(4,546,405)
	Correction of retention payable - Note 36.06	10,032
	Correction of consumer deposits 2019 2020 - Note 36.07	(74,698)
	Balance now reported	**907,250,064**
36.10	**Accumulated Surplus as at 30 June 2021**	
	Balance previously reported	**934,144,619**
	Correction of error - Accumulated Surplus as at 30 June 2019 - Note 36.09	2,422,192
	Correction of incorrect depreciation charge - Note 36.03	152,194
	Retention not raised during 2020/2021 - Operational - Note 36.06	(186,049)
	Correction of year end creditors - Note 36.02	(486,478)
	Balance now reported	**936,046,478**
36.11	**Inventory Consumed**	
	Balance previously reported	**12,584,154**
	Correction of year end creditors - Note 36.02	115,226
	Balance now reported	**12,699,380**
36.12	**Depreciation and Amortisation**	
	Balance previously reported	**32,581,220**
	Correction of incorrect depreciation charge - Note 36.03	(152,194)
	Balance now reported	**32,429,026**
36.13	**Contracted Services**	
	Balance previously reported	**51,747,585**
	Correction of year end creditors - Note 36.06	545,048
	Balance now reported	**52,292,633**
36.14	**Operational Cost**	
	Balance previously reported	**34,632,352**
	Correction of year end creditors - Note 36.06	12,253
	Balance now reported	**34,644,605**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

	CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED	2021 R
36.15	**CASH FLOW STATEMENT: Receipts from sales of goods and services**	
	Balance previously reported	**345,212,302**
	Correction of error: Reclasification of payments received in advance and unallocated deposits - Note 36.17	315,075
	Balance now reported	**345,527,377**
36.16	**CASH FLOW STATEMENT: Payments in respect of employee and Councillor cost**	
	Balance previously reported	**(192,229,109)**
	Correction of error: Councillor Renumeration was previously included wirh Suppliers- Note 36.17	(10,583,028)
	Correction of error: Movement in overtime payable was previously included with suppliers- Note 36.17	30,964
	Balance now reported	**(202,781,173)**
36.17	**CASH FLOW STATEMENT: Payments to suppliers**	
	Balance previously reported	**(354,366,525)**
	Correction of error: Councillor Renumeration was previously included wirh Suppliers- Note 36.16	10,583,028
	Correction of error: Movement in overtime payable was previously included with suppliers- Note 36.16	(30,964)
	Correction of error: Reclasification of payments received in advance and unallocated deposits - Note 36.15	(315,075)
	Correction of error: Movement in Capital Payments was previously included in suppliers - Note 36.19	(627,422)
	Correction of error: Movement in accrued finance charges previously included in suppliers - Note 36.18	6,209
	Balance now reported	**(344,750,749)**
36.18	**CASH FLOW STATEMENT: Payment of finance charges**	
	Balance previously reported	**(226,499)**
	Correction of error: Movement in accrued finance charges previously included in suppliers - Note 36.17	(6,209)
	Balance now reported	**(232,708)**
36.19	**CASH FLOW STATEMENT: Purchase of Property, Plant and Equipment**	
	Balance previously reported	**(66,943,531)**
	Correction of error: Movement in Capital Payments was previously included in suppliers - Note 36.17	627,422
	Balance now reported	**(66,316,109)**
36.20	**DISCLOSURE OF COMMITMENTS**	
	Balance previously reported	**163,106,774**
	Balance now reported	**163,106,774**
36.21	**CASH FLOW STATEMENT: Increase in Consumer Deposits**	
	Balance previously reported	**163,106,774**
	Correction of error: Commitments in respect of operational expenditure was previously included in the diclosure note	(62,996,889)
	Correction of error: Recalculation of future commitments	(1,400,767)
	Balance now reported	**98,709,118**

37 CHANGE IN ACCOUNTING ESTMATE

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intagible 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:

Movement in depreciation and amortisation	2022 R	2023 R	2024 R	2025 R
Before change in estimate	868,762	868,762		
After change in estimate	1,580,076	1,580,076	1,580,076	1,580,076
Net effect	711,314	711,314	1,580,076	1,580,076

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:

Movement in fines revenue	
Before change in estimate	11,603,892
After change in estimate	11,591,892
Net effect	(12,000)

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022	2021
38	**RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS**	**R**	**R**
	Surplus/(Deficit) for the year	89,427,165	28,621,089
	Adjustments for:		
	Depreciation	38,246,449	32,042,067
	Amortisation of Intangible Assets	77,892	386,958
	Gain / (loss) on disposal of assets	(7,176,709)	66,047
	Gain / (loss) on Adjustment of Provision	-	(2,204,355)
	Debt Impairment	36,272,420	34,865,297
	Contribution from/to provisions	7,635,788	3,570,257
	Contribution from/to employee benefits	970,842	(547,404)
	Interest cost - Employee Benefits	7,287,690	6,220,186
	Gain / (loss) on Actuarial Valuations	(8,642,142)	5,317,725
	(Impairment loss) / Reversal of impairment loss	2,370,024	649,494
	Finance lease: deemed loan expenditure	(458,729)	(481,811)
	Bad Debts Written Off	14,710,875	17,560,944
	Operating Surplus/(Deficit) before changes in working capital	180,721,565	126,066,494
	Changes in working capital	(72,402,808)	(73,197,802)
	Increase/(Decrease) in Trade and Other Payables	928,933	4,650,422
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(9,792,813)	(27,046,728)
	Increase/(Decrease) in Unspent Public Contributions	(793,037)	1,759,954
	Increase/(Decrease) in Taxes	3,922,954	2,327,566
	(Increase)/Decrease in Inventory	927,867	1,638,418
	(Increase)/Decrease in Trade and other receivables	(58,452,586)	(59,463,287)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(9,144,126)	2,935,853
	Cash generated/(absorbed) by operations	**108,318,757**	**52,868,693**
39	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 2	144,879,638	115,305,213
	Less:	14,410,793	24,203,606
	Unspent Committed Conditional Grants - Note 6	14,410,793	24,203,606
	Resources available for working capital requirements	**130,468,845**	**91,101,607**
	Allocated to:		
	Capital Replacement Reserve	12,539,508	10,442,209
	Employee Benefits Reserve	98,909,594	99,293,206
	Non-Current Provisions Reserve	162,372,711	102,375,838
	Shortfall in working capital requirements	**(143,352,968)**	**(121,009,646)**
40	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 16	2,424,190	2,774,921
	Used to finance property, plant and equipment - at cost	(2,424,190)	(2,774,921)
		-	-

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

41 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

	2022 R	2021 R
41.1 Irregular expenditure		
Opening balance	-	27,674,357
Approved by Council	-	(27,674,357)

SCM Regulation 32 contracts classified as irregular during audit process by AGSA. The contracts used of other organs of state was on rates with no fixed quantities and therefore it cannot be said that any part of the contract is irregular or the whole contract as currently disclosed. The municipality is not in agreement with this view and this issue will be dealt with in terms of the audit engagement letter process. Prior and current year being disclosed as per opinion of AGSA.	Matter will be dealt with in terms of applicable laws and regulations.

Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	1,935,841	
Unauthorised expenditure current year - capital	-	333,615
Unauthorised expenditure current year - operating	8,933,855	1,602,226
Condoned by council	(1,935,841)	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**8,933,855**	**1,935,841**

Unauthorised expenditure on operating votes are due to:

Capital
2020 2021: Recognition of retention money on sport fields project.

Operating
2020 2021:Recognition of provision for impairment and write-offs of traffic fines. The service provider responsible for collecting ended his contract prematurely.

2021/2022: The depreciation expense of the deemed asset - Rehabilitation of landfill sites is more than budgeted due to increased cost of rehabilitation, higher inflation rates and higher interest rates

42 MATERIAL LOSSES

42.1 Water distribution losses		
- Kilolitres purified	6,937,653	7,187,597
- Kilolitres sold	5,972,478	6,316,713
- Kilolitres lost during distribution	965,175	870,884
- Percentage lost during distribution	13.91%	12.12%
- Value of kilolitres lost during distribution	405,374	355,946

- The value of kilolitres lost is based on the treatment cost of water.

The estimated consumption for public open spaces and informal houses are calculated on a conservative bases using baseline consumption estimations provided by the Department of Water Affairs. Water meters will be installed to measure the mentioned consumption in the future.

42.2 Electricity distribution losses		
- Units purchased (Kwh)	206,174,820	201,693,361
- Units sold (Kwh)	184,025,117	179,910,798
- Units lost during distribution (Kwh)	22,149,703	21,782,563
- Percentage lost during distribution	10.74%	10.80%
- Value of units lost during distribution (Rand)	30,694,121	25,879,903

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

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

43 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

Opening balance		
Council subscriptions	1,899,346	2,149,856
Amount paid - previous years	(1,899,346)	(2,149,856)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

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

Opening balance	-	-
Current year audit fee	3,298,944	3,434,043
External Audit - Auditor-General	3,232,047	3,209,125
Audit Committee	66,897	224,918
Amount paid - current year	3,298,944	3,434,043
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

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

Opening balance	8,735,709	4,776,156
Amounts received - Output VAT - current year	(63,818,857)	(52,662,549)
Amounts claimed - Input VAT - current year	62,017,027	56,420,876
Amount paid - current year	4,095,217	3,622,954
Amount - previous year	(3,622,954)	(3,421,728)
Closing balance	**7,406,142**	**8,735,709**

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.

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

Opening balance	238,410	-
Current year payroll deductions and Council Contributions	30,473,809	28,152,039
Amount paid - current year	(30,712,219)	(27,913,629)
Balance unpaid (included in Payables from exchange transactions)	**-**	**238,410**

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

Opening balance	-	-
Current year payroll deductions and Council Contributions	46,595,223	44,717,195
Amount paid - current year	(46,595,223)	(44,717,195)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

	2022 R	2021 R

43.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

During the financial year the following Councillors were outstanding for more than 90 days at any instance

JW Schuurman		1,867
P Heradien	7,687	333
TE Abrahams		15,872
GJ Franse	17,586	-
FE Klazen	20,257	-
K Robyn	85,156	-
JS Mouton	13,052	-
B C Klaasen	13,613	12,472
Total Councillor Arrear Consumer Accounts	**157,351**	**30,542**

BC Klaasen has lodged a dispute in terms of the municipal account

Councillors outstanding for more than 90 days as at 30 June 2022:

P Heradien	3,687	
TE Abrahams	-	13,673
GJ Franse	17,220	
FE Klazen	17,598	-
B C Klaasen	13,613	12,472
Total Councillor Arrear Consumer Accounts at year end	**52,118**	**26,144**

43.7 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)

2021/2022

			Type of deviation		
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	146,952	4	0	1	1
August	242,767	5	0	2	3
September	332,735	12	0	2	4
October	708,640	5	0	3	0
November	4,971,711	12	0	9	8
December	91,456	6	0	2	0
January	108,119	7	0	0	4
February	302,650	10	0	3	2
March	1,387,194	11	0	3	5
April	2,073,973	5	0	1	1
May	1,729,368	4	0	4	6
June	94,592	5	0	3	2
	12,190,157	86	0	33	36

2020/2021

	Amount	**Single Supplier**	**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
	16,042,804	92	0	73	26

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

2022
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43.8 ***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	88,034
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	5,400
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	4,750
		Son	R Williams	Dept. of Health: Nurse	
O'NeilL & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	23,063
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	46,016
RJC Conservation Servises	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	98,360
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	7,850
Neil Lyners and Associates (RF) (Pty) Ltd	N Lyners	Sibling	H Lyners	WCGTPW: Chief Engineer	751,181
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	4,140
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	14,633
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	25,496
Motheo Construction	L Mashau	Sister	M Ndholovu	Department of Statistics: Statistician	6,539,340
	S Mantlhasi	Sibling	B Mantlhasi	COGTA: Human Resource Manager	
	U Langa	Daughter	D Langa	Departmemt of Education: Senior Educaitonal Specialist	
	R Diphoko	Daughter	E Monareng	SANDF: Warrant Officer	
	R Diphoko	Spouse	M Diphoko	Transnet: Snr Construciton Manager	
	R Madi	Child	M Madi	Tholomela Municiplaity: Environmental Manager	
	V Singh	Spouse	R Singh	Department of Education: Teacher	
	N Chiluvane	Sibling	N Dube	CETA: Chairperson of Evaluaiton Committee	
	RJ Ahlschlager	Spouse	RJ Ahlschlager	SIU	
	I Gasant	Sibling	S Seegers	City of Cape Town: Head of Security	
	KP Nadasen	Spouse	K Nadasen	Department of Public Works: Director - Key Accounts Management	
RJ Designs	R Jacobs		C Africa	Saldanha Bay Municipality Assistant Librarian	10,950
Amandla Constrution	W Frazenburg	Brother in Law	J Jacobs	National Government Employment & Labour	7,935,634
		Sister	U Frazenburg	National Government Deeds Office Kimberley	
		Brother	E Frazenburg	WC Government Education Eerste Rivier HS	
		Sister	J Frazenburg	WC Government Education Kleinvlei HS	
		Brother	B Frazenburg	City of Cape Town: Traffic Dept	
Alitmax (Pty) Ltd	MM De Kock	Spouse	HJ De Kock	Consultant: IT Network Engineer State Information Technology Agency	230,000
DAV General Dealer (Pty) Ltd	D Lategan	Father	A Lategan	Financial Intern: Witzenberg Municipality	28,640
All Parts	A Janse	Husband	Ms Janse	Department of Health: Bella Vista Clinic	485
Peres Williams Transport	S Williams	Sister	A Prins	SA Army Band	1,600
Ian Dickie & Co	M Samuels	Spouse	D Samuels	SAPS: Warrant Officer Supply Chain	150,467

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

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 2021 R
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	54,600
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	63,722
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	114,399
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	67,104
		Brother	D Johnson	SAPS: Worcester	
O'NeilL & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	254,998
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	18,345
RJC Conservation Servises		Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	28,000
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	18,831
Leibrandt Training Academy	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	17,415
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	3,600
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	1,565
Hilmarlandscape (Pty) Ltd	Helgardt Louw	Brother	R Louw	Witzenberg Municipality: Plumbing	500
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	42,448
Motheo Construction	L Mashau	Brother	R Manlhabi	Department of Home Affairs; Department of Statistics	1,622,726
RJ Designs	R Jacobs		C Africa	Saldanha Bay Municipality Assistant Librarian	1,950

44 COMMITMENTS

Commitments in respect of expenditure:	2022 R	2021 R
Approved and contracted for	49,802,560	98,709,118
Infrastructure	15,157,772	35,593,596
Community	31,834,358	59,130,866
Other Capital	2,810,430	3,984,656
Total	**49,802,560**	**98,709,118**
An implementing agent has been appointed for low cost housing projects. The available allocation as per provincial budgets for this project is:	**11,600,000**	**26,888,000**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
45	**FINANCIAL RISK MANAGEMENT**		

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% Increase in interest rates	712,231	562,604
0.5% Decrease in interest rates	(712,231)	(562,604)

(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:

	2022 %	2022 R	2021 %	2021 R
Exchange Receivables				
Electricity	87.46%	52,937,815	100.00%	48,602,002
Water	6.10%	7,656,863	6.85%	7,188,001
Housing Rentals	6.38%	170,360	17.08%	410,607
Refuse	6.13%	4,483,398	5.71%	3,428,186
Sewerage	13.05%	9,135,635	14.54%	8,617,726
Other	6.25%	86,802	8.75%	113,942
Land Sales	100.00%	9,633,310	100.00%	1,133,310
	24.38%	**84,104,184**	**24.32%**	**69,493,773**

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.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

45 FINANCIAL RISK MANAGEMENT CONTINUED

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

	2022 %	2022 R	2021 %	2021 R
Exchange Receivables				
Electricity	2.93%	7,589,397	2.88%	6,169,034
Water	45.54%	117,844,318	45.60%	97,703,889
Housing Rentals	0.97%	2,499,485	0.93%	1,993,487
Refuse	26.53%	68,643,271	26.41%	56,591,185
Sewerage	23.53%	60,884,259	23.63%	50,632,172
Other	0.50%	1,302,927	0.55%	1,187,880
	100.00%	**258,763,656**	**100.00%**	**214,277,648**

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

	2022 %	2022 R	2021 %	2021 R
Residential	95.77%	247,823,886	95.90%	205,494,465
Commercial	1.75%	4,524,568	2.03%	4,353,570
Other	2.48%	6,415,202	2.07%	4,429,612
	100.00%	**258,763,656**	**100.00%**	**214,277,648**

Bad debts written off per debtor class:

Exchange Receivables				
Water management	31.84%	(19,784)	44.45%	(7,234)
Waste management	33.16%	(20,599)	30.83%	(5,018)
Waste water management	33.41%	(20,756)	23.85%	(3,882)
Other	1.59%	(986)	0.86%	(141)
	100.00%	**(62,125)**	**100.00%**	**(16,274)**

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:	2022 R	2021 R
Receivables from exchange transactions	86,202,955	71,504,141
Cash and Cash Equivalents	144,870,308	115,295,816
Unpaid conditional grants and subsidies	10,816,494	1,672,368
	241,889,757	**188,472,325**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

45 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.

2022	**Less than 1 year**	**Between 1 and 5 years**	**Between 5 and 10 years**	**Over 10 Years**
Borrowing	2,023,807	547,662	-	-
Capital repayments	1,896,741	527,450	-	-
Interest	127,066	20,212	-	-
Trade and Other Payables	44,326,583	-	-	-
Unspent conditional government grants and receipts	14,410,793	-	-	-
	60,761,183	**547,662**	**-**	**-**

2021	**Less than 1 year**	**Between 1 and 5 years**	**Between 5 and 10 years**	**Over 10 Years**
Borrowing	1,762,766	1,250,670	-	-
Capital repayments	1,586,619	1,188,300	-	-
Interest	176,147	62,370	-	-
Trade and Other Payables	47,999,227	-	-	-
Unspent conditional government grants and receipts	24,203,606	-	-	-
	73,965,599	**1,250,670**	**-**	**-**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

			2022 R	2021 R
46	**FINANCIAL INSTRUMENTS**			

In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:

The fair value of financial instruments approximates the amortised costs as reflected bellow.

46.1	**Financial Assets**	**Classification**		
	Receivables			
	Receivables from exchange transactions	Financial instruments at amortised cost	86,202,955	71,504,141
	Other Receivables			
	Government Subsidies and Grants	Financial instruments at amortised cost	10,816,494	1,672,368
	Short-term Investment Deposits			
	Bank Balances			
	Bank Balances	Financial instruments at amortised cost	144,870,308	115,295,816
			241,889,757	**188,472,325**
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		241,889,757	188,472,325
	At amortised cost		**241,889,757**	**188,472,325**
46.2	**Financial Liability**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	-	1,188,302
	Capitalised Lease Liability	Financial instruments at amortised cost	527,449	-
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	8,498,370	16,485,991
	Retentions	Financial instruments at amortised cost	8,176,979	3,699,275
	Deposits	Financial instruments at amortised cost	227,707	93,513
	Other	Financial instruments at amortised cost	35,600,506	31,419,723
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	14,410,793	24,203,606
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1,404,850	1,586,619
	Capitalised Lease Liability	Financial instruments at amortised cost	491,891	-
			69,338,545	**78,677,029**
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		**69,338,545**	**78,677,029**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R

47 PRIVATE PUBLIC PARTNERSHIPS

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

48 CONTINGENT LIABILITY

48.1	**Claims against Council**	**13,043,757**	**9,645,563**
	Estimate legal Fees	-	-

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:

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. The amount are not disclosed as no ruling has been issued by SARS.	7,019,150	6,555,250
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	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	986,285
Van der Merwe C	Involved in accident with municipal vehicle. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	191,453	
Pedro I	Fell into an open manhole. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	2,551,000	
Fortuin N	Drove in to stray ox in Pine Valley, Wolseley. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	75,000	
Open Serve	Damage to underground cables at Bon Cretien Street Ceres. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	34,041	

48.2 Possible increase in Councillor Remuneration

The Minister for Cooperative Governance and Traditional Affairs on, 2 November 2022, approved data allowances for members of municipal councils which may take effect retrospectively from 1 July 2021. The data allowance is pending a council resolution and the approval from Provincial Minister for Local Government.	82,800	

TOTAL CONTINGENT LIABILITY	**13,043,757**	**9,645,563**

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

		2022 R	2021 R
49	**CONTINGENT ASSET**		
	With the review of the municipality's housing arrangement accounting, the municipality also reviewed its housing input tax VAT treatment relating to the payment of its housing implementing agents. The housing VAT sections of the Value-Added Tax Act, 1991 as amended, is inherently complex. As a consequence of our housing VAT review, the municipality has submitted a VAT ruling application the SARS confirming if the municipality can reclaim input tax for VAT purposes from the payments made to its implementing agent for the housing projects. Note that the municipality is the developer of the housing projects considered and the implementing agents are performing housing construction services to the municipality for the houses that the municipality sells to the housing beneficiaries. The municipality now awaits the outcome of the housing VAT ruling outcome from the SARS. In the event that the SARS issue a positive VAT ruling. The amount are not disclosed as no ruling has been issued by SARS.	18,034,021	20,975,483

50 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.

50.1 Related Party Loans

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

50.2 Compensation of Councillors and key management personnel

The compensation of key management personnel is set out in Notes 26 and 27 to the Annual Financial Statements.

50.3 Other related party transactions

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

50.4 Ceres Koekedouw Management Committee

Ceres Koekedouw Management Committee is an entity established by the Witzenberg Municipality and the Koekedouw Irrigation Board. Ceres Koekedouw Management Committee is responsible for the management of the Koekedouw Dam, jointly owned by Witzenberg Municipality and the Koekedouw Irrigation Board.

Witzenberg municipality was responsible for 41% of the expenditure to build the Koekedouw Dam. The expense was financed by way of loans. These loans have already been redeemed.

The municipality is entiteld to 10 million kilolitre water per annum from the dam.

The total carrying value of the municipal asset in respect of the dam of R28 336 269 is included under Property Plant and Equipment – Infrastructure Assets in Note 9.

The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee (VAT excluded)	**1,309,043**	**1,223,847**

51 FINANCIAL SUSTAINABILITY

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

Financial Indicators

The current ratio increased to 2.25 from 1.7 in the prior year.

Cash and Cash Equivalents have increased to R 145 million from R 115 million in the prior year.

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

52 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 amout to	768,699	304,740

53 SUBSEQUENT EVENTS

The Minister for Cooperative Governance and Traditional Affairs had approved increases in remuneration for members of municipal councils which will take effect retrospectively from 1 July 2021. The increase was pending the approval from Provincial Minister for Local Government at financial year end. The additional remuneration has been included in Remuneration of Councillors in the Statement of Financial Performance and Trade Payables in the statement of Financial Position.

The Minister for Cooperative Governance and Traditional Affairs on, 2 November 2022, approved data allowances for members of municipal councils which may take effect retrospectively from 1 July 2021. The data allowance is pending a council resolution and the approval from Provincial Minister for Local Government. The possible increase in councillor remuneration are disclosed as a contingent liability in note 48.2

AUDITOR-GENERAL SOUTH AFRICA

KA 30/11/2022

WITZENBERG MUNICIPALITY
APPENDIX A - Unaudited
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2021	Received during the period	Redeemed during the period	Balance at 30 JUNE 2022
				R	R	R	R
ANNUITY LOANS							
NEDBANK	8.00%	5032032 0001	30/05/2023	2,317,862	-	1,131,013	1,186,849
DBSA	9.50%	102040/1	30/09/2021	21,055		21,055	0
DBSA	8.59%	100605/1	30/06/2023	436,004	-	218,003	218,001
Total Annuity Loans				**2,774,921**	**-**	**1,370,071**	**1,404,850**
LEASE LIABILITY							
Office Equipment	10.00%		30/06/2024	-	1,478,069	458,729	1,019,340
Total Lease Liabilities				**-**	**1,478,069**	**458,729**	**1,019,340**
TOTAL EXTERNAL LOANS				**2,774,921**	**1,478,069**	**1,828,800**	**2,424,190**

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY
APPENDIX B - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022
MUNICIPAL VOTES CLASSIFICATION

2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R		2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R
91,142,833	(37,915,735)	53,227,097	Budget and Treasury Office	109,824,927	(43,188,267)	66,636,660
151,241,034	(150,717,030)	524,004	Civil services	173,559,693	(159,830,048)	13,729,645
130,925,503	(26,066,330)	104,859,174	Community and social services	122,004,012	(30,070,461)	91,933,552
(5,222,866)	(57,452,493)	(62,675,359)	Corporate Services	8,727,614	(49,823,645)	(41,096,031)
274,798,044	(268,153,405)	6,644,639	Electro Technical Services	335,557,217	(312,116,280)	23,440,937
13,000	(22,960,858)	(22,947,858)	Executive and Council	8,088,051	(21,841,617)	(13,753,567)
491,526	(4,469,385)	(3,977,859)	Housing	1,029,362	(4,947,451)	(3,918,089)
2,139,959	(7,042,671)	(4,902,712)	Planning	1,529,762	(7,353,346)	(5,823,584)
17,597,600	(42,098,664)	(24,501,064)	Public Safety	15,433,387	(36,528,511)	(21,095,125)
9,367,720	(26,996,696)	(17,628,976)	Sport and recreation	9,570,185	(30,197,417)	(20,627,231)
672,494,353	(643,873,267)	28,621,085	**Total**	785,324,209	(695,897,042)	89,427,168

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

WITZENBERG MUNICIPALITY
APPENDIX C - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R		2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R
128,956,606	(23,852,053)	105,104,554	Community and social services	121,667,495	(27,254,731)	94,412,763
274,575,871	(268,153,405)	6,422,466	Energy sources	333,992,039	(312,116,280)	21,875,759
-	(506,271)	(506,271)	Environmental protection	237	(886,081)	(885,844)
13,000	(24,407,927)	(24,394,927)	Executive and council	8,088,051	(23,820,065)	(15,732,015)
85,919,967	(91,856,355)	(5,936,388)	Finance and administration	118,552,541	(89,142,216)	29,410,325
491,526	(4,469,385)	(3,977,859)	Housing	1,029,362	(4,947,451)	(3,918,089)
-	(2,507,675)	(2,507,675)	Internal audit	-	(1,920,930)	(1,920,930)
4,108,855	(10,138,143)	(6,029,288)	Planning and development	1,866,042	(11,138,174)	(9,272,132)
13,465,997	(37,314,382)	(23,848,385)	Public safety	12,583,999	(29,623,202)	(17,039,204)
24,366,562	(36,471,219)	(12,104,657)	Road transport	18,645,208	(34,725,684)	(16,080,476)
9,367,720	(26,996,696)	(17,628,976)	Sport and recreation	9,570,185	(30,197,417)	(20,627,231)
35,367,119	(44,379,491)	(9,012,372)	Waste management	51,070,525	(58,138,662)	(7,068,137)
42,749,428	(31,586,451)	11,162,976	Waste water management	36,497,509	(32,603,390)	3,894,120
53,111,700	(41,233,814)	11,877,886	Water management	71,761,017	(39,382,760)	32,378,257
672,494,353	(643,873,267)	28,621,085	**Total**	785,324,209	(695,897,042)	89,427,168

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

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 2021 (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 2022	Unspent 2022 (Payable)	Unpaid 2022 (Receivable)
	R	R	R	R	R	R	R	R
National Government Grants								
Finance Management Grant	-	1,550,000	-	(1,550,000)	-	-	-	-
Municipal infrastructure Grant	340,138	24,980,000	(340,000)	-	(23,707,100)	1,273,038	1,273,038	-
Regional Bulk Infrastructure Grant (DWAF)	10,000,000	20,000,000	(10,000,000)	-	(22,160,011)	(2,160,011)	-	2,160,011
Integrated National Electricity Program	(291,587)	12,762,000	-	-	(8,596,630)	3,873,783	3,873,783	-
Equitable share	-	106,666,000	-	(106,666,000)	-	-	-	-
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	(103,068)	2,617,000	-	(2,513,932)	-	-	-	-
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
Provincial Government Grants								
Library services	-	10,536,000	-	(9,768,378)	(767,622)	-	-	-
CDW	846,161	132,000	(739,077)	(38,024)	-	201,060	201,060	-
Municipal Infrastructure Support Grant	(1,046,497)	-	-	-	-	(1,046,497)	-	1,046,497
Economic Development and Tourism SMME booster	68	-	-	-	-	68	68	-
Service Delivery and Capacity Building	-	600,000	-	-	-	600,000	600,000	-
Human Settlement Development	5,325,746	2,961,094	-	-	(4,803,773)	3,483,067	3,483,067	-
Capacity Building (Internship)	576,978	250,000	-	-	-	826,978	826,978	-
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Financial Management Support	1,289,770	-	(1,289,770)	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure	830,165	4,385,404	(830,165)	-	(11,764,174)	(7,378,770)	-	7,378,770
Local Government Support Grant	306,429	-	(306,429)	-	-	-	-	-
Regional Social Econimical Program	919,480	800,000	-	-	(1,619,003)	100,477	100,477	-
Public Employment Support Grant	-	1,600,000	-	(1,600,000)	-	-	-	-
District Municipality								
Parks and recreation	300,001	-	-	-	-	300,001	300,001	-
Sanitation Infrastructure	(25,090)	-	-	-	-	(25,090)	-	25,090
Capacity Building	-	264,000	-	(264,000)	-	-	-	-
Infrastructure	1,000,000	500,000	-	-	(188,481)	1,311,519	1,311,519	-
Covid 19	1,997,194	-	-	(27,868)	-	1,969,326	1,969,326	-
Public Contributions								
Essen Belgium	3,963,623	668,424	-	(1,453,017)	-	3,179,030	3,179,030	-
China - Water meters	15,626	-	-	(8,443)	-	7,183	7,183	-
Total	**26,510,487**	**191,271,922**	**(13,505,441)**	**(123,889,662)**	**(73,606,794)**	**6,780,512**	**17,597,006**	**10,816,494**

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

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	Write Offs / Transfers	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
National Government Grants								
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	-
Provincial Government Grants								
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	1,289,770	-	-	-	-	1,289,770	1,289,770	-
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 Econimical Program	4,005,448	1,000,000	-	-	(4,185,968)	819,480	819,480	-
District Municipality								
Parks and recreation	300,001	-	-	-	-	300,001	300,001	-
Sanitation Infrastructure	(25,090)	-	-	-	-	(25,090)	-	25,090
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	-
Other								
Development Bank of South Africa	(1,136,760)	1,136,760	-	-	-	-	-	-
Public Contributions								
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	-
Total	**48,861,409**	**194,841,515**	**(29,133,531)**	**(131,476,065)**	**(56,582,840)**	**26,510,488**	**28,182,856**	**1,672,368**

AUDITOR-GENERAL SOUTH AFRICA
KA 30/11/2022

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 4 to 72, which comprise the appropriation statement, statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets and 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 2022, and its financial performance and cash flows for the year then ended in accordance with 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 9 of 2021 (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 36 to the financial statements, the corresponding figures for 30 June 2021 have been restated as a result of errors discovered during 2021-22 in the financial statements of the municipality for the year ended 30 June 2022.

Material impairments

8. As disclosed in notes 3 to the financial statements, the municipality has provided for an impairment of R258,7 million (2020-21: R214,2 million) on receivables from exchange transactions amounting to R344,9 million (2020-21: R285,7 million).

9. As disclosed in note 4 to the financial statements, the municipality has provided for an impairment of R43 million (2020-21: R47,1 million) on receivables from non-exchange transactions amounting to R56,5 million (2020-21: R58,1 million).

Other matters

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

Unaudited disclosure notes

11. 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 on it.

Unaudited supplementary information

12. The supplementary information set out on pages 73 to 77 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, we 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 2022:

Strategic objectives	Pages in the annual performance report
Strategic objective – essential services	14 to 15

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. If, based on the work we have performed, we conclude that there is a material misstatement in this other information we are required to report that fact. We have not yet completed our review of the other information. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

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

30 November 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