



2022/23

ANNUAL REPORT



WITZENBERG
MUNICIPALITY

2022/23

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

AUDITOR-GENERAL REPORT

PERFORMANCE, RISK & AUDIT COMMITTEE REPORT

CHAPTER 1: MAYOR'S FORWARD & EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FORWARD

“Witzenberg Municipality - A municipality that cares for its community, creating growth and opportunity”.



The annual report captures the activities and performance of the Municipality for the 2022/2023 Municipal financial year. It further depicts the challenges that the Municipality are faced with as well as its intention on how to deal with same. I am proud to announce that we have maintained our clean audit status and it is Witzenberg Municipality's 11th consecutive clean audit. This shows the commitment of the institution 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.

The 2022/23 financial year has seen numerous service delivery highlights inter alia the opening of a new Material Recovery facility in Ceres, upgrade of water and sewerage infrastructure, upgrade of Van Breda bridge, Vredebes access collector road.

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 solve this problem. The growing population of illegal immigrants remains problematic and is one of the main contributors to the growing violence within our communities.

We have completed our local economic development strategy. 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 Gert Laban, 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.



COUNCILLOR TREVOR ABRAHAMS

EXECUTIVE MAYOR WITZENBERG

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

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



Mr. David Nasson,
Municipal Manager

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

Arrears Assessment

The Auditor General of South Africa has, in its report on the 2022/2023 financial statements of the Municipal Council, emphasised the material impairment of R 310.5 million on receivables from exchange transactions as well as R 49.6 million on receivables from non-exchange transactions. As required by the MFMA my assessment of the arrears on municipal taxes and service charges as of 30 June 2023 is as set out below:

- the gross outstanding service debtors in total increased by 13.7% in relation to the 2022/2023 financial year.
- the leading contributors to the outstanding debt are water at 32.4% and sanitation and refuse at 39,6%.
- 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 drought.
- the Municipality will continue to exercise all legal avenues to collect its outstanding debt.
- concerted efforts are therefore being made, inter alia through capacitating our own debt collection to recover debts older than 90 days which constitutes 77.8% 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 91% in 2021/2022 to 93% in the 2022/2023 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 a decrease in the electricity losses including technical and non-technical losses. The total loss for the financial year was 10.3% compared to the loss of 10.7% in the previous financial year. The electricity losses are mainly the result of ageing infrastructure and theft of electricity in certain areas within the Municipality. The upgrade of the electrical infrastructure will continue in the new financial year which will hopefully lead to a further decrease in electricity losses. As part of Council's on-going programme to cut down on energy losses the following corrective measures will be undertaken:

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

Water

The calculated water loss is 12%. This is lower than the 14% that was recorded in the 2021/2022 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.



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 2022/23 Annual Report reflects the performance of Witzenberg Municipality for the period 1 July 2022 to 30 June 2023. The Annual report is prepared in terms of Section 121 (1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual report for each financial year.

1.2.1 Vision & Mission

Our Vision

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

Our Mission:

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

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

Value System:

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

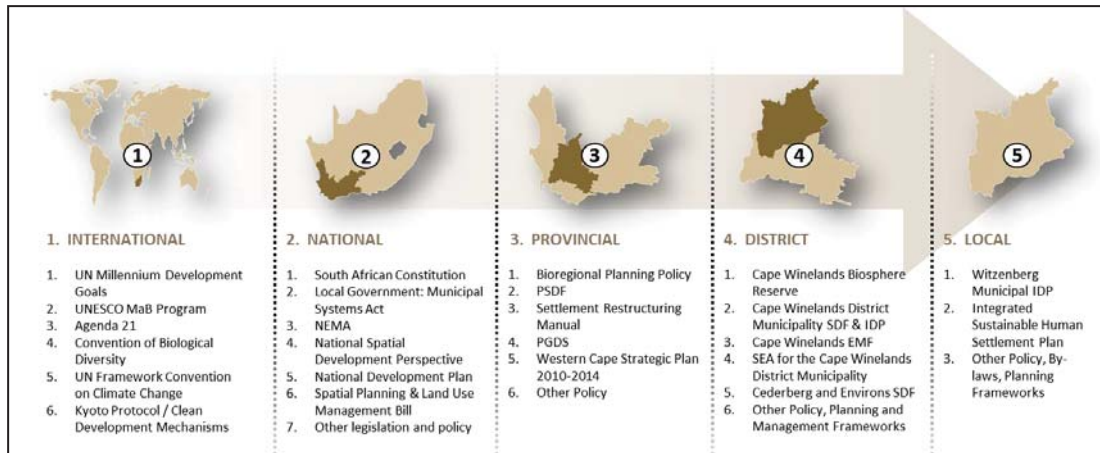
1.2.2 Demographic Information

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

Municipal geographical information:

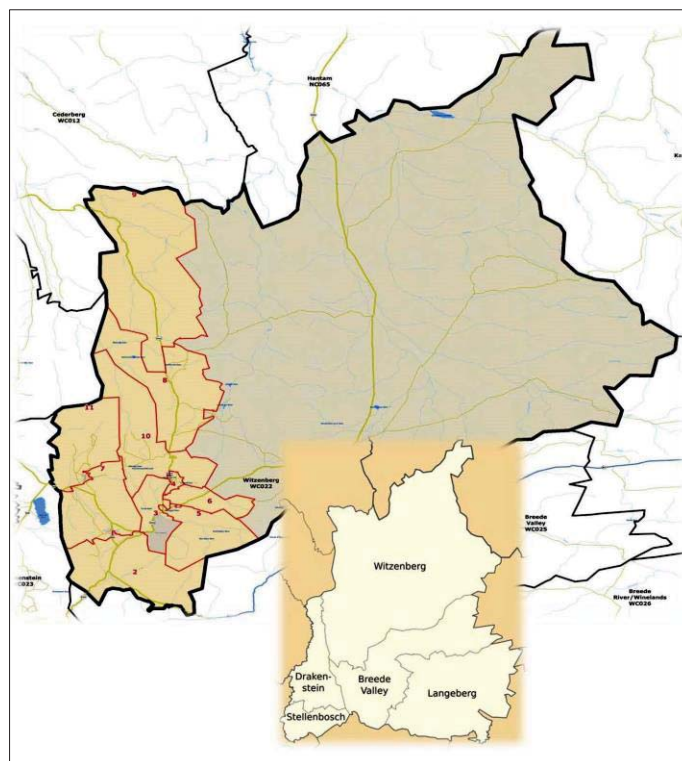
The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

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



Witzenberg Municipality in geographical context.

Witzenberg LM comprises an area of 10 753 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 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.
- Vredebees: Further development hampered due to the insufficient electricity capacity from Eskom's.

1.2.3 Socio-Economy Summary

In 2020, the economy of Witzenberg was valued at R10 361 billion (current prices) and employed 59 731 people. Historical trends between 2016 and 2020 indicate that the municipal area realised an average annual growth rate of 1.3 per cent. Witzenberg is the only municipal area within the district to record growth during this period. All other municipal areas within the district recorded contractions during 2020, with growth negatively affected by restrictions to economic activity.

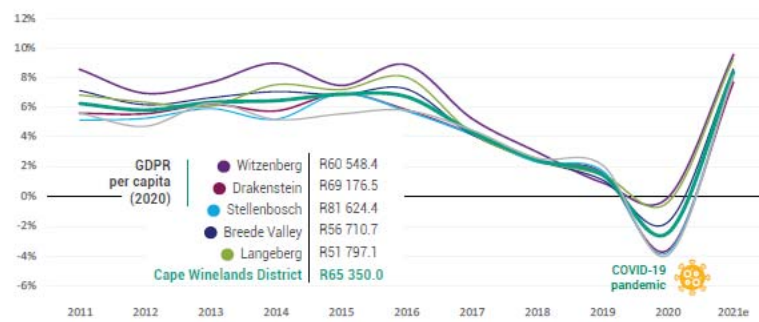
GDPR (CURRENT PRICES)
Witzenberg, 2020 and 2021e



Source: Quantec Research, 2022: Urban-Econ based on Quantec, SARB, Stats SA and BFAF, 2022 (e denotes estimate, f denotes forecast)

Estimates for 2021 however depict a marked recovery in growth (7.3 per cent) for the Witzenberg municipal area. This is also the highest GDPR growth recorded in the district for 2021. It was largely driven by growth in the transport, storage, and communication sector (12.2 per cent); as well as the wholesale, retail trade, catering & accommodation (8.9 per cent) and community, social & personal services (8.7 per cent). The mining and quarrying (-10.6 per cent) and construction (-0.2 per cent) sectors were the only sectors that experienced further economic decline after the easing of restrictions.

GDPR PER CAPITA GROWTH, Cape Winelands District, 2011 - 2021



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Western Cape	5.6%	4.7%	6.3%	5.2%	5.6%	5.8%	4.5%	2.6%	2.1%	-3.9%	8.1%
Cape Winelands District	6.3%	5.8%	6.3%	6.4%	6.9%	6.7%	4.3%	2.5%	1.4%	-2.5%	8.4%
Witzenberg	8.6%	7.0%	7.7%	9.0%	7.5%	8.9%	5.3%	3.0%	1.0%	0.0%	9.6%
Drakenstein	5.6%	5.6%	6.2%	5.8%	7.0%	5.9%	4.2%	2.4%	1.6%	-3.6%	7.7%
Stellenbosch	5.1%	5.3%	5.9%	5.2%	6.9%	5.7%	4.2%	2.3%	1.7%	-3.8%	8.1%
Breede Valley	7.1%	6.2%	6.6%	7.0%	6.8%	7.2%	4.2%	2.4%	1.1%	-1.7%	8.6%
Langeberg	6.9%	6.4%	6.1%	7.5%	7.2%	8.0%	4.3%	2.5%	1.5%	-0.3%	9.3%

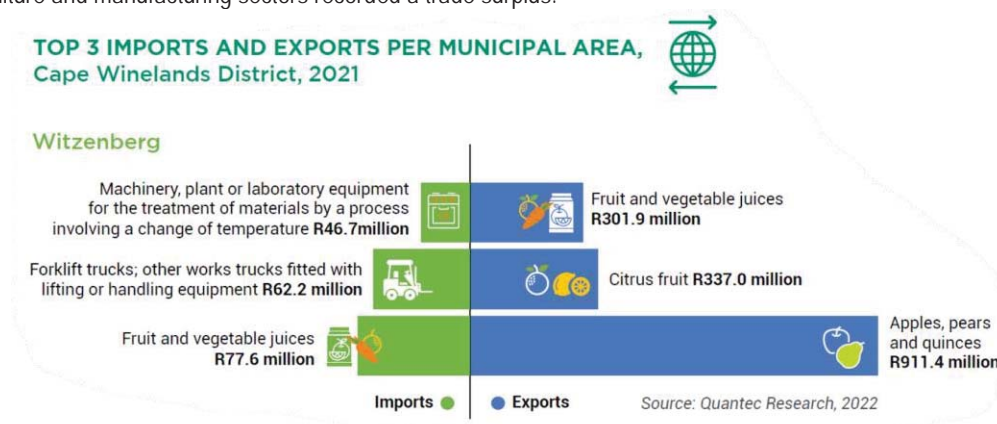
Source: Quantec Research, 2022 (e denotes estimate)

Despite the economic recovery experienced in 2021, the economy continued to shed jobs, with an estimated 807 net jobs lost. This was largely driven by job losses in the agriculture, forestry & fishing (-617) and wholesale & retail trade, catering & accommodation (-346 jobs) sectors, reflecting that employment creation is lagging the improved GDP. Only the community, social & personal services: general government sector, and the finance, insurance, real estate & business services sector was able to create jobs during the year.

International Trade

District and local economies are influenced not only by the spending of local households but also by regional economic activities such as the trade of goods and services, and domestic and international tourism. More specifically, exports and tourism can be considered injections into the economy, while imports are considered leakages.

One of the indicators for international trade in an area is the trade balance, which is obtained by subtracting imports from exports. A positive trade balance for Witzenberg therefore indicates that the area exports more than it imports. A positive trade balance indicates a net inflow of foreign currency, which is beneficial for the economy. The trade surplus recorded for Witzenberg area increased from R 611.8 million in 2011 to R 1 909.1 million in 2021. Both the agriculture and manufacturing sectors recorded a trade surplus.



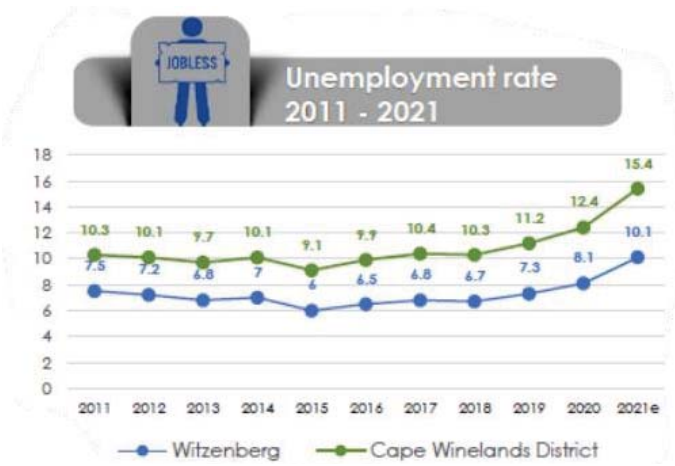
Formal and Informal Employment

It is estimated that Witzenberg's total employed will in 2021 amount to 58 924 workers, of which 49 888 (84.7 per cent) are employed in the formal sector and 9 036 (15.3 per cent) are informally employed. Employment in the formal sector had an annual average increase of only 0.9 per cent from 2016 to 2020 while the informal sector suffered an annual average decline of 6.19 per cent over this period. The informal economy was responsible for most of the job losses in 2021. This is a concern as the informal economy should be able to act as a buffer during times of economic recession.

Most of the formally employed consisted of low-skilled (49.3 per cent) and semi-skilled (34.3 per cent) workers. The skilled category only contributed 16.4 per cent to total formal employment. From 2016 to 2020, the skilled category grew at a pace of 2.2 per cent per annum, followed by the semi-skilled category which grew at a pace of 1.5 per cent per annum, both of which outpaced the low-skilled employment category which experienced no growth over the period. The growth in the skilled and semi-skilled categories reflects the increasing market demand for skilled labour and the need for skills development initiatives, particularly considering the growing tertiary sector in the Witzenberg municipal area.

Unemployment

Witzenberg (estimated at 10.1 per cent in 2021) had the lowest unemployment rate in the Cape Winelands District.



The unemployment rate in the municipal area is below the district average of 15.4 per cent and significantly below the Provincial rate of 25.1 per cent. Despite this, unemployment has been on an upward trajectory since 2015, and is largely driven by job losses because of the drought, loadshedding and economic recession over this period. The not economically active population has also increased from 2020 to 2021, as job losses and an insufficient supply of jobs have led to an increasing number of discouraged work-

seekers. Unfortunately, most job losses affected low skilled and informal workers who are more vulnerable to living in poverty during times of economic decline.

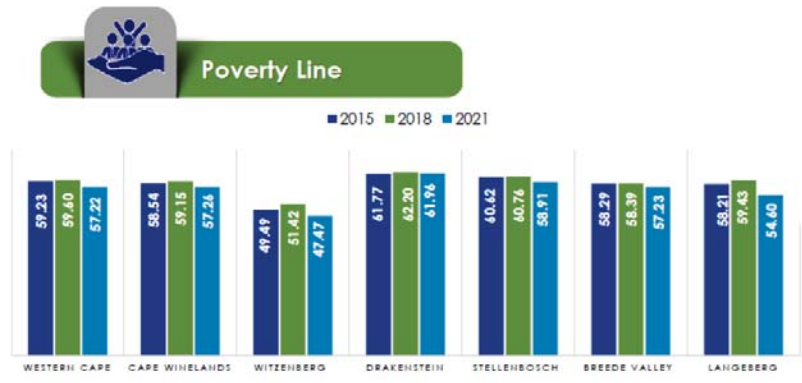
Income Inequality (Gini coefficient): The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. However, between 2015 and 2021, income inequality has worsened in Witzenberg area, with the Gini-coefficient increasing from 0.57 in 2015 to 0.61 in 2021.

Worsening income inequality could also be seen across the Cape Winelands District (0.59 in 2015 and 0.62 in 2021) as well as the Western Cape (0.60 in 2014 and 0.62 in 2020).

Poverty Line: The Upper Bound Poverty Line (UBPL) head count ratio is the proportion of the population living below the UBPL i.e., that cannot afford to purchase adequate levels of food and non-food items. The UBPL in South Africa is R1 227 (in April 2019 prices) per person per month.

Poverty affects the social development of communities through lower life expectancy, malnutrition and food insecurity, higher exposure to crime and substance abuse, lower educational attainment, and poor living conditions. The NDP aims to eliminate poverty by 2030.

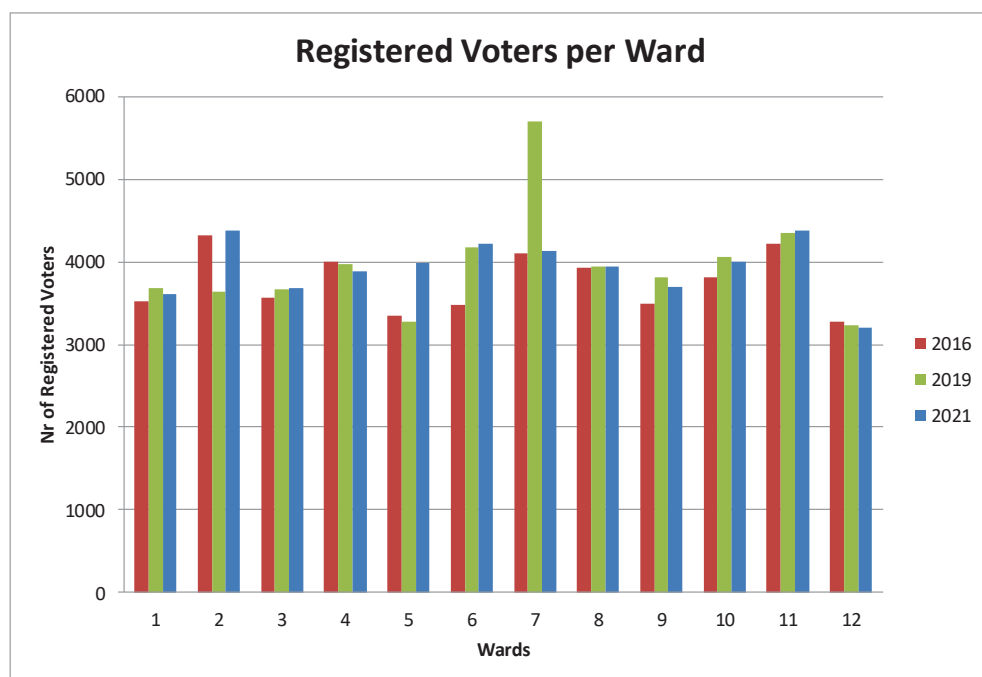
In 2021, 47.5 per cent of Witzenberg's population fell below the UBPL. This figure improved from the 49.5 per cent and 51.4 per cent recorded for the periods 2015 and 2018, respectively. The Witzenberg municipal area represents the lowest proportion of people living in poverty when compared to other municipalities in the district and is below that of the district (57.3 per cent) recorded in 2021.



Wards:

The municipality is currently structured into the following 12 wards:

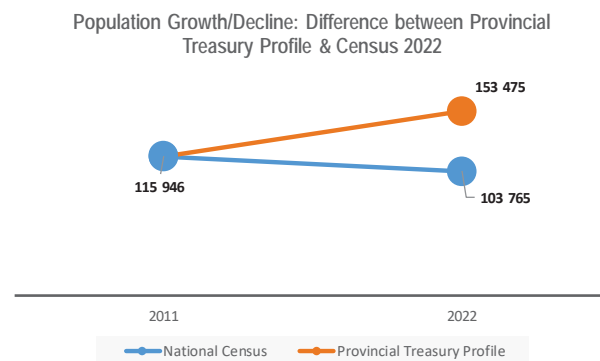
Ward	Areas	Registered Voters 2016	Registered Voters 2019	Registered Voters 2021
1	N'Duli - Polo Cross & Primary School	3529	3688	3614
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante	4318	3637	4381
3	Ceres - Primary School, Stadsaal, Fairfield School	3564	3671	3679
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels	3994	3976	3882
5	Ceres Vallei Church Hall, Achteurtuin 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 - Mörester, 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 & werkestoer, De Agen, Twee Jonge Gezellen.	4222	4346	4371
12	N'Duli - Polo Cross & Primary School	3270	3237	3201
TOTAL Registered Voters		45 057	47 522	47098



1.2.4 Population

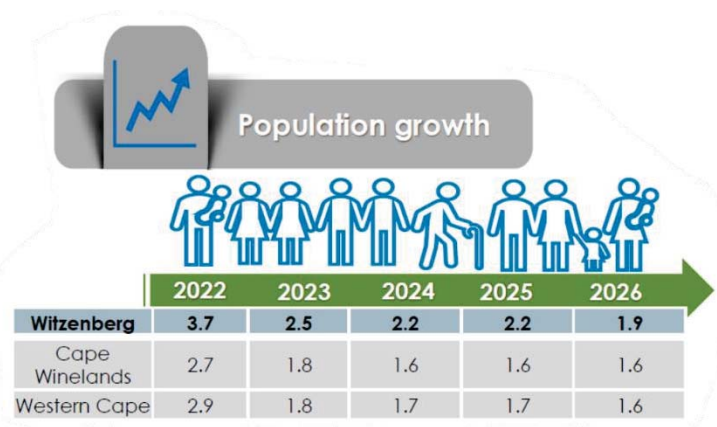
Over the past decade, Witzenberg Municipality has utilised the population profiles as published by the Western Cape Provincial Treasury on an annual basis. These annual profiles are published in the “Socio-Economic Profile” for Witzenberg and the “Municipal Economic Review and Outlook”. This profile uses data primarily sourced from Statistics South Africa, administrative data from sector departments, the Municipal Review and Outlook (MERO), *Global Insight Regional Explorer* and Quantec. The data sourced from sector departments are the most recent that is available. The Statistics South Africa 2011 Census and 2016 Community Survey contains the latest survey data available at municipal level.

The 2022 Census population figures published in October 2023, has presented a remarkably different picture for the Witzenberg population compared to the profiles utilised in the past. The Census 2022 figures indicates that the population for Witzenberg has contracted since 2011, compared to a relative high growth rate presented by the Provincial Treasury Profiles.



Witzenberg has seen tremendous growth, particularly in informal settlements, because of in-migration of job seekers, and the implementation of the subsidized housing program has benefited almost 2000 households over the past decade. As a result, the municipality cannot concur with the Census 2022 results and believes that the decrease in population figures is due to a severe under-count. The municipality will formally raise the matter with the appropriate provincial and national governments.

The population growth estimates as indicated below was sourced from the Socio-economic Profile as published by the Western Cape Provincial Treasury in 2022.



The population totals 153 475 persons in 2022 and is estimated to be 167 536 persons by 2026. This equates to an estimated average annual growth rate of 2.2 per cent for the period. The estimated population growth rate of Witzenberg is therefore 0.5 percentage points higher than the estimated average annual population growth rate of the Cape Winelands District which is 1.7 per cent. 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.

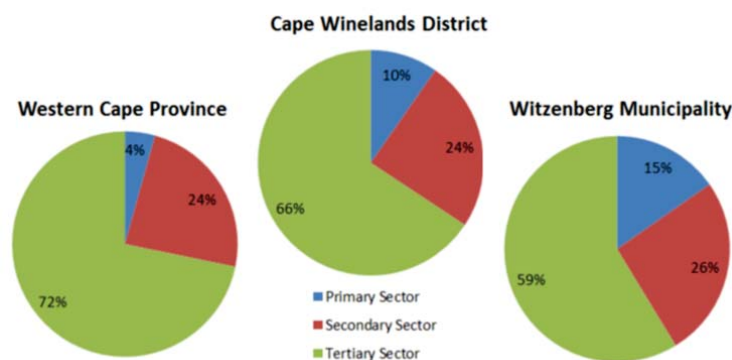
(Western Cape DSD, 2020)

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

Ceres has the highest number of pear trees planted in the country (6,6million), as well as the highest hectareage (4 734 ha). The area also has the highest apple production area in the country (7 625ha), with 11,8 million trees. Apple production in the area set a record in 2020, and the record was exceeded in 2021. The area also accounts for 56% of South Africa's cherry trees and plantings have been consistent since 2005. Nectarine trees (1,6 million) and dessert peaches are also the highest in the country. The Wolseley/Tulbagh region has the second-highest plum and prune production in the country.



In April 2022, Lotus began work on the construction of its third factory in Wolseley, which is scheduled to be completed by August 2023. The factory will produce healthy snacks such as fruit rolls and is expected to make a positive contribution to the agro-processing sector. Furthermore, the R 170 million investment is anticipated to boost the local economy and create jobs within Wolseley and the Witzenberg area.



Lotus Bakery located at Wolseley.

1.2.7 Municipal Challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
<p>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.</p>	<p>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.</p> <p>The Municipality allows new developments, under certain conditions, if it complies to our SSEG policy, to stimulate development, although no additional bulk supply is available from Eskom.</p>
<p>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.</p>	<p>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.</p> <p>A waste transfer station has been constructed at Wolseley, to assist with the recycling targets set by DEADP. Three additional waste transfer stations to be constructed in 3 towns, to follow this financial year.</p>
<p>Maintenance and upgrading of municipal roads. The condition of bituminous pavements (roads) has drastically decreased over the past couple of years in certain areas, due to historically poor construction practices and insufficient funding for road maintenance. The existing backlog amounts to R 80 million, with 36% of these roads located in Tulbagh in a poor to very poor structural condition. Many of these roads have deteriorated to the point that they need to be rebuilt</p>	<p>Continued funding through municipal budget.</p> <p>MIG funding applications are to be submitted for the maintenance of roads in the poor communities.</p>
<p>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</p>	<p>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.</p>

Challenges	Actions to address
at risk when investigating illegal connections and meter tampering. This is causing a culture of non-payment and apathy towards financial obligations.	
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. INEP funding applications will be submitted to assist with this backlog.



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 in terms of 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 its 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 Vredebos 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 its waste services (re-use, recycle, reduce).
Construction of Drop –off Facility at Wolseley.	Service residents of Wolseley and Tulbagh its recycling of waste.
Vredebos new Access Collector Road	New road section constructed
Upgrade Van Breda Bridge, Ceres	Rehabilitation and widening of existing bridge
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 Load shedding Exceeded Notified Maximum Demand,	This scourge has shown a nationwide surge and is resulting additional costs, loss of revenue and non-consistency of supply Besides the negative effect on the economy of Witzenberg, this is enabling even more theft and vandalism which prolong outages and amplified service requests <ul style="list-style-type: none"> Ceres- 5 MVA increase applied for in 2019 and additional 1MVA applied for in 2022. To this date, this additional capacity has not been granted by Eskom. Development in

Service Area	Challenge	Actions to address
	<p>Aging Electrical Network</p> <p>Recapitalization of the Electrical Network</p> <p>Availability of vehicles</p> <p>Filling of vacant posts</p>	<p>Ceres remains on halt due to Eskom's Romans River 132kV upgrade, which moved from 24/25 to 27/28.</p> <ul style="list-style-type: none"> Wolseley- The town is currently running at its NMD. 2,5MVA increase application was submitted to Eskom to no success. According to Eskom, their 5-year budget plan currently does not accommodate Wolseley's transformer upgrade, which then translates to no additional capacity available for the town. <p>Tulbagh- The town is also running at its NMD. An additional 2MVA has since been applied for in 2023 for and currently being processed by Eskom.</p> <p>Much of the existing electrical network exceeds its useful life and is even considered hazardous to operate in some instances. The new Master plan has identified the hazardous equipment which has since been prioritized for replacement. Available funding to replace aging equipment is always a challenge within the Municipal environment, but with heightened awareness, this will be addressed.</p> <p>An aging fleet results in some vehicles spending extended periods in the workshop. Spares availability and reliability is an added extenuating challenge. This tends to affect daily operations and turnaround times.</p> <p>Some posts remain vacant for extended periods before filling, but this is currently being addressed</p>
Solid Waste	Old fleet of Compactors and Tipper trucks. Regional Landfill Site in Worcester (Waste license 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**	2022/23**
Electricity - service connections	12 543	12 878	12 977	13 027	13 053	13 191
Water - available within 200m from dwelling	14 242	14 593	16 247*	16 710*	14 951	14 966
Sanitation - Households with at least VIP service	14 558	15 714	16 650*	17 507*	14 934	15 734
Waste collection - kerbside collection once a week	14 292	14 259	17 106*	17 979*	15 442	15 465

*Note: * Included 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 328.6: 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 4.68 months	It explains how many months' expenditure can be covered by cash and other cash equivalents available to the municipality. It needs 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 0.96: 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 affected.

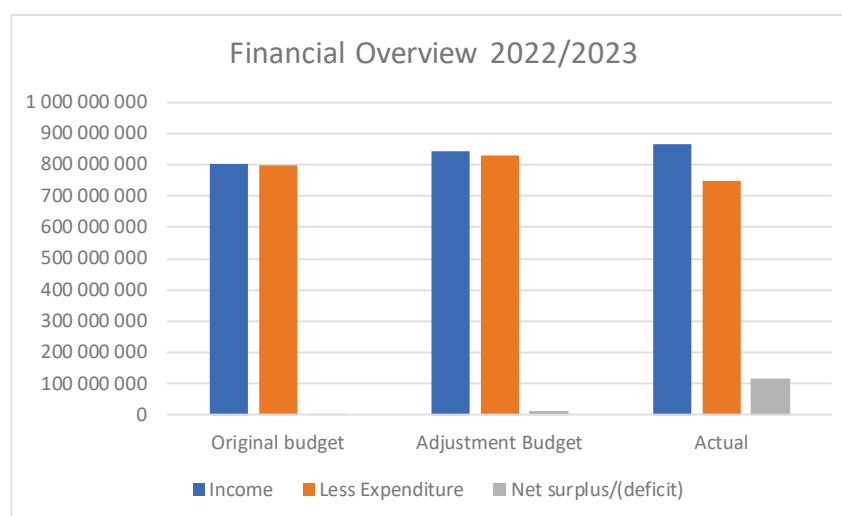
1.4.3 National Key Performance Indicators – Financial Viability (ratio's)

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	2020/21	2021/22	2022/23	Comments
Debt coverage (Total operating revenue - operating grants received: debt service payments due within the year)	226.6 : 1	346.2:1	328.6:1	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)	0.83: 1	0.84:1	0.96:1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	2.74 months	3.16 months	4.68 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	800 464 342	842 997 504	863 865 871	2,5%
Grants	204 495 869	228 593 474	204 880 421	-10,4%
Taxes, Levies, and tariffs	543 211 032	543 211 032	535 522 953	-1,4%
Other	1 226	1 226	32 692 056	2666462,5%
Less Expenditure	52 757 441	71 192 998	123 462 497	73,4%
Gains/(Losses)	799 482 457	830 450 816	745 628 531	-10,2%
Net surplus/(deficit)	981 885	12 546 688	118 237 339	842.4%



1.4.5 Operating ratios as a percentage of operating expenditure

Detail	Expected norm	21/22 Actual	22/23 Actual	Variance 22/23 from norm
	%	%	%	%
Employee Cost	30	29,63	30.6	-0.6
Repairs & Maintenance	20	1,73	3.25	16.75
Finance Charges & Depreciation	10	7,50	6.77	3.23

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

1.4.6 Total Capital Expenditure

Detail	2019/20	2020/21	2021/22	2022/23
	R'000			
Original Budget	71 613	71 613	89 244	88 153
Adjustment Budget	76 594	86 843	81 667	100 974
Actual	34 468	66 944	73 744	87 190
Percentage Expenditure	45,0%	77,1%	90,3%	86.3%

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	2022/23
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 / October
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	October
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	October - December
10	Municipalities receive and start to address the Auditor General's comments.	December
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December
12	Audited Annual Report is made public, and representation is invited Report was updated when AG report was received and advertised.	
13	Oversight Committee assesses Annual Report	January
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	March

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 considered and that the voices of the most vulnerable in society are heard during decision-making. It is also responsive to the current and future needs of society.

WITZENBERG MUNICIPAL COUNCIL 2022 - 26

MAYORAL COMMITTEE

						
Executive Mayor Alderman Hendrik Smit WARD 5 (DA)	Executive Deputy Mayor Cllr Felicity Klazen & Mayco: Community Development PR (GOOD)	Speaker Cllr Elizabeth Sidego WARD 11 (DA)	Alderman Ronald Visagie Mayco: Technical Services WARD 4 (DA)	Cllr John Fredericks Mayco: Corporate & Financial Services PR (VF+)	Alderman Bamito Klaasen Mayco: LED & Tourism PR (DA)	Alderman Karriem Adams Mayco: Housing Matters WARD 6 (DA)

WARD COUNCILLORS

							
Cllr Andile Gili WARD 1 (ANC)	Cllr Patric Daniels WARD 2 (DA)	Cllr Dirk Swart WARD 3 (DA)	Cllr Jacob Zalie WARD 7 (ANC)	Cllr Gwen Franse WARD 8 (DA)	Cllr Mxolisi Ndaba WARD 9 (ANC)	Cllr Sophia de Bruin WARD 10 (DA)	Cllr Khanyiso Yisa WARD 12 (ANC)

PR COUNCILLORS

							
Cllr Jan Cloete PR (PA)	Cllr Lea Hardnek PR (WP)	Cllr Petrus Heradien PR (ICOSA)	Cllr Johnmrey Mouton PR (ANC)	Cllr Isak Swartz PR (EFF)	Cllr Gert Laban PR (WA)	Cllr Nonzame Phatsoane PR (ANC)	Cllr Noluthando Nogcinisa PR (ANC)

COMPONENT A: POLITICAL & ADMINISTRATIVE GOVERNANCE

2.1 Political Governance Structure

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



2.1.1 Council

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

Below is a table that categorises councillors within their specific political parties and wards for the period 1 July 2022 to 30 June 2023:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
K Adams	Alderman 09/11/2021 – 2026 Mayco 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	Councillor 09/11/2021 Mayco Member 15/12/2021 – 2026	FFP	Proportional
AL Gili	Councillor 09/11/2021 – 2026	ANC	Ward 1
LA Hardnek	Mayco Ex-Officio; MPAC Chairperson 09/11/2021 – 2026	WP	Proportional
P Heradien	Councillor 09/11/2021 – 2026	ICOSA	Proportional
BC Klaasen	Alderman: 23/12/2021 – 2026 Mayco 02/2022 – 30/06/2023	DA	Proportional
FE Klazen	Councillor 09/11/2021 Mayco member 09/11/2021 – 26/01/2022 Executive Deputy Mayor 26/01/2022 – 2/06/2023	GOOD	Proportional
GG Laban	Councillor 09/11/2021 – 2026	Witzenberg Aksie	Proportional
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 (terminated) Councillor 02/06/2023 – 2026	GOOD	Proportional
EM Sidego	Councillor 09/11/2021 Mayco Member 15/12/2021 – 24/05/2022 Speaker/Mayco Ex-Officio 24/05/2022 - 2026	DA	Ward 11
HJ Smit	Alderman 09/11/2021 Executive Mayor 22/11/2021 – 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 15/12/2021 – 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 2022/23 financial year – period 1 July 2022 to 30 June 2023:

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
10 August 2022	8	100%	None
24 August 2022	33	95.65%	4.35%
23 September 2022	1	100%	0%
26 October 2022	2	95.65%	4.35%
9 November 2022	5	100%	0%
29 November 2022	22	91.3%	8.7%
6 December 2022	25	82.60%	17.4%
25 January 2023	9	91.3%	8.7%
28 February 2023	22	78.26%	21.74%
10 March 2023	2	87%	13%
28 March 2023	28	91.3%	8.7%
30 May 2023	29	87%	13 %
6 June 2023	2	100%	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 2022 to 30 June 2023:

Name of member	Position	Period	Capacity
Alderman HJ Smit	Executive Mayor	22 November 2021 until 30 June 2023	-
		18 October 2022 until 30 June 2023	Chairperson: Local Labour Forum
Councillor FE Klazen	Mayco member	15 December 2021 until 26 January 2022	-
	Deputy Executive Mayor	26 January 2022 until 2 June 2023	-
	-	15 December 2021 until 20 September 2022	Chairperson: Committee for Corporate and Financial Services
	-	20 September 2022 until 2 June 2023	Chairperson: Committee for Community Development
Councillor JP Fredericks	Mayco member	15 December 2021 until 20 September 2022	Chairperson: Committee for Community Development
		20 September 2022 until 30 June 2023	Chairperson: Committee for Corporate and Financial Services
Alderman JJ Visagie	Mayco member	15 December 2021 until 20 September 2022	Chairperson: Committee for Local Economic Development and Tourism
		20 September 2022 until 30 June 2023	Chairperson: Committee for Technical Services
Alderman BC Klaasen	Mayco member	February 2022 until 30 June 2023	-
		20 September 2022 until 30 June 2023	Chairperson: Committee for Local Economic Development and Tourism
Alderman K Adams	Mayco member	10 June 2022 until 30 June 2023	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 2022 / 2023 financial year:

Period 1 July 2022 to 30 June 2023:

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	7	12 August 2022 05 October 2022 24 November 2022 26 January 2023 23 February 2023 29 March 2023 16 May 2023
Committee for Community Development	Councillor JP Fredericks 15/12/2021 – 20/09/2022 Councillor FE Klazen 20/09/2022 – 02/06/2023	3	20 October 2022 16 March 2023 20 April 2023
Committee for Corporate and Financial Services	Councillor FE Klazen 15/12/2021 – 20/09/2022 Councillor J Fredericks 20/09/2022 - 2026	3	20 October 2022 17 November 2022 20 April 2023
Committee for Technical Services	Alderman BC Klaasen 22/2/2022 – 09/06/2022 Alderman J Visagie 20/09/2022 - 2026	2	14 March 2023 18 April 2023
Committee for Local Economic Development and Tourism	Alderman J Visagie 15/12/2021 – 20/09/2022 Alderman BC Klaasen 20/09/2022 – 30/06/2023	1	18 April 2023

Appendix B: Committees & Committee purposes

2.1.4 Municipal Public Accounts Committee (MPAC)

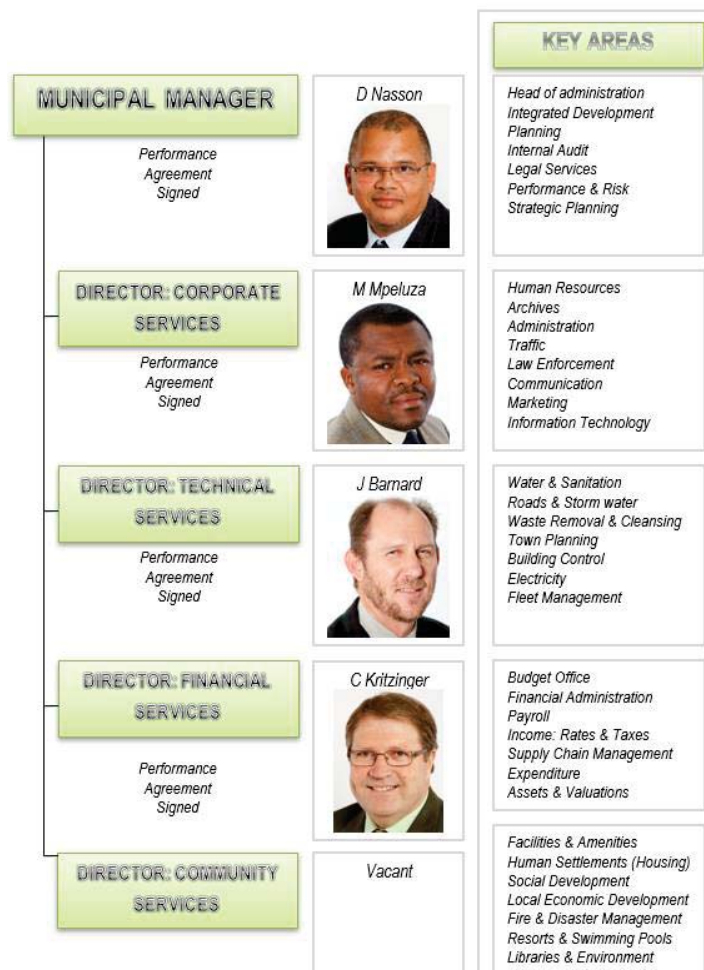
An Audit Committee has been established that includes Risk- & Performance functionality and is referred to as the Performance-, Risk & Audit Committee (PRAC). A Municipal Public Accounts Committee as an oversight committee has been established comprising from non-executive councillors with the specific purpose of providing the Council with comments and recommendations on the Annual Report.

Council appointed the Chairperson and members of the MPAC at a Council meeting held on 23 February 2022. The members of the MPAC are as follows:

Position	Councillor	Political Party
	Period 1 July 2022 to 30 June 2023	
Chairperson	Cllr L Hardnek	WP
Member	Cllr GJ Franse	DA
	Cllr J Cloete	PA
	Cllr IL Swartz	EFF
	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:



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.
CWDM WMO Forum	DEADP, CWDM municipalities (WMO) .	Municipal information sharing with all 3 spheres of government in CWDM
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	
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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Internal Audit Forum	All municipal Chief Audit Executive of the province	National, District and Municipal wide information sharing
Risk Management Forum	All municipal Chief Risk Officers of the province	National, District and Municipal wide information sharing
District Coordinating Forum	District Mayors	District programs and initiatives aligned with municipal performance
District Coordinating Forum (Technical)	District Municipal Managers	District programs and initiatives aligned with municipal performance
Joint District Approach	Local municipalities in District, District Municipality, Provincial Sector departments	District wide strategic planning
Municipal ICT Managers Forum	Provincial ICT Managers, SALGA, SITA, DPLG	Provincial-wide information sharing

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 must work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
Intergovernmental Steering Committee Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	<ul style="list-style-type: none">  Mobilising resources  Implementing projects to reduce poverty.  Sharing information
Cape Winelands LED District forum	Strengthening LED networking	Cape Winelands District Municipality, B-Municipalities, Department of Economic Development and Tourism	<ul style="list-style-type: none">  Report back on programmes and initiatives
Social Cluster: Area Based approach	Report back and identifying gaps in service delivery	Department Social Development, SAPS, Department Education, Cape Winelands District Municipality, Department of Health, CDW	<ul style="list-style-type: none">  Report back and providing information on programmes
EPWP District Forum	Report back	Cape Winelands District Municipality, B-Municipalities, Department Public Works	<ul style="list-style-type: none">  Report back & discussions on performance

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 – 09/11/2022	4	19	45
	Ward 3 & 5 Ceres – 10/11/2022	3	17	35
	Ward 8 & 9 Op-Die-Berg – 16/11/2022		16	17
	Ward 2 & 7 Pine Valley – 03/11/2022	1	22	61
	Ward 4 & 10 P A Hamlet – 07/11/2022	2	17	89
	Ward 7 & 11 Tulbagh – 08/11/2022	2	17	22
	Ward 1 & 12 N'Duli – 02/11/2022	1	18	62
IDP & Budget Public meetings				
IDP Review Public Participation	Ward 4 & 6 Bella Vista – 12/04/2023	3	20	35
	Ward 7 & 11 Tulbagh – 13/04/2023	2	16	66
	Ward 3 & 5 Ceres – 17/04/2023	2	13	19
	Ward 1 & 12 N'Duli – 18/04/2023	5	22	24
	Ward 4 & 10 P A Hamlet – 19/04/2023	1	13	35
	Ward 2 & 7 Wolseley – 20/04/2023	3	13	9
	Ward 8 & 9 Op Die Berg – 24/04/2023	3	13	9



2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2022/23 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	11 May 2023. 18 October 2022.
H Smit	Executive Mayor	
J Fredericks	Mayco Member	
G Laban	Deputy Mayor	
D Nasson	Municipal Manager	
H Kritzinger	Director Finance	
J Kolkota	Deputy 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	
Vacant	Senior HR Officer: Health & Safety	
C Titus	Committee Officer	
M Scholtz	IMATU Secretary	
L Ntshanga	IMATU Chairperson	
Lesley Koopman	IMATU	
M Pieterse	IMATU	
L Pietersen	IMATU	
C Appolis	SAMWU Chairperson	
P Daniels		
P Daniels	SAMWU Secretary	
L Silver	SAMWU Full-timer shopsteward	
V Botes	SAMWU	
T Gxasixa	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 councillor, 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:

AIR = Average Inherent Risk ARR = Average Residual Risk

Strategic risk/ Business process	#	AIR	ARR
Strategic	27	21	15
Eskom's inability to provide increased electricity supply to the municipal area		25	25
Electricity load-shedding >4 hours		25	19
Deteriorating electrical infrastructure		25	19
Inability to provide landfill facility in Witzenberg municipal area		25	18
Major unplanned not disaster related interruptions to service deliver		25	17
Inability to deal with community protest, unrest and uprising		25	16
Municipality's inability to provide increased electricity supply to the municipal area		25	16
Unfunded budget		25	14
Inability to deal with disaster, business continuity and fire hazard		25	13
Illegal invasion and occupation of land		20	20

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 2022/23 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	29 November 2022 (Adopted)
Fraud and Corruption prevention policy and response plan	Yes	29 November 2022 (Adopted)
Witzenberg Whistle Blowing Policy	Yes	25 January 2023 (Adopted)

2.7.2 Implementation of strategies

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

2.8 Performance, Risk & Audit Committee


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

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

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










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

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

 risk appetite

2.8.1 Functions of the Performance, Risk & Audit Committee

The council noted its Performance, Risk and Audit Committee charter on 31 October 2018. 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 by the municipality.

2.8.2 Members of the Performance, Risk & Audit Committee

Name of representative	Capacity	Meeting dates			
		26/08/2022	09/09/2022	16/01/2023	24/04/2023
Mr J. George (Second 3-year term ended 31 October 2022 extended with Council approval until 31 January 2024)	Chairperson	✓	✓	✓	✓
Ms J. Lapoorta (First 3-year term February 2023 until 31 January 2026)	Member				✓
Mr F. Redelinghuys (Second 3-year term ended 31 October 2022)	Member	✓	✓	✓	
Ms C. Fagan (Second 3-year term until 31 July 2024)	Member	✓	✓	✓	
Mr J.J. Swarts (First term from 1 February 2023 until 31 January 2026)	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 2022 and all relevant risks were populated into the Witzenberg risk register. Updates were performed on a continuous basis.

This risk assessment forms the basis for reviewing the 3-year audit plan as indicated below:

Project type	2022/2023	2023/2024	2024/2025
Risk-based audits	Traffic Cashiers (B/F previous year)	ICT continuity	Borrowing Average
	Distribution of electricity - Maintenance	Disaster Management	Physical security to ensure safety of water

	Water and Sanitation Maintenance	Indigent Management	Firefighting services
	Safeguarding of Firearms	By-Law Enforcement	Facility Management - Maintenance
		Physical office security	Project Management
		Drought Management	Fringe benefits
		Housing - Administration	Recording and payment
		Archives	Cash Management
		Secretariat	Financial Planning
		Injury on duty	Capturing Approved Tariffs
		Labor Relations	Recording of Rental of Facilities and Equipment
		Allowances and subsidies	Performing Billing Activities
		Employee master file	Performing Debtors Reconciliations
		Marketing and Communication	Reading of Water and Electricity Meters (Handheld)
			Procurement
			Integrated Development Planning
			Property Management
Statutory Internal Audits	DORA compliance	DORA compliance	DORA compliance
	Performance Management System (quarterly)	Performance Management System (quarterly)	Performance Management System (quarterly)
Follow up	Follow up internal Audit findings	Follow up internal Audit findings	Follow up internal Audit findings
	Management Audit Action Plan (MAAP)	Management Audit Action Plan (MAAP)	Management Audit Action Plan (MAAP)
Other	Combined Assurance	Combined Assurance	Combined Assurance
	IA Quality Assessments	IA Quality Assessments	IA Quality Assessments
	Year-end stock count	Year-end stock count	Year-end stock count
AD-HOC assignments	Write-off of Indigent and bad debt account	Write-off of Indigent and bad debt account	Write-off of Indigent and bad debt account
	Provision for ad-hoc assignment	Provision for ad-hoc assignment	Provision for ad-hoc assignment

Annual Audit Plan

The Audit Plan for 2022/23 was implemented and the table below provides details on audits completed:

Audit Activity	Estimated hours	Quarter	Status
Statutory Audits			
DORA compliance	250	4	Completed
Performance Management System	600	All	Completed
Follow up audit work			
Follow up Internal Audit Findings	200	All	Completed
Management Audit Action Plan	100	All	Completed
Risk based audits			
Traffic Cashiers	500	1	Completed
Safeguarding of Firearms	140	2	Completed

Audit Activity	Estimated hours	Quarter	Status
Electrical Maintenance	340	3	Work in progress
Water and Sanitation Maintenance	440	4	Work in progress
AD-Hoc audits			
Writing-off indigent and bad debt	200	4	Work in progress
Other			
Combined Assurance Reporting Project	100	All	Work in progress
IA Quality Assurance	100	All	Work in Progress
Year-end Stock on behalf of AGSA	100	4	Completed

2.10 By-Laws

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

Policies developed/ revised	Date adopted	Public Participation conducted prior to adoption of policy (Yes/No)	Date of Publication
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 more than R 200 000

Bid Committee meetings.

The following table details the number of Bid Committee meetings held for the 2022/23 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
47	55	39

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

Member	Percentage attendance (%)
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 38 bids of an estimated value of R 154 921 030.

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
08/2/20/29	Supply and delivery of disposable Bags for refuse removal	Technical Services	Wastewant Plastics (PTY) Ltd	10 000 000
08/2/20/64	Appointment of a service provider for Prepaid vending services	Financial Services	Ontec Systems (PTY) Ltd	10 000 000
08/2/20/65	The supply and dispensing of Fuel (unleaded petrol & 50ppm diesel) for municipal vehicles and plant from licensed fuel retail sites / service stations in the Witzenberg municipal area	Technical Services	Bellmarjill (PTY) Ltd T/A Ceres Service Station	10 000 000
08/2/20/13	Supply, delivery installation, commissioning, and maintenance of an end-to-end voice over IP and unified communication solution, including cabling, networking, and connectivity for Witzenberg Municipality for a period of five years	Corporate Services	Inново Networks (pty) Ltd	9 678 362
08/2/20/80	Short-term Insurance	Financial Services	Mpumelelo 314 (PTY) Ltd	8 000 000

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 more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

The following bids was awarded by the Accounting Officer during the 2022/23 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded. R
08/2/19/58	Provision of security services, tactical and crowd control management at Municipal buildings and sites in the Witzenberg municipal area	Corporate Services	Mafoko Security Patrols	45 244 094
08/2/20/41	Long Term Lease of a Portion of Erf 1, Tulbagh, known as the Klip River Park Resort, Tulbagh	Corporate Services	Le Rêve Boutique (Pty) Ltd	21 262 500
08/2/19/15	Supply and delivery of Electrical equipment and cables	Technical Services	Aberdare Cables	14 610 750
08/2/20/08	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	Technical Services	Keineli Investments CC T/A Megaflo	12 788 605
08/2/19/57	The Supply and dispensing of Fuel (unleaded petrol & 50ppm diesel) for Municipal vehicles and plant from licensed fuel retail sites / service stations	Technical Services	Stenop Properties CC T/A Ceres Service Station	11 162 830

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
08/2/19/58	Provision of Security services, tactical and crowd control management at municipal buildings and sites in the Witzenberg municipal area	02-Dec-2022	CRJ Security Risk Training Services	Alleged error in bid process	Appeal was dismissed by the Western Cape High Court on 14 Dec 2022	Accounting Officer
		07-Dec-2022	GAP Management (Pty) Ltd	Alleged error in bid process	Appeal was dismissed by the Municipality on 14 Dec 2022, appellant took the matter for review to the High Court	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 2022/23 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 (%)
7	15.55	42 655 077	14.28

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 43 formal written price quotations amounting to R 5 335 253 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2022/23 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 (%)
10	23.25	1 050 344	19.68

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 12 078 433 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	77	2 897 944	23.99
Impossible	0	0	0.00
Impractical	30	4 672 786	38.69
Emergency	21	4 507 702	37.32

This amount shows a decrease of R 111 723 compared to the previous year's figure of R 12 190 156. It should be noted that although various processes were implemented to reduce the number and value of deviations it fluctuates 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 is 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 services 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 the Council. As of 30 June 2023, the value of the stock at the municipal stores is calculated at R 14 570 181, with a satisfactory stock turnover rate of 1.34. For the 2022/23 financial year, a total of R 3 802.21 was accounted for as damaged and deficit inventory. It should be noted that the same item was identified as a deficit during the various stock counts. Inventory to the value of R 2 605.21 (excl. VAT) were stolen during a break-in at the Stores. The value of the shortages for the refuse bags were recovered from the Security Company on duty.

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 2022-2023 financial year. A Consolidated report of all assets identified for disposal were approved by Council on 30 May 2022 and will be auctioned during September 2023.

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 2022/23 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 2022/23	Yes
Adjusted Budget 2022/23	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 2022/23	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 2022/23	Yes
IDP Process Plan for 2022/23	Yes
Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2021/22	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 organizations 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;
-  Utilizing 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 utilize the resources they consume, and who is in charge.

Redress

This principle emphasizes 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 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 programs 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 was adopted and approved by Council in May 2023.

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 center that aid the public, 7 days a week, 365 days a year. The control center 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 relevant 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. The Municipality, with the help of the Western Cape Government, is in the process of developing a Case Management system.

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, branding, 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 organizations and municipalities aimed at skills development, knowledge sharing, local economic empowerment, and job creation. The municipality regularly conducts meetings with visiting international delegations to discuss aspects of operations and best practice models. Some of these engagements have resulted in twinning agreements offering developmental support to our vulnerable communities.

2.13.5 Communication and investor relations

Witzenberg Municipality consistently markets its service delivery levels and infrastructure in a bid to attract investors to the area through the promotion of its facilities, management, political stability, water and air quality, natural environment, and unskilled and semi-skilled 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/Wi-Fi. 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 the Provincial Government in terms of 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 organizational 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 program 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 organization 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 has poor literacy levels and relies upon visual communication to understand municipal messages. Visual communication is performed using correspondence, branding, photographs, marketing collateral, videos, industrial theatre, animation, and events. Municipal vehicles are branded with decals 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 criticized 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 prioritizing 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 because 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 utilize the most effective communication channel/s. The Communication Strategy will be a guide for all and assist us in communicating 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 2022/23 was approved by the Mayor on 22 June 2022. Revisions to the SDBIP Top Layer targets was approved by Council on 28 March 2023 and the Adjusted Top Layer SDBIP approved by the Mayor on 17 March 2023. 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 2021/22
- 🍌 The risks identified 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 6 December 2022
 - 2nd Quarter Budget Statement 25 January 2023
 - Section 72 Midyear report 25 January 2023

- 3rd Quarterly Budget Statement
- 4th Quarterly Budget Statement

30 May 2023
25 August 2023

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 2022/23 financial year were signed on 30 June 2022.

The appraisal of the actual performance in terms of the 2021/22 signed agreements, took place twice per annum as regulated. The final evaluation of the 2021/22 took place on 18 January 2023. The evaluation for 2022/23 will take place after the auditing of the 2022/23 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:

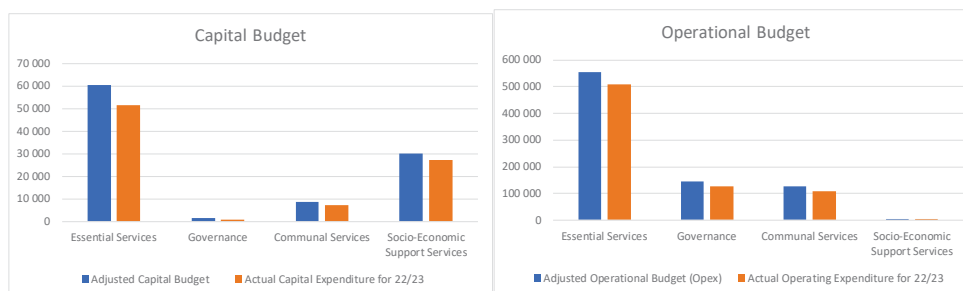
- 🍷 Executive Mayor
- 🍷 Portfolio Chairperson
- 🍷 Chairperson of the Performance, Risk and Audit Committee
- 🍷 Municipal Manager
- 🍷 Manager: Human Resources
- 🍷 Mr. D McThomas, Municipal Manager of Breede Valley Municipality, took part in the review of the Municipal Manager

3.1.4 The Integrated Development Plan and the Budget

The Amended 2022/2027 IDP was adopted on 30 May 2022, whilst the budget for 2022/23 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	Adjusted Capital Budget	Actual Capital Expenditure for 22/23	Adjusted Operational Budget (Opex)	Actual Operating Expenditure for 22/23
	R'000	R'000	R'000	R'000
Essential Services	60 634	51 583	547 444	477 080
Governance	1 401	870	153 698	135 561
Communal Services	8 864	7 397	127 308	106 273
Socio-Economic Support Services	30 076	27 340	2 005	1 912
Total	100 974	87 190	830 454	720 826



3.1.5 Strategic Alignment

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

3.1.6 Key Performance Indicators in approved 2022/23 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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	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%	95%	96%	96%	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%	96%	97%	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%	96%	97%	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%	96%	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.
FinInc28	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.	13 465	13 465	13 465	13 465	13 465	13 500	13 550	13 570	13 590	The objective of the KPI is to report on the number of residential properties that have access to the service according to the number of properties billed for the service on the SAMRAS financial system Proxy measure for National Key Performance Indicator.
TecWat20	Percentage unaccounted water losses	18%	18%	18%	18%	18%	17%	17%	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	2	0	0	1	2	4	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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecDir2	Number of subsidised serviced sites developed.	No target					130		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.
TecWat2 2	Percentage of households in demarcated informal areas with access to a water point (tap)	95%	95%	95%	95%	95%	97%	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%	97%	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%	97%	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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
CorpHR1 3	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.
CorpHR1 2	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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
FinFAdm 10	Financial viability expressed as Debt-Coverage ratio	350	350	350	350	350	350	350	350	350	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.
FinFAdm 9	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.
FinFAdm 11	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	Percentage revenue collection	93%	93%	93%	93%	93%	94%	94%	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%	99%	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%	95%	96%	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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	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.
ComSoc4 9	Number of meetings with inter-governmental	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 2022/23	1st Quarter	2nd Quarte	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComAm34	Report on annual customer satisfaction survey on community facilities.	1 Report				1	1 Report	1 Report	1 Report	1 Report	This indicator measures the submission of an analysis report on a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities. The survey include at least the provision of questionnaires at certain facilities for customers to complete.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	98%	25%	50%	75%	98%	99%	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%	95%	96%	96%	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 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	4500	4500	4500	4500	4500	4400	4300	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	410	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.
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation social developmental programmes and /or initiatives .
ComHS14	Number of housing opportunities provided per year.	0	0	0	0	0	80	80	80	80	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 40m ² house.
ComHS15	Number of Rental Stock transferred	30	5	10	20	30	40	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

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

Ref	Key Performance Indicator	Target 2022/23	1st Quarter	2nd Quarter	3rd Quart	4th Quart	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComLed19	Bi-annual report on investment incentives	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	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	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 are 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.

Inclusion of general key performance indicators in SDBIP

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

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

- The percentage of households residing in the Witzenberg as at period end is unknown as the municipality does not do populations counts. The last census was done in 2011 and the next census 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. Waste removal is there for measured through the number of residential properties for which waste is removed and billed for.

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) – TecEI60
- Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end. – FinInc28

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 are defined as a demarcated area where households reside 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 – TecEI36

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 spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.

The following indicators are applicable:

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

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

The following indicators are applicable:

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

The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.

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

The following indicators are applicable:

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

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

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

The following indicators are applicable:

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

Financial viability as expressed by the following ratios:

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

The following indicators are applicable:

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

3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23

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

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Percentage of budget spent.	All	98%/95%	98%	99%
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	95%/90%	95%	88%
Reason for under-performance: Van breda Bridge funds not all spent, although allocation was fully spent in provincial financial year. Wolseley WWTW funds not all spent, generators & toilets for informal structures funds not all spent, fencing of landfill & depot not spent, drop-off funds not spent, Tulbagh dam not all funds spent. District grant received in middle of year.						
Corrective measures: Van breda Bridge funds not all spent - funds allocated during adjustment budget was more than required , Wolseley WWTW funds not all spent - contractor to be appointed now, generators & toilets for informal structures funds not all spent - tender to be re-advertised, fencing of landfill & depot not spent - tenders awarded & construction started, drop-off funds not spent - council did not approve sites for erection of drop-offs, Tulbagh dam not all funds spent - work to be completed in new financial year.						
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%
FinInc28	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.	Number of properties	All	New	13465	13485
TecWat20	Percentage of unaccounted water losses	Percentage water losses.	All	18%/14%	18%	12%
TecEl37	Percentage of unaccounted electricity losses.	Percentage electricity losses.	All	10%/10,7%	10%	10,3%
Reason for under-performance: Electricity theft in the informal areas of Witzenberg.						
Corrective measures: A notable improvement has since been seen on the losses, with the Revenue Enhancement project progressing. This is evident on the measured losses of 10,3% in 2022/23 vs the 10,7% in 2021/22.						
TecRo7	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	4/0,6	2,0	3,3

Municipal Key Performance Area: ESSENTIAL SERVICES

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

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
TecDir2	Number of subsidised serviced sites developed.	Number of serviced plots.	5	500/529	No target set	
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Percentage of households	All	95%/100%	95%	100%
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Percentage of households	All	95%/100%	95%	100%
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	95%/100%	95%	100%
TecEI36	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 Vredebos. 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.

No target was set for the development of services sites or construction of houses as it is not included in the housing programme for 2022/23 and therefore not budgeted for by Provincial Government. This being also the reason that there is no result for TecEI36 as there were no applications.

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

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	96%/93%	96%	82%
Reason for under-performance: Although tenders and quotations was advertised, a number of providers was found to be non-responsive and could not be awarded.						
Corrective measures: The procurement strategy will be adjusted to allow for 3-year tenders and to appoint a panel of service providers.						
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

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Ratio	All	350/431	350	1163
Reason for over-performance: The proposed loan of R 10 million has been approved but has not been taken up at 30 June 2023 as the relevant expenditure was not incurred.						
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Ratio	All	2,8/3,22	2,8	4,97
FinFAdm11	Financial viability expressed outstanding service debtors	Ratio	All	60%/69%	60%	84%
Reason for under-performance: Low Collection Rate. Inability of consumers to pay. Non payment culture of consumers						
Corrective measures: Implement strict credit control and debt collection procedures. Ensure all those eligible for Indigent Relief apply for it. A report was submitted to Council on the implementation of the credit control policy, including water management devices and legal process, still awaiting council resolution.						
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	93%/91%	93%	93%
MM1	Percentage expenditure on the preventative maintenance budget of the whole of the municipality.	Percentage of budget spent.	All	98%/95%	98%	99%
MM2	Percentage spend of capital budget for the whole of the municipality.	Percentage of budget spent.	All	95%/90%	95%	87%
Reason for under-performance: Refer to ComDir2 & TecDir3						
Corrective measures: Refer to ComDir2 & TecDir3						

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.

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
MMIDP9	Number of IDP community engagements held.	Number of engagements held.	All	14/14	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.

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
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%/94%	98%	96%
Reason for under-performance: Total under expenditure amounts to R 12 336 and relates to several small savings on different ukeys.						
Corrective measures: None required.						
ComDir2	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%/92%	95%	83%
Reason for under-performance: Under expenditure occurred at the Lyellstreet, Ceres sport facility project mainly as a result of a severe storm which occurred during June. The newly completed roof of the ablution facilities was blown off with damages due to flooding.						
Corrective measures: The completion date have been extended to September 2023.						

Municipal Key Performance Area: SOCIO-ECONOMIC SUPPORT SERVICES

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

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders.	All	4500/3111	4500	3205
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	400/404	400	403
ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	Number of programmes.	All	20/34	20	29
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	30/35	30	22
Reason for under-performance: According to attorney they experience delays at deeds office and they are struggling to get the original deeds and documents of mother erven. RCC expired. The Attorney's offices closed in Cape Town and communication with Durban and Johannesburg offices has been problematic. The contract with						
Corrective measures: Tender for Attorney was advertised but needs to be re-advertised as no responsive bids was received.						

ComHS14 – No target was set for the construction of houses in 2022/23 as it is not due according to the Housing Plan. No budget available from Provincial Government.

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.

2022/23 ANNUAL RESULTS (Including corrective measures where required)						
Ref	Key Performance Indicator	Unit of Measurement	Wards	Target/Actual for 2021/22 (Baseline)	Target 2022/23	Result 2022/23
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

COMPONENT A: BASIC SERVICES

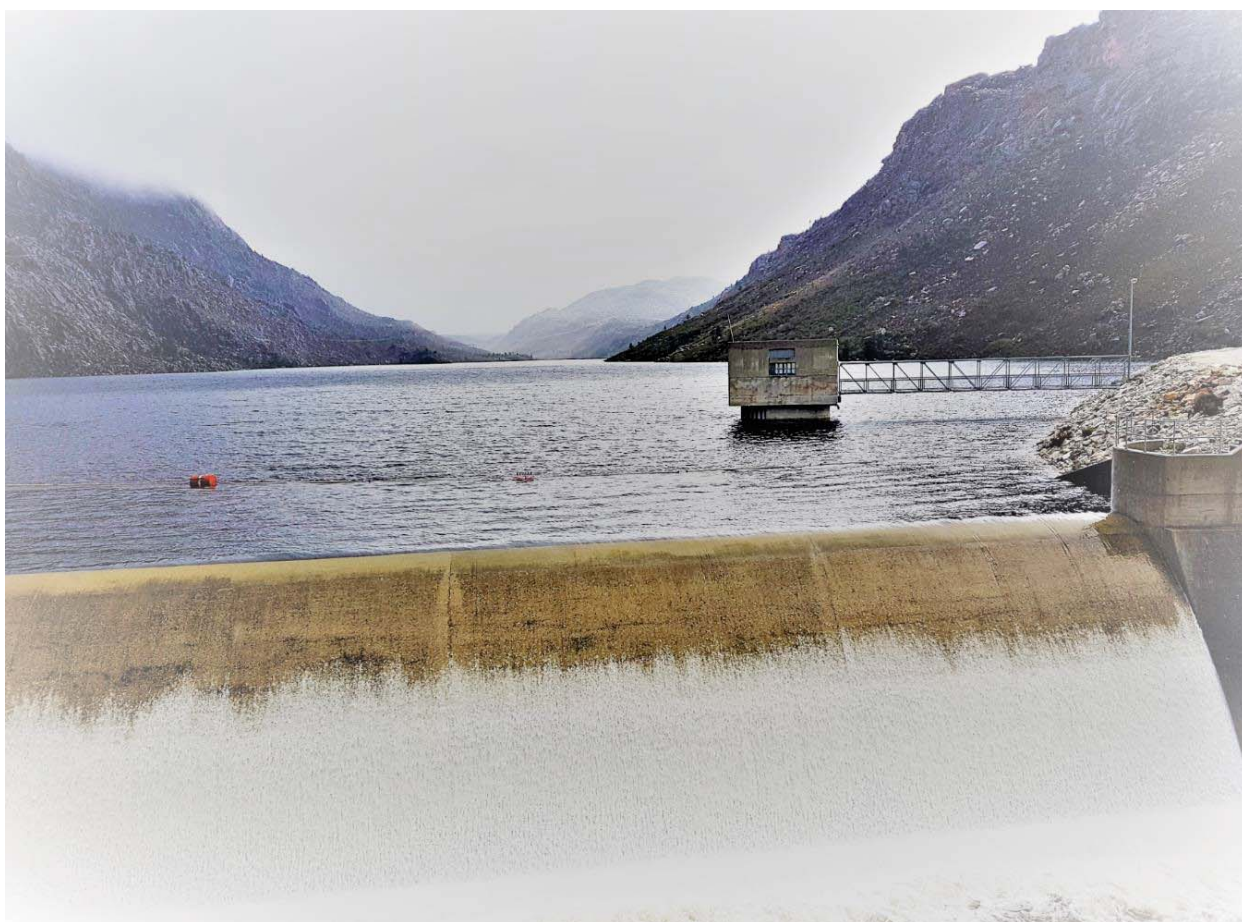
3.2 *Water Services*

3.2.1 Introduction

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

Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply. Water quality from the Koekedouw is good and it is only chlorinated before distribution. Two reservoirs (3 and 5 MI) serve as storage reservoirs to the 138.8km distribution network, with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes 2 X 2 MI service reservoirs, a booster pump station to the pressure tower (500kl) at Bella Vista, as well as a 750 kl service reservoir, 4.5MI reservoir and booster pump station at N'Duli. Three additional boreholes were drilled in Ceres and the Koekedouw borehole equipped.



The Ceres Koekedouw Dam

Tulbagh

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh. Construction of the Kleinberg pipeline has been completed to provide an additional supply of $1.2 \times 10^6 \text{ m}^3/\text{annum}$ from the Klein Berg River. The Kleinberg scheme has now been completed with RBIG funding. This includes the construction

of a new storage dam with a capacity of approximately 1 200 000m³, the construction of a rising main and booster pump station. All the water is stored in a 570 MI raw water dam at present, with the new dam being filled up. Two reservoirs (800 kl and 1 MI) 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 23 / 24 and 24 / 25 financial years.

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. The pipeline will be upgraded in the 2023/24 financial year at a cost of R 13 876 331. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and the 6 MI Wolseley Reservoir serves as a storage reservoir to the 63.7 km distribution network, with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of "lei" water during periods of low flow, from the Artois Canal to this reservoir. The project also allows for treatment at the reservoir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, 1 borehole and a supply line from the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the 43.3 km 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. Construction will be completed in 23 / 24 financial year.

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	Construction of the Waverenskroon Dam, Tulbagh. Updating of the Water Services Development Plans Updating of Water Safety Plans Completion of the Kleinberg rising main and booster pump station.

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%
2022/23	6 533 253	767 574	11.75%





Water losses decreased from 13.9% in the 2021/22 to 11.75% in the 2022/23 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 2020/21, 2021/22 and 2022/23: 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	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Household			
<u>Water:</u> (above minimum level)			
Piped water inside dwelling (accounts)	12 925	12 972	12 987
Piped water inside yard (but not in dwelling) (accounts)			
Using public tap (within 200m from dwelling) (households)	4 756	5 610	6 640
Other water supply (within 200m)	0	0	0
Minimum Service Level and Above Sub-total	17 681	18 582	19 627
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Water:</u> (below minimum level)			
Using public tap (more than 200m from dwelling)	0**	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	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%
Total number of households (formal and informal)	17 681	18 582	19 627
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>			
<i>**Households 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.</i>			

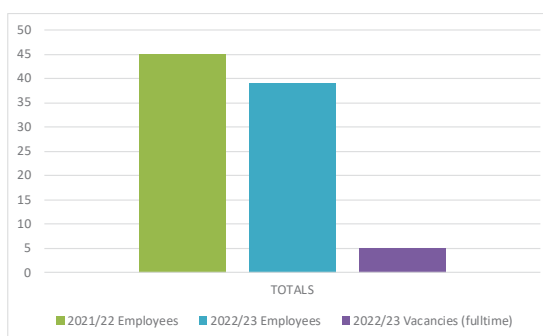
3.2.5 Service Delivery Indicators: Water Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

-  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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	21	19	2
4 - 6	11	10	1
7 - 9	4	3	2
10 - 12	6	6	0
13 - 15	2	2	0
16 - 19	1	1	0
TOTALS	45	39	5



3.2.7 Capital Expenditure: Water Services

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Tulbagh Dam	2 000 000	16 729 565	13 936 754	17%	27 000 000
Op-Die-Berg Reservoir	2 854 582	173 913	173 913	0%	5 000 000
Tierhokskloof bulk pipeline	869 565	820 000	820 000	0%	14 000 000
Tulbagh Reservoir	0	459 565	449 565	2%	8 500 000
TOTAL	5 724 147	18 183 043	15 380 232	15%	

3.3 Wastewater 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 Wastewater 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 Wastewater 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 Wastewater Treatment Works (WWTW) in Ceres. Three pump stations are used for this purpose. Several even 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 wastewater.

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	<p>Security Upgrades at Sewer PS's</p> <p>Investigation and preliminary design completed for Wolseley WWTW Upgrades:</p> <ul style="list-style-type: none"> - Phase1 completed. - Phase 2A in tender stage. <p>Investigation and inspection phase completed – Wastewater Risk Abatement Plan</p>

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 Wastewater (Sanitation) Service Delivery Levels



The table below specifies the different sanitation service delivery levels per households for the financial years 2020/21, 2021/22 and 2022/23.

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	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Household			
<u>Sanitation:</u> (above minimum level)			
Flush toilet (connected to sewerage) (accounts)	*12 993	*12 955	*13 038
Flush toilet (with septic tank) (nr. of erven)	717	717	717
Chemical toilet (only indicate nr of toilets, not included in calculation)	58	58	77
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above minimum service level) (households – informal areas)	4 514	5 610	6 640
Minimum Service Level and Above Sub-total	18 466	19 340	20 472
Minimum Service Level and Above Percentage	100%	100%	100%
<u>Sanitation:</u> (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)	18 466	19 340	20 472
<i>*Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households)</i>			
<i>**Households 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.</i>			

3.3.5 Service Delivery Indicators: Wastewater (Sanitation)

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

-  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: Wastewater (Sanitation)

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Sewer Network Replacement	1 500 000	3 225 593	3 202 989	1%	3 202 989
Upgrade WWTW Wolseley	13 653 043	9 293 719	7 918 724	15%	15 000 000
Generators	889 371	182 766	0	100%	182 766
Generators	0	413 043	0	100%	413 043
Security upgrades	10 000	87 964	75 287	14%	75 287
Toilets for informal settlements	0	956 522	0	100%	956 522
TOTAL	16 052 414	14 159 607	11 197 000	21%	

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 have 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 was updated in the 2022/23 financial year with MER funding from Western Cape Government. It includes a condition assessment of the major network components, information that is 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
Upgrade of the Power Factor Correction (PFC) Unit at Bon Chretien substation for improving power factor.	Power quality improvement

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,	<ul style="list-style-type: none">Ceres- 5 MVA increase applied for in 2019 and additional 1MVA applied for in 2022. To this date, this additional capacity has not been granted by Eskom. Development in Ceres remains on halt due to Eskom's Romans River 132kV upgrade, which moved from 24/25 to 27/28.Wolseley- The town is currently running at its NMD. 2,5MVA increase application was submitted to Eskom to no success. According to Eskom, their 5-year budget plan currently does not accommodate Wolseley's transformer upgrade, which then translates to no additional capacity available for the town.

Challenges	Description
	Tulbagh - The town is also running at its NMD. An additional 2MVA has since been applied for in 2023 for and currently being processed by Eskom.
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. This tends to affect daily operations and turnaround times.
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 has identified the hazardous equipment which has since been prioritized for replacement.
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 in 2019 and additional 1MVA in 2022)	+0,03 MVA	38,88 MVA
Wolseley	5.2MVA	+ 0,31 MVA	5,35 MVA
Tulbagh	4.5MVA (additional 2MVA applied for in 2023)	+ 0,19 MVA	4,37 MVA




The energy losses for the 2022/23 financial year were 10.3%. This is a decrease from the 10.7% 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

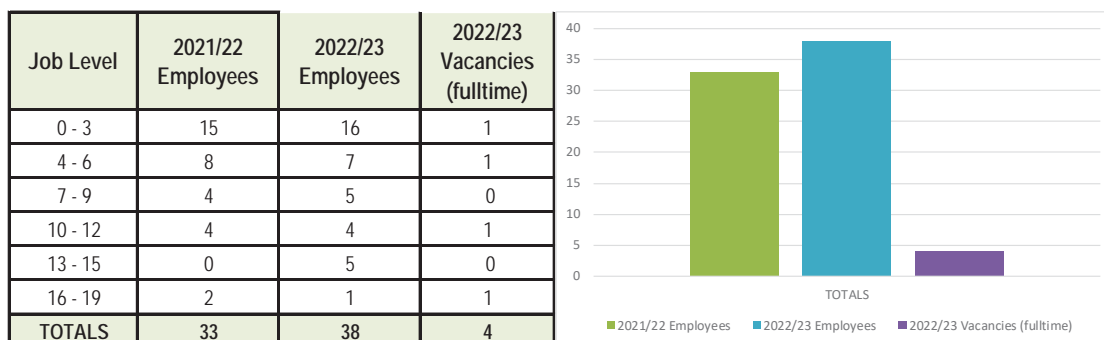
Description	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Household			
<i>Energy: (above minimum level)</i>			
Electricity (at least minimum service level - accounts)	2 103	2 103	1 610
Electricity - prepaid (minimum service level)	10 715	10 924	11 581
<i>Minimum Service Level and Above Sub-total</i>	12 924	13 027	13 191
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%
<i>Energy: (below minimum level)</i>			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
<i>Below Minimum Service Level Sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%
Total number of households (formal and informal)	12 924	13 027	13 191
<p><i>*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.</i></p>			

3.4.5 Electricity Service Delivery Indicators

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

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

3.4.6 Electricity Service: Employees



3.4.6 Electricity Service: Capital Expenditure

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
MV Substation Equipment	1 000 000	1 000 000	949 998	5%	949 998
Upgrade of LV Network Cables	1 000 000	1 000 000	974 993	3%	974 993
MV Network Equipment	1 000 000	1 300 000	1 221 469	6%	1 221 469
Upgrade of MV Cables	1 000 000	1 048 339	1 014 612	3%	1 014 612
Electrical Network Housing Project		890 300	870 300	2%	1 565 217
TOTAL	4 000 000	5 238 639	5 031 373	4%	

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 2025 and was endorsed 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 5 licensed landfill sites with 2 sites closed, 1 non –operational site and 2 sites operational.
- 🍷 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.
- 🍷 Material Recovery Facility (MRF) operational in Ceres.
- 🍷 Drop Off Facility at Wolseley.

The current waste management system in the municipality is 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 and gazetted in May 2023.
- 🍷 Integrated Waste Management Plan has been completed and endorse by MEC.

Witzenberg Municipality currently have two operating landfills. The Tulbagh landfill site is licensed as a GSB- site and is non-operational and receives no waste from Witzenberg due to court case. The Prince Alfred Hamlet site is licensed as a GCB- operated by Municipality and hired plant and equipment by the municipality for households, building and garden refuse. The Op-Die-Berg site is licenced as a G;C:B + and is non-operational receives no waste from all towns in Witzenberg , it is closed in January 2023.

3.5.2 Highlights

Highlights	Description
New Construction of a Material Recovery Facility in Ceres. – newly completed	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.
Wheellie 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	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Household			
<i>Refuse removal: (above minimum level)</i>			
Removed at least once a week (accounts)	13 465	13 463	13 486
Removed at least once a week or through periodic cleaning programmes (households in informal settlements)	4 514	5 610	6 640
<i>Minimum Service Level and Above Sub-total</i>	17 979	19 073	20 126
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%
<i>Refuse removal: (below minimum level)</i>			
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
<i>Below Minimum Service Level Sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%
Total number of households (formal and informal)	17 979	19 073	20 126

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

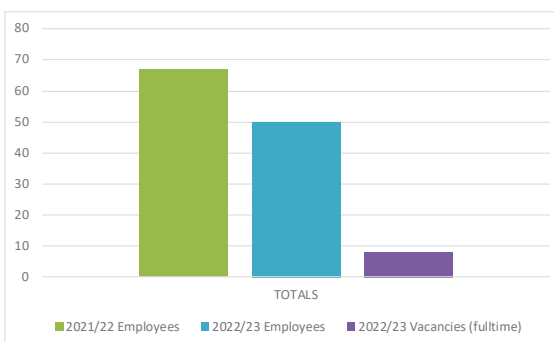
3.5.5 Waste Management - Service Delivery Indicators

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

-  FinInc28 Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at period end.
-  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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	42	38	3
4 - 6	10	8	2
7 - 9	14	4	2
10 - 12	1	0	0
13 - 15	0	0	0
16 - 19	0	0	1
TOTALS	67	50	8



3.5.6 Waste Management – Capital Expenditure

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Fencing Landfill site	4 000 000	1 000 000	0	100%	4 000 000
Drop-offs Transfer stations	6 000 000	1 200 000	0	100%	6 000 000
Furniture & Office equipment	0	260 296	3 838	99%	260 296
Wolseley Public Toilets	0	1 290 612	1 283 873	1%	5 600 000
TOTAL	10 000 000	3 750 908	1 287 711	66%	

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 but could not continue because of Phaze H in Vredebes that was stopped because of the electricity supply which ESCOM cannot provide
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 A new application for the enumeration for the N'duli Informal Settlements needs to be submitted for the financial year 2023/24

3.6.3 Challenges

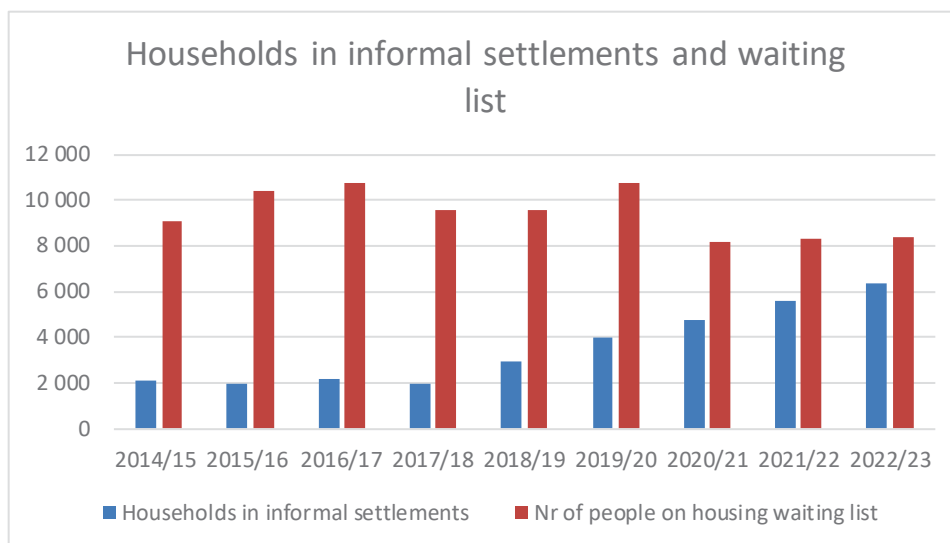
Challenges	Description
Selling and renting of RDP houses	Beneficiaries are in desperate need for money and this is a way to generate an extra income. Sales are made illegally without houses being transferred which hampers the transfer processes because in some case the beneficiaries who received the 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. Huge backlog at Deeds Office.
Emergency housing for evictees (private and farm workers)	Emergency camps are planned as part of the Vredebes Housing Development, but no immediate solution available because of project funding for bulk infrastructure which will take ± 3 years to be completed depending on additional fund allocations
Immigration control in informal settlements. Increased illegal invasion of land in Wolseley and unfortunately, we have no control because these structures are erected overnight and 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. Rapid increase of illegal structures and unfortunately no control and assistance or support from local community.
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%)

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2018/19	29 969	83.3%	2 967	9 546	0%
2019/20	30 000e	87%	4 027	10 774	13%
2020/21	30 000e	87%	4 756	8 181	(25%)
2021/22	27 866	85%	5 610	8 300	1.4%
2022/23	28 665	87%	6 398	8 360	0.7%

**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	

Financial year	Allocation (Budget)	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2021/22 (Capital)	4 125 138	4 125 138	100%		529
2021/22 (Operational)	19 268 708	430 900	2%	0	
2022/23 (Capital)	0	0	N/A	0	0
2022/23 (Operational)	0	0	N/A	0	0

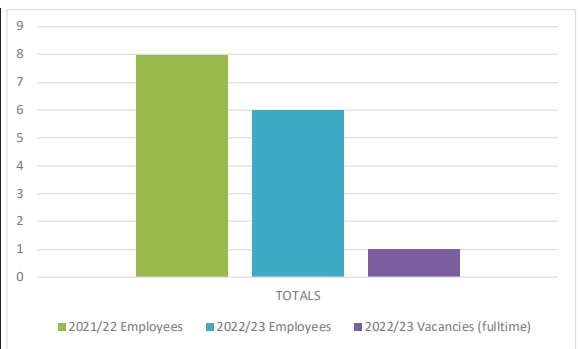
3.6.5 Service Delivery Indicators: Housing

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

-  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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	3	2	0
7 - 9	3	2	0
10 - 12	1	1	1
13 - 15	0	0	0
16 - 19	1	1	0
TOTALS	8	6	1



3.7 Free Basic Services & Indigent Support

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

Free basic services are provided to households with a combined monthly income of less than 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 way 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 to improve the standard of living and creating a prosperous municipality that is free from the scourge of poverty.

THE OBJECT OF THIS POLICY IS TO:

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

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

- 🍎 The head of the household must be a South African citizen.
- 🍎 The household, except in the case of rural households, must receive an account from Witzenberg Municipality.
- 🍎 An application on the prescribed form must be duly completed and submitted, with the required information and signature.
- 🍎 No member of the household may own a fixed property, other than the site on which the household resides; and
- 🍎 The household's joint gross income may not exceed R 5 000 per month.

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

- 🍎 More than 50% of the residents within the old age home must receive less than R 5 000.00 per month.
- 🍎 The qualification criteria for electricity consumers within Witzenberg Municipality, but who reside in areas where the municipality is not the supplier of electricity, is that their connection may not exceed 20 Amps.

BENEFITS (Income up to R 3 000):

- 🍎 **Property rates**
In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R120 000.
- 🍎 **Electricity**
A subsidy equal to the amount charged for the first 50 kWh consumed per month.
- 🍎 **Water**
A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the municipality is the service provider.
- 🍎 **Sanitation**
A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- 🍎 **Refuse removal**
A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.
- 🍎 **House rental**
A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.
- 🍎 **Burial costs**
A subsidy equal to 100% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.
- 🍎 **Transfer costs**
A subsidy equal to 100% of the amount charged for transferring the municipal service accounts, as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer

deposit or to increase the existing deposit. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name. This subsidy is provided as a result of death of the head of the household, whilst approved as an indigent household and the current registration is not registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

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

Property rates

In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R120 000.

Electricity

A subsidy equal to the amount charged for the first 25 kWh consumed per month.

Water

A subsidy equal to the amount charged for the first 3 kilolitres consumption per month as well as 50% subsidy on the basic charge for water, where the municipality is the service provider.

Sanitation

A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.

Refuse removal

A subsidy equal to 50% of the amount charged for the service per month where the municipality is the service provider.

House rental

A subsidy equal to 50% of the amount charged in the case of municipal sub economical rental stock as house rental per month.

Burial costs

A subsidy equal to 50% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.

Transfer costs

A subsidy equal to 50% of the amount charged for transferring the municipal service accounts, as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit. A subsidy equal to 50% of the costs of an attorney to transfer the property into the spouse name. This subsidy is provided as a result of death of the head of the household, whilst approved as an indigent household and the current registration is not registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

3.7.1 Access to Free Basic Services

Free Basic Services To Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	15 388	6 742	43	6 742	43	6 742	43	6 742	43
2019/20	15 317	6 742	43	6742	43	6742	43	6742	43
2020/21	16 421	6 828	42	6828	42	6828	42	6828	42

Free Basic Services To Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2021/22	17 418	7 755	45	7 755	45	7 755	45	7 755	45
2022/23	18 456	9 012	48	7 899	48	7 899	48	7 899	48

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
2022/23	18 456	125	0.006	125	0.006	125	0.006	125	0.006

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
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
2022/23	3 205	120 000	4 053	13 586	120 000	16 303

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	

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
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
2022/23	3 044	50	2 677	11 843	50	10 418			

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						
2022/23	125	25	5 498						

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			
2022/23	7 899	6	15 166	10 647	6	20 442

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

Water (50%)						
Financial year	Indigent Households-50%			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2021/22	133	3	1 193			
2022/23	125	3	1 200			

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
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			
2022/23	7 899	239.39	22 691			

Sanitation 50%						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2020/21	67	105.29	8 463	9 444	0	0
2021/22	133	111.60	17 811			
2022/23	125	119.69	17 953			

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
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						
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
2022/23	7 889	1	19 381			

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			
2022/23	125	1	1 535			

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 is currently serving before Council for adoption.

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
Network streets	Resealing existing tarred roads
Upgrade Van Breda Bridge	Widening and upgrade bridge
Vredebes Access Collector	New Access Collector Road completed

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 to implement 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
2022/23	233.00	0.765	3.582	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

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2015/16	10.50	0	0	10.50
2016/17	10.50	0	0	10.50
2017/18	10.50	0	0	10.50
2018/19	10.50	0	0	10.50
2019/20	8.9	0	1.6	8.9
2020/21	8.9	0	0	8.9
2021/22	8.9	0	0	8.0
2022/23	8.9	0	0	8.9

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

Financial year	New & Replacements	Resealed	Maintained
	R'000	R'000	R'000
2014/15	12 684	2 029	3 541
2015/16	6 121	5 753	5 780
2016/17	16 806	7 698	7 804
2017/18	8 102	3 109	8 007
2018/19	32 114	105	5 990
2019/20	48 786	8 628	6 000
2020/21	9 189	1 600	8 883
2021/22	15 271	0	9 398
2022/23	11 862	2 000	11 862

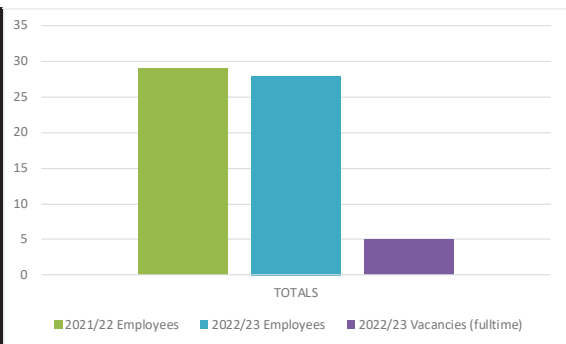
3.8.5 Service Delivery Indicators: Road Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

 TecRo7 Kilometres of roads upgraded & rehabilitated

3.8.6 Employees: Roads & Storm water

Job Level	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	14	13	2
4 - 6	7	8	2
7 - 9	3	3	1
10 - 12	3	2	0
13 - 15	1	1	0
16 - 19	1	1	0
TOTALS	29	28	5



3.8.7 Capital Expenditure: Roads & Storm water

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Network streets	2 000 000	2 000 000	1 985 247	1%	2 000 000
Vredebes Access Collector	10 909 809	15 630 451	15 724 912	-1%	15 630 451
Upgrade Van Breda Bridge	12 017 000	30 075 660	27 922 554	7%	54 000 000
TOTAL	24 926 809	47 706 111	45 632 713	4%	

3.9 Wastewater (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 require 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 Koekedouw 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
2022/23	146.7	0.7	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
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
2022/23	0	1 893

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).

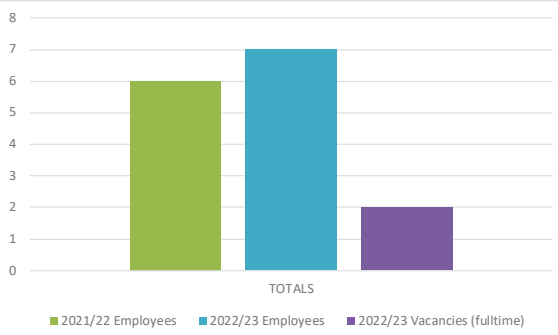
3.10.4 Service Delivery Statistics

Type of service	2018/19	2019/20	2020/21	2021/22	2022/23
Town Planning and Building Control					
Building plan applications processed	455	368	354	480	438
Total surface (m ²)	58 318m ²	44 327m ²	60 113m ²	83 693 m ²	81 836 m ²
Approximate value	R 3 232 931 532*	R 212 778 595	R 328 052 888	R 412 036 060	R 514 850 897
New residential dwellings	167	124	45	82	71
Residential extensions	87	90	123	177	251
New Business buildings	1	1	1	3	6
Business extensions	1	3	7	18	25
Rural applications	73	39	50	96	69
Land use applications processed	31	34	44	26	21

*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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	4	4	2
13 - 15	1	2	0
16 - 19	1	1	0
TOTALS	6	7	2



3.11 Local Economic Development

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2022/23 financial year:

Achievement/Highlight	Description
Successfully linked and funded 4 small businesses with mentorship program	Three smmes from Tulbagh and one from Wolseley participated. A local service provider was appointed
Successful supply chain workshop in Tulbagh presented by local municipality Linked 7 smmes with Supply Chain session facilitated by Ceres Provincial Hospital	Empowered smmes to access government procurement opportunities
Implementation and coordination of the informal trader program	Leasing of 123 hawker stands. Issuing of 40 business licenses Assisting with enquiries on daily basis

Achievement/Highlight	Description
Establishment of Informal trader forum	Discussions on challenges and solutions to improve support.
Tax workshop in Ceres facilitated by SARS office from Cape Town Tax workshop in Nduli, Ceres Town and Wolseley	To share information concerning SMME Tax Obligations, Incentives and Compliance
Utilisation of email network to share business information	Distributing emails on regular basis to link clients with business opportunities
Linked 7 clients with SEDA business consultations	Individual business support
Cape Winelands Seed funding program awareness: Seed fund information session in Op die Berg 6 applications for seed fund approved for 2022/23	Purpose of the session was to guide and empower smmes regarding the application process 3 Small farmers and 3 entrepreneurs from Witzenberg funded by programme
Business meeting in Op die Berg Business meeting in Wolseley	To inform smmes concerning the services of the LED unit and Government Departments. To network and have dialogue regarding challenges and solutions.
Tender workshop in March facilitated by Supply chain unit.	Some of the aspects include: Invitation to bid, details of Bidder, Tax clearance requirements, prescribe bid form, declaration of interest, responsiveness and evaluation criteria, general conditions of contract, points claim forms, declaration of bidder past supply chain management, prohibition of restrictive practices, notification of appeal
Basic business training in Tulbagh presented by SEDA	Better understanding of how to apply basic business principles
COIDA workshop for businesses in Ceres	Some of the aspects that were discussed include employee's responsibility, employer's responsibility, benefits payable in terms of the Compensation Fund, what is an accident, procedures to be followed when reporting an accident, when must a claim be finalized, medical practitioner, will the employee receive a salary for the disablement
Costing and pricing workshop	The workshop aimed to empower smmes with skills and knowledge to implement effective costing and pricing
Perdekraal Entrepreneur day	Perdekraal East Wind farm facilitated an entrepreneur day to link local smmes with government support

The table below gives a brief description of all the challenges within Local Economic Development (LED) during the 2022/23 financial year:

Description	Actions to address
Insufficient office space and resources	Provision 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
Insufficient business premises	Access funding to establish and sustain structures

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 2022/23, 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	2022/23
Small businesses assisted	150	95	200	185	127
SMME's trained	70	20	20	86	80
Community members trained for tourism	7	5	0	13	0
Local artisans and crafters assisted	3	7	5	9	4

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
2022/23	34	403

3.11.4 Service Delivery Indicators: LED

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

-  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, roadshows, expos, events and festivals. Tourism also aims to train and skill local entrepreneurs to meet tourism-related demands and provide necessary services and products to promote local trade and economic development. Specific development 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 could be invited on a tour of the region to gain first-hand knowledge and experience on all the region has to offer. The Ceres'ly Positive movement is still going strong, and the Facebook group is growing. This ongoing initiative aims to promote a positive and friendly attitude and making Ceres the friendliest town in the country. We hope to roll out this initiative or something similar in the other towns soon. 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 especially given exposure and space during events and festivals, and other opportunities where possible.

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. Funding has been secured for the new financial year to update and perhaps redesign these materials. 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. Distribution at strategic points, social media and online marketing is soaring and continues as per usual and is still a reliable source of communication for many visitors to the area. 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.

Local tourism is actively marketed and represented at various platforms, internationally and locally. 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 continue to excel 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	August
Ceres Chase – Amazing Race	September
Eselfontein Outdoor Festival	October
Wolseley MTB	October
Gydo Christmas Light Festival	November
Loxtonia Cherry Trail Run	November
Hoogwater Fruit picking	November - January
Bosjes Jelena Picking	November
Apricot Picking	December
Adene's Farm Flowers	December - April
Tankwa Camino Hikers Welcomed to Ceres	September, April & May
Tankwa Trail at Kaleo Guest Farm, outside Ceres	April
Tulbagh Vintage & Vine Faire	May
Christmas in Winter	June
Seven Oaks Pop Restaurant	Monthly
Creative Hub Market	Monthly (month ends)
Witzenville Faire	December

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 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.

Post Covid-19 some businesses are still struggling to survive. The greatest challenge now is the ongoing and worsening load shedding, resulting in businesses losing revenue and equipment due to power cuts. The resilience of the industry depends on the financial interventions and practices that businesses put in place immediately going

forward. It is also a huge financial commitment to install generators, as many cannot afford to do it. However, the local Tourism industry is resilient.

3.12.6 Opportunities for Tourism

A key action towards tourism growth, development and integration will be the focus on and roll out of various projects as set out in the SLA, which is 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 realising its aims towards social cohesion, poverty eradication and economic empowerment 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	2021/22	2022/23
Libraries				
Number of Libraries	9 and 3 mini libraries	9 and 3 mini libraries	9 and 3 mini libraries	12
Library members	29 831	30 203	30 631	31 725
Books circulated	208 600	73 984	116 987	150 414
Exhibitions held	181	161	212	246
Internet access points	36	36	33	29
New library service points or Wheelie Wagons	0	0	0	0
Children programmes	88	57	128	194
Visits by school groups	272	169	230	343
Community Facilities				
Number of Community Facilities - Community- and Town Halls	12	12	12	12

3.13.2 Employees – Libraries & Community Facilities

Job Level	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	5	10	0
7 - 9	10	12	1
10 - 12	8	9	1
13 - 15	1	1	0
16 - 19	0	0	0
TOTALS	24	32	2

3.14 Cemeteries

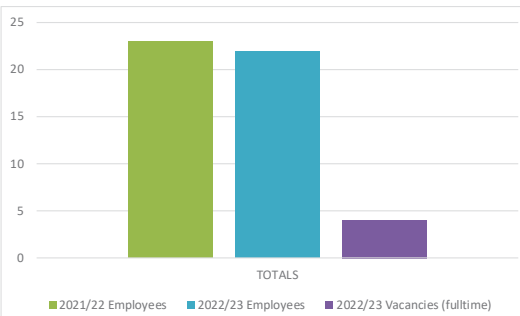
Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

3.14.1 Service Statistics - Cemeteries

Type of service	2019/20	2020/21	2021/22	2022/23
Number of Cemeteries	4	4	4	4
Number of private burials	482	1017	427	584
Number of poor burials	39	156	173	141
Number of indigent burials	51	158	148	159
<i>#Stats are for all towns</i>				

3.14.2 Employees – Cemeteries

Job Level	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	18	17	3
4 - 6	4	3	1
7 - 9	1	1	0
10 - 12	0	0	0
13 - 15	0	0	0
16 - 19	0	1	0
TOTALS	23	22	4



3.15 Childcare, 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: Childcare, Aged Care & Social Programmes

2021/22	2022/23
Soup kitchens established or supported	
No soup kitchens were financially supported. 24 soup kitchens were supported with soup ingredients.	None
Initiatives to increase awareness on child abuse	
Awareness programs on stranger danger at ECD centers x 5 Children life skills program focused on safety x 3 Fatherhood programme x 1	Awareness program on stranger danger for preschool children at ECD centers x5 Distribution of pamphlets, posters, and information on child safety at ECD centers x1
Youngsters educated and empowered	
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	Accredited plumbing training for 2 youth (ongoing) Youth Program: Teenage Pregnancy x3 Youth program: Anti-Bullying

<p>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</p>	<p>Women Sanitary project: distribution x5 Youth Program: Leadership skills x2 Heritage day event Youth program on Identity Youth program on Choices x2 Youth program on substance abuse x2 Holiday program x2 Youth program on motivation x2 Leadership Camp Youth Program on Safety x2 Educational fieldtrip to Elsenburg college Youth program on sexting x2 Job Preparation Workshop Youth summit</p>
Initiatives to increase awareness on disability	
<p>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</p>	<p>Awareness programmes regarding mental disabilities x 2 Parent Support Programme: Parents and Caregivers of children and adults with disabilities x 3 Life-skills programme with young people with disabilities x3 Arts & crafts skills programme with persons with disabilities group x 3 Woman's day Programme for people with disabilities x1</p>
Initiatives to increase awareness on women	
<p>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</p>	<p>Awareness on domestic violence and intimate partner violence x 6 Municipal Woman's day programme with female employees: Cancer Screening; HIV testing; blood pressure and diabetes testing.x1 Woman's day programme for women in the community x 1 100 Men March- stakeholders work together to raise awareness towards Gender Base Violence x1 GBV Virtual Programme x 1 Distribution programmes of female sanitary hygiene products to needy young girls and women x4 Establishment of a Municipal Women's committee.</p>
Initiatives to increase awareness on HIV/AIDS	
<p>5 X HIV awareness programs in Witzenberg</p>	<p>Awareness programs on HIV in Witzenberg x 5</p>
Initiatives to increase awareness on Early Childhood Development	
<p>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.</p>	<p>ECD quarterly meetings in Koue Bokkeveld x 3 ECD quarterly meetings in Witzenberg x 4 Workshop regarding mouth hygiene for ECD practitioners x1 First Aid training for ECD practitioners x 2 ECD management meetings x 4</p>
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	
<p>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</p>	<p>Awareness program on fetal alcohol syndrome x 6 Awareness programs on substance abuse at primary schools in Witzenberg x 7</p>

Special events hosted	
No special event hosted due to Covid regulations.	No special event hosted

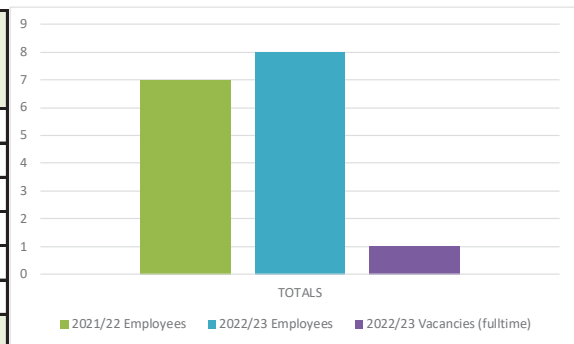
3.15.2 Service Delivery Indicators: Childcare, Aged Care & Social Programmes

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

- 🍎 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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	4	4	0
7 - 9	1	1	0
10 - 12	2	3	0
13 - 15	0	0	0
16 - 19	0	0	1
TOTALS	7	8	1



3.16 Community Services: Other

3.16.1 Capital Expenditure – Community Facilities and Libraries

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Library Nduli	1 000 000	200 000	0	100%	6 000 000
IT Equipment	182 000	182 000	123 939	32%	182 000
TOTAL	1 182 000	382 000	123 939	68%	

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	2022/23
Pollution Control				
Number of environmental education initiatives held	9	6	8	8
Number of baboon damage incidents	0	0	0	0

3.18 *Parks, Public Open Spaces & River Management*

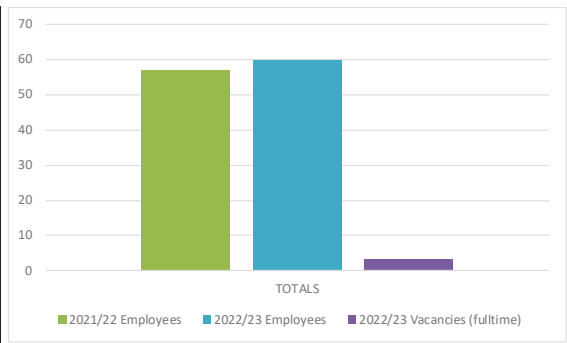
Parks management is responsible for the management and maintenance of parks in the municipal area. New parks are designed and developed by this section. The function also includes river maintenance and conservation of municipal nature areas. The municipality has more than 50 hectares of official parks 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.

The Ceres Rivers restoration program (CRRP) in collaboration with WWF were identified due to degradation of the state of the rivers in the urban areas of Ceres. The CRRP is a 3-year program funded by the Nedbank Green Fund trust. The aims of the program are to tackle the current negative impacts and challenges identified at the Dwars, Modder and Titus rivers. The key objective of the program is to restore, rehabilitate the ecological infrastructure of the mentioned rivers as well as to improve water quality and quantity. Furthermore, the program aims to enhance the socio-economic and ecological integrity of the Dwars, Modder, and Titus Rivers. More than 70% of invasive alien vegetation along the urban portion of the riverbanks of the Dwars River were removed. The riverbanks will also be stabilized by the replanting of indigenous plants native to the area. Litter and waste along and in the rivers are also removed on a weekly basis. A freshwater specialist will be appointed to assist with the development of a river maintenance management plan.

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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	40	42	2
4 - 6	12	11	1
7 - 9	5	5	0
10 - 12	0	1	0
13 - 15	0	0	0
16 - 19	0	1	0
TOTALS	57	60	3



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

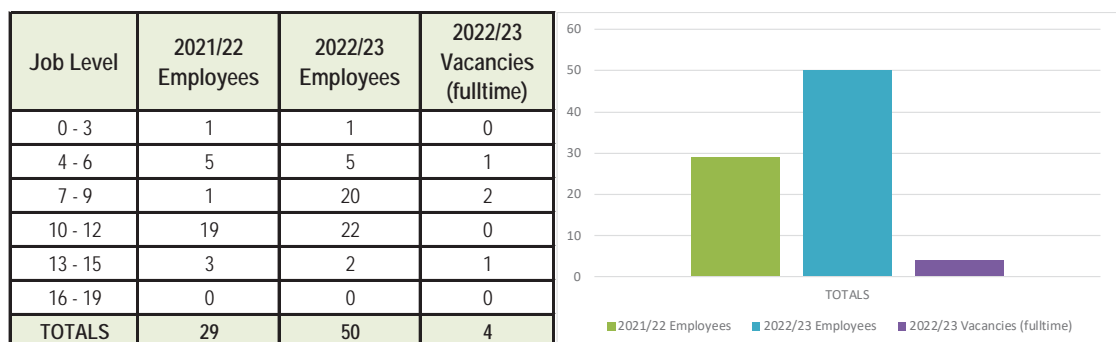
Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority is to improve service delivery at the Traffic Centre. This will be achieved 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	2022/23
Number of road traffic accidents during the year	618	471	631	623	632	687
Number of by-law infringements attended	293	138	870	1 635	313	301
Number of Traffic officers in the field on an average day	6	10	11	9	5	10
Number of Traffic officers on duty on an average day	11	21	17	18	18	16
Animals impounded	0	0	0	0	0	0
Motor vehicle licenses processed	27 458	26 838	23 940	28 024	29 545	28 897
Learner driver licenses processed	2 445	2 270	2 136	1 387	2 612	1 254
Driver licenses processed	1 865	1 829	1 735	2 198	2 346	4 521
Driver licenses issued	686	581	417	538	564	512
Fines issued for traffic offenses	56 816	25 111	37 529	10 628	32 769	6 637
R-value of fines collected	4 448 590	2 429 886*	2 650 726	734 450	1 299 900	1 102 800
Operational callouts/Complaints	528	763	554	338	404	279
Roadblocks held	13	24	16	486	130	115
Special Functions – Escorts	78	89	66	0	9	36
Awareness initiatives on public safety	21	10	21	21	7	47

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

3.19.2 Employees – Traffic- & Law Enforcement Services



3.20 Fire Services

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

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

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

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

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

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

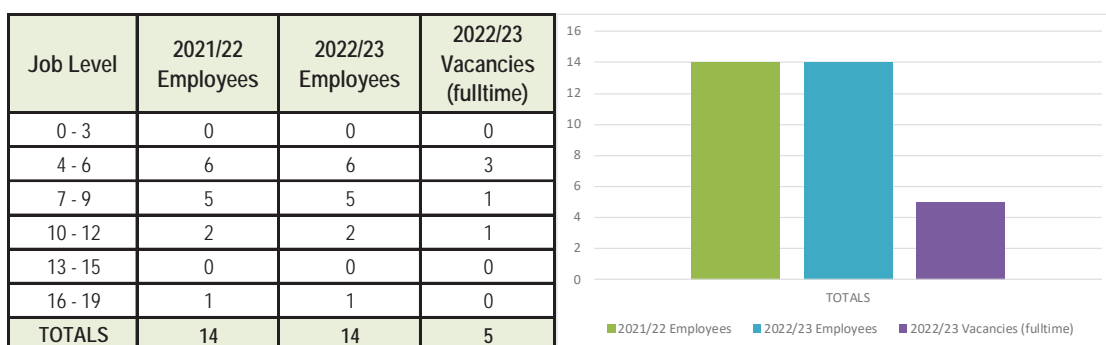
The maintenance, growth, extension and delivery of fire services rely heavily on funding. The funding received in this reporting year did not allow for growth but amidst staffing and funding challenges the department continues to perform admirably in terms of ensuring that emergency services delivery 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	2022/23
Emergency responses	515	809	1 061	761
Average turnout time - urban areas	10:52min	10:59min	6:28min	6:28min
Average turnout time - rural areas	17:29min	10:59min	10:45min	10:45min
Fire fighters in post at year end	14	14	14	14
Total fire appliances at year end	6	7	7	7
Total Operational callouts	955	1499	1076	1058
Reservists and volunteers not trained	0	2	0	0
Awareness Initiatives on Fire Safety	132	19	24	67
EPWP & WoF Fire Fighters	27	39	39	19

3.20.2 Employees – Fire and Disaster Services



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

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

- Establish a functional Disaster Management Centre.
- Appoint of a Head of Centre and suitably qualified persons.
- Responsible for the implementation and maintenance of an all-hazard, full-spectrum comprehensive disaster management program, ensuring:
 - Prevention
 - Mitigation
 - Preparedness
 - Response.
 - Rehabilitation and reconstruction
- Monitor progress with post-disaster recovery & rehabilitation.
- Serve as repository of and conduit for, disaster information.
- Be the advisory and consultative body on disaster issues.
- Make recommendations regarding DM funding.
- Make recommendations on legislation affecting DM.
- Promote the recruitment, training and participation of volunteers in DM.
- Promote disaster management capacity building, training and education throughout the republic, including in schools.
- Promote research into all aspects of disaster management.
- Liaise and coordinate its activities with other relevant DM Centres.

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

WITZENBERG DISASTER MANAGEMENT PLAN

The disaster management plan of Witzenberg Municipality was reviewed 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.
- considers 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.

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 of 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 one's risk of it.

Roaming livestock

Several incidents were reported in the past year where animals were involved in accidents with vehicles and damages caused. In April 2023, a horse and a car collided on the R303 at Prince Alfred Hamlet. Significant damages were caused to the motor vehicle and the horse had to be euthanised due to its injuries. During June 2023, a cow was knocked down by a vehicle on the R303, near the PA Hamlet landfill site. Two goats were knocked down by a car on 3rd of July 2023 on the R46 near Nduli suburb. Fortunately, no humans were injured in these incidents. Roaming pigs caused a lot of damages to gardens in Pluto's Park residential area and Stofberg park adjacent to Lyell Street. The Have a Heart Equine Sanctuary enterprise have been registered on the Municipal database to render a transportation and impoundment service to the municipality. During June 2023, 19 Cows and 5 pigs were impounded in Ceres, Stofberg Park area. The animals were taken to Have a Heart Equine Sanctuary's Bokdam farm in the Bonnievale district, where it was impounded.

Animal Monitoring

A total of 18 animal monitors have been appointed for all areas affected by roaming livestock. These areas include Ceres Rooikamp, Nduli, PA Hamlet, Wolseley, and Tulbagh. 3 Baboon monitors were appointed 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 Wolseley. Monitors function based on the EPWP programme. The function of the monitors is to ensure that the animals are not a problem to residents or a danger to road traffic. The biggest challenge is roaming cows, goats, sheep, and horses. 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). Another challenge is the monitoring of animals during weekends and after-hours during weekdays. Animal complaints varies on a weekly basis and includes complaints related to the keeping of dogs. 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 and Swartland stock theft units were contacted on several occasions for assistance, which, unfortunately, did not materialise. Animal owners are not very co-operative, and the problems remains a serious challenge for the Municipality. The municipality is continuously looking at alternatives in addressing these challenges.

Road Signs.

The municipality are currently looking at the erection of notice boards that will alert the public of roaming animals. These signs will be put up at strategic places, town entrances and alongside roads where animal occurrence is a possibility. Notices to owners of livestock are also being compiled to inform them of the consequences of roaming and unsupervised animals on roads and residential areas.

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 2022/23 applicable to accommodation units and normal camping sites, amounted to R 3 810 645 (57 497 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)

The pools opened November 2022 to 30 April 2023. The pools was visited by 922 adults and 24 328 children with a total revenue of R 70 962.

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	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	14	14	2
4 - 6	8	7	3
7 - 9	1	2	1
10 - 12	1	1	0
13 - 15	0	0	0
16 - 19	0	1	0
TOTALS	24	25	6

3.22.2 Capital Expenditure: Sport Facilities

Capital Projects 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
Ablution facilities at Hamlet (Breestr	434 782	434 782	297 813	32%	434 782
Ceres upgrade Of Leyell Str Sport F	6 354 740	6 340 955	5 259 325	17%	15 000 000
Upgrade Sportsgrounds	894 783	894 783	894 783	0%	894 783
Sportfield equipment	30 000	239 199	217 726	9%	217 726
Sportsground development	0	334 128	229 955	31%	229 955
TOTAL	7 714 305	8 243 847	6 899 601	16%	

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	2021/22			2022/23		
	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	89 055	85 454	96%	98 430	39 555	95%
Electricity	320 826	320 211	100%	317 273	319 861	101%
Water	54 335	39 693	73%	53 393	39 156	73%
Sanitation	33 222	29 633	89%	53 097	43 862	83%
Refuse	35 095	25 832	74%	37 791	25 873	68%
Other	1 590	1 480	93%	1 535	1 267	83%
Total	534 124	502 303	94%	561 519	523 575	93%
<i>The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues</i>						

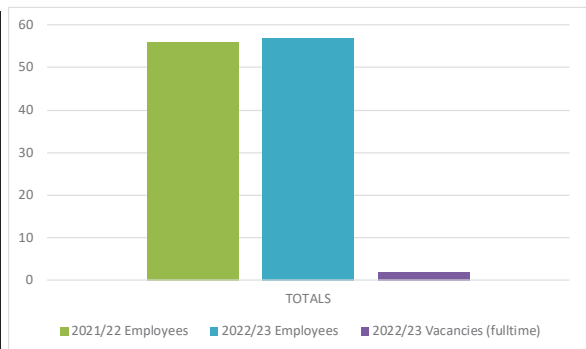
3.23.2 Service Delivery Indicators – Financial Services

Refer to 3.1.8 Strategic Performance (Top Layer SDBIP) for 2022/23:

- 🍎 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 Percentage revenue collection








3.23.2 Employees – Financial Services

Job Level	2021/22 Employees	2022/23 Employees	2022/23 Vacancies (fulltime)
0 - 3	0	0	0
4 - 6	36	36	1
7 - 9	9	10	1
10 - 12	2	5	0
13 - 15	6	3	0
16 - 19	3	3	0
TOTALS	56	57	2



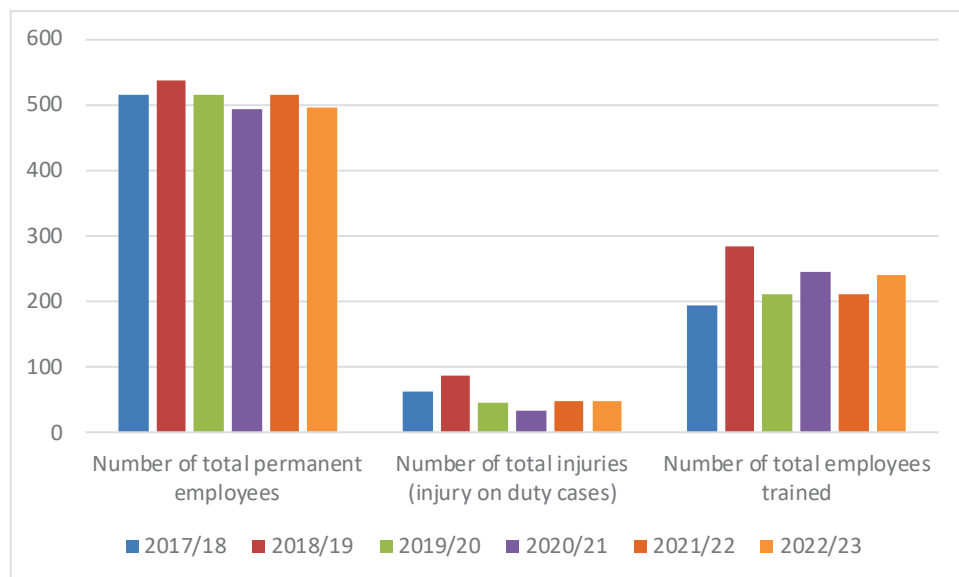
3.24 Human Resource Services

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

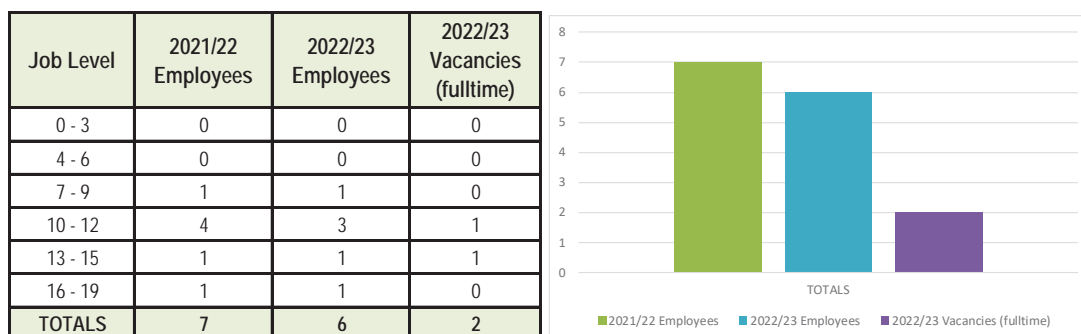
Details	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of HR policies reviewed	1	3	0	2	1	0
Number of total permanent employees	516	538	515	493	515	496
Number of total temporary employees	72	27	53	57	45	49
Number of total injuries (injury on duty cases)	62	87	46	34	48	48
Number of total approved annual leave days taken	11 575.25	12 112.75	9511.50	11820.75	12110	11270
Number of family responsibility leave days taken	470.25	542.50	313	566	571	552
Number of total Health and Safety Representatives	20	20	25	21	16	24
Number of total First Aiders	39	56	59	30	59	59
Number of sick days leave taken	4118	4 490.25*	4254.50	5674	5610	4627
Number of termination	1	3	24	29	17	27
Number of new employees appointed - permanent	47	41	37	6	51	20
Number of new employees appointed - Interns	2	2	0	2	2	2
Number of new employees appointed - Temporary	22	38	0	3	38	11
Number of total employees trained	195	284	211	246	212	241
Number of total female employees trained	56	79	64	62	32	39
Number of total male employees trained	139	205	147	184	180	202
Number of total learner ships enrolled	10	8	2	2	4	2
Number of total training courses rolled out	26	46	24	17	23	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



3.25 Information & Communication Technology (ICT) Services

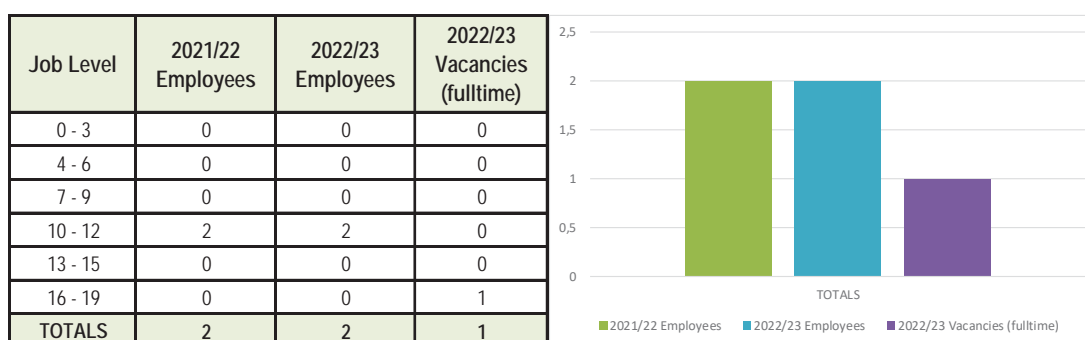
The department's functions include:

- 🍎 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	2022/23
Desktop support	415	435	465	509	588	451
Network support	589	605	700	781	861	792
Network downtime experienced	8 hours	12 hours	9 hours	12 hours	9 hours	8 hours
Server downtime experienced (total for 15 servers)	62 hours	48 hours	15 hours	10 hours	12 hours	4 hours
File restores requested	94	128	105	81	102	78

3.25.2 Employees – ICT Services



3.26 Internal Audit & Risk Management

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

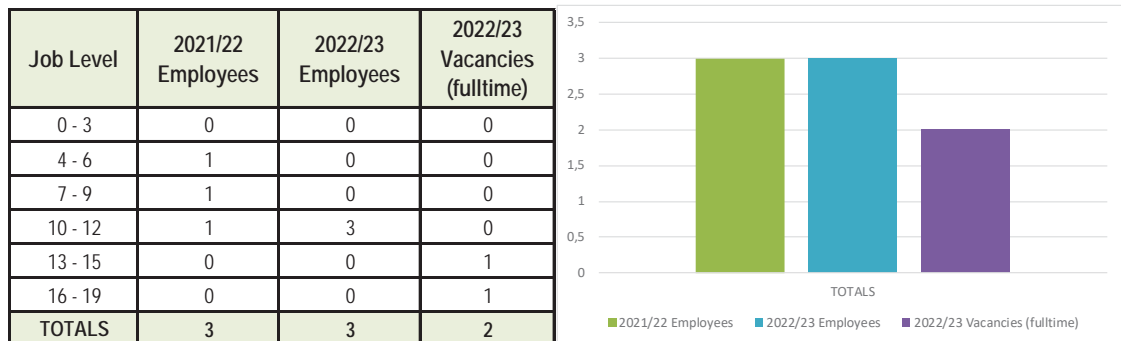
Internal Audit is an independent in-house function that performs internal audits based on the approved Risk Based Audit Plan and other statutory audits as required by the Municipal Finance Management Act and the Municipal System Act.

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	2022/23
Compilation of the Risk Based Audit and 3-year strategic plans	1	1	1	1	1	1
Internal Audits	18	14	16	12	14	15

3.26.2 Employees – Internal Audit



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 license 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 2022/23	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget	Total Project Value (Estimate)
IT Equipment	600 000	445 672	440 627	1%	440 627
Furniture & Equipment	260 296	174 395	169 392	3%	169 392
TOTAL	860 296	620 067	610 019	2%	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Witzenberg Municipality currently employs 545 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.

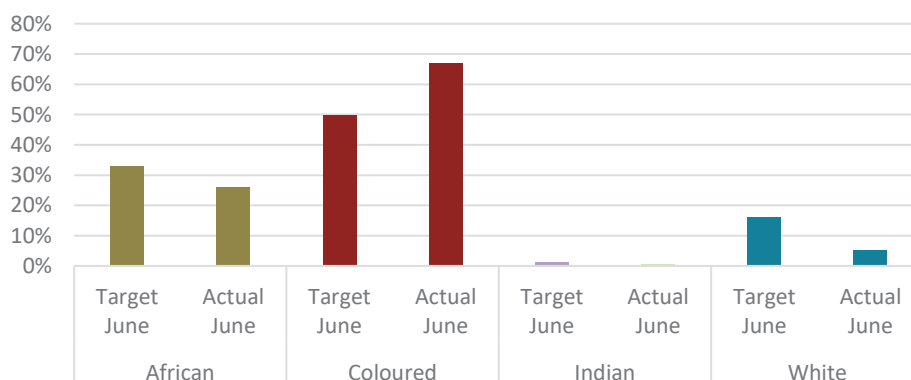
4.1.1 Employment Equity

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%	27%	79%	49.6%	67%	135%	1%	0,4%	40%	16%	4%	31%

Employment Equity Target Achievement



2022/23 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
49%	68%	117%	52%	32%	83%	0	0	0

2022/23 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	133	338	2	23	496
% for Positions filled	27%	68%	0.4%	4.6%	100%
<i>Note: The total population numbers is based on projection done by Global Insight</i>					

EE population 2022/23

Occupational Categories – Race

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

Occupational Categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	9	0	2	5	19	0	7	46
Professionals	0	11	0	0	4	12	0	3	30
Technicians and associate professionals	2	20	0	1	1	6	0	0	30
Clerks	4	18	1	0	11	49	0	6	89
Service and sales workers	17	27	0	2	11	21	0	0	78
Craft and related trades workers	4	19	1	2	0	0	0	0	26
Plant and machine operators and assemblers	10	35	0	0	0	0	0	0	45
Elementary occupations	43	90	0	0	17	25	0	0	175
Total permanent	84	229	2	7	49	132	0	16	519
Non-permanent employees	7	22	0	1	5	13	0	1	49
Grand total	91	251	2	8	54	145	0	17	568

Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	2	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	1	10	0	2	1	4	0	3	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	54	1	6	7	31	0	5	121
Semi-skilled and discretionary decision making	26	89	1	1	19	50	0	4	190
Unskilled and defined decision making	41	77	0	0	20	22	0	0	160
Total permanent	86	231	2	11	47	107	0	12	496
Non-permanent employees	7	22	0	1	5	13	0	1	49
Grand total	93	253	2	12	52	120	0	13	545

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	1	5	0	2	2	4	0	1	15
Corporate Services	10	33	0	2	5	19	0	1	70
Financial Services	2	16	1	1	7	23	0	6	56
Community Services	25	67	0	2	20	41	0	4	159
Technical Services	49	114	1	4	13	14	0	1	196
Total permanent	87	235	2	11	47	101	0	13	496

4.1.2 Vacancy Rate

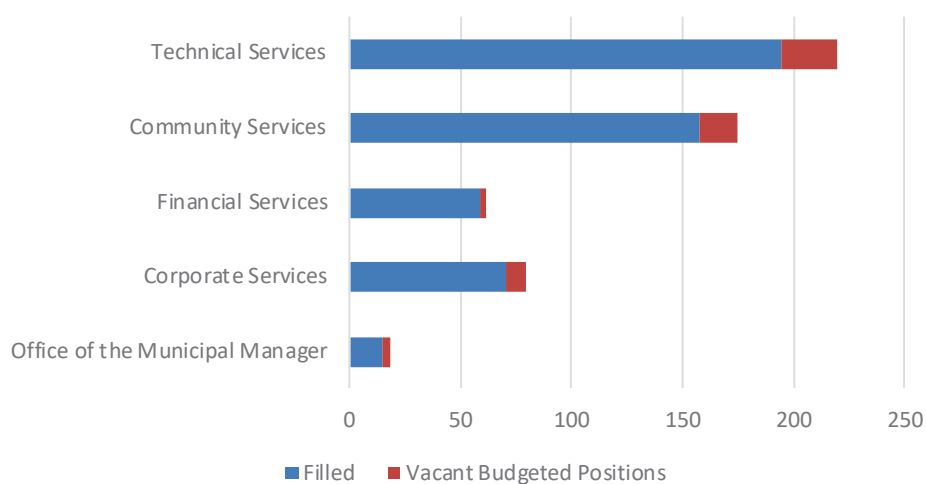
The approved organogram for the municipality has 926 posts for the 2022/23 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were 57 vacant at the end of 2022/23, resulting in a vacancy rate of 6.15%.

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	21	5
Professionals		
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	121	11

PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
Semi-skilled and discretionary decision making	190	15
Unskilled and defined decision making	160	21
Total	496	57
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	15	3
Corporate Services	70	9
Financial Services	59	2
Community Services	158	17
Technical Services	194	26
Total	496	57

Vacant Positions per Directorate



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 slight increase from 3.3% in 2021/22 to 5.4% in 2022/23

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%
2022/23	496	20	27	5.4%

4.2 MANAGING THE MUNICIPAL WORKFORCE

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

4.2.1 Injuries on duty

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

The injury rate shows a decrease for the 2022/23 financial year of 43 employees compared to 48 employees in the 2021/22 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	2022/23
Office of the Municipal Manager	0	1	1	1	2	0
Corporate Services	5	6	3	2	3	4
Financial Services	3	7	3	2	4	4
Community Services	23	30	9	5	9	9
Technical Services	31	44	30	24	30	26
Total	62	88	46	34	48	43

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 2022/23 financial year shows a decrease when compared with the 2021/22 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	2022/23
Office of the Municipal Manager	43.5	91.5	41.5	98	107.5	118
Corporate Services	560.5	619.25	709	934.5	685.5	675.5
Financial Services	305	330.5	374.5	669.5	789	607
Community Services	1 545	1 647.5	1 391.5	1 750.5	2083.5	1567.5
Technical Services	1 664	1 801.5	1 730	2 221.5	1944	1658.5
Total	4 118	4 490.25	4 246.5	5 674	5 609.5	4262.5

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	29 November 2022
Personnel Protective Equipment Policy	To be approved

Approved policies	
Name of policy	Date approved
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	7	5
	Male	6	8
Professionals	Female	6	7
	Male	5	7
Associate professionals and Technicians	Female	3	1
	Male	12	10
Clerks	Female	15	12
	Male	7	9
Service and sales workers	Female	5	3
	Male	29	42
Craft and related trade workers	Female	0	0
	Male	17	16
Plant and machine operators and assemblers	Female	0	0
	Male	16	18
Elementary occupations	Female	6	4

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
	Male	45	48
Sub total	Female	42	32
	Male	137	158
Total		179	190

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	N/A
	Male	4	0	0	0	0	0	0	N/A
Legislators, senior officials and managers	Female	15	2	0	2	7	1	7	14%
	Male	27	1	0	6	6	7	6	117%
Professionals	Female	19	6	6	1	6	0	12	0%
	Male	11	7	5	0	5	3	10	30%
Technicians and associate professionals	Female	7	0	3	1	3	1	6	17%
	Male	23	0	6	10	12	10	18	56%
Clerks	Female	66	0	3	12	15	12	18	67%
	Male	23	0	2	9	7	9	9	100%
Service and sales workers	Female	32	0	3	3	5	3	8	38%
	Male	46	0	9	42	29	42	38	111%
Craft and related trade workers	Female	0	0	0	0	0	0	0	N/A
	Male	26	0	4	16	17	16	21	76%
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	N/A
	Male	45	0	7	18	16	18	23	78%
Elementary occupations	Female	42	0	0	4	6	4	6	67%
	Male	133	0	5	48	45	48	50	96%
Sub total	Female	182	8	13	23	42	21	55	38%
	Male	336	8	40	149	137	153	177	86%
Total		519	16	53	172	179	174	213	82%

4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 749 947 was allocated to the workplace skills plan and that 82% of the total amount was spent in the 2022/23 financial year: The main reason for the underspending is although tenders and quotations was advertised, several providers was found to be non-responsive and could not be awarded. Advertising 3-year tenders will be considered in the next cycle.

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 964 129	R 964 129	R 629 194	65%
2022/23	R 733 698	R 733 698	R 624 773	85%

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 2022/23 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%

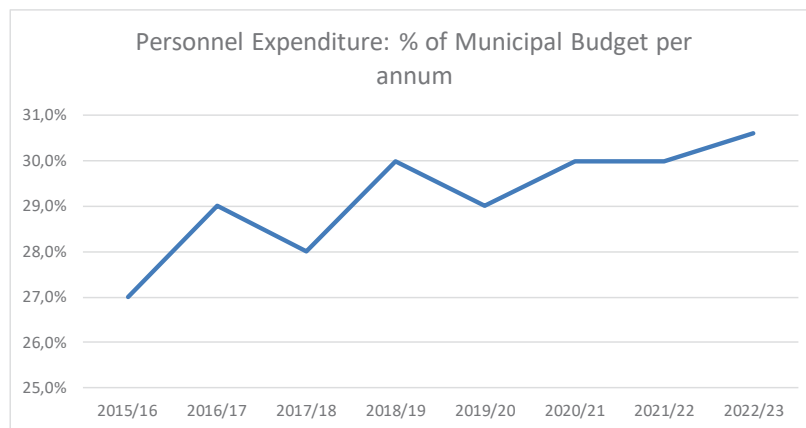
4.4 *MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE*

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	696 492	29,63
2022/23	220 603	720 826	30,6



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

Financial year	20/21	21/22	22/23		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)					
Allowance	7 617	7 856	8 716	8 716	8 319
Pension Contributions	1 076	1 071	1 231	1 073	1 384
Medical Aid Contributions	224	122	257	257	87
Motor vehicle allowance	653	391	0	0	227
Cell phone allowance	938	1 006	1 738	1 738	975
Housing allowance	41	15	166	6	0
Other benefits or allowances	33	14	108	92	74
In-kind benefits	0	0	0	0	0
Sub Total - Councillors	10 583	10 476	12 216	11 882	11 067
% increase/ (decrease)		12%			6%
Senior Managers of the Municipality					
Basic Salaries and Wages	3 371	3 901	4 630	4 630	4 125
Pension Contributions	281	331	963	963	334
Medical Aid Contributions	56	57	171	171	60
Motor vehicle allowance	916	990	1 332	1 332	991
Cell phone allowance	0	-2	90	268	365
Housing allowance	165	282	195	195	281
Performance Bonus	710	781	1 128	1 128	789
Other benefits or allowances	124	127	174	132	63
In-kind benefits	0	0	0	0	0
Sub Total - Senior Managers of Municipality	5 623	6 468	8 683	8 818	7 009
% increase/ (decrease)		15%			8%
Other Municipal Staff					
Basic Salaries and Wages	117 982	125 380	137 100	141 257	129 336
Bonuses	8 733	9 382	13 329	13 329	9 750
Pension Contributions	18 128	19 100	20 297	20 297	20 399
Medical Aid Contributions	7 958	8 462	9 867	9 867	8 879
Motor vehicle allowance	5 774	5 922	6 599	6 599	6 366
Cell phone allowance	532	503	548	602	608
Housing allowance	1 654	1 130	1 223	1 223	1 172
Overtime	10 535	13 010	7 279	12 276	16 956
Standby Allowance	6 074	5 823	4 434	3 914	7 046
Other benefits or allowances	8 688	11 167	31 243	16 209	13 082
Sub Total - Other Municipal Staff	186 059	199 879	231 920	225 574	213 595
% increase/ (decrease)		12%			7%
Total Municipality	202 265	216 823	252 819	246 273	231 671
% 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 outcome 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 2022/23 financial year:

Financial Summary						
Description	R' 000					
	21/22	22/23			22/23	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	88 813	95 739	95 739	98 266	2,64	2,64
Service charges	435 704	447 472	447 472	437 257	(2,28)	(2,28)
Investment revenue	5 580	5 069	6 000	14 390	183,87	139,84
Transfers recognised - operational	120 676	148 913	142 514	137 289	(7,81)	(3,67)
Other own revenue	55 748	47 688	65 193	71 750	50,46	10,06
Total Revenue (excluding capital transfers and contributions)	706 522	744 881	756 918	758 952	1,89	0,27
Employee costs	206 347	240 603	234 392	221 327	(8,01)	(5,57)
Remuneration of councillors	10 476	12 216	11 883	11 067	(9,40)	(6,86)
Depreciation & asset impairment	38 324	39 589	52 815	32 235	(18,57)	(38,97)
Finance charges	13 914	16 711	21 295	18 296	9,48	(14,08)
Bulk purchases	285 708	314 411	314 106	279 960	(10,96)	(10,87)
Transfers and grants	2 183	1 543	2 288	2 208	43,08	(3,49)
Contracted Services	33 782	52 776	55 947	50 689	(3,95)	(9,40)
Impairment & Bad debt	50 440	46 031	61 230	64 942	41,08	6,06
Other expenditure	52 948	75 603	76 496	63 954	(15,41)	(16,40)
Total Expenditure	694 122	799 482	830 451	744 679	(6,85)	(10,33)
Surplus/(Deficit)	12 400	(54 601)	(73 533)	14 273	(126,14)	(119,41)
Transfers recognised - capital	66 276	55 583	86 079	67 592	21,61	(21,48)
Contributions recognised - capital & contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	78 676	982	12 547	81 864	8 237,47	552,48
Gains / (losses)	13 449	1	1	32 692	2 666 462,48	2 666 462,48
Surplus/(Deficit) for the year	92 125	983	12 548	114 556	11 552,44	812,95
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	64 379	56 046	78 290	87 190	55,57	11,37
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	10 000	1 000	-	(100,00)	(100,00)
Internally generated funds	9 365	22 107	21 684	-	(100,00)	(100,00)
Total sources of capital funds	73 744	88 153	100 974	87 190	(1,09)	(13,65)
Financial position						
Total current assets	276 314	242 916	263 241	360 801	48,53	37,06
Total non current assets	1 053 538	1 124 460	1 119 578	1 075 504	(4,35)	(3,94)
Total current liabilities	120 617	137 549	137 156	163 987	19,22	19,56
Total non current liabilities	170 265	260 296	264 880	116 165	(55,37)	(56,14)
Community wealth/Equity	1 038 971	969 530	980 783	1 156 152	19,25	17,88
Cash flows						
Net cash from (used) operating	97 075	74 035	113 496	159 425	115,34	40,47
Net cash from (used) investing	(68 377)	(92 143)	(96 249)	(76 708)	(16,75)	(20,30)
Net cash from (used) financing	876	9 000	9 000	(795)	(108,84)	(108,84)
Cash/cash equivalents at the year end	144 880	143 632	178 987	226 802	57,90	26,71
Cash backing/surplus reconciliation						
Cash and investments available	144 880	143 632	178 987	226 802	57,90	26,71
Application of cash and investments	215 040	992 757	1 022 333	164 113	(83,47)	(83,95)
Balance - surplus (shortfall)	(70 160)	(849 125)	(843 346)	62 689	(107,38)	(107,43)

R' 000						
Description	21/22	22/23			22/23	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Asset management						
Asset register summary (WDV)	1 053 538	1 124 450	1 106 168	1 075 504	(4,35)	(2,77)
Depreciation & asset impairment	38 324	39 589	52 815	32 235	(18,57)	(38,97)
Repairs and Maintenance	16 787	20 306	24 933	24 281	19,58	(2,61)
Free services						
Cost of Free Basic Services provided	26 618	35 272	35 272	28 596	(18,93)	(18,93)
Revenue cost of free services provided	29 251	39 191	39 191	31 424	(19,82)	(19,82)
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
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						
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)	%
21/22		692 523	706 522	13 999	2,02
22/23		756 918	758 952	2 034	0,27

Financial	Operating expenditure				
	Year	Budget	Actual	Diff.	Diff.
		(R'000)	(R'000)	(R'000)	%
21/22		767 281	694 122	73 159	9,53
22/23		830 451	744 679	85 772	10,33

The table below indicates the Operational services performance for the 2022/23 financial year:

Financial Performance of Operational Services						
Description	R '000					
	21/22	22/23			22/23	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	39 248	41 005	55 849	53 258	(29,88)	4,64
Waste Water (Sanitation)	31 745	33 313	34 290	40 445	(21,41)	(17,95)
Electricity	312 116	349 658	345 862	312 104	10,74	9,76
Waste Management	55 583	53 148	72 717	57 342	(7,89)	21,14
Housing	4 947	17 172	11 912	5 379	68,68	54,84
Component A: sub-total	443 640	494 295	520 631	468 528	5,21	10,01
Waste Water (Storm water Drainage)	19	-	-	19	-	-
Roads	27 820	31 072	35 521	35 601	100,00	100,00
Transport	-	-	-	-	-	-
Component B: sub-total	27 839	31 072	35 521	35 620	100,00	100,00
Planning	11 138	12 229	12 817	12 196	100,00	100,00
Local Economic Development	1 573	1 766	2 005	1 912	100,00	100,00
Component C: sub-total	12 712	13 995	14 822	14 108	100,00	100,00
Community & Social Services	27 255	31 781	30 242	27 268	100,00	100,00
Environmental Protection	886	2 113	3 962	1 678	100,00	100,00
Health	-	-	-	-	-	-
Security and Safety	29 623	36 843	39 406	33 566	100,00	100,00
Sport and Recreation	30 197	30 114	33 663	33 311	100,00	100,00
Corporate Policy Offices	23 820	32 227	32 522	28 104	100,00	100,00
Finance and administration	89 142	120 324	112 734	95 707	100,00	100,00
Other	9 007	6 718	6 948	6 788	100,00	100,00
Component D: sub-total	209 931	260 120	259 477	226 423	100,00	100,00
Total Expenditure for the year	694 122	799 482	830 451	744 679	6,85	10,33

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

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

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

Vote Description	21/22	22/23			22/23	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)				(%)	
Executive and Council						
Total Operational Revenue	27	260	260	229	0	0
Expenditure:						
Employees	(8 568)	(14 281)	(14 413)	(10 384)	27,29	27,96
Repairs and Maintenance	(12)	(7)	(17)	(4)	45,18	77,65
Other	(15 240)	(17 939)	(18 091)	(17 717)	1,24	2,07
Total Operational Expenditure	(23 820)	(32 227)	(32 522)	(28 104)	12,79	13,58
Gains / (losses)	8 062	-	-	-	-	-
Net Operational (Service) Expenditure	(15 732)	(31 967)	(32 262)	(27 875)	12,80	13,60
Budget and Treasury Office						
Total Operational Revenue	109 827	116 830	121 132	130 895	(12,04)	(8,06)
Expenditure:						
Employees	(19 517)	(26 006)	(26 009)	(20 407)	21,53	21,54
Repairs and Maintenance	(27)	(453)	(43)	(22)	95,12	48,38
Other	(21 678)	(22 446)	(28 137)	(21 383)	4,73	24,00
Total Operational Expenditure	(41 223)	(48 905)	(54 188)	(41 812)	14,50	22,84
Gains / (losses)	(2)	-	-	-	-	-
Net Operational (Service) Expenditure	68 602	67 925	66 943	89 083	(31,15)	(33,07)
Corporate Services						
Total Operational Revenue	9 608	1 249	1 449	10 900	(772,72)	(652,26)
Expenditure:						
Employees	(26 080)	(45 177)	(30 083)	(26 611)	41,10	11,54
Repairs and Maintenance	(373)	(660)	(439)	(373)	43,48	14,95
Other	(21 467)	(25 582)	(28 024)	(26 910)	(5,19)	3,97
Total Operational Expenditure	(47 919)	(71 419)	(58 546)	(53 895)	24,54	7,94
Gains / (losses)	(2 191)	(0)	(0)	(1 027)	(420 626,38)	(420 626,38)
Net Operational (Service) Expenditure	(40 503)	(70 171)	(57 097)	(44 022)	37,26	22,90
Community and Social Services						
Total Operational Revenue	121 667	134 864	135 065	135 315	(0,33)	(0,19)
Expenditure:						
Employees	(24 913)	(27 335)	(25 561)	(24 273)	11,20	5,04
Repairs and Maintenance	(299)	(332)	(291)	(238)	28,39	18,21
Other	(2 043)	(4 114)	(4 390)	(2 757)	32,99	37,20
Total Operational Expenditure	(27 255)	(31 781)	(30 242)	(27 268)	14,20	9,83
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	94 413	103 083	104 823	108 047	(4,82)	(3,08)
Sport and Recreation						
Total Operational Revenue	9 579	11 558	11 558	12 144	(5,07)	(5,07)
Expenditure:						
Employees	(21 143)	(19 545)	(23 235)	(23 290)	(19,16)	(0,24)
Repairs and Maintenance	(713)	(877)	(465)	(401)	54,28	13,83
Other	(8 341)	(9 692)	(9 963)	(9 620)	0,75	3,44
Total Operational Expenditure	(30 197)	(30 114)	(33 663)	(33 311)	(10,62)	1,05
Gains / (losses)	(6)	-	-	-	-	-
Net Operational (Service) Expenditure	(20 624)	(18 556)	(22 105)	(21 167)	(14,07)	4,24

Vote Description	21/22	22/23			22/23	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)				%	
Public Safety						
Total Operational Revenue	12 584	11 786	12 050	8 875	24,70	26,35
Expenditure:						
Employees	(21 588)	(20 668)	(25 668)	(24 116)	(16,68)	6,05
Repairs and Maintenance	(368)	(691)	(626)	(447)	35,37	28,67
Other	(7 668)	(15 483)	(13 111)	(9 003)	41,85	31,33
Total Operational Expenditure	(29 623)	(36 843)	(39 406)	(33 566)	8,89	14,82
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(17 039)	(25 057)	(27 355)	(24 691)	1,46	9,74
Housing						
Total Operational Revenue	1 029	12 260	5 888	482	96,07	91,82
Expenditure:						
Employees	(3 692)	(4 118)	(4 118)	(4 513)	(9,59)	(9,59)
Repairs and Maintenance	(110)	(143)	(307)	(270)	(88,91)	12,08
Other	(1 145)	(12 910)	(7 486)	(596)	95,39	92,04
Total Operational Expenditure	(4 947)	(17 172)	(11 912)	(5 379)	68,68	54,84
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(3 918)	(4 912)	(6 024)	(4 897)	0,29	18,70
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	1 866	4 501	3 532	3 752	16,63	(6,24)
Expenditure:						
Employees	(9 958)	(10 705)	(10 758)	(10 690)	0,15	0,64
Repairs and Maintenance	(75)	(76)	(105)	(102)	(34,70)	2,91
Other	(1 104)	(1 448)	(1 953)	(1 404)	3,01	28,12
Total Operational Expenditure	(11 138)	(12 229)	(12 817)	(12 196)	0,27	4,84
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(9 272)	(7 728)	(9 285)	(8 444)	(9,26)	9,06
Road Transport						
Total Operational Revenue	18 645	16 818	39 957	39 597	(135,44)	0,90
Expenditure:						
Employees	(17 722)	(16 723)	(17 158)	(17 780)	(6,32)	(3,63)
Repairs and Maintenance	(6 242)	(9 002)	(13 901)	(13 686)	(52,03)	1,55
Other	(10 761)	(10 731)	(10 148)	(9 521)	11,28	6,18
Total Operational Expenditure	(34 726)	(36 456)	(41 208)	(40 987)	(12,43)	0,54
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(16 080)	(19 638)	(1 251)	(1 390)	92,92	(11,08)
Environmental Protection						
Total Operational Revenue	0	905	2 888	1 386	(53,24)	52,00
Expenditure:						
Employees	(735)	(1 379)	(2 108)	(957)	30,57	54,57
Repairs and Maintenance	-	-	-	-	-	-
Other	(151)	(734)	(1 854)	(721)	1,80	61,14
Total Operational Expenditure	(886)	(2 113)	(3 962)	(1 678)	20,58	57,64
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(886)	(1 208)	(1 074)	(292)	75,85	72,82

Vote Description	21/22	22/23			22/23	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)				(%)	
Electricity						
Total Operational Revenue	335 303	337 945	339 698	315 576	6,62	7,10
Expenditure:						
Employees	(13 040)	(13 478)	(13 531)	(14 887)	(10,46)	(10,02)
Repairs and Maintenance	(1 465)	(2 818)	(2 407)	(1 776)	36,98	26,19
Other	(297 611)	(333 362)	(329 924)	(295 440)	11,38	10,45
Total Operational Expenditure	(312 116)	(349 658)	(345 862)	(312 104)	10,74	9,76
Gains / (losses)	(3)	-	-	(2)	-	-
Net Operational (Service) Expenditure	23 184	(11 712)	(6 164)	3 470	129,63	156,30
Water						
Total Operational Revenue	72 697	87 028	93 788	83 451	4,11	11,02
Expenditure:						
Employees	(9 299)	(9 102)	(9 723)	(10 016)	(10,04)	(3,02)
Repairs and Maintenance	(766)	(1 712)	(2 985)	(2 984)	(74,31)	0,05
Other	(29 184)	(30 190)	(43 141)	(40 259)	(33,35)	6,68
Total Operational Expenditure	(39 248)	(41 005)	(55 849)	(53 258)	(29,88)	4,64
Gains / (losses)	(1 053)	-	-	-	-	-
Net Operational (Service) Expenditure	32 396	46 024	37 939	30 192	34,40	20,42
Waste Water Management						
Total Operational Revenue	40 555	33 469	39 369	55 938	(67,13)	(42,09)
Expenditure:						
Employees	(9 740)	(10 117)	(10 117)	(10 974)	(8,48)	(8,48)
Repairs and Maintenance	(2 855)	(2 763)	(5 152)	(5 151)	(86,41)	0,03
Other	(19 841)	(20 920)	(19 819)	(25 136)	(20,15)	(26,83)
Total Operational Expenditure	(32 436)	(33 800)	(35 088)	(41 261)	(22,07)	(17,59)
Gains / (losses)	-	-	-	(695)	-	-
Net Operational (Service) Expenditure	8 119	(331)	4 281	13 982	4 326,77	(226,60)
Waste Management						
Total Operational Revenue	50 789	33 003	38 376	65 326	(97,94)	(70,22)
Expenditure:						
Employees	(18 601)	(19 806)	(19 748)	(20 105)	(1,51)	(1,81)
Repairs and Maintenance	(927)	(729)	(1 604)	(1 492)	(104,66)	6,97
Other	(36 054)	(32 613)	(51 366)	(35 745)	(9,60)	30,41
Total Operational Expenditure	(55 583)	(53 148)	(72 717)	(57 342)	(7,89)	21,14
Gains / (losses)	-	-	-	(282)	-	-
Net Operational (Service) Expenditure	(4 794)	(20 145)	(34 341)	7 702	138,23	122,43
Other						
Total Operational Revenue	-	-	-	-	-	-
Expenditure:						
Employees	(1 751)	(2 162)	(2 162)	(2 323)	(7,46)	(7,46)
Repairs and Maintenance	-	-	-	-	-	-
Other	(170)	(451)	(306)	(196)	56,65	36,20
Total Operational Expenditure	(1 921)	(2 613)	(2 468)	(2 518)	3,61	(2,04)
Gains / (losses)	-	-	-	-	-	-
Net Operational (Service) Expenditure	(1 921)	(2 613)	(2 468)	(2 518)	3,61	(2,04)

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	2022/23	
Vredebes Phase H Bulk Water		476			Provision 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				
Vredebes Access Collector				13 194 263	
Ceres Lyellstr Sport fields	12 071	7 000	3 022 707	6 340 995	Phased project
Op-Die-Berg Reservoir				173 913	Phased project
Tierhokskloof Pipeline				820 000	Phased project
Tulbagh reservoir				449 565	Phased project
New Material Recovery Facility	998	3 063	16 559 903		Completed

The table below indicates the grant performance for the 2022/23 financial year:

Grant Performance								R' 000
Description	2020/21	21/22	22/23			2019/20 Variance		
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants								
National Government:	141 339	165 194	185 486	181 497	174 957	2,15%	3,60%	
Equitable share	116 086	106 666	121 668	121 668	121 668	0,00%	0,00%	
Municipal Systems Improvement	-	-	-	-	-	0,00%	0,00%	
Department of Water Affairs	-	-	-	-	-	0,00%	0,00%	
Regional Bulk Infrastructure Grant	-	22 160	19 239	19 239	16 027	0,00%	16,69%	
Other transfers/grants [insert description]	-	-	-	-	-	0,00%	0,00%	
Finance Management Grant	1 550	1 550	1 550	1 550	1 550	0,00%	0,00%	
Transformation Funds	-	-	-	-	-	0,00%	0,00%	
Municipal Infrastructure Grant	21 673	23 707	25 091	25 091	24 023	0,00%	4,26%	
Water Service Infrastructure Grant	-	-	15 701	10 688	9 143	31,93%	14,46%	
Integrated National Electricity Program	-	8 597	-	1 024	778	0,00%	24,05%	
Rural Development	-	-	-	-	-	0,00%	0,00%	
Expanded Public Works	2 030	2 514	2 237	2 237	2 318	0,00%	-3,61%	
Neighbourhood Development Plan	-	-	-	-	(549)	0,00%	0,00%	
Provincial Government:	43 563	28 761	27 963	47 577	38 569	-70,14%	18,93%	
Regional Social Economic Project	4 186	1 619	-	-	394	0,00%	0,00%	
Capacity Building and Other	18	-	11 600	6 975	-	39,87%	100,00%	
Housing	26 746	4 804	3 047	3 947	1 029	-29,54%	73,93%	
Sports and Recreation	-	-	-	-	-	0,00%	0,00%	
Municipal Infrastructure Support	-	-	-	-	-	0,00%	0,00%	
Library Services	10 564	10 536	10 517	10 517	10 641	0,00%	-1,18%	
Economic Development and Tourism SMME boost	2 025	-	-	-	-	0,00%	0,00%	
CDW	24	38	131	332	273	-153,44%	17,77%	
Maintenance and Construction of Transport Infrastr	-	11 764	1 120	24 258	24 201	-2065,92%	0,24%	
Municipal Accreditation and Capacity Building Gra	-	-	-	-	186	0,00%	0,00%	
Municipal Infrastructure Support Grant	-	-	1 548	1 548	-	0,00%	100,00%	
Municipal Energy Resilience Fund	-	-	-	-	1 761	0,00%	0,00%	
Electronic Case Management Intervention	-	-	-	-	83	0,00%	0,00%	
Public Transport	-	-	-	-	-	0,00%	0,00%	
Multipurpose Centre	-	-	-	-	-	0,00%	0,00%	
District Municipality:	969	480	-	2 276	877	0,00%	61,47%	
<i>Water & Sanitation Informal Area</i>	-	-	-	-	-	0,00%	0,00%	
<i>Capacity Building</i>	-	-	-	1 464	-	0,00%	100,00%	
<i>Infrastructure</i>	500	188	-	812	812	0,00%	0,00%	
<i>Safety Project</i>	-	264	-	-	65	0,00%	0,00%	
<i>Covid 19</i>	469	28	-	-	-	0,00%	0,00%	
Other grant providers:	859	1 461	2 078	4 454	3 920	-114,39%	12,00%	
<i>Belgium</i>	858	1 453	2 078	2 471	3 412	-18,92%	-38,11%	
<i>China</i>	0	8	-	-	7	0,00%	0,00%	
<i>Perdekraal</i>	-	-	-	844	174	0,00%	79,35%	
<i>Nedbank</i>	-	-	-	1 140	326	0,00%	71,41%	
Total Operating Transfers and Grants	186 729	195 896	215 527	235 804	218 323	-9,41%	7,41%	

Variations 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	2022/23	
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)		(%)
20/21	186 729	676 109	27,62%
21/22	195 896	784 176	24,98%
22/23	218 323	863 866	25,27%

Witzenberg Municipality is reliant on grants. Without the grants the Municipality would not have been able 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 2022/23		
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.	
Asset Value	2021/22	2022/23
	R 16 197 928	R 21 373 834
Capital Implications	R 37 571 762	
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.	
Asset Value	2021/22	2022/23
	19 269 574,98	13 388 099
Capital Implications	R 32 657 674	
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	

Asset 3					
Name	C - Vredebos Access Collector				
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	<table border="1"> <thead> <tr> <th>2021/22</th> <th>2022/23</th> </tr> </thead> <tbody> <tr> <td>13 682 394</td> <td>15 724 912</td> </tr> </tbody> </table>	2021/22	2022/23	13 682 394	15 724 912
2021/22	2022/23				
13 682 394	15 724 912				
Capital Implications	R 29 407 306				
Future Purpose of Asset	Transport Facilities to and from Vredebos Human Settlement				
Describe Key Issues	The successful roll out of the project is dependant on the continous funding commitment from Provincial Government. Stability both in terms of leadership and the community is of utmost importance.				
Policies in Place to Manage Asset	Delegations & Asset Management Policy				

5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2022/23				
	R' 000	R' 000	R' 000	%
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	18 026	25 341	24 281	(40,58)
				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	2020/21	2021/22	2022/23
		Audited outcome	Audited outcome	Pre-audit outcome
Current Ratio	Current Assets/Current Liabilities	1,67	2,29	2,20
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,67	2,29	2,20
Liquidity Ratio	Monetary Assets/Current Liabilities	0,88	1,20	1,38

Current Ratio:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2020/21	219 601	131 155	1,67
2021/22	276 314	120 617	2,29
2022/23	360 801	163 987	2,20

Current Ratio adjusted for aged debtors:

Financial year	Current assets	Current liabilities	Ratio
	(R)		
2020/21	219 601	131 155	1,67
2021/22	276 314	120 617	2,29
2022/23	360 801	163 987	2,20

Liquidity Ratio:

Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2020/21	115 305	131 155	0,88
2021/22	144 880	120 617	1,20
2022/23	226 802	163 987	1,38

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	2020/21	2021/22	2022/23
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,5	2,9	4,2
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	121,8	391,4	329,9
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	92%	84%	96%

5.5.3 Creditors Management

Description	Basis of calculation	2020/21	2021/22	2022/23
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	Average creditor days	46	37	31

The creditors' management graph indicates 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	2020/21	2021/22	2022/23
		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	2020/21	2021/22	2022/23
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30,72%	28,46%	27,80%

The graph indicates that 27.8% 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	2020/21	2021/22	2022/23
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,87%	2,05%	3,76%

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	88 153	100 974	87 190	1,1%	13,7%
Operating Expenditure	799 482	830 451	744 679	6,9%	10,3%
Total expenditure	887 636	931 425	831 869	6,3%	10,7%

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2022/23 financial year:

Capital Expenditure - Funding Sources							R' 000	
Details		2022/23					OB to AB Variance (%)	Actual to OB Variance (%)
		Actual 2021/22	Original Budget (OB)	Adjustment Budget (AB)	Actual			
Source of finance								
	External loans	-	10 000	1 000	-	0,90	1,00	
	Public contributions and donations					-	-	
	Grants and subsidies	64 379	56 046	78 290	87 190	(0,40)	(0,11)	
	Other	9 365	22 107	21 684	-	0,02	1,00	
Total		73 744	88 153	100 974	87 190	-14,54%	13,65%	
Percentage of finance								
	External loans	0,0%	11,3%	1,0%	0,0%			
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%			
	Grants and subsidies	87,3%	63,6%	77,5%	100,0%			
	Other	12,7%	25,1%	21,5%	0,0%			
Capital expenditure								
	Water and sanitation	19 586	19 740	20 071	16 694	15,43%	16,82%	
	Electricity	9 573	4 000	5 239	4 827	-20,69%	7,85%	
	Housing	-	-	-	-			
	Roads and storm water	10 231	24 927	45 270	42 520	-70,58%	6,07%	
	Other	34 353	39 487	30 394	23 148	41,38%	23,84%	
Total		73 744	88 153	100 974	87 190	1,09%	13,65%	
Percentage of expenditure								
	Water and sanitation	26,6%	22,4%	19,9%	19,1%			
	Electricity	13,0%	4,5%	5,2%	5,5%			
	Housing	0,0%	0,0%	0,0%	0,0%			
	Roads and storm water	13,9%	28,3%	44,8%	48,8%			
	Other	46,6%	44,8%	30,1%	26,5%			

T5.6.1

5.8 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2022/23:

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current Year: 2022/23			Variance Current Year: 2022/23		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
A - Upgrade Van Breda Bridge	6 200	24 258	21 374	-245%	-291%	
B - Tulbagh Dam	16 730	16 730	13 388	20%	0%	
C - Vredebek Access Collector	10 910	15 630	15 725	-44%	-43%	
D - Waste Water Treatment Works Wolseley	13 653	9 294	7 955	42%	32%	
E - Leyell street Sportfacilities	6 355	6 341	5 360	16%	0%	

* 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. Heavy rains
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	Approval of Licence from Department of Water Affairs
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained. Continuous 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 - Vredebek Access Collector
Objective of Project	The establishment of a Human Settlement
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	Improved Transport Facilities for New Housing Development.

Name of Project - D	D- Waste Water Treatment Works Wolseley
Objective of Project	Improved Basic Services and Quality Of Life
Delays	Awaiting Funding from the Department of Water Affairs
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 stimulate 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 2022/23				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	19 627	100%	0	0%
Sanitation	20 472	100%	0	0%
Electricity	13 191	100%	0	0%
Waste management	20 126	100%	0	0%
Housing (dwellings)	28 665	87%	4 064	13%
<i>Services indicates nr of accounts urban areas and households in demarcated informal areas.. Housing total nr of households in municipal area as per Western Cape Government PPU, 2021. Excluding informal settlements outside of demarcated areas.</i>				

Schools & clinics with access to basic services

Appendix P

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

Appendix Q

CAPITAL INVESTMENT FRAMEWORK

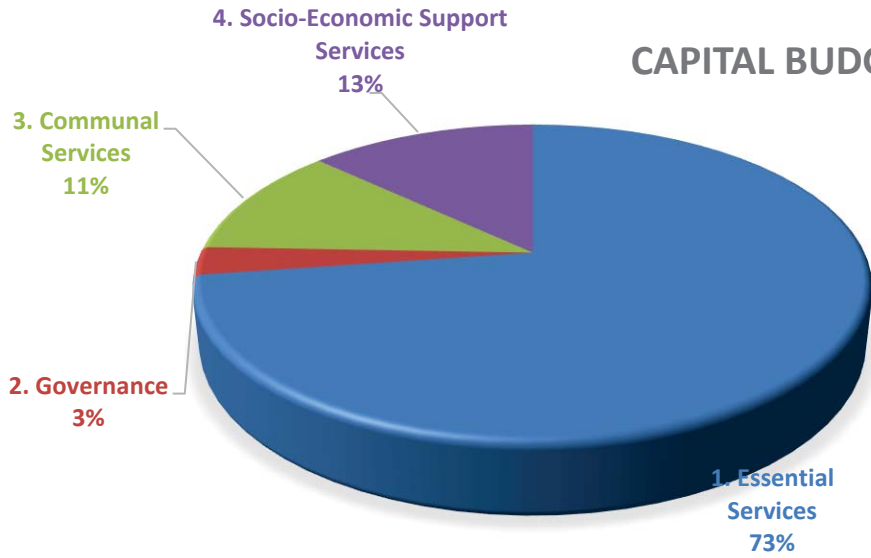
The past couple of financial years, capital investment was dominated by bulk infrastructure projects linked to especially the Vredebess subsidized housing project. Most of the required bulk infrastructure has been completed and construction of houses and servicing of sites has commenced. A limited number of 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 commence by 2030. With regards to housing, 529 sites at Vredebess were completed in 2021/22, 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 is 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 most of the 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).

CAPITAL BUDGET 2022/23



The 2022/23 Capital Budget per Key Performance Area as 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 2022/23 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport	10 910	13 194	13 194	17,31%	0,00%	
<i>Roads, Pavements & Bridges</i>	10 910	13 194	13 194	17,31%	0,00%	
<i>Storm water</i>	-	-	-			
Infrastructure - Electricity	-	-	-			
<i>Generation</i>	-	-	-			
<i>Transmission & Reticulation</i>	-	-	-			
<i>Street Lighting</i>	-	-	-			
Infrastructure - Water	3 724	994	1 037	-259,10%	4,16%	
<i>Dams & Reservoirs</i>	2 855	174	174	-1541,39%	0,00%	
<i>Water purification</i>	-	-	-			
<i>Reticulation</i>	870	820	863	-0,74%	5,00%	
Infrastructure - Sanitation	-	-	-			
<i>Reticulation</i>	-	-	-			
<i>Sewerage purification</i>	-	-	-			
Infrastructure - Other	-	-	-			
<i>Waste Management</i>	-	-	-			
<i>Transportation</i>	-	-	-			
<i>Gas</i>	-	-	-			
Other Specify:	6 355	6 341	5 360	-18,55%	-18,30%	
<i>Leyell Street Sport facilities</i>	6 355	6 341	5 360	-18,55%	-18,30%	
	-	-	-			
	-	-	-			
	-	-	-			
Total	20 989	20 529	19 592	-7,13%	-4,79%	

* 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	2021/22	Current Year: 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	501 084	579 088	579 088	510 414
Government - operating	95 077	149 721	146 616	133 866
Government - capital	73 607	62 680	91 971	74 630
Interest	22 831	14 200	27 474	39 927
Dividends				
Payments				
Suppliers and employees	(595 298)	(731 654)	(731 654)	(599 272)
Finance charges	(226)	-	-	(141)
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	97 075	74 035	113 496	159 425
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(0)	-	4 412	8 550
Decrease (Increase) in non-current assets	-	-	-	-
Decrease (increase) other non-current assets	-	-	-	-
Decrease (increase) in non-current financial assets	-	-	-	-
Payments				
Capital assets	(68 377)	(92 143)	(100 661)	(85 257)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(68 377)	(92 143)	(96 249)	(76 708)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer credit	2 246	-	-	610
Payments				
Repayment of borrowing	(1 370)	(1 000)	(1 000)	(1 405)
NET CASH FROM/(USED) FINANCING ACTIVITIES	876	(1 000)	(1 000)	(795)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	29 574	(19 108)	16 247	81 922
Cash/cash equivalents at the year end	115 305	144 880	144 880	144 880
Cash/cash equivalents at the year start	144 880	125 771	161 126	226 802
Source: MBRR SA7				T5.9.1

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2021/22	39 656	182 307	144 857	2 670	14 397	383 886
2022/23	46 952	198 002	180 505	3 049	5 357	433 867
Difference	7 297	15 696	35 648	380	(9 039)	49 981
% growth year on year	18%	9%	25%	14%	-63%	13%

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
2021/22	75 138	7 711	15 574	285 246	383 670
2022/23	71 566	7 824	6 726	352 879	438 995
Difference	(3 572)	113	(8 848)	67 632	55 325
% growth year on year	-5%	1%	-57%	24%	14%

Note: Figures excludes provision for bad debt

The Auditor-General of South Africa has, in its report on the 2022/2023 financial statements of the Municipal Council, has emphasized the material impairment of R 311 million of receivables from exchange transactions and R 50 million of receivables from non-exchange transactions. Included in the impairment for receivables from non-exchange transactions in an amount of R 7 million in respect of traffic fines.

The gross outstanding service debtors in total increased by 14 % in relation to the 2021/2022 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 is water at 32.8 %.

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	2021/22	2022/23
	R'000	
Long(Term Loans (annuity/reducing	2 424	527
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 Equipmer	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	2 424	527

5.13.2 Municipal Investments

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

Investment type	2021/22	2022/23
	R'000	
Securities (National Government	-	-
Listed Corporate Bonds	-	-
Deposits (Bank	144 880	226 802
Deposits (Public Investment Comn	-	-
Deposits (Corporation for Public D	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit (-	-
Guaranteed Endowment Policies (s	-	-
Repurchase Agreements (Banks	-	-
Municipal Bonds	-	-
Other	-	-
Municipality Total	144 880	226 802

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 2022/23

6.1 AUDITOR-GENERAL REPORTS 2021/22

Auditor-General Report on Financial Performance 2021/22	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R 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.
<u>Restatement of corresponding figures</u>	
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

6.2 AUDITOR-GENERAL REPORTS 2022/23

Auditor-General Report on Financial Performance 2022/23	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R310,5 million (2021-22: R252,2 million) on receivables from exchange transactions amounting to R344,9 million (2020-21: R285, 7 million).	A report on the writing off of prescribed debt and the debt of indigent households has been prepared and will be submitted to council for consideration in 2024.
As disclosed in note 4 to the financial statements, the municipality provided for an impairment of R49,6 million (2021-22: R49,5 million) on receivables from non-exchange transactions.	
<u>Restatement of corresponding figures</u>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2022 have been restated as a result of errors discovered during 2022-23 in the financial statements of the municipality for the year ended 30 June 2023.	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 2022 to 30 June 2023

Name of Councillor / Alderman	Capacity	Committee Allocation	% Attendance of Council Meetings 2022/23
K Adams	Mayco Member / Alderman	Mayco; Committee for Housing Matters	100%
J Cloete	Councillor	Committee for Corporate and Financial Services; MPAC	92.3%
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	92.3%
JP Fredericks	Mayco Member / Councillor	Mayco; Committee for Corporate and Financial Services	100%
AL Gili	Councillor	Committee for Technical Services; Local Labour Forum	92.3%
LA Hardnek	Councillor	MPAC; Committee for Community Development	100%
P Heradien	Councillor	Committee for Corporate and Financial Services	77%
BC Klaasen	Mayco Member / Alderman	Mayco; Committee for Local Economic Development	100%
FE Klazen	Executive Deputy Mayor	Mayco; Committee for Community Development	83.3%
GG Laban	Councillor	Committee for Local Economic Development; Local Labour Forum	84.62%
JS Mouton	Councillor	Committee for Technical Services	92.3%
MJ Ndaba	Councillor	Committee for Housing Matters	61.54%
N Nogcinisa	Councillor	Committee for Local Economic Development	84.62%
N Phatsoane	Councillor	Committee for Local Economic Development	84.62%
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	92.3%
D Swart	Councillor	Committee for Corporate and Financial Services	100%
IL Swartz	Councillor	Committee for Housing Matters; MPAC	92.3%
JJ Visagie	Mayco Member / Alderman	Mayco; Committee for Technical Services	100%
K Yisa	Councillor	Committee for Community Development; MPAC	93.3%
J Zalie	Councillor	Committee for Corporate and Financial Services	100%

Total attendance of Council Meetings

Period 1 July 2022 to 30 June 2023

Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
10 August 2022	8	100%	None
24 August 2022	33	95.65%	4.35%
23 September 2022	1	100%	0%
26 October 2022	2	95.65%	4.35%
9 November 2022	5	100%	0%
29 November 2022	22	91,3%	8.7%
6 December 2022	25	82.60%	17.4%

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Council Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
25 January 2023	9	91.3%	8.7%
28 February 2023	22	78.26%	21.74%
10 March 2023	2	87%	13%
28 March 2023	28	91.3%	8.7%
30 May 2023	29	87%	13 %
6 June 2023	2	100%	0%

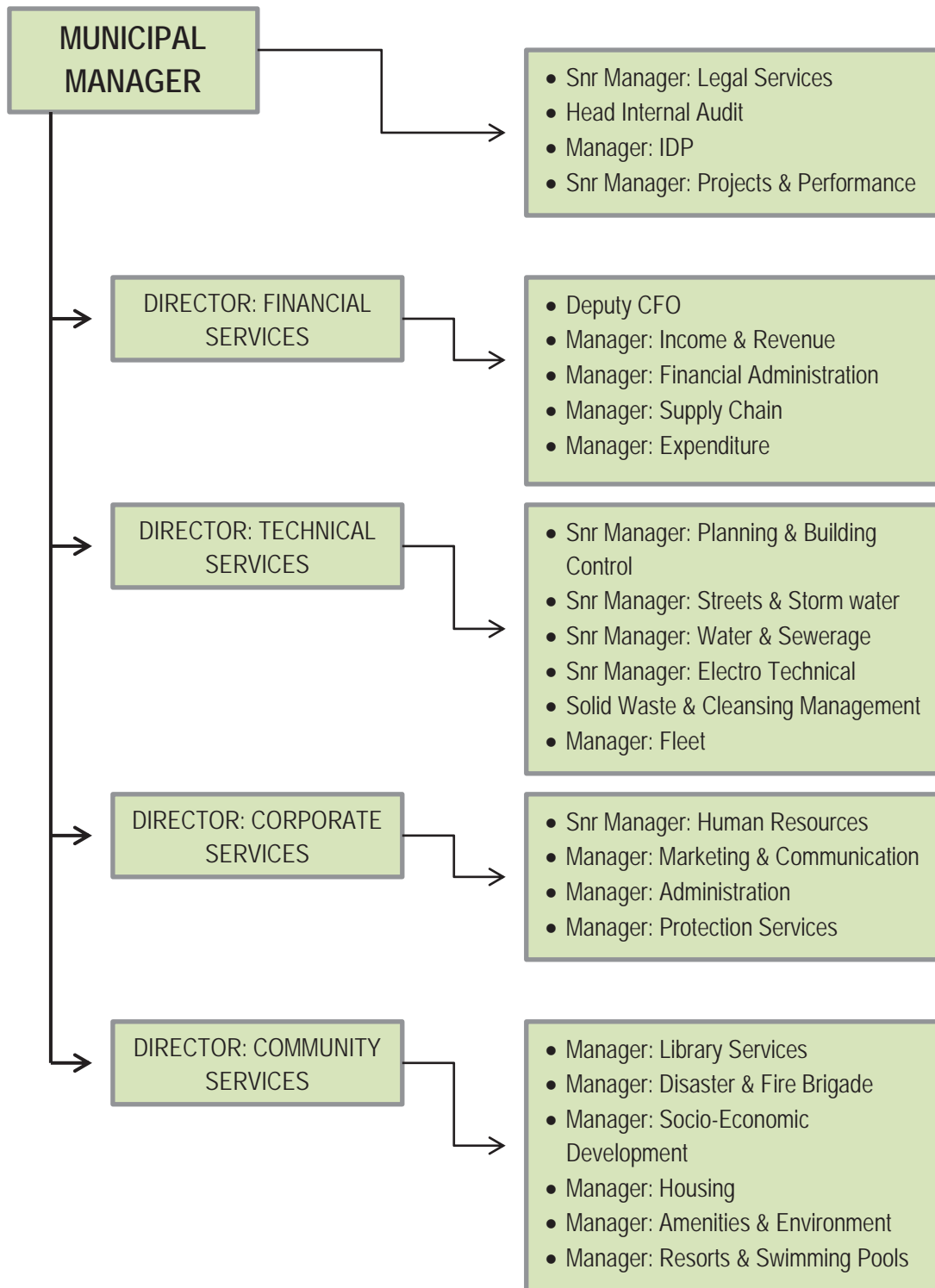
APPENDIX B

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
Childcare facilities	No (support)
Electricity and gas reticulation	Yes
Firefighting 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 wastewater 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

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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 attending meetings and functions where public participation, through the ward committee system, is required.

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

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

Ward Number	Committee established: Yes / No	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	8	Yes
2	Yes	9	Yes
3	Yes	8	Yes
4	Yes	8	Yes
5	Yes	8	Yes
6	Yes	8	Yes
7	Yes	9	Yes
8	Yes	8	Yes
9	Yes	9	Yes
10	Yes	9	Yes
11	Yes	9	Yes
12	Yes	8	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
Vuyisa Solly Yisa	Sport & Culture	8 Meetings
Pontso Mona	Health & Social	
Hazel Mancayi	Safety	
Noluvo Zwelinjani	Youth	
Cingiswa Tshuta	Education	
Eric Ndwanya	Business Community	
Xoliswa Mazomba	Women	
Nombulelo Sehlahla	Churches	
Kenneth Mbangula	Civics & Taxes	
Buyiswa Stuurman	Disabled & Elderly	

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Ward 2: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Jan Pietersen	Safety	9 Meetings
Audrey Longman	Education	
Lucille Claasen	Health & Social	
Petronela Moses	Disability & Elderly	
Pauldine September	Civics & Taxes	
Jaqueline Fortuin	Women	
Doreen Lottering	Business Community	
George Fredericks	Youth	
Sara Jacobs	Sport & Culture	
Marilise Marthinus	Churches	

Ward 3: Ceres (Rietvallei Library)

Name of representative	Capacity representing	Number meetings held during the year
Petrus Wolfaart	Business Community	8 Meetings
Clifton Japhets	Health & Social	
Saartjie Franse	Women	
Violet Zekoe	Churches	
Mark Mentor	Safety	
Mariaan Van Rooi	Youth	
Marinda Mankapan	Disabled & Elderly	
Carel Jacobs	Sport & Culture	
Helen Hendricks	Education	
Ronald Ross	Civics & Taxes	

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

Name of representative	Capacity representing	Number meetings held during the year
Alma Goosen	Business Community	8 Meetings
Jane Haas	Safety	
Willie Abrahams	Youth	

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Name of representative	Capacity representing	Number meetings held during the year
Trudene Roman	Women	
Moses Davids	Housing	
Kamit Slinger	Churches	
Johnnie Meyer	Health & Social	
Le-Marco Smit	Sports & Culture	
Jacobus De Wee	Disabled & Elderly	
Anneline Smit	Education	

Ward 5: Ceres (John Steyn Library)

Name of representative	Capacity representing	Number meetings held during the year
Jonathan Higgins	Business & Community	8 Meetings
Andries Slinger	Disabled & Elderly	
Pieter Fredericks	Churches	
Charmain Paulse	Civics & Taxes	
Rudolf Nel	Sport & Culture	
Cornelia Moses	Youth	
Paulina Bitterbos	Women	
Jonathan Nel	Safety	
Ronnie Philander	Education	
Ian Hercules	Health & Social	

Ward 6: Bella Vista (Bella Vista Library)

Name of representative	Capacity representing	Number meetings held during the year
Sara Krotz	Youth	8 Meetings
Willie Mars	Churches	
Geraldine Adams	Disabled & Elderly	
Chantel Pietersen	Sport & Culture	
Jonathan Fredericks	Health & Social	
Abraham Crotz	Safety	
Pieter Farao	Business & Community	
Sylvia Minaar	Women	

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Name of representative	Capacity representing	Number meetings held during the year
Katinka Koopman	Education	
Demetri Opperman	Civics & Taxes	

Ward 7: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Rose January	Sports & Culture	9 Meetings
Neville Jansen	Business Community	
Lennox Plaatjies	Churches	
Filemon Philander	Safety	
Sophia Thomas	Youth	
Elizabeth Madani	Business Community	
	Health & Social	
Daleen Kinear	Woman	
Melodie T Bles	Disable & Elderly	
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
Celeste Jantjies	Education	8 Meetings
Liezel Tromp	Sport & Culture	
Anna Kywa	Business Community	
Elsie Olivier	Women	
Sophia Zass	Youth	
Carlo Galant	Churches	
Salmon Jantjies	Safety	
Heinrich Swart	Health & Social	
Esmarelda Ockhuis	Disable & Elderly	
Audrey Coetzee	Civic & taxis	

Ward 9: Op-die-Berg

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Name of representative	Capacity representing	Number meetings held during the year
Ndelelo Shweni	Churches	9 Meetings
Heyley Fransman	Health & Social	
Heinrich Mackenzie	Disabled & Elderly	
Zukuswa Phuphuma	Women	
Thomas Persens	Education	
Mzwanele Mrhwetyana	Civics & Taxes	
Bongeka Rini	Safety	
Elizabeth Smith	Youth	
Nkosinathi Nonjola	Business Community	
Thuliswa Mayekiso	Sport & Culture	

Ward 10: PA Hamlet (Council Chambers)

Name of representative	Capacity representing	Number meetings held during the year
Jaqualine Moses	Youth	9 Meetings
Bulelwa Dywasha	Women	
Victoria Mandazaya	Health & Social	
Johannes Conradie	Civics & Taxes	
Leonard Baartman	Education	
Thabisani Kwinana	Sport & Culture	
Zibongile Gqibisa	Business Community	
Hermanus Hartnek	Churches	
Mandilakhe Zilinga	Safety	
Carine Visagie	Disable & Elderly	

Ward 11: Tulbagh (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Sittimio Louw	Education	9 Meetings
Siyabulela Ndzongana	Sport & Culture	
Gerald Davids	Health	
Sindiswa Bede	Churches	
Rosina Jooste	Women	

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Name of representative	Capacity representing	Number meetings held during the year
Daniel Thomas	Disabled & Elderly	
Norman Collins	Civics & Taxes	
Dinene Coetzee	Youth	
Dawid Meyer	Business Community	
	Safety	

Ward 12: N'Duli (Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Thembisa Mhlophe	Education	8 Meetings
Lagina Balani	Disabled & Elderly	
Mabhuti Silere	Churches	
Lucia Gambushe	Health & Social	
Vukile Manzi	Business Community	
Humphry Ndwanya	Safety	
Lindy Gili	Sport & Culture	
Pamela Dumbisa	Women	
Mabandla Shasha	Civics & Taxes	
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	1 438	1 358	2 382	1 346	1 122	1 506
3,5	Ceres	2 402	2 794	2 886	3 207		2 500
4,6	Bella Vista	2 686	2 637	2 668	2 580		
4,1	Hamlet	1 394	1 368	ESKOM	1 362	242	1 202
9	Op-Die-Berg	546	477	ESKOM	621		850
7,11	Tulbagh	1 943	1 851	2 687	1 740	2 634	994
2,7	Wolseley	2 578	2 553	2 568	2 630	2 642	1 302
TOTALS		12 987	13 038	13 191	13 486	6 640	8 354

*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 2022/23
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.
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
		Stray animal control getting out of hand	
		Provide Floodlights/solar at strategic areas	
		Walkways along main pedestrian routes to be upgraded	
4,6	Bella Vista	Vandalizing of Municipal property	Increasing law enforcement & coordination with SAPS
		Graveyard vandalism becoming big problem	
		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
		Business hub/mini CBD for P A Hamlet	
		Housing need	Development at Vredebes

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Wards	Town	Priority Name & Detail	Progress During 2022/23
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.
		Heritage Sites needs to be safeguarded	
		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
		Develop programs to attract investors to the area, Banking Services	
		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 2022/23	Recommendations adopted
09-Sep-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Performance, Risk and Audit Committee's First Bi-Annual Report on Performance Management for 2021/2022 and, after consideration, same be accepted.	Yes
09-Sep-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Performance, Risk and Audit Committee's Annual Risk Assessment Report for 2022 and, after consideration, same be accepted.	Yes
09-Sep-22	(a) That the Performance, Risk and Audit Committee will duly revisit the Internal Audit Charter with effect from 1 July 2022. (b) That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Internal Audit Charter with effect from 1 July 2022 and, after consideration, same be approved.	Yes
09-Sep-22	a) That the Performance, Risk and Audit Committee will duly revisit the PRAC Charter with effect from 1 July 2022. (b) That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the PRAC Charter with effect from 1 July 2022 and, after consideration, same be approved.	Yes
09-Sep-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Quarterly Budget Statement [Section 52(d)] Report for the Fourth Quarter of 2021/2022 and, after consideration, same be accepted.	Yes
16-Jan-23	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the AGSA Audit Report for 2021/2022 and same be accepted.	Yes
16-Jan-23	That the Performance, Risk and Audit Committee workshop and finalise the Performance, Risk and Audit Committee report after the meeting and submit the signed report to the Municipal Manager for attachment to the final Annual Report 2021/2022.	Yes
24-Apr-23	The Performance, Risk and Audit Committee resolved that: (a) that the Performance, Risk and Audit Committee members submit their inputs on the Second Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2021/2022 to the Chairperson by Friday, 28 April 2023. (b) that the Chairperson and Head: Internal Audit meet on Thursday, 4 May 2023 virtually (Microsoft Teams) to complete the Second Bi Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2021/2022 for tabling to Council.	Yes
24-Apr-23	The Performance, Risk and Audit Committee resolved that: (a) that the Performance, Risk and Audit Committee members submit their inputs on the First Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2022/2023 to the Chairperson by Friday, 28 April 2023. (b) that the Chairperson and Head: Internal Audit meet on Thursday, 4 May 2023 virtually (Microsoft Teams) to complete the First Bi Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2022/2023 for tabling to Council.	Yes
24-Apr-23	The Performance, Risk and Audit Committee resolved that: (a) That the Performance, Risk and Audit Committee takes notice of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for August, September, October, November, December 2022, January 2023 and February 2023. (b) 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 August, September, October, November, December 2022, January 2023 and February 2023 and, after consideration, same be accepted.	Yes
24-Apr-23	The Performance, Risk and Audit Committee resolved that: (a) That notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the first quarter of 2022/2023 and, after consideration, same be accepted. (b) That the Performance, Risk and Audit Committee recommends to Council that Council, after consideration, refers the Quarterly Budget Statement Report in terms of Section 52(d) for the first quarter of 2022/2023 to the Municipal Public Accounts Committee for consideration and a recommendation to Council.	Yes
24-Apr-23	The Performance, Risk and Audit Committee resolved that: (a) That notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the second quarter of 2022/2023 and, after consideration, same be accepted. (b) That the Performance, Risk and Audit Committee recommends to Council that Council,	Yes

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Date of the PRAC meetings	Committee recommendations during 2022/23	Recommendations adopted
	after consideration, refer the Quarterly Budget Statement Report in terms of Section 52(d) for the second quarter of 2022/2023 to the Municipal Public Accounts Committee for consideration and a recommendation to Council.	
09-Sep-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Performance, Risk and Audit Committee's First Bi-Annual Report on Performance Management for 2021/2022 and, after consideration, same be accepted.	Yes
09-Sep-22	That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Performance, Risk and Audit Committee's Annual Risk Assessment Report for 2022 and, after consideration, same be accepted.	Yes
09-Sep-22	(a) That the Performance, Risk and Audit Committee will duly revisit the Internal Audit Charter with effect from 1 July 2022. (b) That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the Internal Audit Charter with effect from 1 July 2022 and, after consideration, same be approved.	Yes
09-Sep-22	a) That the Performance, Risk and Audit Committee will duly revisit the PRAC Charter with effect from 1 July 2022. (b) That the Performance, Risk and Audit Committee recommends to Council that notice be taken of the PRAC Charter with effect from 1 July 2022 and, after consideration, same be approved.	Yes

Audit Committee recommendations on Fraud & Financial Misconduct for 2022/23

Minutes: Performance, Risk & Audit Committee Meeting, 9 September 2022 & 24 April 2023

that notice was taken that there were no disciplinary cases regarding fraud and corruption for the period 1 July 2022 to 30 June 2023.

APPENDIX H: Long Term Contracts and Public Private Partnerships

No long-term contract was entered into by the end of June 2022/23. No Public Private Partnership was entered into by end of June 2022/23.

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 2022 – 30 June 2023		
Name	Description of Financial interests*	
Executive Mayor		
Cllr HJ Smit	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Member of Mayoral Committee / Executive Committee		
Alderman K Adams	Employment and Remuneration	Witzenberg Municipality
	Property	853 Vrede Street, Bella Vista
	Pension	Consolidated Retirement Fund
Alderman JJ Visagie	Employment and Remuneration	Witzenberg Municipality
	Property	1 Skuinsbaai Avenue, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Cllr FE Klazen (Term Ended 2 June 2023)	Employment and Remuneration	Witzenberg Municipality
	Property	10 Fortuin Street, Ceres
	Pension	Consolidated Retirement Fund
Cllr JP Fredericks	Employment and Remuneration	Witzenberg Municipality

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Disclosures of Financial Interests - 1 July 2022 – 30 June 2023		
Name	Description of Financial interests*	
	Directorship	Dakaf's Costruction
	Pension	Consolidated Retirement Fund
Alderman BC Klaasen (Term Ended – 30 June 2023)	Shares and securities in any	SASOL Inzalo
	Directorships	Klaasen Incorporated
	Employment and Remuneration	Witzenberg Municipality; Klaasen
	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
Cllr P Daniels	Employment and Remuneration	Witzenberg Municipality
	Property	31 7 th Avenue Wolsey
	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

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Disclosures of Financial Interests - 1 July 2022 – 30 June 2023		
Name	Description of Financial interests*	
	Pension	Consolidated Retirement Fund
	Directorship	Owner of a business
Cllr N Phatsoane	Employment and Remuneration	Witzenberg Municipality Cape Winelands District 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
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 / Du Toit
Cllr G Franse	Employment and Remuneration	Witzenberg Municipality

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Disclosures of Financial Interests - 1 July 2022 – 30 June 2023		
Name	Description of Financial interests*	
	Property	354 River Crescent, 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 K Robyn (Term Started 2/6/2023)	Employment and Remuneration	Witzenberg Municipality
	Property	19 Wiehan Street, Prince Alfred's Hamlet
	Pension	Consolidated Retirement Fund
Chief Accounting Officer		
Mr D Nasson	Shares and security in any Company	Old Mutual
	Property	Residential
Chief Financial Officer		
Mr C Kritzinger	25% Interest in property	Residential
	50 % Interest in property	Residential
	50 % Interest in property	Residential

ANNUAL REPORT

Disclosures of Financial Interests - 1 July 2022 – 30 June 2023		
Name	Description of Financial interests*	
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	21/22	22/23		22/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)			(%)		
Vote1 - Executive and Council	27	-	-	33	-	-
Vote2 - Budget and Treasury Office	117 003	116 830	121 132	130 895	12,04	8,06
Vote3 - Corporate Services	9 608	1 249	1 449	10 900	772,72	652,26
Vote4 - Planning and Development	1 530	2 226	2 626	3 127	40,51	19,11
Vote5 - Public Safety	15 433	16 035	16 299	13 486	(15,89)	(17,26)
Vote6 - Health	-	-	-	-	-	-
Vote7 - Community and Social Services	122 004	137 139	135 971	135 940	(0,87)	(0,02)
Vote8 - Sports and Recreation	9 579	11 558	11 558	12 144	5,07	5,07
Vote9 - Housing	1 029	12 260	5 888	482	(96,07)	(91,82)
Vote10 - Waste Management	50 789	33 264	38 637	65 523	96,98	69,59
Vote11 - Road Transport	14 231	12 570	35 708	34 986	178,34	(2,02)
Vote12 - Waste Water Management	40 555	33 469	39 369	55 938	67,13	42,09
Vote13 - Water	72 697	87 028	93 788	83 451	(4,11)	(11,02)
Vote14 - Electricity	336 868	337 945	339 698	315 576	(6,62)	(7,10)
Vote15 - Environmental Management	0	905	2 888	1 386	53,24	(52,00)
Total Revenue by Vote	791 353	802 478	845 011	863 866	7,65	2,23

Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2022/23 financial year:

Vote Description	21/22	22/23		22/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Property rates	88 813	95 739	95 739	98 266	2,64	2,64
Property rates - penalties & collection charges	2 315	2 004	2 004	2 822	40,81	40,81
Service Charges - electricity revenue	326 063	336 625	336 625	311 865	(7,36)	(7,36)
Service Charges - water revenue	45 340	48 907	48 907	45 356	(7,26)	(7,26)
Service Charges - sanitation revenue	43 453	41 758	41 758	57 692	38,16	38,16
Service Charges - refuse revenue	35 807	38 834	38 834	38 680	(0,40)	(0,40)
Less: Revenue Forgone	(19 779)	(26 280)	(26 280)	(22 394)	(14,79)	(14,79)
Rentals of facilities and equipment	4 604	3 416	3 416	4 786	40,10	40,10
Interest earned - external investments	5 580	5 069	6 000	14 390	183,87	139,84
Interest earned - outstanding debtors	14 935	7 151	20 425	22 715	217,65	11,21
Dividends received	-	-	-	-	-	-
Fines	9 670	11 137	11 137	8 857	(20,48)	(20,48)
Licences and permits	1 198	2 216	2 216	1 145	(48,33)	(48,33)
Agency services	4 415	4 249	4 249	4 611	8,53	8,53
Transfers recognised - operational	120 676	148 913	142 514	137 289	(7,81)	(3,67)
Other revenue	23 431	25 144	29 374	65 564	160,76	123,20
Gains	7 177	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	713 698	744 883	756 919	791 644	6,28	4,59

Variations 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							
Details	Budget	Adjustments		Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget			Budget	Adjustments	
						Budget	
Regional Bulk Infrastructure Grant	22 125	22 125		16 027	27,56%	27,56%	Grant for Tulbagh Raw Water Dam
Finance Management Grant	1 783	1 783		1 550	13,05%	13,05%	Financial Management
Water Service Infrastructure Grant	18 056	12 291		9 143	49,36%	25,61%	Water Services
Integrated National Electricity Program	-	1 177		778	0,00%	33,95%	Electricity connections
Expanded Public Works	2 573	2 573		2 318	9,91%	9,91%	Job creation
Neighbourhood Development Plan	-	-		(549)	0,00%	0,00%	Neighbourhood Development
Regional Social Economic Project	-	-		394	0,00%	0,00%	Social Economic Project
Capacity Building and Other	13 340	8 021		-	100,00%	100,00%	Capacity Building
Housing	3 504	4 539		1 029	70,63%	77,33%	Housing
Library Services	12 095	12 095		10 641	12,02%	12,02%	Library Services
CDW	151	382		273	-81,23%	28,49%	Community Development Workers
Maintenance and Construction of Transport Infrastructure	1 288	27 897		24 201	-1778,96%	13,25%	Upgrade Van Breda Bridge
Municipal Accreditation and Capacity Building Grant	-	-		186	0,00%	0,00%	Capacity Building
Municipal Infrastructure Support Grant	1 780	1 780		-	100,00%	100,00%	Infrastructure upgrades
Municipal Energy Resilience Fund	-	-		1 761	0,00%	0,00%	Energy resilience
Electronic Case Management Intervention	-	-		83	0,00%	0,00%	Case Management
Capacity Building	-	1 684		-	0,00%	100,00%	Infrastructure upgrades
Infrastructure	-	933		812	0,00%	13,04%	Grant for Tulbagh Raw Water Dam
Safety Project	-	-		65	0,00%	0,00%	Safety upgrades
Belgium	2 389	2 841		3 412	-42,82%	-20,10%	Local economic development
China	-	-		7	0,00%	0,00%	Water meters
Perdekraal	-	970		174	0,00%	82,04%	Nature conservation
Nedbank	-	1 311		326	0,00%	75,14%	Nature conservation
Total	79 083	102 401		72 632	8,16%	29,07%	

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	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
MV Substation Equipment	All	1 000 000		1 500 000		1 500 000
Upgrade on electrical network renewable	All		1 000 000			
Upgrade of LV Network Cables	All	1 000 000		1 000 000		1 000 000
MV Network Equipment	All	1 300 000	100 000	1 000 000		1 000 000
Upgrade of MV Cables	All	1 048 339		600 000	1 500 000	1 500 000
Tools & Equipment	All			150 000	250 000	200 000
Electrical Network Refurbishment	All			1 500 000		
Upgrade of Streetlights	All			350 000	500 000	400 000
Network streets	All	2 000 000			2 500 000	
Rehabilitation - Streets Tulbagh	11				3 500 000	
Tools & Equipment	All			50 000		
NMT Sidewalks Ceres	3,5			500 000		
Tulbagh, Rossouwstr upgrade	11			107 177	9 074 783	
Tulbagh upgrade roads north of Steinthal	11			8 260 870		
Tulbagh Taxi Rank (Ph1)	11		173 913			
Road maintenance & upgrade	All					12 000 000
Upgrade pavements	3,5		500 000			
Aerator replacement programme	All			500 000		700 000
Refurbishment WWTW	All			750 000		1 000 000
Sewer Pumps-replacement	All			250 000		500 000
Sewer Network Replacement	All	3 225 593	699 968	2 000 000		2 000 000
Security upgrades	All	87 964		300 000		116 000
Plant & Equipment	All					344 000
Upgrade WWTW Wolseley	7	9 293 719	2 256 058			
Upgrade WWTW Wolseley (Own Contribu	7					
Generators	All	413 043	413 043			
Generators	All	182 766	182 766			
Transfer stations & related infrastructure (3					5 817 400
Fencing Landfill site	4,10	1 000 000	4 000 000			
Fencing Landfill site	4,10		1 627 051			
Drop-offs Transfer stations Tulb/PAH/BV	All		6 000 000			
Drop-offs Transfer stations	All	1 200 000	1 200 000			
Furniture & Office equipment	All	260 296	256 457			
Waste Management Vehicles	All		5 047 826			
Network - Storm Water Upgrading	All			450 000		
Infrastructure Management System	All			200 000		
Plant & Equipment	All		200 000	50 000		
Security upgrades	All			450 000		
Network- Water Pipes & Valve Replaceme	All	27 863	100 000	2 000 000		
Tulbagh Dam	7, 11	16 729 565	914 541			
Grey Water System	All			500 000	1 000 000	
Op-Die-Berg Reservoir	8	173 913	2 680 669			
Tulbagh Reservoir	7,11	459 565	2 700 827	4 526 320		
Tierhokskloof bulk pipeline	2,7	820 000	8 819 809	2 100 000		
Tierhokskloof bulk pipeline (own contribut	2,7			2 956 522		
Tulbagh Dam (own contribution)	7,11		2 956 522			
Vredebes Bulk internal water pipeline	5			907 372		
Nduli: Upgrade & replace water pipe line a	5			3 913 043		

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

Description	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Electrical Network Housing Project	All	890 300	3 391 304	869 565	869 565	
Nduli Infill Internal Roads	1,12					
Vredebos Access Collector	5	13 194 263				
Vredebos Access Collector	5	2 436 188	436 187			
Nduli Infill Internal Sewerage	1,12					
Toilets for informal settlements	7	956 522	956 522			
Tulbagh bulk sewer lowcost housing	7,11				10 434 783	
Nduli Infill Internal Storm water	1,12					
Nduli Infill Internal Water	1,12					

Key Performance Area: 2. GOOD GOVERNANCE

Description	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Capex Fire Fighting Equipment	All			350 000	150 000	400 000
Rescue equipment	All		856 522		350 000	
Furniture & Equipment	All	174 395	66 600			
Corporate Support	All				500 000	
Access Control - Furniture and Equipment	All				1 000 000	
Signage & Billboards	All					
Camera equipment	All			20 000		
Office Equipment	All			30 000		
Office Equipment	All			50 000	500 000	
Office Equipment	All			30 000		
Office Equipment (Director)	All			30 000		
IT Equipment	All	627 627	75 000		650 000	215 000
IT Equipment	All				2 500 000	
Office Equipment	All			30 000		
Security Cameras	All	229 565	172 879			
Vehicle Replacement Programme	All				500 000	240 000
Test Centre Equipment	All		850 000			
Furniture & equipment	All					40 000
Furniture & equipment	All	147 057				711 157
Furniture & equipment	All					50 000
IT Equipment	All	32 007	60 000			75 000
Furniture & equipment	All		40 000			
Furniture & equipment	All		30 000			
Furniture & equipment	All		30 000			
Fencing Tulbagh Deport			2 556 470			
Vehicle Replacement Program	All	1 363 710	3 000 000		400 000	
Vehicle Replacement Program	All	192 808			300 000	
Tools & Equipment	All	86 687				
Workshop Building Upgrade	3				300 000	
Traffic Calming	All			200 000	50 000	

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Key Performance Area: 3. COMMUNAL SERVICES

Description	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Expanding of Cemetery	All			300 000		
New regional cemetery	All			4 956 522		
Townhalls Equipment	All	36 172				
Chainsaws	All			90 000		100 000
Brushcutters	All			120 000		120 000
Irrigation equipment for parks	All				500 000	
Truck 1.3 ton	All				1 350 000	
Landscaping of parks	All			300 000	500 000	
Parks equipment	All	38 814			600 000	
Tools & equipment	All	146 869				
Library Nduli	1,12	200 000	2 000 000			
Swimming Pool Nduli	1,12				30 000	
Ablution facilities at Hamlet (Breestr) spor	4,10	434 783				695 652
Containers 3x3m	All			100 000	500 000	
Ceres upgrade Of Leyell Str Sport Facilitie	3	6 340 955	2 534 783			
Vredebes sportsgrounds	5					15 000 000
Tulbagh sports facilities upgrade	7,11				3 913 043	
Kliprug sportfield change rooms	4					
Sportsground development	All	334 128			400 000	600 000
Resurface netball courts	All			200 000	250 000	
Upgrade Sportsgrounds	4	894 783	423 000			
Equipment	All	217 726				
Wolseley Public Toilets	2,7	705 669				
Wolseley Public Toilets	2,7	584 943				

Key Performance Area: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Description	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Fencing of Trichardtstr Flats	3		500 000			
Upgrade of Busy Bee building Tulbagh	7,11		300 000			
Market shelter Wolseley	2,7		100 000			
Electronic Indigent System	All	347 826	275 442			
Chalet Furniture	3			450 000		
Upgrade Van Breda Bridge	3,5	24 258 260	20 113 043			
Upgrade Van Breda bridge (own contribut	3,5	5 817 400	4 400 000			

APPENDIX P

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 2022/23 financial year.


Signed (Chief Financial Officer)
C Kritzinger

30 October 2023

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.

2023



Annual Financial Statements

30 June 2023



WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type	Date From	Date To
Executive Mayor	Alderman Smit, HJ *	DA	Ward 5	22/11/2021	
Deputy Executive Mayor	Klazen FE	GOOD	PR	26/01/2022	15/05/2023
Speaker	Sidego, EM *	DA	Ward 11	24/05/2022	
Mayoral Committee Member	Alderman Visagie, JJ *	DA	Ward 4	02/12/2021	
Mayoral Committee Member	Fredericks JP	VF+	PR	02/12/2021	
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	Hardnek LA	WP	PR	23/02/2022	
Ordinary Councillor	Laban, G *	WA	PR		
Ordinary Councillor	Herandien, P *	ICOSA	PR		
Ordinary Councillor	Phatsoane, N *	ANC	PR	09/11/2021	
Ordinary Councillor	Swart, D *	DA	Ward 3		
Ordinary Councillor	MJ Ndaba	ANC	Ward 9	09/11/2021	
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	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	Cloete JJ	PA	PR	09/11/2021	
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

Date

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 R	Restated 2022 R
ASSETS			
Current Assets		359,772,011	276,314,269
Cash and Cash Equivalents	2	226,801,723	144,879,638
Trade and other Receivables from Exchange Transactions	3	81,514,811	91,950,528
Receivables from non-exchange transactions	4	19,423,931	13,689,932
Inventory	5	11,534,198	9,035,225
Unpaid Conditional Government Grants and Receipts	6	9,158,809	10,816,494
Statutory Receivables: VAT	7	11,338,540	5,942,453
Non-Current Assets		1,076,394,854	1,053,538,053
Property, Plant and Equipment	8	1,031,639,722	1,008,032,933
Intangible Assets	9	2,111,695	2,113,032
Investment Property	10	42,093,437	42,842,088
Heritage assets	11	550,000	550,000
Total Assets		<u>1,436,166,865</u>	<u>1,329,852,322</u>
LIABILITIES			
Current Liabilities		162,793,521	120,616,817
Trade and Other Payables Exchange Transactions	12	103,354,461	61,869,335
Consumer Deposits	13	12,158,284	11,548,609
Current Employee benefits	14	30,617,652	27,705,126
Unspent Conditional Government Grants and Receipts	6	13,819,180	14,410,793
Unspent Public Contributions	15	2,316,495	3,186,213
Current Portion of Borrowings	16	527,449	1,896,741
Non-Current Liabilities		116,165,437	170,264,937
Borrowings	16	-	527,449
Non-Current Provisions	17	48,748,187	98,533,020
Employee benefits	18	67,417,250	71,204,468
Total Liabilities		278,958,958	290,881,754
Net Assets		1,157,207,907	1,038,970,568
Capital Replacement Reserve	19	12,539,508	12,539,508
Accumulated Surplus		1,144,668,399	1,026,431,060
Total Net Assets and Liabilities		<u>1,436,166,865</u>	<u>1,329,852,322</u>

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/2023 (Actual) R	2021/2022 (Restated) R	2021/2022 Correction of error R	2021/2022 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		331,993,802	302,229,541	2,736,310	299,493,231
Taxation Revenue		103,712,511	93,864,715	2,736,310	91,128,405
Property rates	20	98,265,912	88,812,979	-	88,812,979
Property Rates - penalties imposed and collection charges		2,821,620	2,315,426	-	2,315,426
Availability Charges		2,624,979	2,736,310	2,736,310	-
Transfer Revenue		228,281,291	208,364,826	-	208,364,826
Fines, Penalties and Forfeits		8,856,622	9,670,067	-	9,670,067
Licences or Permits		1,145,124	1,198,303	-	1,198,303
Surcharges and Taxes		9,979,512	9,082,954	-	9,082,954
Government Grants and Subsidies - Capital	21	67,591,713	66,276,090	-	66,276,090
Government Grants and Subsidies - Operating	21	137,288,708	120,675,951	-	120,675,951
Public Contributions and Donations		3,419,612	1,461,461	-	1,461,461
Revenue from Exchange Transactions		531,872,069	489,123,298	922,297	488,201,001
Service Charges	22	437,257,041	435,704,414	922,297	434,782,117
Rental from Fixed Assets		4,785,785	4,604,001	-	4,604,001
Interest earned - External investments		14,390,399	5,580,245	-	5,580,245
Interest Income on Overdue Accounts		22,715,389	14,935,260	-	14,935,260
Agency Services	23	4,611,149	4,414,566	-	4,414,566
Operational Revenue	24	7,578,291	2,652,042	-	2,652,042
Sales of Goods and Rendering of services	25	5,836,475	5,413,919	-	5,413,919
Gain on disposal of assets		-	7,176,709	-	7,176,709
Reversal of impairment loss	36	-	-	-	-
Gain on Adjustment of Provision		24,802,484	-	-	-
Inventories: Reversal of write-down		-	-	-	-
Gain on Actuarial Valuations	18	9,895,056	8,642,142	-	8,642,142
Total Revenue		863,865,871	791,352,839	3,658,607	787,694,232
EXPENDITURE					
Employee related costs	26	220,603,453	206,346,744	-	206,346,744
Remuneration of Councillors	27	11,067,396	10,475,781	-	10,475,781
Impairment	28	54,996,576	35,729,032	(543,388)	36,272,420
Inventory Consumed		18,504,210	14,448,761	-	14,448,761
Depreciation and Amortisation	29	31,903,173	38,324,340	-	38,324,340
Finance Charges	30	18,295,958	13,913,745	(1,231,700)	15,145,445
Bulk Purchases	31	279,960,011	285,708,344	-	285,708,344
Contracted Services	32	50,689,001	33,781,763	-	33,781,763
Transfers and Subsidies: Operational Expenditure	33	2,207,898	2,183,334	-	2,183,334
Construction Cost		-	430,900	-	430,900
Operational Cost	34	44,381,132	37,076,590	-	37,076,590
Rent on Land		43,479	40,635	-	40,635
Operating Leases		1,024,885	951,111	-	951,111
Bad Debts Written Off		9,945,876	14,710,875	-	14,710,875
Loss on disposal of assets		838,215	-	-	-
Impairment loss	35	1,167,269	2,370,024	-	2,370,024
Loss on Adjustment of Provision		-	-	-	-
Inventories: Write-down		-	-	-	-
Loss on Actuarial Valuations	18	-	-	-	-
Total Expenditure		745,628,532	696,491,979	(1,775,088)	698,267,067
NET SURPLUS / (LOSS) FOR THE YEAR		118,237,339	94,860,860	5,433,695	89,427,165

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2021		10,442,209	936,046,478	946,488,687
Correction of error	36.06	-	(2,378,979)	(2,378,979)
Restated Balance at 1 JULY 2021		10,442,209	933,667,499	944,109,708
Transfers to/from Accumulated Property, Plant and Equipment purchased		11,462,047	(11,462,047)	-
Property, Plant and Equipment purchased		(9,364,748)	9,364,748	-
Net Surplus for the year previously reported		-	89,427,165	89,427,165
Correction of error			5,433,695	5,433,695
Balance at 30 JUNE 2022		12,539,508	1,026,431,060	1,038,970,568
Transfers to/from Accumulated Property, Plant and Equipment purchased		-	-	-
Property, Plant and Equipment purchased		-	-	-
Net Surplus for the year		-	118,237,339	118,237,339
Balance at 30 JUNE 2023		12,539,508	1,144,668,399	1,157,207,907

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/2023 R	Restated 2021/2022 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates and other Taxes		100,948,577	92,225,613
Sales of goods and services		416,447,675	418,952,497
Government Grants		208,496,387	168,683,527
Interest		32,945,425	12,737,236
Payments			
Employee and Councillor costs		(230,378,983)	(215,374,661)
Suppliers		(368,893,451)	(379,922,901)
Finance charges		(140,627)	(226,009)
Cash generated by operations	38	159,425,004	97,075,301
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(85,185,097)	(68,376,818)
Purchase of Intangible Assets	9	(72,384)	-
Proceeds on Disposal of Property, Plant and Equipment		8,549,738	(0)
Net Cash from Investing Activities		(76,707,743)	(68,376,819)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(1,404,850)	(1,370,072)
Increase in Consumer Deposits		609,675	2,246,014
Net Cash from Financing Activities		(795,175)	875,942
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		81,922,085	29,574,425
Cash and Cash Equivalents at the beginning of the year		144,879,638	115,305,213
Cash and Cash Equivalents at the end of the year	2	226,801,723	144,879,638
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		81,922,085	29,574,425

WITZENBERG MUNICIPALITY

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	149,265,223	37,982,650	31,098,789	110,825,519	329,172,181
External revenue from exchange transactions	7,447,370	6,752,714	441,895,725	3,972,931	460,068,741
Interest revenue	103,259	-	22,493,452	17,330,697	39,927,408
Revenue from transactions with other segments	-	-	0	-	0
Total Revenue	156,815,852	44,735,364	495,487,965	132,129,148	829,168,329
Segment Expenditure					
Employee related costs	75,633,861	29,262,312	55,982,698	60,986,580	221,865,452
Remuneration of Councillors	-	-	-	11,320,701	11,320,701
Bulk Purchases	9,310	-	279,950,701	-	279,960,011
Depreciation and Amortisation	4,888,191	8,270,599	14,923,015	3,821,368	31,903,173
Impairment and Bad debt	4,992,731	-	55,391,281	4,558,441	64,942,453
Other Expenditure	13,440,637	17,181,890	57,697,932	45,310,799	133,631,259
Internal charges	6,713,506	123,736	-9,473,519	2,636,277	0
Total Expenditure	105,678,235	54,838,538	454,472,109	128,634,166	743,623,049
Gains & Losses	-	-	23,823,573	8,868,483	32,692,056
Surplus/deficit for the year	51,137,617	(10,103,174)	64,839,429	12,363,465	118,237,337

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	137,294,013	14,510,955	48,738,234	99,370,913	299,914,115
External revenue from exchange transactions	7,409,680	6,000,532	435,882,410	3,496,322	452,788,943
Interest revenue	156,535	-	14,722,732	7,951,664	22,830,931
Revenue from transactions with other segments	42,547	-	21,591,264	-	21,633,811
Total Revenue	144,902,775	20,511,487	520,934,639	110,818,899	797,167,800
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	-	39,801,721	6,490,887	50,439,907
Other Expenditure	12,559,335	10,718,598	40,581,088	38,967,815	102,826,837
Internal charges	7,123,665	132,161	11,898,503	2,479,482	21,633,811
Total Expenditure	99,146,466	46,901,118	452,345,487	117,362,693	715,755,765
Gains & Losses	-6,346	-	-1,055,801	14,510,974	13,448,828
Surplus/deficit for the year	45,749,963	(26,389,631)	67,533,351	7,967,180	94,860,863

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.

The four 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.
- Governance and administration which includes executive and council, finance and administration and internal audit.

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

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

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Actual 2022/2023 R	Approved budget 2022/2023 R	Adjustments 2022/2023 R	Final budget 2022/2023 R	Difference between final budget and actual	Actual 2021/2022 R
ASSETS						
Current Assets	359,772,011	242,916,352	20,324,822	263,241,174	37%	276,314,269
Cash	226,801,723	143,632,111	35,154,790	178,786,901	27%	144,879,638
Call investment deposits	-	-	930,702	930,702	-100%	-
Consumer debtors	100,938,741	63,768,973	(15,198,315)	48,570,658	108%	105,640,459
Other debtors	20,497,349	26,033,879	-	26,033,879	-21%	16,758,947
Current portion of long-term receivables	-	-	-	-	-	-
Inventory	11,534,198	9,481,389	(562,355)	8,919,034	29%	9,035,225
Non-Current Assets	1,076,394,854	1,124,459,737	(4,881,965)	1,119,577,772	-4%	1,053,538,053
Investments	-	9,382	-	9,382	-100%	-
Investment Property	42,093,437	41,945,794	-	41,945,794	0%	42,842,088
Property, Plant and Equipment	1,031,639,722	1,081,628,241	(5,229,791)	1,076,398,450	-4%	1,008,032,933
Intangible Assets	2,111,695	326,320	347,826	674,146	213%	2,113,032
Other non-current assets	550,000	550,000	-	550,000	0%	550,000
Total Assets	1,436,166,865	1,367,376,089	15,442,857	1,382,818,946	4%	1,329,852,322
LIABILITIES						
Current Liabilities	162,793,521	137,549,423	(393,667)	137,155,756	19%	120,616,817
Borrowings	527,449	610,734	-	610,734	-14%	1,896,741
Consumer Deposits	12,158,284	8,731,990	-	8,731,990	39%	11,548,609
Trade and Other Payable Exchange Transactions	119,490,136	99,286,167	(393,667)	98,892,500	21%	79,466,341
Provisions	30,617,652	28,920,532	-	28,920,532	6%	27,705,126
Non-Current Liabilities	116,165,437	260,296,202	4,584,087	264,880,289	-56%	170,264,937
Borrowings	-	12,219,962	-	12,219,962	-100%	527,449
Provisions	116,165,437	248,076,240	4,584,087	252,660,327	-54%	169,737,488
Total Liabilities	278,958,958	397,845,625	4,190,420	402,036,045	-31%	290,881,754
Net Assets	1,157,207,907	969,530,464	11,252,437	980,782,901	18%	1,038,970,568
Accumulated Surplus	1,144,668,399	959,088,255	11,252,437	970,340,692	18%	1,026,431,060
Reserve	12,539,508	10,442,209	-	10,442,209	20%	12,539,508
Total Net Assets and Liabilities	1,436,166,865	1,367,376,089	15,442,857	1,382,818,946	4%	1,329,852,322

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.

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Actual 2022/2023 R	Approved budget 2022/2023 R	Adjustments 2022/2023 R	Final budget 2022/2023 R	Difference between final budget and actual	Actual 2021/2022 R
Operating Revenue						
Property rates	98,265,912	95,739,270	(147,000)	95,592,270	3%	88,812,979
Service charges - electricity revenue	312,719,443	336,625,400	-	336,625,400	-7%	326,063,309
Service charges - water revenue	46,027,574	48,907,175	-	48,907,175	-6%	45,339,817
Service charges - sanitation revenue	49,643,073	31,703,322	-	31,703,322	57%	35,325,523
Service charges - refuse revenue	31,491,930	30,235,865	-	30,235,865	4%	28,975,765
Rental from Fixed Assets	4,785,785	3,415,880	-	3,415,880	40%	4,604,001
Interest earned - External investments	14,390,399	5,089,002	1,158,436	6,247,438	130%	5,580,245
Interest Income on Overdue Accounts	25,537,009	9,110,584	13,046,606	22,157,190	15%	17,250,686
Fines, Penalties and Forfeits	8,856,622	11,137,237	1	11,137,238	-20%	9,670,067
Licences or Permits	1,145,124	2,216,358	-	2,216,358	-48%	1,198,303
Agency Services	4,611,149	4,248,720	-	4,248,720	9%	4,414,566
Transfers and Subsidies	150,687,832	150,990,692	(5,300,222)	145,690,470	3%	131,220,366
Other revenue	13,414,766	15,608,968	3,837,405	19,446,373	-31%	8,065,961
Gains	34,697,540	-	-	-	0%	15,818,851
Total Revenue (excluding capital transfers and contributions)	796,274,159	745,028,473	12,595,226	757,623,699	5%	722,340,440
Operating Expenditure by Nature						
Employee related costs	229,004,252	248,234,101	(6,210,979)	242,023,122	5%	206,346,744
Remuneration of Councillors	11,067,396	12,215,735	(333,138)	11,882,597	7%	10,475,781
Impairment	54,996,576	46,031,366	13,698,314	59,729,680	8%	35,729,032
Depreciation and Amortisation	31,903,173	39,588,569	13,226,200	52,814,769	40%	38,324,340
Finance Charges	9,895,157	9,079,768	4,584,087	13,663,855	28%	13,913,745
Bulk Purchases	279,960,011	314,410,729	(305,000)	314,105,729	11%	285,708,344
Other materials	18,504,210	16,153,873	3,879,502	20,033,375	8%	14,448,761
Contracted Services	50,689,001	52,776,013	3,171,128	55,947,141	9%	33,781,763
Transfers and Subsidies: Operational Expenditure	2,207,898	1,543,081	744,669	2,287,750	3%	2,183,334
Other Expenditure	55,395,373	1,213,037	1,504,895	2,717,932	-1938%	53,210,111
Losses	2,005,484	1,226	-	1,226	-163479%	2,370,024
Total expenditure	745,628,533	741,247,498	33,959,678	775,207,176	4%	696,491,979
Surplus/(Deficit)	50,645,626	3,780,975	(21,364,452)	(17,583,477)	-388%	25,848,461
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	67,591,713	55,582,869	29,790,936	85,373,805	21%	66,276,090
Surplus/ (Deficit) for the year	118,237,339	59,363,844	8,426,484	67,790,328	74%	92,124,551
Operating expenditure by vote						
Budget and Treasury Office	45,650,259	51,032,910	5,044,192	56,077,102	19%	43,188,267
Civil services	164,976,650	161,264,045	40,317,259	201,581,304	18%	158,054,960
Community and social services	31,267,804	37,956,023	689,152	38,645,175	19%	30,070,461
Corporate Services	56,195,216	73,677,449	(12,915,622)	60,761,827	8%	49,823,645
Electro Technical Services	312,103,692	349,657,854	(3,795,522)	345,862,332	10%	312,116,280
Executive and Council	25,841,435	28,313,945	583,331	28,897,276	11%	21,841,617
Housing	4,819,898	17,171,558	(5,259,688)	11,911,870	60%	4,947,451
Planning	7,873,971	8,069,424	(107,958)	7,961,466	1%	7,353,346
Public Safety	38,786,220	42,227,263	2,865,336	45,092,599	14%	36,528,511
Sport and recreation	33,310,904	30,114,194	3,549,105	33,663,299	1%	30,197,417
Total operating expenditure by vote	720,826,049	799,484,665	30,969,585	830,454,250	13%	694,121,955

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Actual 2022/2023 R	Approved budget 2022/2023 R	Adjustments 2022/2023 R	Final budget 2022/2023 R	Difference between final budget and actual	Actual 2021/2022 R
Capital expenditure by vote						
Budget and Treasury Office	179,064	180,000	(936)	179,064	0%	1,604,057
Civil services	72,745,337	73,137,068	10,969,959	84,107,027	14%	56,761,628
Community and social services	296,879	372,000	9,041	381,041	22%	735,636
Corporate Services	1,984,615	1,710,000	645,777	2,355,777	16%	1,745,535
Electro Technical Services	4,827,445	4,000,000	1,238,639	5,238,639	8%	9,573,284
Executive and Council	-	-	-	-	-	-
Planning	-	-	-	-	-	-
Public Safety	56,686	-	229,565	229,565	75%	240,000
Sport and recreation	7,099,644	8,754,305	(271,644)	8,482,661	16%	3,083,912
Total capital expenditure	87,189,670	88,153,373	12,820,401	100,973,774	14%	73,744,052
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property Rates and other Taxes	100,948,577	94,278,161	-	94,278,161	7%	92,225,613
Service charges	416,447,675	484,809,966	-	484,809,966	-14%	418,952,497
Other revenue						
Government Grants	208,496,387	212,401,000	26,186,210	238,587,210	-13%	168,683,527
Interest	32,945,425	14,199,586	13,274,340	27,473,926	20%	12,737,236
Payments						
Suppliers and employees	(599,272,434)	(731,653,616)	-	(731,653,616)	18%	(595,297,562)
Finance charges	(140,627)	-	-	-	-	(226,009)
NET CASH FROM/(USED) OPERATING ACTIVITIES	159,425,004	74,035,097	39,460,550	113,495,647	-40%	97,075,301
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	8,549,738	-	4,412,275	4,412,275	-94%	(0)
Payments						
Capital assets	(85,257,481)	(92,143,373)	(8,518,035)	(100,661,408)	15%	(68,376,818)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(76,707,743)	(92,143,373)	(4,105,760)	(96,249,133)	20%	(68,376,819)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	0	10,000,000	-	10,000,000	100%	-
Increase (decrease) in consumer deposits	609,675	-	-	-	-	2,246,014
Payments						
Repayment of borrowing	(1,404,850)	(1,000,000)	-	(1,000,000)	-40%	(1,370,072)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(795,175)	9,000,000	-	9,000,000	109%	875,942

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

Explanation of Material Statement of Financial Position Variances

2022/2023

Cash	27%	Conservative approach to Cash Flow budgeting
Consumer Debtors	108%	Increase in demand for municipal services.
Other Debtors	-21%	Absence of contractor for traffic fine management
Property, Plant and Equipment	-4%	Underspending of Capital Budget and restatement of capitalized restoration cost.
Trade and Other Payable Exchange Transactions	21%	Effective management of Grants received and Payables and Accruals
Borrowings	-100%	Budgeted loans not taken up in current financial year.
Provisions	-54%	Unexpected increase in expected rehabilitation cost of landfill sites

Explanation of Material Cash Flow Statement Variances

Receipts- Government Grant	-13%	Expenditure not incurred for all grant funding received.
Payments- Capital Assets	15%	Underspending of Capital Budget
Financing activities	109%	Budgeted loans not taken up in current financial year.

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

Net surplus per the statement of financial performance		118,237,339
Adjusted for:		
Property rates	Increase due to interim valuations	(2,673,642)
Interest Income on Overdue Accounts	Increase in outstanding debt.	(3,379,819)
Fines, Penalties and Forfeits	Decrease due to the withdrawl of the contractor	2,280,616
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received.	17,782,092
Government Grants and Subsidies - Operating	Conservative budgeting for expenditure	(4,997,362)
Service Charges	Decreased sale of services due to loadshedding	7,589,741
Employee related costs	Vacancies not filled	(13,018,870)
Impairment	Less traffic fines issued	(4,733,104)
Depreciation and Amortisation	Depreciation less than expected due to slow capital spending	(20,911,596)
Finance Charges	Adjustment in Provisions	(3,768,698)
Bulk Purchases	Bulk purchases less than expected due to load shedding	(34,145,718)
Contracted Services	Contracted Services less than budget.	(5,258,140)
Transfers and Subsidies: Operational Expenditure	Expenditure incurred less than budget	(79,852)
Other Expenditure	Allocation received - Top structures to be buildt when approved by Province	52,677,441
Gain / (loss)	Unforeseen adjustment in Provision and surplus on land sold	(34,697,540)
Other Items		(3,112,562)

Surplus/ (Deficit) for the year

67,790,328

Explanation of Material Cash Flow Variances

Property Rates and other Taxes	7%	Implementation of new general valuation resulting in increased revenue
Service charges	-14%	Reinstatement of credit control measures as lockdown restrictions were eased
Interest	20%	Council resolved to levy interest on accounts as lockdown restrictions were eased
Suppliers and employees	18%	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

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6. RESERVES

Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

1.7. LEASES

1.7.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.7.2. Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.9. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.10. PROVISIONS

1.10.1. GENERAL PROVISIONS

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.3. Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

1.11.4. Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

1.11.5. Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.11.6. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.11.7. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.12. PROPERTY, PLANT AND EQUIPMENT

1.12.1. Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

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

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

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

1.14.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15. HERITAGE ASSETS

1.15.1. Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset shall be recognised as an asset if, and only if:

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

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

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

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

Depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17. COMMITMENTS

Commitments are future payments and expenditure to be incurred on contracts that have been entered into at the reporting date and where there are unperformed obligations. The commitments would include both capital and operating items.

Committed expenditure approved and contracted for at reporting date is where the expenditure has been approved and the contract has been awarded.

Committed expenditure approved but not yet contracted for at reporting date is where the expenditure has been approved but the contract has yet to be awarded or is awaiting finalisation.

1.18. INVENTORIES

1.18.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

The cost of purified water comprises cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Housing inventory is low cost houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Western Cape Department of Human Settlements.

In terms of GRAP standards a municipality can either be regarded to be the "developer", "principal" or "agent when executing the delivery of houses.

When the municipality is acting as the "developer" or "principal" all costs are recognized as inventory up to the point of transfer to the allocated beneficiaries, where after the cost is expensed through the statement of financial performance.

When the municipality is acting as the "agent all transfers received by the Western Cape Department of Human Settlements is recorded initially as a liability in the statement of financial position. Any payments or costs pertaining to human settlement housing activities are debited against the liability.

1.18.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an

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increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.19. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.20. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

1.20.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.20.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.20.2.1. Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.20.2.2. Payables and Annuity Loans

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Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.20.2.3. Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.20.2.4. Non-Current Investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.20.3. De-recognition of Financial Instruments

1.20.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

the rights to receive cash flows from the asset have expired; or
the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.20.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.20.4. Offsetting of Financial Instruments

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Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.21. REVENUE

1.21.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised when issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

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

1.21.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter vouchers is recognised eight days after the sale of the relevant voucher.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

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Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.21.3. Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.22. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 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 and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.23. UNAUTHORISED EXPENDITURE

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

1.24. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. FRUITLESS AND WASTEFUL EXPENDITURE

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

1.26. CONTINGENT LIABILITIES

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

Management judgement is required when recognising and measuring contingent liabilities.

1.27. PRESENTATION OF BUDGET INFORMATION

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

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements. The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June. NO other entities is included in the budget.

1.28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

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1.29. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.30. JOINT VENTURES

In respect of the municipalities' interest in jointly controlled assets, the municipality includes in its accounting records and recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with other ventures in relation to the joint venture;
- any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.31. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.32 AGENCY FEES AND PAYABLES

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives commission on the collection of monies. The municipality acts as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year.

Only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recognised by the municipality.

Liabilities arising from principal-agent arrangements are included as part of payables in the Statement of Financial Position.

1.33 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

Impairment and collectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

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If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Interest is not levied on Fines issued. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

1.34 EVENTS AFTER REPORTING DATE

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

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

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

1.35 CONSTRUCTION CONTRACTS AND RECEIVABLES

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

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

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

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

The binding arrangements entered into with the Western Cape Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the department through a housing grant or subsidy.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

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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.
- 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

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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 is not reported and available in geographical format within the municipal jurisdiction.

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

Transitional provisions

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

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
2	CASH AND CASH EQUIVALENTS	R	R
	Assets		
	Cash at Bank (Current Account)	226,792,468	144,870,308
	Cash on Hand	9,255	9,330
	Total Cash and Cash Equivalents - Assets	226,801,723	144,879,638

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	144,870,308	115,295,816
Cash book balance at end of year	226,792,468	144,870,308

The municipality has the following bank accounts:

Primary Bank Account: First National Bank - Account Number 62748215979

Bank statement balance at beginning of year	144,482,216	114,835,494
Bank statement balance at end of year	226,125,084	144,482,216

ABSA Bank Limited - Account Number 350000011

Bank statement balance at beginning of year	584,503	96,864
Bank statement balance at end of year	359,019	584,503

3 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	50,520,002	58,855,928
Water	147,482,345	123,450,798
Property Rental Debtors	3,049,451	2,669,845
Waste Management	88,678,672	71,294,589
Waste Water Management	91,826,289	73,562,481
Service Charges	1,493,629	1,389,729
Prepayments and Advances	2,757,056	2,098,771
Contracts	5,128,890	-
Land Sale Debtors	1,106,706	10,908,310
Total Receivables from Exchange Transactions	392,043,040	344,230,452
Less: Provision for Impairment	(310,528,230)	(252,279,924)
Total Net Receivables from Exchange Transactions	81,514,811	91,950,528

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)	25,055,681	29,948,368
Accrued Income Water (Including VAT)	5,123,764	4,043,827
Accrued Income Waste Water (Including VAT)	14,208,517	10,098,517
	44,387,962	44,090,713

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Accrued Income Electricity	25,055,681	29,948,368
Current (0 - 30 days)	14,664,995	19,076,833
31 - 60 Days	1,142,768	1,597,230
61 - 90 Days	981,422	912,364
+ 90 Days	8,675,136	7,321,132
Total	50,520,002	58,855,928

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3

	2023 R	2022 R
TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED		
<u>(Water): Ageing</u>		
Accrued Income Water	5,123,764	4,043,827
Current (0 - 30 days)	3,399,302	3,614,889
31 - 60 Days	2,475,554	2,433,227
61 - 90 Days	2,138,063	1,791,703
+ 90 Days	134,345,662	111,567,152
Total	<u>147,482,345</u>	<u>123,450,798</u>
<u>(Housing): Ageing</u>		
Current (0 - 30 days)	67,042	97,569
31 - 60 Days	55,821	65,009
61 - 90 Days	45,399	58,523
+ 90 Days	2,881,190	2,448,744
Total	<u>3,049,451</u>	<u>2,669,845</u>
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	2,989,209	2,827,813
31 - 60 Days	1,779,503	1,626,164
61 - 90 Days	1,649,547	1,372,636
+ 90 Days	82,260,414	65,467,977
Total	<u>88,678,673</u>	<u>71,294,589</u>
<u>(Waste Water): Ageing</u>		
Accrued Income Waste Water	14,208,517	10,098,517
Current (0 - 30 days)	2,366,340	2,237,581
31 - 60 Days	1,381,153	1,296,966
61 - 90 Days	1,217,082	1,066,357
+ 90 Days	72,653,198	58,863,061
Total	<u>91,826,289</u>	<u>73,562,481</u>
<u>(Service Charges): Ageing</u>		
Current (0 - 30 days)	6,579	6,780
31 - 60 Days	19,568	20,432
61 - 90 Days	13,322	20,405
+ 90 Days	1,454,160	1,342,111
Total	<u>1,493,629</u>	<u>1,389,729</u>
<u>(Prepayments and Advances): Ageing</u>		
+ 90 Days	2,757,056	2,098,771
Total	<u>2,757,056</u>	<u>2,098,771</u>
<u>(Contract): Ageing</u>		
+ 90 Days	5,128,890	-
Total	<u>5,128,890</u>	<u>-</u>
<u>(Land Sales): Ageing</u>		
61 - 90 Days	-	9,775,000
+ 90 Days	1,106,706	1,133,310
Total	<u>1,106,706</u>	<u>10,908,310</u>
<u>(Total): Ageing</u>		
Accrued Income	44,387,962	44,090,713
Current (0 - 30 days)	23,493,466	27,861,464
31 - 60 Days	6,854,367	7,039,028
61 - 90 Days	6,044,835	14,996,989
+ 90 Days	311,262,411	250,242,258
Total	<u>392,043,042</u>	<u>344,230,451</u>
Reconciliation Provision for Impairment		
Opening Balance	(250,470,971)	(207,699,908)
Recognised	(61,208,885)	(42,833,189)
Reversal (Write-off)	1,151,627	62,126
Balance at end of year	<u>(310,528,229)</u>	<u>(250,470,971)</u>

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.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4

	2023 R	2022 R
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property Rates		
Outstanding balance	46,952,464	39,655,617
Provision for impairment	(36,766,151)	(32,432,334)
Carrying Value	<u>10,186,313</u>	<u>7,223,283</u>
Electricity Availability		
Outstanding balance	2,147,543	1,671,284
Provision for impairment	(2,049,009)	(1,580,734)
Carrying Value	<u>98,534</u>	<u>90,550</u>
Water Availability		
Outstanding balance	2,008,924	1,593,384
Provision for impairment	(1,904,199)	(1,504,845)
Carrying Value	<u>104,725</u>	<u>88,539</u>
Waste Management		
Outstanding balance	974,684	732,060
Provision for impairment	(883,696)	(685,612)
Carrying Value	<u>90,987</u>	<u>46,448</u>
Waste Water		
Outstanding balance	1,214,384	956,267
Provision for impairment	(1,148,506)	(903,590)
Carrying Value	<u>65,878</u>	<u>52,677</u>
Fines		
Outstanding balance	14,020,210	16,171,010
Provision for impairment	(6,851,900)	(10,659,900)
Carrying Value	<u>7,168,310</u>	<u>5,511,110</u>
Other Receivables	1,709,182	677,325
Deposits	224,615	224,615
Other receivables	1,484,567	452,710
Total Net Receivables from Non-Exchange Transactions	<u>19,423,931</u>	<u>13,689,932</u>
Ageing of Receivables from Non-Exchange Transactions:		
(Rates): Ageing		
Current (0 - 30 days)	3,684,642	3,185,712
31 - 60 Days	970,095	672,255
61 - 90 Days	681,491	577,405
+ 90 Days	41,616,215	35,004,239
Total	<u>46,952,442</u>	<u>39,439,612</u>
(Electricity Availability): Ageing		
Current (0 - 30 days)	73,845	68,294
31 - 60 Days	48,860	42,464
61 - 90 Days	43,870	37,466
+ 90 Days	1,980,968	1,523,060
Total	<u>2,147,543</u>	<u>1,671,284</u>
(Water Availability): Ageing		
Current (0 - 30 days)	68,835	69,356
31 - 60 Days	46,123	43,847
61 - 90 Days	42,191	40,762
+ 90 Days	1,851,774	1,439,419
Total	<u>2,008,924</u>	<u>1,593,384</u>
(Waste Management Availability): Ageing		
Current (0 - 30 days)	56,499	55,607
31 - 60 Days	40,841	39,562
61 - 90 Days	39,025	37,081
+ 90 Days	838,318	599,809
Total	<u>974,684</u>	<u>732,060</u>
(Waste Water Availability): Ageing		
Current (0 - 30 days)	44,455	42,905
31 - 60 Days	28,986	27,085
61 - 90 Days	26,349	24,429
+ 90 Days	1,114,594	861,848
Total	<u>1,214,384</u>	<u>956,267</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	(49,575,967)	(52,415,960)
Recognised	(8,762,143)	(11,808,757)
Reversal (Write-off)	8,734,650	14,648,750
Balance at end of year	<u>(49,603,460)</u>	<u>(49,575,967)</u>

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	2,503,966	954,811
Materials and Supplies	8,681,430	7,908,331
Water	348,802	172,083
Total Inventory	<u>11,534,198</u>	<u>9,035,225</u>

Inventory recognised as an expense during the year	<u>16,648,412</u>	<u>10,911,337</u>
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No inventories is pledged as security for liabilities

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

No inventory was written down to net realisable value.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2023	2022
		R	R
	Unspent Grants	13,819,180	14,410,793
	National Government Grants	5,741,406	5,618,297
	Provincial Government Grants	3,708,447	5,111,650
	District Municipality	4,369,327	3,680,846
	Less: Grants spend but not yet received	9,158,809	10,816,494
	National Government Grants	858,317	2,160,011
	Provincial Government Grants	8,270,213	8,631,393
	District Municipality	30,279	25,090
	Total Conditional Grants and Receipts	4,660,371	3,594,299

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 2023, total statutory receivables of R 72311214 (2022: R 61769080) were impaired and provided for.

The amount of the allowance for impairment was R 43618051 as of 30 June 2023 (2022: R43092234).

Reconciliation of statutory receivables

Gross balance of statutory receivables	72,311,214	61,769,080
Provision for impairment	(43,618,051)	(43,092,234)
Netto statutory receivables	28,693,163	18,676,846

Gross balance

Fines	14,020,210	16,171,010
Property rates	46,952,464	39,655,617
VAT	11,338,540	5,942,453
Total	72,311,214	61,769,080

Reconciliation of Provision for impairment

Opening Balance	(49,575,967)	(52,415,960)
Recognised	(8,762,143)	(11,808,757)
Reversal (Write-off)	8,734,650	14,648,750
Balance at end of year	(49,603,460)	(49,575,967)

The total amount of the Provision for impairment consists of:

Fines	(6,851,900)	(10,659,900)
Property rates	(36,766,151)	(32,432,334)
Total	(43,618,051)	(43,092,234)

Net balance

Fines	7,168,310	5,511,110
Property rates	10,186,313	7,223,283
VAT	11,338,540	5,942,453
Total	28,693,163	18,676,846

Interest charged

2,821,620	2,315,426
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Property Rates: Ageing

Current (0 - 30 days)	3,684,642	3,185,712
31 - 60 Days	970,095	672,255
61 - 90 Days	681,491	577,405
+ 90 Days	41,616,215	35,004,239
Total	46,952,442	39,439,612

Statutory receivables arises from the following legislation:

Property Rates- Municipal Property Rates Act (Act no 60 of 2014)

Fines- Criminal Procedures Act (Act no 51 of 1977)

Value Added Tax Act (Act no 89 of 1991)

No receivables from statutory receivables were pledged as security.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7

STATUTORY RECEIVABLES CONTINUED

2023
R **2022**
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	1.054c/R	0.983c/R
Commercial	1.903c/R	1.775c/R
Industrial	1.903c/R	1.727c/R
Bona Fide Agricultural	0.151c/R	0.135c/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:

	2023	2023	2022	2022
	%	R	%	R
<u>Non-Exchange Receivables</u>				
Fines	51.13%	7,168,310	34.08%	5,511,110
Property rates	21.69%	10,186,313	18.22%	7,223,283
VAT	100.00%	11,338,540	100.00%	5,942,453
	<u>39.68%</u>	<u>28,693,163</u>	<u>30.24%</u>	<u>18,676,846</u>

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

	2023	2023	2022	2022
	%	R	%	R
<u>Non-Exchange Receivables</u>				
Fines	15.71%	6,851,900	24.74%	10,659,900
Property rates	84.29%	36,766,151	75.26%	32,432,334
	<u>100.00%</u>	<u>43,618,051</u>	<u>100.00%</u>	<u>43,092,234</u>

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

	2023	2023	2022	2022
	%	R	%	R
Residential	61.48%	26,815,380	63.68%	27,441,576
Commercial	33.67%	14,684,206	28.15%	12,128,826
Other	4.86%	2,118,466	8.17%	3,521,832
	<u>100.00%</u>	<u>43,618,051</u>	<u>100.00%</u>	<u>43,092,234</u>

VAT PAYABLE

	2023	2022
	R	R
VAT Payable	9,689,250	11,404,564
	<u>9,689,250</u>	<u>11,404,564</u>

VAT RECEIVABLE

VAT input in suspense	21,027,790	17,347,017
	<u>21,027,790</u>	<u>17,347,017</u>

NET VAT RECEIVABLE/(PAYABLE)

	<u>11,338,540</u>	<u>5,942,453</u>
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VAT is receivable/payable on the cash basis.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

PROPERTY, PLANT AND EQUIPMENT CONTINUED

8.2 30 JUNE 2022

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2021	72,041,066	85,972,704	668,207,652	63,963,898	0	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	-	-	(19,803)	(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	-	-	66,705,380	4,494,915	1,478,069	3,102,809	75,781,173
Transfers	-	(3,569,435)	(5,233,406)	(1,588,003)	-	10,390,844	-
Cost	-	(312,888)	(5,531,293)	(3,922,601)	-	9,766,783	-
Accumulated Impairment	-	(361,349)	-	-	-	361,349	-
Accumulated Depreciation	-	(2,895,198)	297,887	2,334,598	-	262,712	-
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)	(27,849,880)
Carrying value of disposals	(267,000)	-	-	-	-	(617,819)	(884,819)
Cost	(267,000)	21,078	-	(1,262,080)	(1,217,706)	(4,216,438)	(6,942,146)
Accumulated Depreciation	-	(21,078)	-	247,367	1,217,706	3,589,155	5,033,150
Carrying value at 30 June 2022	71,774,066	81,406,560	707,069,575	64,457,008	880,729	47,701,819	973,289,755
Cost	71,774,066	96,800,147	925,758,022	80,812,819	3,345,298	104,008,799	1,282,499,151
Accumulated Impairments	-	(361,349)	(2,383,481)	(1,085,670)	-	(697,180)	(4,527,679)
Accumulated Depreciation	-	(15,032,238)	(216,304,967)	(15,270,142)	(2,464,570)	(55,609,799)	(304,681,716)

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July	47,637,830
Cost	86,538,887
Accumulated Depreciation	(38,901,057)
Adjustment for the period	(2,779,109)
Depreciation for the year	(10,115,542)
Net Carrying amount at 30 June	34,743,179
Cost	83,759,778
Accumulated Depreciation	(49,016,599)
Total Property, Plant and Equipment	<u>1,008,032,934</u>

	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	51,338,508	1,397,244	0	0	53,294,587
8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment							22,901,255
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.							

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023		2022
9	INTANGIBLE ASSETS	R		R
	Computer Software			
	Net Carrying amount at 1 July	2,113,033		2,190,924
	Cost	5,760,942		5,760,942
	Accumulated Amortisation	(3,647,909)		(3,570,018)
	Acquisitions	72,384		-
	Amortisation	(73,722)		(77,892)
	Disposals/Transfers Out	2,892,246		-
	Disposals	(2,892,246)		-
	Net Carrying amount at 30 June	2,111,695		2,113,032
	Cost	2,941,080		5,760,942
	Accumulated Amortisation	(829,385)		(3,647,909)
	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	42,842,087		43,561,586
	Cost	46,745,339		47,186,144
	Accumulated Depreciation	(3,903,252)		(3,624,558)
	Transfers to/from Cost	-		-
	Transfers to/from Accumulated Depreciation	-		-
	Depreciation for the year	(276,359)		(281,026)
	Impairment	(472,291)		-
	Carrying value of disposals	-		(438,472)
	Cost	-		(440,805)
	Accumulated Depreciation	-		2,333
	Net Carrying amount at 30 June	42,093,437		42,842,088
	Cost	46,745,339		46,745,339
	Accumulated Depreciation	(4,179,611)		(3,903,252)
	Accumulated Impairment	(472,291)		-
	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	3,414,238		3,391,893
	Repair and maintenance expenditure incurred on properties generating revenue	664,169		566,803
	Total Operating expenditure incurred on properties generating revenue	12,105,989		11,018,943
	Operating expenditure incurred on properties not generating revenue	927,181		861,061

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 R
11	HERITAGE ASSETS		
	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.

12 **TRADE AND OTHER PAYABLES EXCHANGE TRANSACTIONS**

Payables and Accruals	40,895,527	8,498,370
Control, Clearing and Interface	336,670	115,709
Electricity Bulk Purchase	39,158,873	35,594,206
Accrued Interest	-	6,300
Unallocated Deposits	1,189,657	1,280,004
Retentions	12,861,128	8,176,979
Agency Fees Payable	(376)	-
Advance Payments	6,924,297	6,881,386
Employee cost and councillor remuneration	1,988,685	1,316,381
Total Trade Payables	103,354,461	61,869,335

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13	CONSUMER DEPOSITS	2023 R	2022 R
	Water and Electricity	7,594,161	7,393,896
	Rental Properties	972,083	889,772
	Posters	28,514	28,514
	Building Plans	3,563,526	3,236,427
	Total Consumer Deposits	<u>12,158,284</u>	<u>11,548,609</u>

14	CURRENT EMPLOYEE BENEFITS		
	Current Portion of Post Employment Health Care Benefits- Note 18	2,588,000	317,053
	Current Portion of Long-Service Provisions - Note 18	1,956,000	2,321,698
	Current Portion of Ex-gratia Pension Provisions - Note 18	6,460	2,162
	Staff Leave	19,652,655	18,927,318
	Performance Bonuses	777,548	743,747
	Staff Bonuses	5,636,989	5,393,148
	Total Current Employee Benefits	<u>30,617,652</u>	<u>27,705,126</u>

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	18,927,318	18,023,300
Contribution for the year	1,893,035	1,859,014
Expenditure incurred	<u>(1,167,698)</u>	<u>(954,996)</u>
Balance at end of year	<u>19,652,655</u>	<u>18,927,318</u>

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	743,747	709,809
Contribution for the year	788,704	781,348
Expenditure incurred	<u>(754,904)</u>	<u>(747,409)</u>
Balance at end of year	<u>777,547</u>	<u>743,748</u>

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

Staff Bonuses

Balance at beginning of year	5,393,148	5,106,014
Contribution for the year	9,750,369	9,381,991
Expenditure incurred	<u>(9,506,528)</u>	<u>(9,094,856)</u>
Balance at end of year	<u>5,636,989</u>	<u>5,393,149</u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 R
15	UNSPENT PUBLIC CONTRIBUTIONS		
	China - Water meters	-	7,183
	Essen Belgium	1,116,991	3,179,030
	Perdekraal	414,101	-
	Nedbank	785,403	-
	Total Unspent Public Contributions	<u>2,316,495</u>	<u>3,186,213</u>
	Reconciliation of public contributions		
	<u>China - Water meters</u>		
	Opening balance	7,183	15,626
	Conditions met - Transferred to revenue	(7,183)	(8,443)
	Closing balance	<u>-</u>	<u>7,183</u>
	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.		
	<u>Essen Belgium</u>		
	Opening balance	3,179,030	3,963,623
	Receipts	1,350,389	668,424
	Conditions met - Transferred to revenue	(3,412,428)	(1,453,017)
	Closing balance	<u>1,116,991</u>	<u>3,179,030</u>
	A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.		
	<u>Perdekraal</u>		
	Receipts	588,300	-
	Conditions met - Transferred to revenue	(174,199)	-
	Closing balance	<u>414,101</u>	<u>-</u>
	Funds donated for alien conservation		
	<u>Nedbank</u>		
	Receipts	1,111,303	-
	Conditions met - Transferred to revenue	(325,900)	-
	Closing balance	<u>785,403</u>	<u>-</u>
	Funds donated for the rehabilitation and restoration of rivers.		
16	BORROWINGS		
	Annuity Loans	-	1,404,850
	Finance Lease Liability	527,449	1,019,340
		<u>527,449</u>	<u>2,424,190</u>
	Less Current portion of Non-current	(527,449)	(1,896,741)
	Annuity Loans	-	(1,404,850)
	Finance Lease Liability	(527,449)	(491,891)
	Non-Current portion	-	527,449
	The obligations under annuity loans are scheduled below:		Minimum annuity payments
	Amounts payable under annuity loans:		
	Payable within one year	-	1,476,145
		-	1,476,145
	Less: Future finance obligations	-	(71,295)
	Present value of annuity obligations	<u>-</u>	<u>1,404,850</u>

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
The obligations under finance leases are scheduled below:		
Amounts payable under finance leases:		
Payable within one year	547,662	547,662
Payable within two to five years	547,662	547,662
	<u>547,662</u>	<u>1,095,324</u>
Less: Future finance obligations	<u>(20,212)</u>	<u>(75,983)</u>
Present value of lease obligations	<u>527,450</u>	<u>1,019,340</u>

17 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	<u>48,748,187</u>	<u>98,533,020</u>
Total Non-current Provisions	<u>48,748,187</u>	<u>98,533,020</u>

Landfill Sites

Opening Balance	98,533,019	94,908,041
Unwinding of Interest	9,760,831	6,404,088
Adjustment for the period	<u>(59,545,663)</u>	<u>(2,779,109)</u>
Total provision 30 June	<u>48,748,187</u>	<u>98,533,020</u>
Discount rate	6.13 - 11.75 %	7.39%
Inflation Rate	5.17%	5.18%

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	4,038,151	5,668,839
Prince Alfred's Hamlet	2050	67,594,259	79,520,487
Op-die- Berg	2022	10,001,054	9,037,899
Tulbagh	2035	31,377,930	28,319,722
Wolseley	2043	39,868,880	39,756,158
		<u>152,880,274</u>	<u>162,303,105</u>

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Ceres	2003	4,256,490	5,952,528
Prince Alfred's Hamlet	2050	285,223,128	107,316,734
Op-die- Berg	2022	12,818,000	10,691,790
Tulbagh	2035	66,182,285	62,024,226
Wolseley	2043	123,480,115	103,086,753
		<u>491,960,018</u>	<u>289,072,031</u>

18 EMPLOYEE BENEFITS

Post-employment Health Care Benefits	57,306,000	61,317,947
Long Service Awards	10,090,000	9,855,065
Ex-Gratia Pension Benefits	21,250	31,456
Total Non-current Employee Benefit Liabilities	<u>67,417,250</u>	<u>71,204,468</u>

Post-employment Health Care Benefits

Opening Balance	61,635,000	63,266,000
Contribution for the year	2,107,000	2,141,000
Interest Cost	7,136,000	6,235,000
Expenditure for the year	<u>(2,285,339)</u>	<u>(2,312,948)</u>
Actuarial Loss/(Gain)	<u>(8,698,661)</u>	<u>(7,694,052)</u>
Total post retirement Health Care benefits 30 June	<u>59,894,000</u>	<u>61,635,000</u>

Less: Transfer of Current Portion - Note 14	<u>(2,588,000)</u>	<u>(317,053)</u>
Balance 30 June	<u>57,306,000</u>	<u>61,317,947</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 R
18	EMPLOYEE BENEFITS CONTINUED		
	<u>Long Service Awards</u>		
	Opening Balance	12,176,763	12,156,000
	Contribution for the year	963,000	966,000
	Interest Cost	1,262,000	1,050,000
	Expenditure for the year	(1,158,579)	(1,048,302)
	Actuarial Loss/(Gain)	(1,197,184)	(946,935)
	Total long service 30 June	12,046,000	12,176,763
	Less: Transfer of Current Portion - Note 14	(1,956,000)	(2,321,698)
	Balance 30 June	10,090,000	9,855,065
	<u>Ex-Gratia Pension</u>		
	Opening Balance	33,618	32,083
	Interest Cost	2,800	2,690
	Expenditure for the year	(9,498)	-
	Actuarial Loss/(Gain)	790	(1,155)
	Total Ex-Gratia 30 June	27,710	33,618
	Less: Transfer of Current Portion - Note 14	(6,460)	(2,162)
	Balance 30 June	21,250	31,456
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	73,845,381	75,454,083
	Contribution for the year	3,070,000	3,107,000
	Interest cost	8,400,800	7,287,690
	Expenditure for the year	(3,453,416)	(3,361,250)
	Actuarial Loss/(Gain)	(9,895,055)	(8,642,142)
	Total employee benefits 30 June	71,967,710	73,845,381
	Less: Transfer of Current Portion - Note 14	(4,550,460)	(2,640,913)
	Balance 30 June	67,417,250	71,204,468

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	238	239
In-service (employee) non-members	253	268
Continuation members (e.g. Retirees, widows, orphans)	51	49
Total Members	542	556

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

In-service (employee) members	30,550,000	32,044,000
In-service (employee) non-members	2,863,000	2,585,000
Continuation members	26,481,000	27,006,000
Total Liability	59,894,000	61,635,000

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

	2021 R	2020 R	2019 R
In-service (employee) members	30,183,000	26,345,000	27,996,656
In-service (employee) non-members	2,345,000		
Continuation members	30,738,000	28,373,000	29,151,829
Total Liability	63,266,000	54,718,000	57,148,485

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

Bonitas;
Keyhealth.
LA Health
Hosmed and
Samwumed.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18.1	EMPLOYEE BENEFITS CONTINUED	2023	2022
	Key actuarial assumptions used:		
	i) Rate of interest		
	Discount rate	12.42%	11.80%
	Health Care Cost Inflation Rate	8.03%	8.42%
	Net Effective Discount Rate	4.06%	3.12%

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:	2023	2022
	R	R
Present value of fund obligations	59,894,000	61,634,999
Net liability/(asset)	59,894,000	61,634,999

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	61,635,000	63,265,999
Total expenses	6,957,661	6,063,052
Current service cost	2,107,000	2,141,000
Interest Cost	7,136,000	6,235,000
Benefits Paid	(2,285,339)	(2,312,948)
Amendments	-	-
Actuarial (gains)/losses	(8,698,661)	(7,694,052)
Present value of fund obligation at the end of the year	59,894,000	61,634,999
Less: Transfer of Current Portion - Note 14	(2,588,000)	(317,053)
Balance 30 June	57,306,000	61,317,946

Sensitivity Analysis on the Accrued Liability at 30 June 2023

Assumption	members liability	members liability	Total liability (R'000)		
Central Assumptions	33,413,000	26,481,000	59,894,000		
The effect of movements in the assumptions are as follows:					
Assumption	Change	In-service members	Continuation members	Total liability (R'000)	% change
Central assumptions		33,413,000	26,481,000	59,894,000	
Health care inflation	1%	35,620,000	28,565,000	64,185,000	7
Health care inflation	-1%	30,421,000	24,521,000	54,942,000	-8
Mortality rate	20%	32,769,000	25,611,000	58,380,000	-3
Mortality rate	-20%	34,038,000	27,352,000	61,390,000	2

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

EMPLOYEE BENEFITS CONTINUED **2023** **2022**

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. 491 507

i) Rate of interest

Discount rate	11.20%	10.98%
General Salary Inflation (long-term)	6.52%	7.33%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.39%	3.40%

2023 **2022**
R **R**

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

Present value of fund obligations	12,046,000	12,176,763
Net liability	<u><u>12,046,000</u></u>	<u><u>12,176,763</u></u>

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

	2021	2020	2019
	R	R	R
Present value of fund obligations	12,156,000	10,253,000	10,640,365
Net liability	<u><u>12,156,000</u></u>	<u><u>10,253,000</u></u>	<u><u>10,640,365</u></u>

2023 **2022**
R **R**

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	12,176,763	12,156,000
Total expenses	1,066,421	967,698
Current service cost	963,000	966,000
Interest Cost	1,262,000	1,050,000
Benefits Paid	(1,158,579)	(1,048,302)
Actuarial (gains)/losses	(1,197,184)	(946,935)
Present value of fund obligation at the end of the year	12,046,000	12,176,763
Less: Transfer of Current Portion - Note 14	(1,956,000)	(2,321,698)
Balance 30 June	<u><u>10,090,000</u></u>	<u><u>9,855,065</u></u>

Sensitivity Analysis on the Accrued Liability at 30 June 2023

Assumption	Change	Liability	% change
Central assumptions		12,046,000	
General salary inflation	1.00%	12,688,000	5%
General salary inflation	-1.00%	11,458,000	-5%
Withdrawal rates	20%	11,595,000	-4%
Withdrawal rates	-20%	12,535,000	4%

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

EMPLOYEE BENEFITS CONTINUED

2023

2022

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.

14

16

i) Rate of interest

Discount rate

10.14%

9.38%

2023

2022

R

R

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

Present value of fund obligations

27,710

33,618

Net liability

27,710

33,618

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

2021

2020

2019

R

R

R

Present value of fund obligations

32,082

62,213

71,873

Net liability

32,082

62,213

71,873

EMPLOYEE BENEFITS CONTINUED

2023

2022

R

R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

33,618

32,083

Total expenses

(6,698)

2,690

Interest Cost

2,800

2,690

Benefits Paid

(9,498)

-

Actuarial (gains)/losses

790

(1,155)

Present value of fund obligation at the end of the year

27,710

33,618

Less: Transfer of Current Portion - Note

(6,460)

(2,162)

Balance 30 June

21,250

31,456

Sensitivity Analysis on the Accrued Liability at 30 June 2023

Assumption

Change

(R'000)

% change

Central assumptions

27,710

Discount rates

+1%

26,430

-5.0%

Discount rates

-1%

29,070

5.0%

Average retirement age

+1 year

25,550

-8.0%

Average retirement age

11 year

29,750

7.0%

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

EMPLOYEE BENEFITS CONTINUED

2023
R

2022
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

415,032	387,834
<u>415,032</u>	<u>387,834</u>

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

282,900	267,406
<u>282,900</u>	<u>267,406</u>

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	27,684,024	23,773,729
Municipal Councillors Pension Fund	195,206	214,160
National Fund For Municipal Employees (IMATU)	155,234	160,120
SAMWU National Provident Fund	4,442,493	4,384,277
	<u>32,476,957</u>	<u>28,532,285</u>

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	12,539,508
Total Net Asset Reserves	<u>12,539,508</u>	<u>12,539,508</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

20

PROPERTY RATES

2023
R **2022**
R

Actual

Rates Levied	107,295,941	98,284,330
Business	28,595,800	15,152,336
Building Clauses	108,602	104,120
Rural	17,769,583	25,212,466
Industrial Properties	11,481,496	10,345,245
Residential Properties	33,021,595	31,115,888
State-owned Properties	14,265,001	14,291,803
Vacant Land	2,053,864	2,062,472
Less: Revenue Forgone	(9,030,029)	(9,471,351)
Total Assessment Rates	<u>98,265,912</u>	<u>88,812,979</u>

Valuations - 1 JULY

Land and Buildings

Residential Property	4,199,874,800	4,116,598,800
Commercial Property	1,025,883,200	1,021,460,200
Industrial Property	615,645,000	615,673,000
Informal Property	36,977,000	36,946,500
Agricultural Purposes	12,778,278,420	12,779,241,220
State - National/ Provincial Services	836,766,800	830,275,000
Public Service Infrastructure	10,040,500	10,040,500
Vacant Property	157,014,100	168,481,100
Total Valuation	<u>19,660,479,820</u>	<u>19,578,716,320</u>

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	1.054c/R	0.983c/R
Commercial	1.903c/R	1.775c/R
Industrial	1.903c/R	1.727c/R
Bona Fide Agricultural	0.151c/R	0.135c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R120 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 R
21	TRANSFERS AND SUBSIDIES		
	Unconditional Grants	121,667,821	106,666,000
	Equitable Share	121,667,821	106,666,000
	Conditional Grants	83,212,600	80,286,041
	Grants and donations	83,212,600	80,286,041
	Total Government Grants and Subsidies	204,880,421	186,952,041
	Government Grants and Subsidies - Capital	67,591,713	66,276,090
	Government Grants and Subsidies - Operating	137,288,708	120,675,951
		204,880,421	186,952,041

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	121,667,821	106,666,000
Conditions met - Operating	(121,667,821)	(106,666,000)
Conditions still to be met/(Grant expenditure to be recovered)	-	-

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

21.2 Local Government Financial Management Grant (FMG)

Grants received	1,550,000	1,550,000
Conditions met - Operating	(1,549,955)	(1,550,000)
Conditions still to be met/(Grant expenditure to be recovered)	45	-

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)
Grants received	2,237,000	2,617,000
Conditions met - Operating	(2,317,676)	(2,513,932)
Conditions still to be met/(Grant expenditure to be recovered)	(80,676)	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GOVERNMENT GRANTS AND SUBSIDIES CONTINUED	2023	2022
	R	R
21.4 Municipal Infrastructure Grant (MIG)		
Opening balance	1,273,038	340,138
Grants received	25,091,000	24,980,000
Conditions met - Operating	(954,000)	-
Conditions met - Capital	(23,068,874)	(23,707,100)
Write off / Transfers	(1,273,038)	(340,000)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1,068,126</u>	<u>1,273,038</u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5 Regional Bulk Infrastructure Grant (RBIG)		
Opening balance	(2,160,011)	10,000,000
Grants received	19,239,000	20,000,000
Conditions met - Capital	(16,027,267)	(22,160,011)
Write off / Transfers	-	(10,000,000)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1,051,722</u>	<u>(2,160,011)</u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.6 Housing Grants		
Opening balance	2,993,067	5,087,746
Grants received	-	2,709,094
Conditions met - Capital	-	(4,803,773)
Write off / Transfers	(2,993,067)	-
Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>2,993,067</u>
Housing grants was utilised for the development of erven and the erection of top structures.		
21.7 Integrated National Electrification Grant		
Opening balance	3,873,783	(291,587)
Grants received	-	12,762,000
Conditions met - Capital	(777,641)	(8,596,630)
Write off / Transfers	(3,873,783)	-
Conditions still to be met/(Grant expenditure to be recovered)	<u>(777,641)</u>	<u>3,873,783</u>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
21.8 Library services		
Grants received	10,517,000	10,536,000
Conditions met - Operating	(10,517,000)	(9,768,378)
Conditions met - Capital	(123,939)	(767,622)
Conditions still to be met/(Grant expenditure to be recovered)	<u>(123,939)</u>	<u>-</u>
21.9 Other Grants		
Opening balance	800,635	11,477,258
Grants received	47,003,159	7,587,828
Conditions met - Operating	(6,685,896)	(1,527,352)
Conditions met - Capital	(34,632,631)	(13,571,658)
Write off / Transfers	(646,038)	(3,165,441)
Conditions still to be met/(Grant expenditure to be recovered)	<u>5,839,229</u>	<u>800,635</u>
Various other grants were received from other spheres of government.		
21.10 Total Grants		
Opening balance	6,780,512	26,510,487
Grants received	227,304,980	189,407,922
Conditions met - Operating	(143,692,348)	(122,025,662)
Conditions met - Capital	(74,630,352)	(73,606,794)
Write off / Transfers	(8,785,926)	(13,505,441)
Conditions still to be met/(Grant expenditure to be recovered)	<u>6,976,866</u>	<u>6,780,512</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	13,819,180	14,410,793
Unspent Public Contributions	2,316,495	3,186,213
Unpaid Conditional Government Grants and Receipts	<u>(9,158,809)</u>	<u>(10,816,494)</u>
	<u>6,976,866</u>	<u>6,780,512</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22	SERVICE CHARGES	2023 R	2022 R
	Electricity	315,186,370	329,952,770
	Water	48,092,820	46,270,822
	Refuse removal	38,680,258	35,806,716
	Sewerage and Sanitation Charges	<u>57,691,958</u>	<u>43,453,484</u>
		459,651,406	455,483,792
	Less: Revenue Forgone	<u>(22,394,365)</u>	<u>(19,779,378)</u>
	Total Service Charges	<u>437,257,041</u>	<u>435,704,414</u>

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 commission on the collection of monies. The municipality act as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year. The amounts as per note is inclusive of VAT - The amount retained as per the statement of financial performance is exclusive of VAT

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

Opening Balance	343,176	261,468
Funds collected	30,733,537	29,969,548
Retained	(5,200,774)	(5,076,750)
Paid	<u>(25,464,226)</u>	<u>(24,811,090)</u>
Payable to principal	<u>411,713</u>	<u>343,176</u>

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 of 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	78,601	(9,899)
Funds collected	190,500	235,200
Retained	-	-
Paid	<u>(191,400)</u>	<u>(146,700)</u>
Payable to principal	<u>77,701</u>	<u>78,601</u>

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	<u>-</u>	<u>89,953</u>
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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	<u>2,517,962</u>	<u>2,936,255</u>
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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	<u>245,076</u>	<u>220,263</u>
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WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	<u>5,114</u>	<u>12,024</u>
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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	<u>237,452</u>	<u>276,281</u>
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24 OPERATIONAL REVENUE

Insurance Refund	2,823,204	2,440,752
Collection Charges	(1,958)	-
Breakages and Losses Recovered	3,831	6,152
Merchandising, Jobbing and Contracts	4,511,430	56,466
Other	241,782	148,672
Total Operational Revenue	<u><u>7,578,289</u></u>	<u><u>2,652,042</u></u>

25 SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage	157,410	118,807
Building Plan Approval	1,558,811	1,066,180
Camping Fees	2,733,295	2,588,897
Cemetery and Burial	178,086	261,937
Development Charges	484,559	449,452
Entrance Fees	485,053	638,357
Other	239,261	290,290
Total Sales of Goods and Rendering of services	<u><u>5,836,475</u></u>	<u><u>5,413,920</u></u>

26 EMPLOYEE RELATED COSTS

Salaries and Wages	135,690,150	131,367,647
Bargaining Council Levy	71,863	66,076
Bonuses	10,539,073	10,163,339
Contributions For Pensions	20,732,849	19,430,837
Contributions For Medical Aids	8,938,750	8,519,075
Contributions For UIF	1,103,232	1,108,801
Group Life Insurance	4,715,982	2,943,273
Housing Benefits and Allowances	1,453,878	1,411,972
Leave Reserve	1,893,035	1,859,014
Long service awards	963,000	966,000
Overtime	16,955,701	13,009,971
Standby Allowance	7,046,126	5,822,958
Post Employment Health Care Benefits	2,107,000	2,141,000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	8,392,814	7,536,781
Total Employee Related Costs	<u><u>220,603,453</u></u>	<u><u>206,346,744</u></u>

KEY MANAGEMENT PERSONNEL

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

26

EMPLOYEE RELATED COSTS CONTINUED

	2023 R	2022 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager</i>		
Annual Remuneration	1,291,947	1,164,002
Performance Bonus	218,663	215,432
Travelling Allowance	108,000	106,910
Contributions to UIF, Medical, Pension Funds and Bargaining Council	274,435	271,296
Travelling Expenses	4,804	2,305
Other Allowance	92,041	53,432
Total	<u>1,989,889</u>	<u>1,813,378</u>
<i>Remuneration of the Director Technical Services</i>		
Annual Remuneration	862,382	747,080
Performance Bonus	178,747	176,105
Travelling Allowance	510,814	510,814
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3,093	4,498
Travelling Expenses	42,062	11,318
Other Allowance	91,200	-
Total	<u>1,688,298</u>	<u>1,449,816</u>
<i>Remuneration of the Director Corporate Services</i>		
Annual Remuneration	1,182,728	1,065,894
Performance Bonus	178,747	176,105
Travelling Allowance	192,000	192,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3,093	4,498
Travelling Expenses	10,666	1,721
Other Allowance	142,019	50,316
Total	<u>1,709,253</u>	<u>1,490,534</u>
<i>Remuneration of the Director Financial Services - From 1 December 2020</i>		
Annual Remuneration	787,934	924,418
Performance Bonus	178,747	102,728
Travelling Allowance	180,000	180,000
Housing Allowance	281,470	282,356
Contributions to UIF, Medical, Pension Funds and Bargaining Council	125,468	120,526
Travelling Expenses	27,438	1,854
Other Allowance	91,200	-
Total	<u>1,672,257</u>	<u>1,611,882</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

27

REMUNERATION OF COUNCILLORS

	2023	2022
	R	R
Executive Mayor		
Annual Remuneration	716,805	623,631
Pension fund contributions	129,025	103,636
Medical aid contributions	60,084	33,882
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	89,965	149,215
Total	995,879	910,363
Deputy Mayor		
Annual Remuneration	557,284	524,894
Pension fund contributions	94,863	85,297
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	46,415	65,847
Total	698,563	676,038
Speaker		
Annual Remuneration	614,445	562,865
Pension fund contributions	109,399	93,325
Medical aid contributions	19,357	1,933
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	54,152	71,817
Total	797,353	729,941
Mayoral Committee Members (4)		
Annual Remuneration	2,305,139	1,983,514
Pension fund contributions	334,514	283,971
Medical aid contributions	-	37,606
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	389,245	329,549
Total	3,028,897	2,634,640
Section 79 Committee Chairman		
Annual Remuneration	319,869	224,370
Pension fund contributions	57,576	36,735
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	51,949	31,941
Total	429,394	293,046
Ordinary Councillors (15)		
Annual Remuneration	3,805,732	3,900,293
Pension fund contributions	659,035	482,758
Medical aid contributions	7,934	50,395
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	644,610	798,307
Total	5,117,310	5,231,753

In-kind Benefits

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Executive Mayor, Speaker and all the Mayoral committee members are provided with secretarial support and an office at the cost of the Council.

Each councillor received an regulation 11 (cell phone allowance) and 12 (mobile data bundles) benefit. However the regulation 12 benefits is utilised for the contract procured by the municipality for data and regulation 11 is paid to the councillor to obtain their own contract.

Where applicable, councillor who qualify also received an regulation 10 (Out of pocket expenses) payment.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		R	R
28	PROVISION FOR IMPAIRMENT		
	Receivables from exchange transactions: Contributions - Note 3	56,120,710	38,631,150
	Receivables from exchange transactions: Reversals - Note 3	(1,151,627)	(62,126)
	Receivables from non-exchange transactions: Contributions - Note 4	8,762,143	11,808,757
	Receivables from non-exchange transactions: Reversals - Note 4	(8,734,650)	(14,648,750)
	Total Contribution to Debt Impairment	<u>54,996,576</u>	<u>35,729,031</u>
29	DEPRECIATION AND AMORTISATION		
	Property Plant and Equipment	31,553,092	27,849,880
	Investment Property	276,359	281,026
	Intangible Assets	73,722	77,892
	Capitalised restoration cost	-	10,115,542
	Total Depreciation and Amortisation	<u>31,903,173</u>	<u>38,324,340</u>
30	FINANCE CHARGES		
	Borrowing	78,556	133,034
	Finance leases	55,771	88,933
	Ex-Gratia Pension	2,800	2,690
	Post Employment Health Care Benefits	7,136,000	6,235,000
	Long service awards	1,262,000	1,050,000
	Non-current Provision	9,760,831	6,404,088
	Total finance charges	<u>18,295,958</u>	<u>13,913,745</u>
31	BULK PURCHASES		
	Electricity	279,960,011	285,708,344
	Total Bulk Purchases	<u>279,960,011</u>	<u>285,708,344</u>
32	CONTRACTED SERVICES		
	Tracing agents and debt collection	15,510	67,976
	Legal Cost	279,016	213,480
	Electrical	2,295,569	2,281,378
	Maintenance Buiding and Facilities	643,098	853,967
	Traffic Fines Management	110,087	191,440
	Maintenance of Unspecified Assets	3,150,116	2,783,059
	Business and Advisory	4,387,866	2,900,304
	Security Services	14,399,039	12,083,277
	Infrastructure and Planning	21,761,514	7,873,443
	Other	3,647,185	4,533,438
		<u>50,689,000</u>	<u>33,781,762</u>
33	TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE		
	Sport	10,000	52,700
	Public Schools	91,500	175,598
	Bursaries (Non-Employee)	460,675	87,566
	Witzenberg Security Forum	745,723	967,470
	Tourism	900,000	900,000
	Total Transfers and Subsidies: Operational Expenditure	<u>2,207,898</u>	<u>2,183,334</u>

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		R	R
34	OPERATIONAL COST		
	Advertising, Publicity and Marketing	1,099,134	676,054
	Bank Charges, Facility and Card Fees	771,696	751,443
	Commission	2,613,571	2,784,995
	Communication	3,269,107	2,959,917
	External Audit Fees	3,775,793	3,232,047
	External Computer Service	3,751,681	3,276,716
	Hire Charges	4,241,660	4,426,272
	Insurance Underwriting	3,177,631	2,926,726
	Learnerships and Internships	814,506	972,149
	Levies Paid - Water Resource Management Charges	405,491	381,448
	Licences	397,508	366,025
	Printing, Publications and Books	345,045	323,403
	Professional Bodies, Membership and Subscription	2,020,626	1,929,725
	Remuneration to Ward Committee	1,385,000	551,000
	Signage	646,560	132,389
	Workmen's Compensation Fund	2,070,566	1,529,692
	Transport Provided as Part of Departmental Activities	39,343	20,096
	Travel and Subsistence	999,873	325,370
	Uniform and Protective Clothing	1,438,811	1,167,220
	Wet Fuel	10,629,617	7,879,670
	Other	487,915	464,232
	Total Operational cost	<u>44,381,134</u>	<u>37,076,589</u>
35	(IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT		
	Investment Property	472,291	-
	Property Plant & Equipment	694,977	2,370,024
	Total Impairments	<u>1,167,268</u>	<u>2,370,024</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

36	CORRECTION OF ERROR IN TERMS OF GRAP 3	2022 R
36.01	Trade and other Receivables from Exchange Transactions	
	Balance previously reported	86,202,955
	Correction of industrial effluent levy - Note 36.09	4,750,786
	VAT Recognition of land sold 20201/2022 - Note 36.03	1,275,000
	Reclasification of availability charges Note 36.02	(278,214)
	Balance now reported	91,950,527
36.02	Receivables from non-exchange transactions	
	Balance previously reported	13,411,718
	Reclasification of availability charges Note 36.01	278,214
	Balance now reported	13,689,932
36.03	Statutory Receivables: VAT	
	Balance previously reported	7,601,170
	Correction of industrial effluent levy - Note 36.01	(619,668)
	VAT Recognition of land sold 20201/2022 - Note 36.01	(1,275,000)
	Correction of error - Availability charges reclassified Revenue - Note 36.07	(1,100,490)
	Correction of error - Availability charges reclassified Impairment - Note 36.07	1,265,564
	Correction of error - Availability charges reclassified Revenue - Note 36.09	(472,510)
	Correction of error - Availability charges reclassified Impairment - Note 36.07	543,387
	Balance now reported	5,942,453
36.04	Property, Plant and Equipment	
	Balance previously reported	1,073,184,977
	Recalculation of Landfillsite Provision - Note 36.05	(65,152,044)
	Correction of disposal of assets at cost - Refer to note 8	(5,917,140)
	Correction of disposal of assets accumulated depreciation - Refer to note 8	4,892,964
	Correction of disposal of assets accumulated impairment - Refer to note 8	1,024,177
	Balance now reported	1,008,032,934
36.05	Non-Current Provisions	
	Balance previously reported	162,372,711
	Recalculation of Landfillsite Provision - Note 36.04	(63,839,693)
	Balance now reported	98,533,018
36.06	Accumulated Surplus as at 30 June 2021	
	Balance previously reported	936,046,478
	Correction of error - Availability charges reclassified Revenue - Note 36.03	(1,100,490)
	Correction of error - Availability charges reclassified Impairment - Note 36.03	1,265,564
	Recalculation of Landfillsite Provision - Note 36.05	(2,544,053)
	Balance now reported	933,667,499
36.07	Accumulated Surplus as at 30 June 2022	
	Balance previously reported	1,023,376,344
	Correction of error - Availability charges reclassified Revenue - Note 36.03	(1,100,490)
	Correction of error - Availability charges reclassified Impairment - Note 36.03	1,265,564
	Correction of error - Availability charges reclassified Revenue - Note 36.09	(472,510)
	Correction of error - Availability charges reclassified Impairment - Note 36.03	543,387
	Correction of industrial effluent levy - Note 36.01	4,131,118
	Recalculation of Landfillsite Provision - Note 36.04	(1,312,352)
	Balance now reported	1,026,431,061
36.08	Availability Charges	
	Balance previously reported	-
	Reclasification of availability charges Note 36.09	2,736,310
	Balance now reported	2,736,310
36.09	Service Charges	
	Balance previously reported	434,782,117
	Correction of industrial effluent levy - Note 36.01	4,131,118
	Reclasification of availability charges Note 36.08	(2,736,310)
	Correction of error - Availability charges reclassified Revenue - Note 36.07	(472,510)
	Balance now reported	435,704,415
36.10	Finance Charges	
	Balance previously reported	15,145,445
	Adjustment to finance charges related to Landfill Site Provision - Note 36.05	(1,231,700)
	Balance now reported	13,913,745

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

36.11	CONTINGENT ASSET		
	Balance previously reported		18,034,021
	Correction of error: The probability to recover VAT on housing project is low.		(18,034,021)
	Balance now reported		(0)
<hr/>			
36.12	Work in Progress included in the Carrying Value of Property Plant & Equipment		
	Balance previously reported		52,360,065
	Recalculation of value of assets included in Work in Progress		934,523
	Balance now reported		53,294,588
<hr/>			
CASH FLOW FROM OPERATING ACTIVITIES			
36.13	Sales of goods and services		
	Balance previously reported		408,858,802
	Incorrect classification of non cash movement of interest - Note 36.14		10,093,695
	Balance now reported		418,952,497
<hr/>			
CASH FLOW FROM OPERATING ACTIVITIES			
36.14	Interest		
	Balance previously reported		22,830,931
	Incorrect classification of non cash movement of interest - Note 36.13		(10,093,695)
	Balance now reported		12,737,236
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37 CHANGE IN ACCOUNTING ESTIMATE

Change in Useful lives

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

<u>Movement in depreciation and amortisation</u>	2023	2024	2025	2026
	R	R	R	R
Before change in estimate	-	-	-	-
After change in estimate	699,312	699,312	699,312	699,312
Net effect	<u>699,312</u>	<u>699,312</u>	<u>699,312</u>	<u>699,312</u>

38 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS	2023	2022
	R	R
Surplus/(Deficit) for the year	118,237,339	94,860,860
<u>Adjustments for:</u>		
Depreciation	31,829,452	38,246,448
Amortisation of Intangible Assets	73,722	77,892
Gain / (loss) on disposal of assets	838,215	(7,176,709)
Gain / (loss) on Adjustment of Provision	(24,802,484)	-
Debt Impairment	54,996,576	35,729,032
Contribution from/to provisions	9,760,831	6,404,088
Contribution from/to employee benefits	619,562	970,842
Interest cost - Employee Benefits	8,400,800	7,287,690
Gain / (loss) on Actuarial Valuations	(9,895,056)	(8,642,142)
(Impairment loss) / Reversal of impairment loss	1,167,269	2,370,024
Finance lease: deemed loan expenditure	(491,891)	(458,729)
Bad Debts Written Off	9,945,876	14,710,875
Operating Surplus/(Deficit) before changes in working capital	200,680,211	184,380,171
Changes in working capital	(41,255,204)	(87,304,872)
Increase/(Decrease) in Trade and Other Payables	39,041,321	(4,641,768)
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(591,613)	(14,488,619)
Increase/(Decrease) in Unspent Public Contributions	(869,718)	966,917
Increase/(Decrease) in Taxes	66,321,966	4,471,744
(Increase)/Decrease in Inventory	(6,285,488)	927,868
(Increase)/Decrease in Trade and other receivables	(140,529,357)	(68,332,741)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	1,657,685	(6,208,273)
Cash generated/(absorbed) by operations	<u>159,425,008</u>	<u>97,075,299</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

39	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES	2023 R	2022 R
	Cash and Cash Equivalents - Note 2	226,801,723	144,879,638
	Less:	13,819,180	14,410,793
	Unspent Committed Conditional Grants - Note 6	13,819,180	14,410,793
	VAT - Note 7	0	-
	Resources available for working capital requirements	212,982,543	130,468,845
	Allocated to:		
	Capital Replacement Reserve	12,539,508	12,539,508
	Employee Benefits Reserve	98,034,902	98,909,594
	Non-Current Provisions Reserve	48,748,187	98,533,020
	Shortfall in working capital requirements	53,659,946	(79,513,277)

40	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities - Note 16	527,449	2,424,190
	Used to finance property, plant and equipment - at cost	(527,449)	(2,424,190)
		-	-

41	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
	Reconciliation of irregular expenditure:		
	Irregular expenditure current year	5,437,362	-
	Irregular expenditure awaiting further action	5,437,362	-
		-	-

41.2	Incident	Disciplinary steps/criminal proceedings
	Procurement less than R 30 000,00 (quotations) was audited by the AGSA and classified as irregular expenditure during the 2022-23 audit process, as no preference points calculations have been performed.	The matter will be dealt with in terms of the audit engagement letter process and a formal dispute process will be lodged with National Treasury to seek clarity on the matter.
	The municipality is not in agreement with the view of the AGSA and National Treasury with their interpretation and proposed implementation of the Preferential Procurement Regulations of 2022.	

Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	8,933,855	1,935,841
Unauthorised expenditure current year - operating	-	8,933,855
Condoned by council	-	(1,935,841)
Unauthorised expenditure awaiting authorisation	8,933,855	8,933,855
	8,933,855	8,933,855

Unauthorised expenditure on operating votes are due to:

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

Non-cash	8,933,855	8,933,855
Analysed as follows: non-cash		
Depreciation on the deemed asset rehabilitation of landfill sites	8,933,855	8,933,855

42 MATERIAL LOSSES

42.1 Water distribution losses

- Kilotres purified	6,533,253	6,937,653
- Kilotres sold	5,967,791	5,972,478
- Kilotres lost during distribution	565,462	965,175
- Percentage lost during distribution	8.66%	13.91%
- Value of kilolitres lost during distribution	236,647	405,374
- 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.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
42.2 Electricity distribution losses		
- Units purchased (Kwh)	178,330,154	206,174,820
- Units sold (Kwh)	159,920,014	184,025,117
- Units lost during distribution (Kwh)	18,410,140	22,149,703
- Percentage lost during distribution	10.3%	10.7%
- Value of units lost during distribution (Rand)	28,902,027	30,694,121

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

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	1,974,468	1,899,346
Amount paid - previous years	<u>(1,974,468)</u>	<u>(1,899,346)</u>
Balance unpaid (included in Payables from exchange transactions)	<u><u>-</u></u>	<u><u>-</u></u>

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

Opening balance	-	-
Current year audit fee	3,811,968	3,298,944
External Audit - Auditor-General	<u>3,775,793</u>	<u>3,232,047</u>
Audit Committee	<u>36,175</u>	<u>66,897</u>
Amount paid - current year	<u>3,811,968</u>	<u>3,298,944</u>
Balance unpaid (included in Payables from exchange transactions)	<u><u>-</u></u>	<u><u>-</u></u>

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

Opening balance	7,406,142	8,735,709
Amounts received - Output VAT - current year	(66,975,146)	(63,818,857)
Amounts claimed - Input VAT - current year	68,318,448	62,017,027
Amount paid - current year	1,340,112	4,095,217
Amount - previous year	329,517	(3,622,954)
Closing balance	<u><u>10,419,073</u></u>	<u><u>7,406,142</u></u>

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	33,634,211	30,473,809
Amount paid - current year	<u>(33,634,211)</u>	<u>(30,712,219)</u>
Balance unpaid (included in Payables from exchange transactions)	<u><u>-</u></u>	<u><u>-</u></u>

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

Opening balance	-	-
Current year payroll deductions and Council Contributions	49,228,165	46,595,223
Amount paid - current year	<u>(49,228,165)</u>	<u>(46,595,223)</u>
Balance unpaid (included in Payables from exchange transactions)	<u><u>-</u></u>	<u><u>-</u></u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 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		
P Heradien	3,187	7,687
GJ Franse	20,579	17,586
FE Klazen	17,218	20,257
K Robyn	75,927	85,156
JS Mouton		13,052
B C Klaasen	15,379	13,613
Total Councillor Arrear Consumer Accounts	132,289	157,351

BC Klaasen has lodged a dispute in terms of the municipal account
Councillors outstanding for more than 90 days as at 30 June 2023:

P Heradien		3,687
GJ Franse	23,121	17,220
FE Klazen		17,598
B C Klaasen		13,613
K Robyn		118,210
Total Councillor Arrear Consumer Accounts at year end	141,331	52,118

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)

2022/2023	Amount	Single Supplier	Type of deviation		
			Impossible	Impractical	Emergency
July	410,506	3	0	2	1
August	2,151,491	12	0	3	5
September	171,256	8	0	1	3
October	354,319	5	0	1	3
November	1,509,585	3	0	0	1
December	2,129,012	9	0	3	0
January	151,632	8	0	3	0
February	1,457,458	6	0	4	1
March	2,537,740	10	0	3	2
April	529,948	4	0	3	0
May	101,289	6	0	2	1
June	574,197	3	0	5	4
	12,078,433	77	0	30	21
2021/2022					
	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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**2023
R**

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	83,759
Witzenberg Concrete	Derick Ontong	Spouse	Crystal Ontong	Ceres Sekonder, Teacher (WCED)	5,969
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	50,927
		Son	R Williams	Dept. of Health: Nurse	
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	6,129
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	57,277
RJC Conservation Servises	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	91,950
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	19,700
Witzenberg Lyners and Associates (RF) (Pty) Ltd	N Lyners	Sibling	H Lyners	WCGTPW: Chief Engineer	1,783,651
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	2,036
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	176,319
Motheo Construction	L Mashau	Sister	M Ndhlovu	Department of Statistics: Statistician	1,039,975
	S Mantlhasi	Sibling	B Mantlhasi	COGTA: Human Resource Manager	
	U Langa	Daughter	D Langa	Department of Education: Senior Educational Specialist	
	R Diphoko	Daughter	E Monareng	SANDF: Warrant Officer	
	R Diphoko	Spouse	M Diphoko	Transnet: Snr Constructicon Manager	
	R Madi	Child	M Madi	Tholomela Municipality: Environmental Manager	
	V Singh	Spouse	R Singh	Department of Education: Teacher	
	N Chiluvane	Sibling	N Dube	CETA: Chairperson of Evaluation 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	10,550
Amandla Constrution	W Frazenburg	Brother in Law	J Jacobs	National Government Employment & Labour	25,625,321
		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	
JPCE (Pty) Ltd	J Minnie	Spouse	J Minnie	City of Cape Town: Head Disaster Management	164,795
DAV General Dealer (Pty) Ltd	D Lategan	Father	A Lategan	Witzenberg Municipality: Clerk	97,520
Leibrandt Training Academy	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	10,638
Zelp 707 (Pty) Ltd t/a Boland Isuzu	M Adams	Son	K Adams	Witzenberg Municipality: Member of Council	150,389
Ian Dickie & Co	M Samuels	Spouse	D Samuels	SAPS: Warrant Officer Supply Chain	247,945
Poolux Beekeeping	S Poole	Son	E Poole	Western Cape Department of Education: Teacher	14,070
Ikapa Reticulation and Flow	R Davids	Daughter	CS Davids	Teacher: Department of Education	19,887

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022
R

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

Name of supplier	Member of company	Relationship to	Name of person	Employer and capacity	Value
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'Neil & Visser	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	23,063
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	46,016
RJC Conservation Services	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	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 Ndhlovu	Department of Statistics: Statistician	6,539,340
	S Mantlhasi	Sibling	B Mantlhasi	COGTA: Human Resource Manager	
	U Langa	Daughter	D Langa	Department of Education: Senior Educational Specialist	
	R Diphoko	Daughter	E Monareng	SANDF: Warrant Officer	
	R Diphoko	Spouse	M Diphoko	Transnet: Snr Constructon Manager	
	R Madi	Child	M Madi	Tholomela Municipality: Environmental Manager	
	V Singh	Spouse	R Singh	Department of Education: Teacher	
	N Chiluvane	Sibling	N Dube	CETA: Chairperson of Evaluation 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 Construction	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 Kleinvei 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	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

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COMMITMENTS

Commitments in respect of expenditure:

	2023	2022
	R	R
Approved and contracted for	39,936,623	49,802,560
Infrastructure	37,669,272	15,157,772
Community	2,267,351	31,834,358
Other Capital	-	2,810,430
Total	39,936,623	49,802,560
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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

45

FINANCIAL RISK MANAGEMENT

2023
R **2022**
R

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

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

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

0.5% Increase in interest rates	1,131,325	712,231
0.5% Decrease in interest rates	(1,131,325)	(712,231)

(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:

	2023	2023	2022	2022
	%	R	%	R
<u>Exchange Receivables</u>				
Electricity	85.61%	43,249,170	100.00%	52,847,265
Water	5.21%	7,684,892	6.13%	7,568,325
Housing Rentals	3.88%	118,383	6.38%	170,360
Refuse	4.79%	4,243,673	6.22%	4,436,950
Sewerage	18.67%	17,144,809	18.81%	13,833,745
Other	5.44%	81,232	6.25%	86,802
Contracts	100.00%	5,128,890		
Land Sales	100.00%	1,106,706	100.00%	10,908,310
	<u>20.09%</u>	<u>78,757,755</u>	<u>26.10%</u>	<u>89,851,757</u>

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 3 and 4 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

45

FINANCIAL RISK MANAGEMENT CONTINUED

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

	2023 %	2023 R	2022 %	2022 R
<u>Exchange Receivables</u>				
Electricity	2.34%	7,270,832	2.38%	6,008,663
Water	45.02%	139,797,453	45.93%	115,882,473
Housing Rentals	0.94%	2,931,068	0.99%	2,499,485
Refuse	27.19%	84,434,999	26.50%	66,857,639
Sewerage	24.05%	74,681,480	23.68%	59,728,737
Other	0.45%	1,412,397	0.52%	1,302,927
	100.00%	310,528,230	100.00%	252,279,924

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

	2023 %	2023 R	2022 %	2022 R
Residential	95.55%	296,705,485	95.77%	241,608,724
Commercial	2.05%	6,360,948	1.74%	4,400,041
Other	2.40%	7,461,796	2.49%	6,271,158
	100.00%	310,528,230	100.00%	252,279,924

Bad debts written off per debtor class:

<u>Exchange Receivables</u>				
Electricity	0.00%	(161,855)	0.00%	-
Water management	34.69%	(399,491)	31.84%	(19,784)
Housing Rentals	0.00%	(6,481)	0.00%	-
Waste management	15.93%	(183,426)	33.16%	(20,599)
Waste water management	15.26%	(175,750)	33.41%	(20,756)
Other	19.50%	(224,624)	1.59%	(986)
	85.38%	(1,151,626)	100.00%	(62,125)

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:

	2023 R	2022 R
Receivables from exchange transactions	81,514,811	91,950,528
Cash and Cash Equivalents	226,792,468	144,870,308
Unpaid conditional grants and subsidies	9,158,809	10,816,494
	317,466,088	247,637,330

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2023				
Borrowing	547,662	-	-	-
Capital repayments	527,450	-	-	-
Interest	20,212	-	-	-
Trade and Other Payables	80,391,070	-	-	-
Unspent conditional government grants and receipts	13,819,180	-	-	-
	94,757,912	-	-	-
2022				
Borrowing	2,023,807	547,662	-	-
Capital repayments	1,896,741	527,450	-	-
Interest	127,066	20,212	-	-
Trade and Other Payables	44,214,585	-	-	-
Unspent conditional government grants and receipts	14,410,793	-	-	-
	60,649,185	547,662	-	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 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 below.		
46.1	<u>Financial Assets</u>		
	<u>Classification</u>		
	Receivables		
	Receivables from exchange transactions	81,514,811	91,950,528
	Other Receivables		
	Government Subsidies and Grants	9,158,809	10,816,494
	Bank Balances		
	Bank Balances	226,792,468	144,870,308
		<u>317,466,088</u>	<u>247,637,330</u>
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	317,466,088	247,637,330
	At amortised cost	<u>317,466,088</u>	<u>247,637,330</u>
46.2	<u>Financial Liability</u>		
	<u>Classification</u>		
	Long-term Liabilities		
	Capitalised Lease Liability	-	527,449
	Payables from exchange transactions		
	Trade creditors	40,895,527	8,498,370
	Retentions	12,861,128	8,176,979
	Deposits	336,670	115,709
	Other	39,158,873	35,600,506
	Other Payables		
	Government Subsidies and Grants	13,819,180	14,410,793
	Current Portion of Long-term Liabilities		
	Annuity Loans	-	1,404,850
	Capitalised Lease Liability	527,449	491,891
		<u>107,598,827</u>	<u>69,226,547</u>
	SUMMARY OF FINANCIAL LIABILITY		
	Financial instruments at amortised cost	<u>107,598,827</u>	<u>69,226,547</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023 R	2022 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	12,437,198	13,043,757
	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.	6,495,391	7,019,150
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	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	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	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	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
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TOTAL CONTINGENT LIABILITY	12,437,198	13,043,757
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WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
49 RELATED PARTIES	R	R
<p>Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.</p> <p>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.</p>		
49.1 Related Party Loans		
<p>Since 1 July 2004 loans to councillors and senior management employees are not permitted.</p>		
49.2 Compensation of Councillors and key management personnel		
<p>The compensation of key management personnel is set out in Notes 26 and 27 to the Annual Financial Statements.</p>		
49.3 Other related party transactions		
<p>No purchases were made during the year where Councillors or staff have an interest.</p>		
49.4 Ceres Koekedouw Management Committee		
<p>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.</p> <p>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.</p> <p>The municipality is entitled to 10 million kilolitre water per annum from the dam.</p> <p>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.</p> <p>The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee (VAT excluded)</p>		
	<u><u>1,441,381</u></u>	<u><u>1,309,043</u></u>

50 FINANCIAL SUSTAINABILITY

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

Financial Indicators

The current ratio decreased to 2.21 from 2.29 in the prior year.

Cash and Cash Equivalents have increased to R 227 million from R 145 million in the prior year.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

51	NON-LIVING RESOURCES	2023 R	2022 R
	<p>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.</p> <p>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.</p> <p>Additional supporting information pertaining to the provision of water can be found in chapter 3 of the Annual Report</p> <p>The Municipality has the following non-living water resources per town:</p> <p>Ceres The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply.</p> <p>Tulbagh Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh.</p> <p>Wolseley Wolseley receives its water supply from the Tierhokkloof weir.</p> <p>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.</p> <p>Op-die-Berg Op-die-Berg has three water sources, a fountain and two boreholes.</p> <p>There is no liabilities or contingent liabilities that arose from the non-living resource which is water</p>		
	<p>Water purchased by the farmers including VAT amount to</p>	0	768,699

WITZENBERG MUNICIPALITY
APPENDIX A - Unaudited
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2023

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2022	Received during the period	Redeemed during the period	Balance at 30 JUNE 2023
				R	R	R	R
ANNUITY LOANS							
NEDBANK	8.00%	5032032 0001	30/05/2023	1,186,849	-	1,186,849	0
DBSA	8.59%	100605/1	30/06/2023	218,001	-	218,001	0
Total Annuity Loans				1,404,850	-	1,404,850	0
LEASE LIABILITY							
Office Equipment	10.00%		30/06/2024	1,019,340	-	491,891	527,449
Total Lease Liabilities				1,019,340	-	491,891	527,449
TOTAL EXTERNAL LOANS				2,424,190	-	1,896,741	527,449

WITZENBERG MUNICIPALITY
APPENDIX B - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
MUNICIPAL VOTES CLASSIFICATION

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
109,824,927	(43,188,267)	66,636,660	Budget and Treasury Office	130,895,192	(43,644,775)	87,250,417
177,218,300	(158,054,960)	19,163,340	Civil services	214,117,417	(164,976,650)	49,140,767
122,004,012	(30,070,461)	91,933,552	Community and social services	137,326,418	(31,267,804)	106,058,615
7,416,895	(49,823,645)	(42,406,750)	Corporate Services		(56,195,216)	(56,195,216)
336,865,095	(312,116,280)	24,748,814	Electro Technical Services	315,573,996	(312,103,692)	3,470,304
8,088,051	(21,841,617)	(13,753,567)	Executive and Council	32,600	(25,841,435)	(25,808,835)
1,029,362	(4,947,451)	(3,918,089)	Housing	481,562	(4,819,898)	(4,338,336)
1,529,762	(7,353,346)	(5,823,584)	Planning	3,127,281	(7,873,971)	(4,746,690)
15,433,387	(36,528,511)	(21,095,125)	Public Safety	13,486,454	(38,786,220)	(25,299,766)
9,573,027	(30,197,417)	(20,624,390)	Sport and recreation	12,143,788	(33,310,904)	(21,167,116)
788,982,817	(694,121,954)	94,860,863	Total	840,671,162	(718,820,565)	121,850,597

WITZENBERG MUNICIPALITY
APPENDIX C - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
121,667,495	(27,254,731)	94,412,763	Community and social services	135,315,196	(27,267,956)	108,047,241
335,299,916	(312,116,280)	23,183,636	Energy sources	315,573,996	(312,103,692)	3,470,304
237	(886,081)	(885,844)	Environmental protection	1,386,262	(1,678,024)	(291,763)
8,088,051	(23,820,065)	(15,732,015)	Executive and council		(28,099,612)	(28,099,612)
117,241,822	(89,142,216)	28,099,607	Finance and administration	140,768,385	(95,379,844)	45,388,541
1,029,362	(4,947,451)	(3,918,089)	Housing	481,562	(4,819,898)	(4,338,336)
-	(1,920,930)	(1,920,930)	Internal audit	-	(2,518,433)	(2,518,433)
1,866,042	(11,138,174)	(9,272,132)	Planning and development	3,752,241	(12,196,142)	(8,443,901)
12,583,999	(29,623,202)	(17,039,204)	Public safety	8,875,305	(33,565,971)	(24,690,666)
18,645,208	(34,725,684)	(16,080,476)	Road transport	39,596,861	(40,821,617)	(1,224,755)
9,573,027	(30,197,417)	(20,624,390)	Sport and recreation	8,875,305	(33,310,904)	(24,435,599)
50,788,688	(56,582,849)	(5,794,161)	Waste management	40,241,363	(32,539,166)	7,702,197
40,554,909	(32,518,613)	8,036,296	Waste water management	55,243,153	(41,260,899)	13,982,254
71,644,061	(39,248,261)	32,395,801	Water management	83,450,542	(53,258,406)	30,192,136
788,982,817	(694,121,954)	94,860,863	Total	833,560,172	(718,820,565)	114,739,608

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 2022 (Unpaid)	Grants Received	Re-payment or rejection of rollover of Unspent Grant	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2023	Unspent 2023 (Payable)	Unpaid 2023 (Receivable)
	R	R	R	R	R	R	R	R
National Government Grants								
Finance Management Grant	-	1,550,000	-	(1,549,955)	-	45	45	-
Municipal infrastructure Grant	1,273,038	25,091,000	(1,273,038)	(954,000)	(23,068,874)	1,068,126	1,068,126	-
Regional Bulk Infrastructure Grant (DWAF)	(2,160,011)	19,239,000	-	-	(16,027,267)	1,051,722	1,051,722	-
Integrated National Electricity Program	3,873,783	-	(3,873,783)	-	(777,641)	(777,641)	-	777,641
Equitable share	-	121,667,821	-	(121,667,821)	-	-	-	-
Department of Rural Development	471,155	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	-	2,237,000	-	(2,317,676)	-	(80,676)	-	80,676
Neighbourhood Development Plan	321	-	-	548,655	-	548,976	548,976	-
Water Service Infrastructure Grant	-	11,701,000	-	-	(9,142,776)	2,558,224	2,558,224	-
Municipal Water Infrastructure	-	43,158	-	-	-	43,158	43,158	-
Provincial Government Grants								
Library services	-	10,517,000	-	(10,517,000)	(123,939)	(123,939)	-	123,939
CDW	201,060	131,000	(69,060)	(273,019)	-	(10,019)	-	10,019
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	500,000	-	-	-	1,100,000	1,100,000	-
Human Settlement Development	2,993,067	-	(2,993,067)	-	-	-	-	-
Capacity Building (Internship)	826,978	-	(576,978)	-	-	250,000	250,000	-
Municipal Infrastructure	(206,126)	-	-	-	-	(206,126)	-	206,126
Financial Management Support	-	200,000	-	-	-	200,000	200,000	-
Maintenance and Construction of Transport Infrastructure	(7,378,770)	24,696,157	-	-	(24,201,019)	(6,883,632)	-	6,883,632
Regional Social Economical Program	477	500,000	-	-	(394,075)	106,402	106,402	-
Municipal Accreditation and Capacity Building Grant	490,000	256,000	-	(186,133)	-	559,867	559,867	-
Sport and Recreation	-	1,029,352	-	(1,029,000)	-	352	352	-
Municipal Energy Resilience Fund	-	1,761,500	-	(1,761,500)	-	-	-	-
Electronic Case Management Intervention	-	400,000	-	-	(83,242)	316,758	316,758	-
Loadshedding	-	475,000	-	-	-	475,000	475,000	-
Water Resilience	-	700,000	-	-	-	700,000	700,000	-
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	1,311,519	1,500,000	-	-	(811,519)	2,000,000	2,000,000	-
Covid 19	1,969,326	-	-	-	-	1,969,326	1,969,326	-
Safety Project	-	60,000	-	(65,189)	-	(5,189)	-	5,189
Public Contributions								
Essen Belgium	3,179,030	1,350,389	-	(3,412,428)	-	1,116,991	1,116,991	-
China - Water meters	7,183	-	-	(7,183)	-	-	-	-
Perdekraal	-	588,300	-	(174,199)	-	414,101	414,101	-
Nedbank	-	1,111,303	-	(325,900)	-	785,403	785,403	-
Total	6,780,512	227,304,980	(8,785,926)	(143,692,348)	(74,630,352)	6,976,866	16,135,675	9,158,809

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 or rejection of rollover 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	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 (DWA)	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	5,087,746	2,709,094	-	-	(4,803,773)	2,993,067	2,993,067	-
Fire Service Capacity Building Grant	-	-	-	-	-	-	-	-
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 Economical Program	819,480	800,000	-	-	(1,619,003)	477	477	-
Municipal Accreditation and Capacity Building Grant	238,000	252,000	-	-	-	490,000	490,000	-
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	-	-	(188,481)	1,311,519	1,311,519	-
Covid 19	1,997,194	-	-	(27,868)	-	1,969,326	1,969,326	-
Other								
Development Bank of South Africa	-	-	-	-	-	-	-	-
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	189,407,922	(13,505,441)	(122,025,662)	(73,606,794)	6,780,512	17,597,006	10,816,494

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Witzenberg Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Witzenberg Municipality set out on pages 3 to 70, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2023, 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 2022 have been restated as a result of errors discovered during 2022-23 in the financial statements of the municipality for the year ended 30 June 2023.

Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R310,5 million (2021-22: R252,2 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 provided for an impairment of R49,6 million (2021-22: R49,5 million) on receivables from non-exchange transactions.

Other matter

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

Unaudited supplementary information

11. The supplementary information set out on pages 71 to 74 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

12. 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.
13. 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.

Responsibilities of the accounting officer for the financial statements

14. 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.
15. 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.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected an objective that measure the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Municipal key performance area	Page numbers	Purpose
Municipal key performance area – essential services	14 - 15	Direct service delivery such as the provision of water, sanitation, electricity & solid waste removal. Also include roads & storm water management and subsidised serviced sites

18. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the selected objective.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's.

Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for essential services. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

29. 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.

30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. 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

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

Auditor - General

Cape Town

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

Report of the auditor-general to the Western Cape Provincial Parliament and council on the Witzenberg Municipality

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure</p> <p>Section 1 – definition: service delivery and budget implementation plan</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1)</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b)</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i)</p> <p>Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b)</p> <p>Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e)</p> <p>Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1)</p> <p>Sections 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii)</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a)</p> <p>Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b), 22(2), 27(2)(a)</p>

Legislation	Sections or regulations
	<p>Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b)</p> <p>Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c)</p> <p>Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43</p> <p>Regulations 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act 32 of 2000	<p>Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b)</p> <p>Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a)</p> <p>Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Municipal Planning and performance Management Regulations, 2001	<p>Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a)</p> <p>Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)</p>
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Division of Revenue Act 5 of 2022	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	<p>Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8)</p> <p>Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2)</p> <p>Regulations 11(1), 11(2)</p>

Legislation	Sections or regulations
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

PERFORMANCE, RISK AND AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. Legislative Requirements

The purpose of this report is to communicate to the council the Performance, Risk and Audit Committee's (PRAC) progress to date in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA). The Municipal Planning and Performance Management Regulations, 2001, regulation 14(2)(a) requires the municipality to establish a performance Audit Committee. Regulation 14(2)(c) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee.

The MFMA obliges every municipality to establish an independent Audit Committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality. The municipality has opted to have a combined Performance, Risk and Audit Committee.

The PRAC is governed by a formal charter, which is regularly reviewed and approved by the Council. The committee is pleased to present its report for the financial year ending 30 June 2023.

2. Performance, Risk and Audit Committee's responsibilities

The PRAC has complied with its responsibilities arising from the following:

- Section 166 of the MFMA
- Circular 65 of the MFMA
- Section 14 of the Municipal Planning and Performance Regulations; and
- The Council approved PRAC charter.

3. Performance, Risk and Audit Committee members and attendance

The PRAC was established in accordance with section 166 of the MFMA. The PRAC charter requires that the committee comprises a minimum of five members of whom none must be in the employ of the municipality.

The PRAC comprises five members, including the chairperson, Mr J George. In terms of section 166(4)(b) of the MFMA, the Audit Committee must meet at least four times a year. During the financial year that ended on 30 June 2023, the Audit Committee met on four occasions. The table below shows the attendance at these meetings:

Name	Date of appointment	Qualifications	Number of meetings scheduled	Number of meetings attended
Mr J. George (Chairperson)	1 November 2016	B Compt (Honours) CA(SA)	4	5
Ms C. Fagan	1 August 2018	B.Com(Acc), AD Risk Management, PD Risk Management	4	3
Mr F. Redelinghuys	1 November 2016 Term ended 31 October 2022	B Compt (Honours) CA(SA)	3	3
Ms J Lapoorta	1 February 2023	B Acc (Honours) CA(SA)	1	1

Name	Date of appointment	Qualifications	Number of meetings scheduled	Number of meetings attended
Mr JJ Swarts	1 February 2023	B Compt (Honours) CA(SA) B. Commerce (Honours) B.Tech – Internal Auditing	1	1

The members of the PRAC held meetings with the municipal manager as the accounting officer, senior management of the municipality, the internal audit function and the external auditors collectively on matters related to governance, reporting, internal control and risk and performance management in the municipality, throughout the reporting period.

4. Effectiveness of internal control

The PRAC acknowledges management's efforts to strengthen internal controls in the municipality. The PRAC continued the monitoring of matters reported by the external auditors and the internal audit function in prior years that require management attention.

Management has given assurance that effective corrective action will be implemented and will be monitored through Performance Management.

During the 2022/2023 financial year, the municipality has continued to implement anti-corruption measures to prevent and detect fraud and corruption.

5. The quality of monthly and quarterly reports submitted in terms of the MFMA and DORA

The PRAC reviewed and where applicable advised on the following:

- Internal audit reports
- Management Audit Action Plan
- Annual audit plans
- AGSA's Audit and Management report
- Annual Financial Statements
- Annual Performance Report
- Section 71 reports
- Section 72 report
- Section 52(d) reports, including the performance reports
- Quarterly Risk Management reports
- Annual Risk Assessment Report
- Financial Misconduct cases, Unauthorised, irregular, and fruitful and wasteful expenditure reports.

The PRAC is satisfied with the content and quality of reporting prepared and issued during the year under review in compliance with the statutory framework. The PRAC has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. The committee has recommended that a specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The PRAC has reviewed and commented on the municipality's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August 2023.

6. Internal audit function

The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the Municipality has a system of internal audit under the control and direction of the PRAC. The PRAC is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The PRAC reviewed its current three-year risk-based audit plan and reviewed the actual internal audit work that was conducted by the Internal Audit Unit in relation to the one-year internal audit plan.

The PRAC is satisfied that the internal audit function operated effectively and that it has addressed the risks pertinent to the municipality. The PRAC however want to note its concern regarding the loss of key internal audit staff and the subsequent impact this might have without succession planning.

The PRAC expresses its appreciation to the Internal Auditors for the work performed.

7. Enterprise Risk Management function

The PRAC is responsible for the oversight of the risk management function.

The PRAC has reviewed the completeness of the enterprise risk assessment process implemented by management and the alignment thereof to the risk-based audit plan. The PRAC has also reviewed the risk appetite, risk profile and action plans implemented by management to mitigate risk.

The PRAC advises management towards the improvement of risk management.

8. Evaluation of the finance function

The PRAC is satisfied with the municipality's finance function during the year under review.

9. Performance management

Part of the responsibilities of the PRAC includes the review of performance management. The PRAC has in terms of the performance of the municipality reviewed the following.

- Compliance with statutory requirements and performance management best practices and standards;
- The alignment of the integrated development plan, budget, service delivery and budget implementation plan and performance agreements;
- The relevance of indicators to ensure that they are measurable and relate to services performed by the municipality and its entities;
- Compliance with the in-year reporting requirements;
- Quarterly performance reports submitted by the internal audit function; and
- Commented on the municipality's performance management system and made recommendations for its improvement.

The PRAC has recommended the following to Council:

- Management must be commended for their commitment to ensuring compliance with laws and regulations as demonstrated through the outcome of the compliance assessment where no exceptions were noted. To maintain the overall functionality of the performance management system, timeous monitoring and reviewing of the portfolios of evidence, before or during the reporting stage, should remain a priority for continuous improvement of performance management.

10. Fraud and irregular activities

One instance of unauthorised expenditure has been reported by management. No other instances of fraud, financial misconduct, or irregular and fruitless expenditure have been reported by management.

The PRAC has reviewed the fraud prevention policies and strategy including the whistleblowing policy

.Unauthorised Expenditure

The following is an extract from note 41.1 of the Annual Financial Statements.

"Unauthorised expenditure awaiting further action R8,933,855

Unauthorised expenditure on operating votes is due to:

Operating

"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."

After discussions with Management and the AGSA, the PRAC notes that this is addressed by management.

Irregular Expenditure

The following is an extract from note 41.2 of the Annual Financial Statements.

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"Irregular expenditure awaiting further action R5,437,362"

Operating:

Procurement less than R 30 000,00 (quotations) was audited by the AGSA and classified as irregular expenditure during the 2022-23 audit process, as no preference points calculations have been performed. The municipality is not in agreement with the view of the AGSA and National Treasury with their interpretation and proposed implementation of the Preferential Procurement Regulations of 2022. The matter will be dealt with in terms of the audit engagement letter process and a formal dispute process will be lodged with National Treasury to seek clarity on the matter.

The PRAC notes that the AGSA issued an unqualified with no findings audit report despite the unauthorised expenditure noted above.

11. Evaluation of the annual financial statements

The PRAC has:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with the AGSA, the Municipal Manager, the Chief Financial Officer and other officials employed by the municipality; and
- Reviewed changes in accounting policies and practices as applicable.

The PRAC accordingly concurs with and supports the AGSA conclusion on the annual financial statements, and expressed its opinion that the audited annual financial statements be accepted.

12. External auditor's report

The PRAC concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The PRAC confirms that it has been informed throughout the audit process and issues giving rise to the audit opinion.

The external audit function, performed by the Auditor-General South Africa (AGSA) is independent of the Municipality. The PRAC has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

On behalf of the Performance, Risk and Audit Committee



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Mr Jonathan George

Performance, Risk and Audit Committee Chairperson

Witzenberg Municipality

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