WITZENBERG

Municipality • Munisipaliteit • U Masipala Wasa

Annual Report 2012/13

A municipality that cares for its community, creating growth & opportunity

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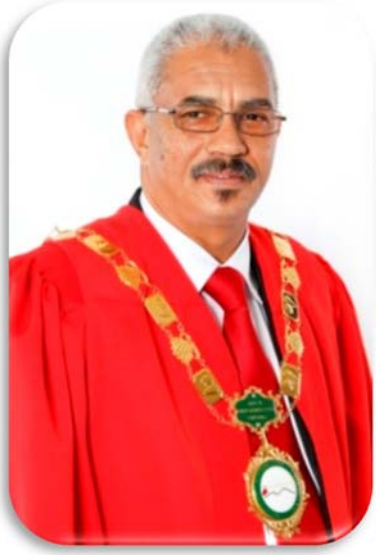
Chapter 1

Mayor's Foreword and Executive Summary

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



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

Witzenberg Municipality includes the historical and picturesque towns of Ceres, Wolseley, Tulbagh, Prince Alfred's Hamlet and Op-Die-Berg. Nestled in the valley of fertility, our municipality is well known globally for its agrarian backdrop, rich wines, delicious fruit juices, Rieldans and niche tourism. A keen focus for our municipality is purporting the ethos of entrepreneurship and local economic development. Seasonal and limited employment threatens the security of our communities but we perceive this as an opportunity for growth and innovation. In Witzenberg, our people believe that you can only fail if you stop trying.

Witzenberg Municipality strives to improve service delivery to our people, our local business environment and draw potential investment to our district. Witzenberg Municipality is not a metro and so we do not aim to compete with other municipalities but instead aim to be a trend-setter in rural development. We encourage our management to seek solutions to address our specific needs, whilst preserving our heritage and identity. What works in the city does not necessarily work in our environment.

This year has been an industrious and productive year and I am proud to announce the achievement of our clean audit. What makes the achievement much more significant is that the municipality was previously classified as a project consolidate municipality and is also governed by a coalition political leadership (DA, Cope, Independent, DCP and VIP).

Witzenberg Municipality has entered into a formal agreement with the Ceres Businesses Initiative to focus upon and guide local entrepreneurial enterprise. Witzenberg is resolute about providing the youth with marketable skills and on-job experience through temporary work schemes and mentorship. Nurturing the spirit of entrepreneurship, Witzenberg offers assistance to local contractors so that they can flourish and become nationally competitive. Witzenberg has also made great strides in service delivery through the improvement of water quality and waste management with the objective of becoming competitive as a premium tourism destination and a first-rate investment option for the agricultural and business sectors.

TWINNING AGREEMENT BETWEEN ESSEN AND WITZENBERG CELEBRATES A DECADE OF COLLABORATION

Witzenberg Municipality has a twinning agreement with Essen Municipality in Belgium, since 2002. This agreement focussed specifically upon youth development. During a recent visit by the Essen delegation, a new agreement was drafted to include the environment as well. The continuation of this ten year long, city-to-city agreement is the result of hard work and a commitment towards developing Witzenberg Municipality. The previous agreement specifically targeted Tulbagh and Wolseley communities and Witzenberg Municipality is gratified that Essen Municipality is willing to support our youth in the future.

EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

The Witzenberg Municipality was the beneficiary of a grant to roll out an EPWP Project. The projects are mostly focus on environmental management and has contributed tremendously to the cleanliness of our towns. A substantial number of unemployed were given employment which we believe also had an impact on our indigent database.

GREEN ENERGY

The Municipality received two awards from the Western Cape Government: Environmental Affairs and Development Planning in the 2013 Greenest Municipality competition. One award was a certificate of an outstanding achievement in the category innovation project. The project allows access energy produce from the 500kVa Photovoltaic system on Ceres Cold Storage Rooms system to be bed back onto the grid, via net-metering. The other certificate of outstanding achievement was for the most improved municipality in the field of Energy Efficiency and Conservation.

LOCAL DRUG ACTION COMMITTEE

Witzenberg Municipality is the only municipality in the Cape Winelands District Municipality to establish a Drug Action Committee with a keen focus upon prevention of drug abuse and support to the families and youth influenced by drug abuse.

CONCLUSION

In conclusion, Witzenberg Municipality faces the future with optimism. I would like to take this opportunity to thank and acknowledge the Mayoral Council, the Municipal Manager, the directorates, our municipal staff and the residents of Witzenberg Municipality for their commitment, focus and perseverance to develop our home into a flourishing hub of 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.

Jacques Klazen

EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

INTRODUCTION

In the 2011/12 financial year of the municipality we reported on the late submission of our annual financial statements. In this financial year we are not only proud to report that the municipality was in full compliance of all the requirements for submission of our financial statements but are further pleased to announce that the municipality have obtained a clean audit report from the Auditor-General South Africa.

ARREAR ASSESSMENT

As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2013 is set out below:

- the gross outstanding debtors per service in total increased with a staggering 25.4% in relation to the 2011/12 financial year
- the leading contributors to the outstanding debt are property rates at 29.6% and sanitation and refuse at 30.5%
- the municipality appointed a new service provider in November 2013 to assist the municipality in collecting outstanding debt and the service provider is situated at the municipality
- the municipality will also exercise all legal avenues to collect its outstanding debt
- concerted efforts are therefore being made, *inter alia* through our service provider to recover debts older than 90 days which constitutes 52.7% of total outstanding debt.

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

Some amendments to the credit control and incentive policies will be recommended to Council in an attempt to improve debt collection.

REVENUE COLLECTION

The municipality's performance for revenue collection declined from 92.3% in 2011/12 to 90.9% in 2012/13. We are mindful that the municipality's financial sustainability is dependent on its ability to optimally collect the budgeted revenue. For this reason additional capacity was created within the financial department, as well as the appointment of an external service provider. The impact of actions taken will hopefully yield the necessary results within the forthcoming months.

The decline in the revenue collection can *inter alia* be attributed to increased property rates payable by farm owners due to the change in their zoning.

MATERIAL LOSSES/IMPAIRMENTS

Electricity

There was a slight decrease in the electricity losses including technical and non-technical losses. The total loss for the financial year was 8.37% compared to the loss of 8.54% in the previous financial year. The accumulated loss of income amounted to R9 889 673 which is still higher than the 2011/12 figure of R8 755 780. This is mainly due to the Eskom tariff increase for bulk purchases. It needs to be reported that there was a decrease in electricity theft mainly because of the corrective measures imposed by Council. As part of Council's on-going programme to cut down on energy losses Council has:

- installed bulk meters in all distribution substations in Wolseley
- replaced conventional pre-paid meters with split meters
- used GIS data to monitor electrical distribution
- busy with the audit of all customers connected to individual substations
- installation of remote metering to include more customers in the commercial and industrial sectors.

Water service

The calculated water loss is 21%. This is significantly lower than the 35% that was recorded in the 2011/12 financial year.

Although, the municipality is not suffering any financial losses, because we are not paying for water, potential income is forfeited and a scarce commodity is being wasted. The technical department is robust and vigorously busy improving the effectiveness of water provision by:

- installing water meters at unmetered erven
- 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 theft/fraud was detected and reported to the Auditor-General South Africa and the South African Police services.

GENERAL AND CLOSING COMMENTS

The maintenance of municipal infrastructure remains a major challenge for the municipality. The policy of the Department of Mineral and Energy with regard to municipal electrical networks impacts negatively on the cash flow of the municipality. The poor state of our roads, in especially Tulbagh, and our inability to rehabilitate roads are causing conflict with our community. We have not received any responsive bid for the PPP initiative on the Pine Forest Resort and will continue with the process in the new financial year.

David Nasson

MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Witzenberg Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2012/13 Annual Report reflects on the performance of the Witzenberg Municipality for the period 1 July 2012 to 30 June 2013. 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 AND MISSION

The Witzenberg Local Municipality committed itself to the vision and mission of -

Vision

"A Municipality that cares for its community, creating growth and opportunities"

Mission

"The Witzenberg Municipality is committed to improve the quality of life of its 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"***

1.2.2 DEMOGRAPHIC INFORMATION

a) Municipal Geographical Information

The Witzenberg Local Municipality (LM), founded in 2000, is classified as a Category B municipality and is responsible for basic service provision to 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, Achter-Witzenberg and the northern portion of Breede River Valley (Land van Waveren).

The climate in Witzenberg is known for its hot and dry summer days. 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 range is 2,4°C to 29,9°C.

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

The principal socio-economic realities in our region are:

- Seasonal labour and Social Grant dependency
- Unemployment rate: 5339 people
- People in poverty: 24231
- Skills Shortage (Illiteracy rate = 36%)
- Youthful population: 56.8% of population is under 30 years of age
- Population concentration: 46.9% Rural; 53.1% Urban

Witzenberg's population stands at 115946 and the racial breakdown is 65.9% Coloured, 25.3% Black, 7.7% White, 0.2% Asians and 0.8% other.

The two largest sector contributors to the GDP are agriculture (35,6%) and the manufacturing sector (20,9%), growing on average at 2,1% and 10,6% respectively per annum. Within the manufacturing sector, the food, beverage & tobacco sub-sector is clearly dominant, representing 69,4% of total manufacturing.

Graphic illustration of spatial elements, potential and constraints:

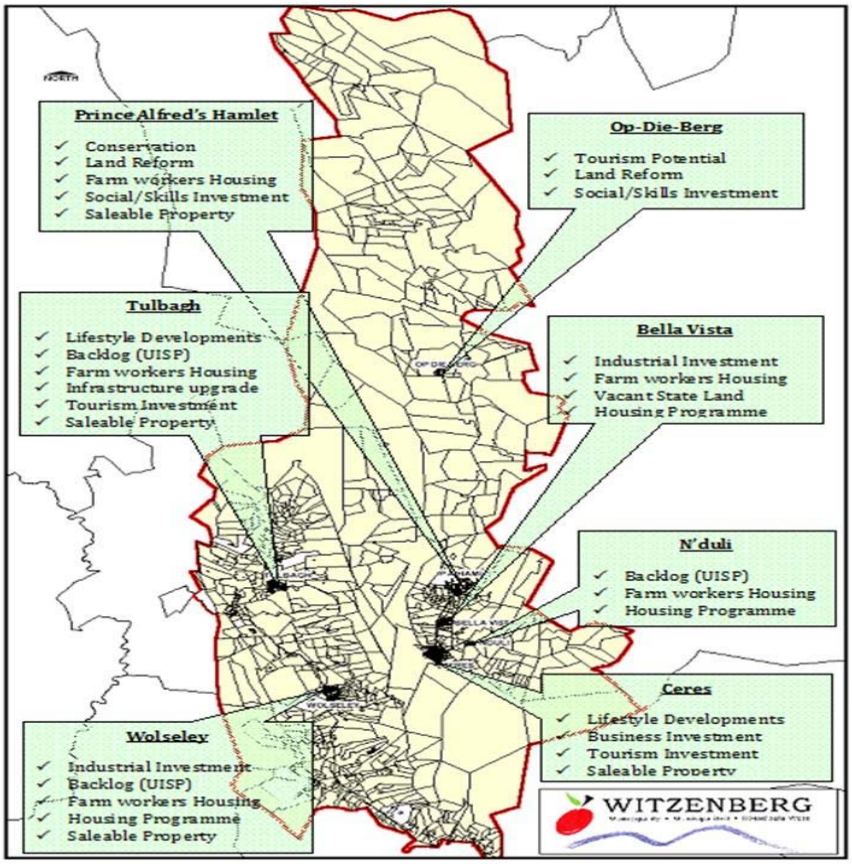


Figure 1: Spatial elements

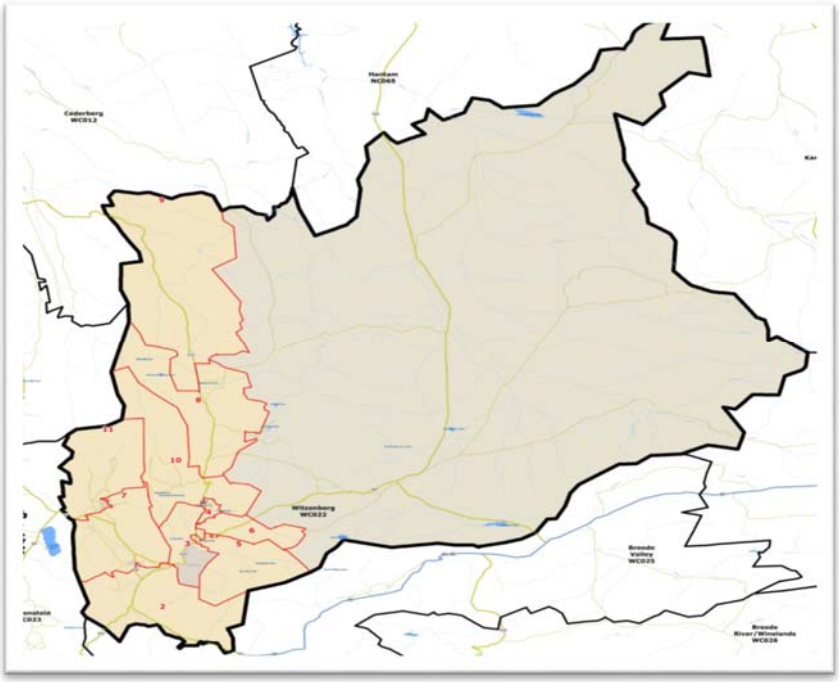


Figure 2: Witzenberg Graphic illustration

Witzenberg LM comprises an area of 10 753 km², and is situated about 150 kilometers 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 – mountain ranges which are all often spectacularly covered in snow during the winter months. Witzenberg's natural surroundings are characterized by some selection of fauna and flora, forest wilderness and include the catchment area of three river systems.

The Witzenberg Municipal area is characterised by:

- Urban development – low intensity & density, large under-utilized land in prosperous areas.
- Lower income areas – high density, under-provision of formal business development.
- Towns characterised by segregation in settlements – duplication of services, different levels of development due to historic development patterns.
- Commonage with eco-tourism potential.

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 the 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: Low density development with limited opportunities for densification.
- N'duli: The scarcity of land to address social needs, and conflict with surrounding agricultural uses.
- Wolseley: Located on a watershed complicates the provision of services, and the wetland area is unsuitable for development.

Wards

The Municipality is currently structured into the following **12** Wards:

Ward	Areas
1	Nduli - Polo Cross & Primary School
2	Wolseley - WF Loots, Petra, Dwarsrivier
3	Ceres - Primary School, Stadsaal, Fairfield School
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels
5	Ceres Vallei Church Hall, Bothashalt School, Achtertuin Primary school
6	Bella Vista - URC Hall & Community Hall
7	Tulbagh - Community Hall. Wolseley - Primary & Secondary School
8	Koue Bokkeveld - Môrester, Bronaar, Kromfontein, Rocklands.
9	Op-Die-Berg, Tandfontein, Wydekloof, Voorsorg.
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.
11	Tulbagh - Town Hall & werkestoor, De Agen, Twee Jonge Gezellen.
12	Nduli Community Hall, Bo-Swaarmoed, Inverdoorn, Wanganella, Driefontein, Achtertuin, Gansfontein.

Table 1: Municipal Wards

Below is a map of the Western Cape that indicates the location of the Municipality in the Cape Winelands District area:

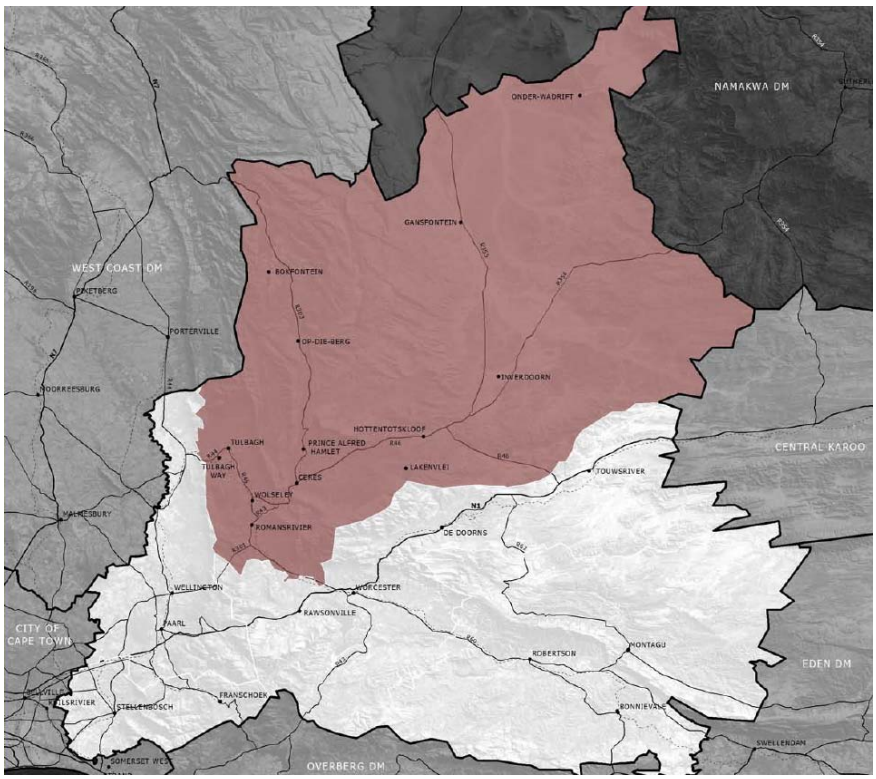


Figure 3: Western Cape Area Map

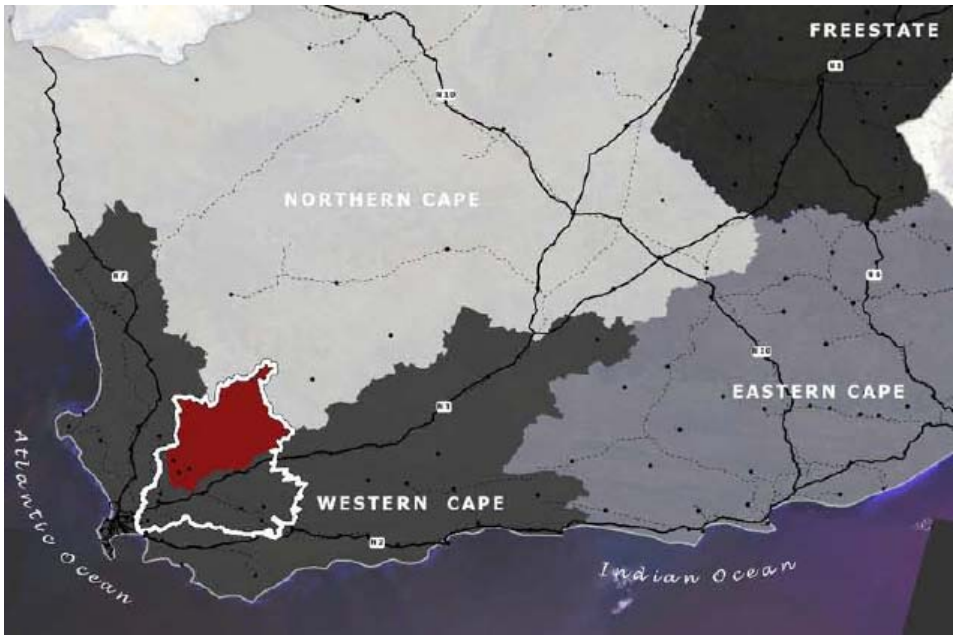


Figure 4: Western Cape Area map 2

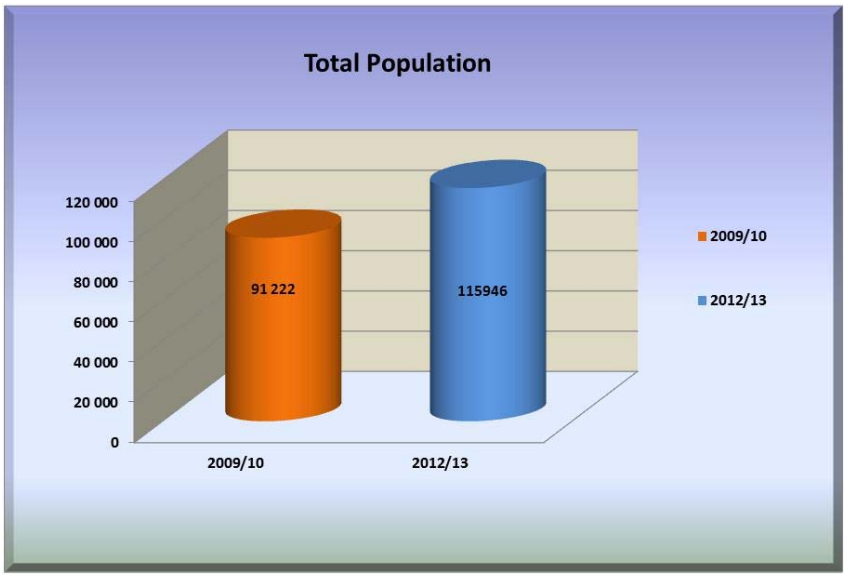
1.2.3 POPULATION

The table below indicates the total population within the municipal area:

Population	2009/10	2012/13
	91 222	**115 946***
**Statistics South Africa: Census 2011*		

Table 2: Demographic information of the municipal area – Total population

The graph below illustrate the yearly population growth for the municipal area.



Graph 1: Total Population Growth

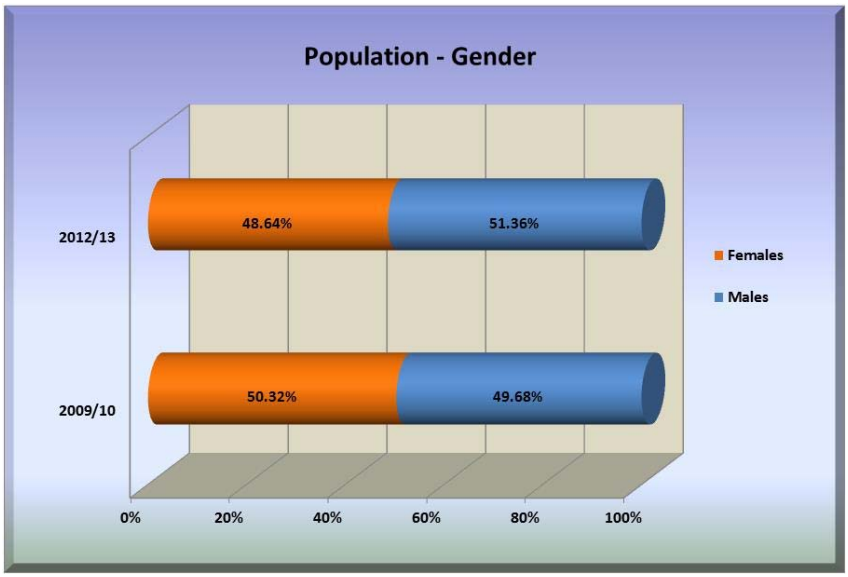
a) Population by Gender

Witzenberg Local Municipality population is closely balanced with **48.6% (56 392)** representation of females and **51.4% (59 554)** of males as shown below.

Population - Gender	2009/10	2012/13
Females	45 906	56 392*
Males	45 316	59 554*
Total	**91 222**	**115 946***
**Statistics South Africa: Census 2011*		

Table 3: Demographic information of the municipal area – Gender

The following graph displays the female to male ratio



Graph 2: Gender Population

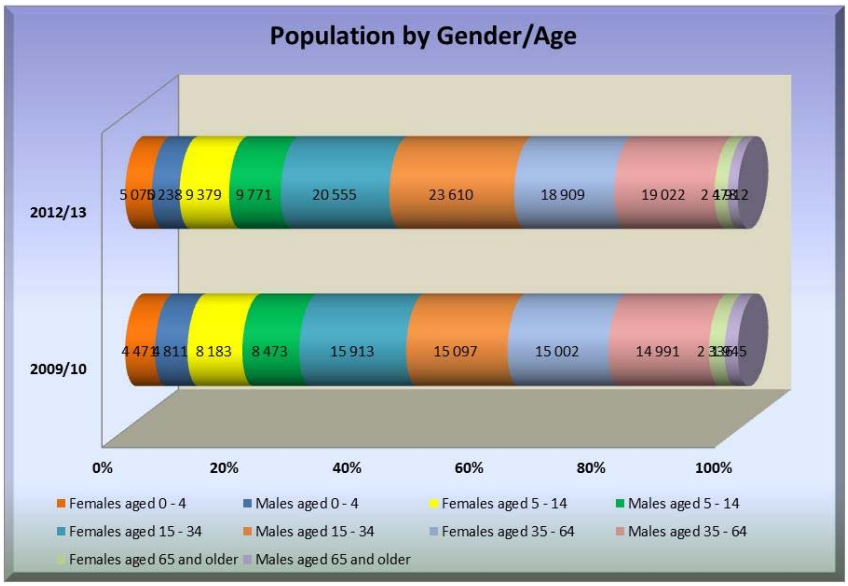
b) Population by Gender/Age

The following table display the female to male ratio of 48.6%:51.4%

Population - Gender/Age	2009/10	2012/13*
Females aged 0 - 4	4 471	5 070
Males aged 0 - 4	4 811	5 238
Females aged 5 - 14	8 183	9 379
Males aged 5 - 14	8 473	9 771
Females aged 15 - 34	15 913	20 555
Males aged 15 - 34	15 097	23 610
Females aged 35 - 64	15 002	18 909
Males aged 35 - 64	14 991	19 022
Females aged 65 and older	2 336	2 478
Males aged 65 and older	1 945	1 912
Total	**91 222**	**115 946**
**Statistics South Africa: Census 2011*		

Table 4: Demographic information of the municipal area – Gender/Age

The graph below indicates the population categories by gender/age



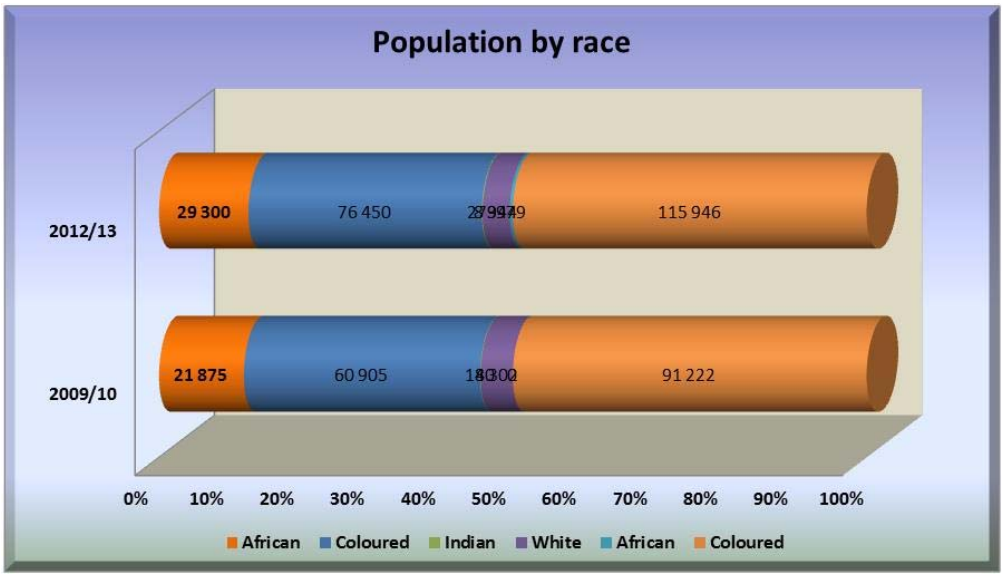
Graph 3: Population Categories by gender/age

c) Population by Race Categories

Population - Racial	2009/10	2012/13*
African	21 875	29 300
Coloured	60 905	76 450
Indian	140	273
White	8 302	8 944
Other	0	979
Total	**91 222**	**115 946**
**Statistics South Africa: Census 2011*		

Table 5: Demographic information of the municipal area – Race categories

The graph below shows the population by race.



Graph 4: Population by race

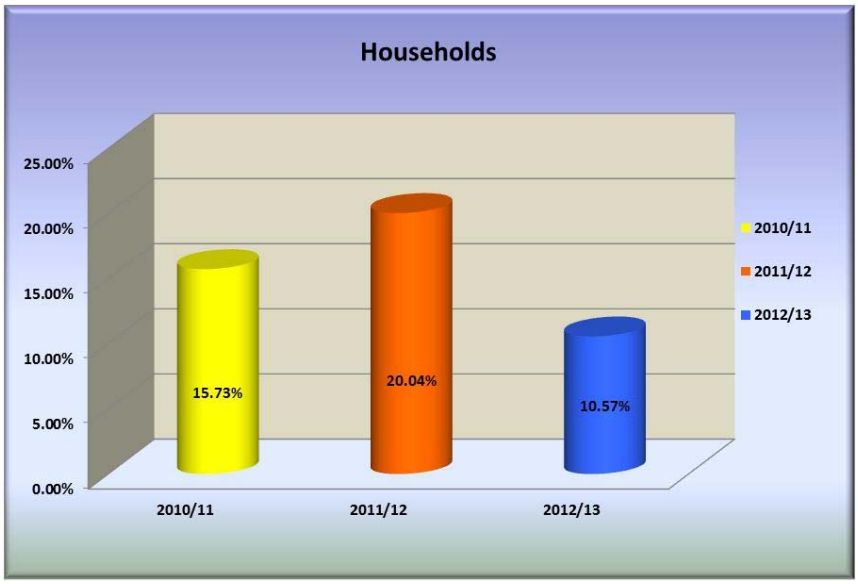
1.2.5 HOUSEHOLDS

The total number of households within the municipal area increased from 23 892 (2011/12) to 24 600 (2012/13) and the indigent households decreased from 4 788 (2011/12) to 2 599 (2012/13).

Households	2010/11	2011/12	2012/13*
Number of households in municipal area	23 892	23 892	24 600
Number of indigent households in municipal area	3 759	4 788	2 599
Percentage of indigent households in municipal area	16	20	11
**Statistics South Africa: Census 2011*			

Table 6: Total number of households

The graph below shows the total number of indigent households within the municipal area



Graph 5: Total % indigent households within the municipal area

The following table shows the overall population within the specific area:

Area	Population
Witzenberg NU	52 200
Op-die-Berg	1 530
Meulstroom	1 084
Tulbagh	8 969
Prince Alfred Hamlet	6 809
Bella Vista	13 460
Ceres	10 412
eNduli	9 350
Wolseley	1 528
Pine Valley	4 341
Montana	6 263
Total	**115 946**

Table 7: Overview of the neighborhoods within municipal area

1.2.6 KEY ECONOMIC ACTIVITIES

Intensive agricultural areas are located along river courses. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture	Fruit production (deciduous fruit), Vegetable production
Manufacturing	Fruit packaging and processing

Key Economic Activities	Description
Tourism	Marketing and branding, expo's, lifestyle development, eco-tourism (trout, olives)
Finance	Legal Services, Financial services
Trade	Wholesale, Retail, Big export activity

Table 8: Key Economic activities

1.2.7 MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

Challenges	Actions to address
Growing infrastructure maintenance & repair backlog.	Funding remains a constraint, especially because of commitments to repay loans. Maintenance budget will increase over the MTREF period although still insufficient
Uncontrolled growth of informal settlements	Human settlements focus has shifted towards provision of serviced plots which would enable better control over growth of informal areas. Progress are, however, slow due to factors influencing planning processes such as long term planning, land use management and funding.
Deterioration of Tulbagh roads	A programme to upgrade Tulbagh's roads has been implemented over the past couple of years and has been budgeted for up to the next three years. Budgeting are, however, insufficient to address the total backlog
Increased housing backlog and insufficient funding to address	Housing remain one of the biggest community needs. A housing project in Tulbagh has been implemented successfully, but the total backlog will not be addressed within the next 15 years with the current allocation of funding
Sustainable job creation	Although procurement processes and implementation of temporary community development projects has been aligned to maximize usage of local labour, job creation are still very much market driven. The municipality does support investment initiatives through infrastructure development and tax rebates
Increased vandalism & theft of municipal property	Vandalism and theft has increased rapidly over the past couple of years with the cost of security companies and securing of facilities influencing the availability of funding for service delivery. A strategic effort will be put in place that will include increased law enforcement

Table 9: Municipal Challenges

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Zoning verification project	Project that investigated and rectified zoning data for all properties in the municipal area for the purpose of levying the correct property

Highlight	Description
	rates, was concluded
Kleinberg River pipeline	Completion of Kleinberg River project. For bulk water supply to Tulbagh
Chris Hani, Helpmekaar housing project	MV, LV and street lighting networks for 378 topstructures
Roll-out of GIS for revenue protection	GIS can now be used to monitor low consumption accounts and billing discrepancies in order to monitor and reduce unaccounted for energy purchases
Implementation of planned maintenance plan	The Plan is designed to guide personnel carrying out maintence work and record maintenance done
Upgrading MV supply to Wolseley Industrial area	Installation of MV lines, cables and switchgear to improve quality of supply to the Industrial area in Wolseley
Installation of bulk energy meters in distribution substations in Wolseley and verification of sales data	Meters are used to measure energy sent out so that the sales can be checked to ensure minimum losses
Two bags system (weekly)	Green bags (garden) & black bags (households)
First runner up (waste management)	2012 greenest municipality competition
Solid waste service delivery	100% service waste management
National outcome 10 delivery target	80% licenced waste site 2012/13
Integrated Waste Management Plan	Sector plan in IDP

Table 10: Basic Services Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Sanitation	Informal areas	More toilets. Awareness campaigns
Water	Informal areas	More standpipes. Awareness campaigns
	Water Demand Manegement	Implement WDM strategy. Awareness
	Supply in rural areas	Service agreements with land owners
Electricity	Lack of suitable human and other resources (such as old vehicles that are uneconomical to repair) to carry out effective planned maintenance	Source additional funding
Electricity	Capital funding for external bulk supply to subsidised housing projects within a distance up to 3 km from an existing supply are not funded by the INEP. Own funds for MV distribution networks are not available	Source additional funding
Solid Waste - Ceres	Rehabilitation of landfill sites	Budget 6 million
Solid Waste - Witzenberg	Reporting accurate waste reports (DEADP)	Weighbridge
	Solid waste tariff structure	Guidelines solid waste tariff structure (dea)
	Composting	Chipper
	Regional landfill site (CWDM)	Transfer stations

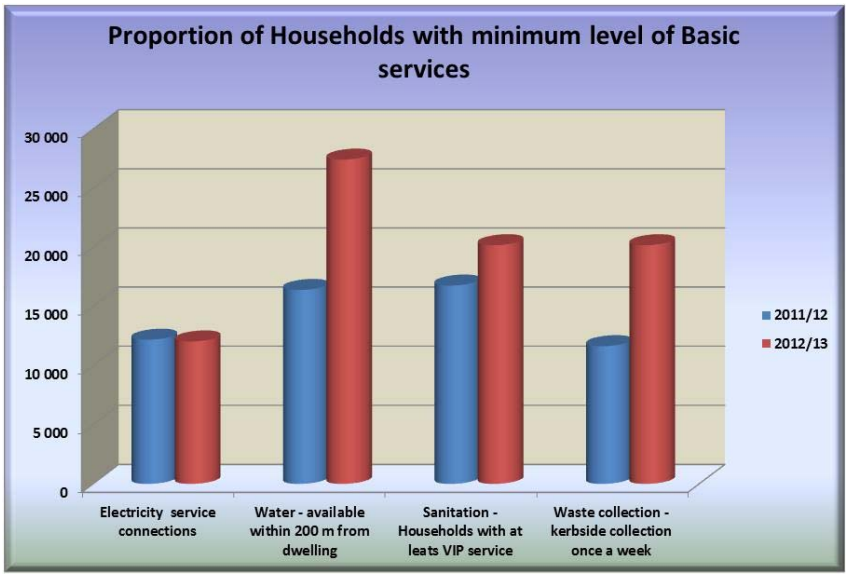
Table 11: Basic Services Delivery Challenges

1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Proportion of Households with minimum level of Basic services		
Description	**2011/12**	**2012/13**
Electricity service connections	12 189	12 044
Water - available within 200m from dwelling	16 398	27 418
Sanitation - Households with at least VIP service	16 770	20 181
Waste collection - kerbside collection once a week	11 647	20 181

Table 12: Households with minimum level of Basic Services

The table below indicates the amount of households with access to minimum level of basic services:



Graph 6: Households with access to basic services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Debt coverage ratio 23.5	The number of times debt payments can be accommodated within operating revenue. This represents the ease with which debt payments can be accommodated by the municipality
Cost coverage ratio 1.54 months	It explains how many months expenditure can be covered by cash and other cash equivalents available to the municipality

Table 13: Financial Viability Highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
Service debtors to revenue 0.52	A specilised service provider to be appointed to collect outstanding debt

Table 14: Financial Viability Challenges

1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

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** namely **Municipal Financial Viability and Management**.

KPA & Indicator	2011/12	2012/13	Comments
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	17.11 : 1	23.5 : 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)	0.47 : 1	0.52 : 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	1.78 : 1	1.54 : 1	This is the percentage that cash on hands will be able to cover monthly expenditure, the higher, the better

Table 15: National KPI's for financial viability and management

1.4.4 FINANCIAL OVERVIEW

Details	Original budget	Adjustment Budget	Actual
	R	R	R
Income	138 179 703	155 532 946	145 478 243
Grants	252 188 957	259 317 699	249 845 356
Taxes, Levies and tariffs	23 247 063	23 284 520	31 444 807
Other	346 850 323	361 408 942	337 868 749
***Less* Expenditure**	66 765 400	76 726 223	88 899 657
Net surplus/(deficit)	138 179 703	155 532 946	145 478 243

Table 16: Financial Overview

1.4.5 OPERATING RATIOS

Detail	Expected norm	Actual	Variance
	%	%	%
Employee Cost	30%	28.70%	-1.30%
Repairs & Maintenance	20%	3.95%	-16.05%

Detail	Expected norm	Actual	Variance
	%	%	%
Finance Charges & Depreciation	10%	8.07%	-1.93%

Table 17: Operating ratios

Employee costs represent 28.7% of the total operating expenditure, which is in line with expected norms set by National Treasury.

Repairs and maintenance costs represents 3.95% of total operating expenditure. This is well below National Treasury's expected norm of 20%. The increased spending on new infrastructure, mostly funded from grants, as well as the age of the existing infrastructure requires significant spending on repairs and maintenance, but a lack of funding puts a damper to this requirement. The municipality is looking at strategies to ensure proper maintenance of all municipal assets.

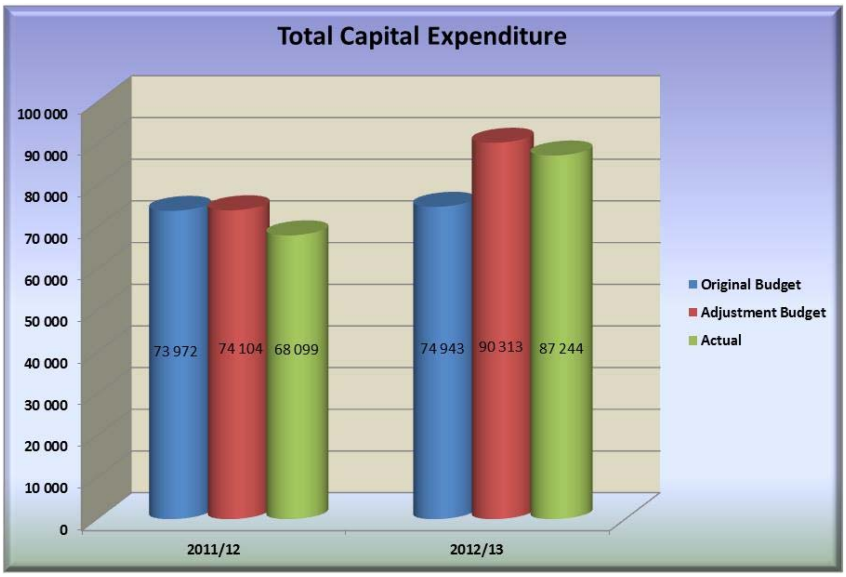
Although it is agreed that the spending on repairs and maintenance needs to increase it is believed that the norm of 20% set by National Treasury is too high. According to National Treasury's norms, 60% of the budget must be spend on employee cost, repairs and maintenance, finance charges and depreciation. If the 35% that Witzenberg Municipality spend on bulk purchases are added to the mentioned 60%, only 5% of the operating expenditure is available for debt impairment, remuneration of councillors, operating grant expenditure and all other expenditure.

Employee costs represent 8.07% of total operating expenditure, which is in line with expected norms set by National Treasury. This ratio should decrease in the future as the municipality is in the process of redeeming the outstanding loans.

1.4.6 TOTAL CAPITAL EXPENDITURE

Detail	2011/12	2012/13
	R'000	
Original Budget	73 972	74 943
Adjustment Budget	74 104	90 313
Actual	68 099	87 244

Table 18: Total Capital Expenditure



Graph 7: Total Capital Expenditure

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Auditor-General audit report for 2011/12	No audit findings from AGSA after the completion of the audit on Human Capital Management Section
Workplace Skills Plan	Rolling out the WSP Programme to optimum target set for the financial year
WSP	Realising the approval of the 18.2 Learnership as we could skill the unemployed in the Witzenberg area
CPMD programme	Capacitating personnel (management & middle) on leadership development programme

Table 19: Municipal Transformation and Organizational Development Highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Attracting certain designated groups in lower occupational levels	Headhunting methods to certain designated groups to realise numerical goals
Complete high occupational level disciplinary cases within the required timeframes as per collective agreement	Not always in employer's control as certain dynamics between applicant and respondent delay the processes inevitably
Funding from LGSETA for ABET learners for designated employees	Continuously engage with the LGSETA's provincially in this regard

Table 20: Municipal Transformation and Organizational Development Challenges

1.6 AUDITOR GENERAL REPORT

1.6.1 AUDITED OUTCOMES

Witzenberg municipality is proud that it was able to obtain unqualified audit outcomes for the past four financial years. The implementation of GRAP (General Recognised Accounting Standards – the "new" accounting standards for local government) was a huge challenge, but still unqualified audit outcomes were obtained. The challenge for the future is to at least maintain this standard, while attempting to obtain clean audits. The Auditor-General South Africa will issue opinions on the performance indicators in years to come which add to the challenge.

The table below detail the audit comes for the past five financial years

Year	2008/09	2009/10	2010/11	2011/12	2012/13
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 21: Audit Outcomes

Chapter 2

Governance

CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Effective Ward Committee System	Enhanced public participation

Table 22: Good Governance and Public Participation Performance Highlights

CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Implementation of electronic agendas	Availability of funds

Table 23: Good Governance and Public Participation Challenges

COMPONENT A: POLITICAL AND 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 in community work and the various social programmes in the municipal area.

2.1.1 COUNCIL

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

Name of councillor	Capacity	Political Party	Ward representing or proportional
S Louw	Executive Mayor	DA	Proportional
K Adams	Deputy Executive Mayor	Independent	Ward 6
T Godden	Speaker	COPE	Proportional
W Hanekom	MAYCO Member	DA	Ward 3
H Smit	MAYCO Member	DA	Ward 5
R Visagie	MAYCO Member	DA	Ward 4

Name of councillor	Capacity	Political Party	Ward representing or proportional
B Klaasen	MAYCO Member	DA	Proportional
M Saula	Councillo	ANC	Ward 1
D Swart	Councillor	DA	Ward 2
P Heradien	Councillor	DA	Ward 7
L Salmon	Councillor	ANC	Ward 8
R Simpson	Councillor	ANC	Ward 9
P Waterboer	Councillor	DA (until Nov. 2012) ANC (From Dec. 2012)	Ward 10
E Sidego	Councillor	DA	Ward 11
R Badela	Councillor	ANC	Ward 12
JJ du Plessis	Councillor	DA	Proportional 3
MC du Toit	Councillor	ANC	Proportional 1
JNED Klazen	Councillor	DCP	Proportional 1
JS Mouton	Councillor	ANC	Proportional 2
JT Phungula	Councillor	ANC	Proportional 3
SM Ndwanya	Councillor	ANC	Proportional 4
AHP De Beer (Than replaced) BJ Chaaban	Councillor	NPP (until Feb. 2013) NPP (from Feb. 2013)	Proportional 1
J Veschini	Councillor	VIP	Proportional 1

Table 24: Table 10: Council 2012/13

Below is a table which indicates the Council meeting attendance for the 2012/13 financial year:

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
23 August 2012	26	95%	5%
31 January 2013	1	91%	9%
13 February 2013	6	95%	5%
27 February 2013	10	87%	13%
25 March 2013	11	91%	9%
26 April 2013	6	53%	47%
29 May 2013	18	100%	0%
10 June 2013	3	100%	0%

Table 25: Table 12: Council meetings

2.1.2 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor S Louw,** assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the center 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, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2012 to 30 June 2013:

Name of member	Capacity
Clr H Smith	Chairperson Committee for Corporate and Financial Services
Clr R Visagie	Chairperson Committee for Technical Services
Clr B Klaasen	Chairperson Committee for Rural and Economic Development
Clr W Hanekom	Chairperson Committee for Community Development
Clr K Adams	Chairperson Committee for Housing Matters

Table 26: Executive Mayoral Committee 2012/13

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2011/12 financial year:

Meeting date	Number of items submitted to council
HOUSING MATTERS	
8 August 2012	19
13 September 2012	23
24 October 2012	14
5 November 2012	15
21 February 2013	16
18 April 2013	20
19 May 2013	10
RURAL ECONOMIC DEVELOPMENT AND PLANNING	
18 July 2012	6
15 August 2012	7
19 September 2012	8
28 February 2013	6
15 May 2013	7
COMMUNITY DEVELOPMENT	
19 July 2012	12
16 August 2012	12
20 September 2012	11
23 April 2013	18
CORPORATE AND FINANCIAL SERVICES	

Meeting date	Number of items submitted to council
19 July 2012	5
16 August 2012	6
20 September 2012	5
20 February 2013	7
25 April 2013	8
16 May 2013	11
TECHNICAL SERVICES	
18 July 2012	13
15 August 2012	9
19 September 2012	17
17 October 2012	10
21 November 2012	17
20 December 2012	3
19 February 2013	13
24 April 2013	17
22 May 2013	13
Please note that the name and functions of the committees have on numerous occasions been altered due to the change of Council	

Table 27: Table 15: Committee Meetings

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 portfolio committees for the 2011/16 Mayoral term and their Chairpersons are as follow:

a) Committee for Housing Matters:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Housing Matters	Clr K Adams	Section 80	7	8 August 2012 13 September 2012 24 October 2012 5 November 2012 21 February 2013 18 April 2013 19 May 2013

Table 28: Committee for Human Settlement 2012/13

b) Committee for Community Development:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Community Development	Clr W Hanekom	Section 80	4	19 July 2012 16 August 2012 20 September 2012 23 April 2013

Table 29: Committee for Community Development 2012/13

c) Committee for Corporate and Financial Services:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Corporate and Financial Services	Clr H Smit	Section 80	6	19 July 2012 16 August 2012 20 September 2012 20 February 2013 25 April 2013 16 May 2013

Table 30: Committee for Corporate and Financial Services 2012/13

d) Committee for Technical Services:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Technical Services	Clr J Visagie	Section 80	9	18 July 2012 15 August 2012 19 September 2012 17 October 2012 21 November 2012 20 December 2012 19 February 2013 24 April 2013 22 May 2013

Table 31: Committee for Technical Services 2012/13

e) Committee for Rural Economic Development and Planning:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Rural Economic Development and Planning	Clr B Klaasen	Section 80	5	18 July 2012 15 August 2012 19 September 2012 28 February 2013 15 May 2013

Table 32: Committee for Rural Economic Development and Planning 2012/13

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief 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 direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed (Yes/No)
David Nasson	Municipal Manager	31 July 2012
Raymond Esau	Chief Financial Officer	31 July 2012
Monwabisi Mpeluza	Director: Corporate Services	31 July 2012
Mzwandile Jacobs	Director: Community Services	31 July 2012

Table 33: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The municipality is part of the Premier's Coordinating Forum and the Minister Mayor Technical Forum.

The municipality has been declared as a National war on Poverty area and Comprehensive Rural Development Site, which means that the Department Rural Development is focus on the three identified poor wards and a Provincial Steering Committee is being established with all other Provincial departments to support these programmes.

The Municipality attends the Provincial EPWP Forum meetings with the Department Transport and Public Works to strengthened job creation programmes and also attend the Provincial LED Forum meetings to strengthen LED Strategy implementation.

2.3.2 DISTRICT INTERGOVERNMENTAL STRUCTURES

The following District structures assist with alignment of Strategic plans, budgets and support of shared services:

- Human Resource Management : District Skills Development Facilitator's Forum

- Local Economic Development : District LED Manager Forum
- Communication and Public Participation: District Public Participation and Communication Forum
- Integrated Development Planning : District IDP Managers Forum
- Regional Development and Planning : LED Forum, Cape Winelands Development Council, Local Tourism Associations
- IGR : DCF, District Municipal Manager's Forum
- Project and Technical Support Services : District Technical Forum, Shared GIS Service
- Public Transport and Regulations : Boland Regional Taxi Council, Local Municipalities
- Human Settlements : District Steering Committee on Housing Consumer Education
- Rural Development : Rural Development Steering Committee, Cape Winelands Liaison Development Committee, Stakeholders Forum, 16 days of Activism, District Rural Sports Forum
- Community and Development : Disaster Management Advisory Forum

COMPONENT C: PUBLIC ACCOUNTABILITY

MSA S15 (b): requires a municipality to establish and organize its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): 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 has previously been outsourced and two qualified auditors have been appointed permanently. The capacity of the Performance, Risk & Audit Committee has been increased with the appointment of qualified and specialized members. A representative of the Business Sector is also invited to attend 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 held in each town, the municipality also communicates through monthly newsletters, loud-hailing and distribution of pamphlets, sms and a local radio station.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP /Budget Public meetings					
Ward 3 & 5	18 October 2012	6	20	5	Public Meeting 8 April 2013
Ward 1 & 12	9 October 2012	6	16	186	Public Meeting 15 April 2013
Ward 11 & 7	10 October 2012	4	15	108	Public Meeting 9 April 2013
Ward 8 & 9	11 October 2012	4	13	72	Public Meeting 16 April 2013
Ward 4 & 10	15 October 2012	6	20	53	Public Meeting 11 April 2013
Ward 2 & 7	16 October 2012	4	14	51	Public Meeting 17 April 2013
Ward Committees	17 October 2012	6	9	92	Meeting 18 April 2013
Business	17 October 2012	2	4	16	Meeting 16 April 2013
Ward 4 & 6	18 October 2012	7	20	52	Public Meeting 10 April 2013
IDP /Budget Public meetings					
Ward 3 & 5	8 April 2013	6	16	7	Adoption & publication of 2013/14 Review IDP & Budget
Ward 7 & 11	9 April 2013	6	11	161	Adoption & publication of 2013/14 Review IDP & Budget
Ward 4 & 6	10 April 2013	5	14	45	Adoption & publication of 2013/14 Review IDP & Budget
Ward 4 & 10	11 April 2013	3	14	198	Adoption & publication of 2013/14 Review IDP & Budget
Ward 1 & 12	15 April 2013	10	13	78	Adoption & publication of 2013/14 Review IDP & Budget
Ward 8 & 9	16 April 2013	6	10	82	Adoption & publication of 2013/14 Review IDP & Budget
Business	16 April 2013	6	8	17	Adoption &

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
					publication of 2013/14 Review IDP & Budget
Ward 2 & 7	17 April 2013	4	10	24	Adoption & publication of 2013/14 Review IDP & Budget
Ward Committees	18 April 2013	6	5	72	Adoption & publication of 2013/14 Review IDP & Budget

Table 34: Public Meetings

2.4.1 REPRESENTATIVE FORUMS

a) Labour Forums

The table below specifies the members of the Labour forum for the 2012/13 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	26 Julie 2012 SAMWU Shopstewards attend a RSSC Meeting 22 August 2012 29 November 2012 6 February 2013 27 March 2013 23 April 2013 22 May 2013 Councillors attending conferences in Durban and Johannesburg 12 June 2013 Agreement was signed by all parties
B Klaasen	Mayco Member	
WJ Hanekom	Mayco Member	
K Adams	Deputy Mayor	
D Nasson	Municipal Manager	
Mr. R Esau	Director Finance	
MD Jacobs	Director Community Services	
M Mpeluza	Director Corporate Services	
J Barnard	Director Technical Services	
HJ Kritzinger	Deputy Director: Finance	
I Swartbooi	Manager Human Resources	
GP Bezuidenhout	Manager Administration	
H Philander	Human Resources Officer	
C Wessels	Senior Administration Officer	
C Titus	Committee Clerk	
A Christians	IMATU	
J Noble	IMATU	
B Minnaar	IMATU	
L Koopman	IMATU	

Name of representative	Capacity	Meeting dates
M Pieterse	IMATU	
K Ntanjana	SAMWU	
C Appolis	SAMWU	
L Silver	SAMWU	
J Goedeman	SAMWU	
A Pedro	SAMWU	
A Morkel	SAMWU	

Table 35: Labour Forum

b) IDP Forum

IDP and Budget Representative Forums haven't been established during this period, due to investigating the possibility that our established IGR Forum can serve a dual role.

2.4.2 WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan 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.

a) Ward 1: N'duli (Polo Cross Hall)

Name of representative	Capacity representing	Number meetings held during the year
Mzimkhulu Baruza	Sport & Culture	1 July 2012 till 30 June 2013 12 Meetings
Jacqueline Jamjam	Health & Social	
Nomfuduko Hlazo	Safety	
Kholiwe Lithunya	Youth	

Name of representative	Capacity representing	Number meetings held during the year
Xolile Swangaza	Education	
Zanemvula Dingilizwe	Business Community	
Tozi Sifile	Women	
Alfred Mpondwana	Churches	
Justice Dlephu	Civics & Taxes	
Nonzame Patsoane	Disabled& Elderly	

Table 36: Ward 1 Committee Meetings

b) Ward 2: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Saney De Bruin	Safety	1 July 2012 till 30 June 2013 14 Meetings
Frederik Booysen	Education	
Engela Afrika	Health & Social	
Linda Norman	Disability & Eldery	
Hester v/d Merwe	Civics & Taxes	
Ria Pienaar	Women	
Marchelle Nutt	Business Community	
Alicia Geduld	Youth	
Elizabeth van Rooyen	Sport & Culture	
Brian Albertus	Churches	

Table 37: Ward 2 Committee Meetings

c) Ward 3: Ceres (Rietvallei Library)

Name of representative	Capacity representing	Number meetings held during the year
Amanda Whitebooi	Business Community	1 July 2012 till 30 June 2013 14 Meetings
Lilly Denation	Health & Social	
Marinda Mankapan	Women	
Margaret Damon	Churches	
Pieter Geldenhuys	Safety	
Willem Fortuin	Youth	
Glen Davids	Disabled & Elderly	
Andrew Vergotine	Sport & Culture	
Warren Hector	Education	

Table 38: Ward 3 Committee Meetings

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

Name of representative	Capacity representing	Number meetings held during the year
Alma Goosen	Business Community	1 July 2012 till 30 June 2013 14 Meetings
Willem Abrahams	Civics & Taxes	
Dina Snyder	Youth	
Kristina Sanders	Women	
Le-Marco Smith	Safety	
Jane Haas	Churches	
Gerrit Fredericks	Sport & Culture	
Herry Engelbrecht	Health & Social	
Sandralis Pienaar	Disabled & Elderly	

Table 39: Ward 4 Committee Meetings

e) Ward 5: Ceres (John Steyn Library)

Name of representative	Capacity representing	Number meetings held during the year
Terry Webb	Health & Social	1 July 2012 till 30 June 2013 11 Meetings
Anne Swarts	Disabled & Elderly	
Alistair Nasson	Youth	
Marius Koopman	Civics & Taxes	
Rudolf Nel	Sport & Culture	
Andries Slinger	Churches	
Alicia Pieterse	Women	
Dave May	Safety	
Ronnie Philander	Education	

Table 40: Ward 5 Committee Meetings

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

Name of representative	Capacity representing	Number meetings held during the year
Jacobus Finnies	Youth	1 July 2012 till 30 June 2013 14 Meetings
Isaac Jacobs	Churches	
Melanie Bê	Disabled & Elderly	
Sara Krotz	Sport & Culture	
Chantel De Bruin	Health & Social	
Petrus Baadtjies	Safety	
Johannes Tieties	Business & Community	
Sylvia Minnar	Women	
Theo Le Cordeur	Education	
Elsabê Julies	Civics & Taxes	

Table 41: Ward 6 Committee Meetings

g) Ward 7: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Willem Kamfer	Churches	1 Yuly 2012 till 30 June 2013 15 Meetings
Herald Gympies	Business Community	
Edward Mackriel	Youth	
Mario Harris	Safety	
Gerald Engel	Sport & Culture	
Myrtle Mclune	Health & Social	
Doreen Lottering	Women	
Lanbertus Johnson	Civics &Taxes	
Kain Hudson	Disable &Elderly	
Lerato Moshoeshoe	Education	

Table 42: Ward 7 Committee Meetings

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

Name of representative	Capacity representing	Number meetings held during the year
Wilhemina Ruiters	Disable & Elderly	1 July 2012 till 30 June 2013 11 Meetings
Philda Bosman	Sport & Culture	
Absalom Snyders	Business Community	
Maria Pretorius	Women	
Mirriam Titus	Youth	
Hildagardt Ramsesane	Churches	
Lena Pieterse	Safety	

Table 43: Ward 8 Committee Meetings

i) Ward 9: Op-Die-Berg

Name of representative	Capacity representing	Number meetings held during the year
Petrus Esau	Churches	1 July 2012 till 30 June 2013 12 Meetings
Johannes Mars	Health &Social	
Willem Koopman	Disabled & Elderly	
Mgrieta Baartman	Women	
Carol De Klerk	Education	
Andries Paulse	Civics & Taxes	
Johannes Fransman	Safety	

Name of representative	Capacity representing	Number meetings held during the year
Uolandy Kalmeyer	Youth	
Jafhta Galant	Business Community	
Ayanda Jack	Sport & Culture	

Table 44: Ward 9 Committee Meetings

j) Ward 10: PA Hamlet (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Karel Mars	Youth	1 July 2012 till 30 June 2013 8 Meetings
Sophia De Bruin	Women	
Ilize Stuurman	Health & Social	
Karlien Rode	Civics & Taxes	
Moses Davids	Education	
Jacob Waterboer	Sport &Culture	
Sophia Ismael	Business Community	
Hermanus Hardneck	Churches	
Leonard Baartman	Safety	
Carine Hardneck	Disable &Elderly	

Table 45: Committee Meetings

k) Ward 11: Tulbagh (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Johanes Smit	Education	1 July 2012 till 30 June 2013 15 Meetings
Mina Bugan	Sport & Culture	
Michal Hunter	Sport & Culture	
Amos Faro	Churches	
Florence Adam	Women	
Piet Klink	Disabled & Elderly	
Ann Mybergh	Civics &Taxes	
Florencia Adams	Youth	
Theo Lombard	Business Community	
Billy Du Toit	Safety	

Table 46: Ward 11 Committee Meetings

l) Ward 12: N'duli (Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Tommy Mona	Education	1 July 2012 till 30 June 2013 10 Meetings
Ntombizanele Baruza	Disabled &Elderly	
Wise Magalakanqa	Churches	
Thandiswa Mdange	Health & Social	
Victor Sifile	Business Community	
Phumzile Ngwevela	Safety	
Humphrey Ndwanya	Sport & Culture	
Violet Baleni	Women	
Nomboniso Gambushe	Civics & Taxes	
Ndyebo Gili	Youth	

Table 47: Ward 12 Committee Meetings

2.4.3 FUNCTIONALITY OF WARD COMMITTEE

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

Venues have been established for the Ward meetings, and support personnel, through the Community Liaison Officers and Community Development Workers have been put at their disposal. Food and beverages are provided at the ward committee meetings.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
1	Yes	0	12	Yes	n/a
2	Yes	0	14	Yes	
3	Yes	0	14	Yes	
4	Yes	0	14	Yes	
5	Yes	0	11	Yes	
6	Yes	0	14	Yes	
7	Yes	0	15	Yes	
8	Yes	0	11	Yes	
9	Yes	0	12	Yes	
10	Yes	0	8	Yes	
11	Yes	0	15	Yes	

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
12	Yes	0	10	Yes	

Table 48: Functioning of Ward Committees

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 includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 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.

In the course of conducting our day-to-day business operations, we are exposed to a variety of risks. These risks include operational and other risks that are material and require comprehensive controls and on-going oversight.

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

The top 10 inherent strategic risks of Witzenberg municipality are:

1) Un- recoverability of outstanding receivables
2) Major unplanned interruptions to deliver basic services
3) Poor growth in revenue base
4) Uneconomical utilization of assets for LED
5) Deteriorating road infrastructure
6) Inability to minimise recyclable waste
7) Growth in informal settlements
8) Inability to deal with disaster, business continuity and fire hazards
9) Deteriorating water pipe infrastructure
10) Community dissatisfaction with slow progress towards service delivery

2.6 ANTI-CORRUPTION AND ANTI-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 Municipal Finance Management Act (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.

2.6.1 DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Fraud prevention strategy /plan adopted as a policy of Council	Yes	28 May 2009

Table 49: Strategies

2.6.2 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
Ethics Awareness Programme	Possible loss of income at traffic due to inactive follow up on traffic violations	Roll out of Anti-Fraud and Corruption Policy to external stake holders through outreach programmes
Outreach Programme on Fighting Fraud and Corruption	Lack of awareness of fraud amongst staff	Investigation of fraud and corruption cases
Whistle-Blowing Policy	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
Establish an Witzenberg municipal Fraud line which is operated by an external provider	Ensure that allegation of fraud and corruption are investigated in order to eliminate fraud and corruption	Prevention and detection of fraud at a more rapid pace
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	To use Trans union in order to identify all employees 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

Table 50: Implementation of the Strategies

2.7 AUDIT, RISK AND PERFORMANCE 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.

2.7.1 FUNCTIONS OF THE PERFORMANCE, RISK & AUDIT COMMITTEE

Council adopted its Performance Risk and Audit Committee charter on 20 April 2011 and approved the appointment of additional members.

In order to fulfill its role, the Committee will have the following objectives in terms of section 166 (2) (a) (I to IX) of the Municipal Finance Management Act of 2003:

Advice the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

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

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.

In terms of the legislation mentioned above, the Performance Management System is audited and that an Audit Committee is appointed to fulfill the following objectives:

- To advise Council on the functionality of the performance management system;
- To advise Council whether the PMS complies with the Act;
- To advise Council on the extent to which the municipality's performance measures are reliable in measuring performance;
- To advise Council on the effectiveness of the financial administrative system in terms of systems auditing as well as making recommendations with regard to perceived shortcomings;

- To ensure effective functioning of the Internal Audit unit as required by the office of the Auditor General; and
- To advice Council on the standard of service pertaining to internal audit function.

In terms In terms of the National Treasury Framework the objective of the Risk Management Committee is to:

- Assist the Accounting Authority / Officer in addressing its oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management.
- The role of the Risk Management Committee is to formulate, promote and review the institution's ERM objectives, strategy and policy and monitor the process at strategic, management and operational levels.

2.7.2 MEMBERS OF THE PERFORMANCE, RISK & AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Mr SA Redelinghuys	Chairperson	20 July 2012 30 August 2012 23 November 2012 15 March 2013 22 April 2013
Mr J George	Member	
Mr A Amod	Member	
Ms T Bavuma	Member (Till 29 May 2013)	
Mr B Afrika	Member	
Ms. B. Daries	Member	

Table 51: Members of the Audit Committee

2.7.3 PERFORMANCE, RISK & AUDIT COMMITTEE RECOMMENDATIONS

Date of Committee	Committee recommendations during 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 November 2012	1. a. That Senior Management will make a presentation at the next meeting regarding the proposed improvements regarding the performance management system and that b. That specific target dates be determined	Yes
	2. a. That the Head: Internal Audit adds in all future Risk Management Reports his recommendations to the report. b. That the Head: Internal Audit adds to all future Risk Management Reports the comments of Senior Management on his recommendations in the report supra (3).	Yes
	3. That Senior Management evaluates the current cost of debt versus the possibility of replacing the current debt with a new debt at a lower cost, specifically around the DBSA loan and to use it to negotiate with the existing providers.	No. Matter negoiated with DBSA. Early termination fee cost uneconomical
	4. That the Performance, Risk and Audit Committee be more involved in the processes and budget of the external auditors in order to inter alia evaluate the fees.	Yes
	5. That the Head: Internal Audit compiles and tables an annual plan	Yes

Date of Committee	Committee recommendations during 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	based on budgeted hours in order to determine capacity constraints for the Internal Auditors	
22 April 2013	1. a. That Council considers the implementation of water devices in order to limit water losses and to maintain municipal finance sustainability. b. That the Municipal Manager writes a letter to the Department of Water Affairs and informs them regarding the matter (i) supra. c. That the Municipal Manager informs Council regarding the status quo of debt collection and control	
	2. That the Acting Director: Finance will investigate and report on the same amount for payments in the Cash Book for January and February 2013	Yes. Matter tabled to Council 29 May 2013
	3. a. That the Head: Internal Audit removes the internal operational matters in the Internal Audit Charter and revises it accordingly. b. To recommend to Council that the Revised Internal Audit Charter, as amended, be adopted.	Yes
	4. To recommend to Council: a. That Ms T Bavuma is removed from office as a member of the Performance, Risk and Audit Committee. b. That the remaining five Performance, Risk and Audit Committee members continue the term without replacing Ms Bavuma.	Yes. Matter dealth with at Council Meeting 29 May 2013

Table 52: Municipal Audit Committee Recommendations

2.8 INTERNAL AUDITING

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must –

(a) prepare a risk based audit plan and an internal audit program for each financial year; and

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

(i) Internal audit;

(ii) internal controls;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control; and

(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and

(c) perform such other duties as may be assigned to it by the accounting officer.

(d) The internal audit function has been outsourced to Ernst & Young till 30 June 2012. Management is in the process of capacitating the in-house Internal Audit Unit.

Risk register and three-year strategic plan

An annual risk assessment was performed during April/May 2012 and all relevant risks were populated into the Witzenberg risk register. Updates were performed on a continuous basis. This risk assessment forms the basis of the 2012/13 to 2014/2015 Risk Based Audit Plan.

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

Audit Activity	2012/13	2013/14	2014/15
Risk based audits			
Income & Debtors	√		
Supply Chain Management		√	
Human Resources (Including Leave and Training)	√*	√	
Asset Management	√*	√	
Treasury: Investments	√		
Inventory	√		
Maintenance Management	√		
Project & Contract Management			√
Indigent Management		√	
Town Planning and Building Control	√		
Secretariat	√*		
IT – General controls		√	
Cash handling		√	
Fleet Management		√	
Traffic Services		√	
Disaster management & business continuity			√
Overtime			√
Debt Collection & Credit control			√
Time and Attendance	√		
**Moved forward to implement new standards and strategics*			

Table 53: Three year strategic internal audit plan

Annual Audit Plan

The Audit Plan for 2012/13 was implemented and 50**%** of the audits were completed. The table below provides detail on audits completed:

Audit Activity	Estimated hours	Quarter	Status
Statutory Audits			
MFMA compliance (Including other relevant Acts)	200	2	Completed
DORA compliance	60	4	Completed
Performance Management System (quarterly)	200	All	Completed
Performance Management	80	Monthly	Completed
Risk based audits			
Income & Debtors (Application to Cash)	300	1	Move forward
Inventory	200	2	Move forward
Maintenance Management	120	3	Move forward
Town Planning and Building Control	200	4	Move forward
Operation clean audit: :Internal Controls:			
Revenue, Expenditure, Payroll, assets end Financial reporting	360	2-4	Work in progress
Follow up audits			
Continuous follow up of Internal Audit findings	288	Monthly	Completed
Operational clean audit report follow ups	100	Monthly	Completed
AD-Hoc audits			
Property rental agreements	200	2	Move forward
Provision of other assignments	300	All	n/a

Table 54: Annual risk based audit plan

2.9 SUPPLY CHAIN MANAGEMENT

2.9.1 COMPETITIVE BIDS IN EXCESS OF R200 000

a) Bid Committee Meetings

The following table details the number of Bid Committee meetings held for the 2012/2013 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
23	25	27

Table 55: Bid Committee Meetings

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

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

Table 56: Attendance of members of Bid Specification Committee

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

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

Table 57: Attendance of members of Bid Evaluation Committee

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

Member	Percentage attendance
Director Financial Services (Chairperson)	100
Director Technical Services	92.59
Director Community Services	62.96
Director Corporate Services	81.48
Manager Supply Chain	92.59

Table 58: Attendance of members of bid adjudication committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) Awards Made by the Bid Adjudication Committee

The Bid Ajudication Committee awarded 41 bids of an estimated value of R57 997 039.14.

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
08/2/10/1	Supply and delivery of electrical equipment and cables	Technical Services: Electricity	Various suppliers	R9 755 550.35
08/2/10/3	Alterations to Wolseley and Op-die-Berg waste water treatment works: Civil and building work	Technical Services: Water and Sewerage	Peter Starke Civils	R4 176 045.72
08/2/10/53	Resealing of existing street in Witzenberg Municipal Area	Technical Services: Streets and Stormwater	Zebra Surfacing	R2 682 439.04
08/2/10/4	Supply, upgrade and replacement of sewer networks in the Witzenberg Area	Technical Services: Water and Sewerage	Dennis Lendor Civils	R2 583 846.63
08/2/10/65	Hard and soft landscaping in Nduli, Prince Alfred's Hamlet and Bella Vista	Community Services: Recreation	Marina Landscaping and MEC Joint venture	R2 236 884.25

Table 59: Five highest bids awarded by Bid Adjudication Committee

c) Awards Made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management Policy, only the Accounting Officer may award a bid which is in excess of R5 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The only bids awarded by the Accounting Officer, are as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded
08/2/10/42	Upgrading of roads and storm water infrastructure in Witzenberg	Technical Services: Streets and Stormwater	R10 245 474.69
08/2/9/63	Construction of new berg pipeline and pump station	Technical Services: Water and Sewerage	R10 244 089.02
08/2/10/45	Construction of a half an Olympic size swimming pool and all related works in Prince Alfred's Hamlet	Community Services: Resorts and Swimming pools	R5 525 909.67

Table 60: Awards made by Accounting Officer

d) Appeals Lodged by Aggrieved Bidders

No appeals were lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000).

e) Awards Made to Enterprises within the Witzenberg Municipal Area

The following tables details the value of competitive bids awarded to enterprises within the Witzenberg Municipal Area during the 2012/2013 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	Percentage of contract value awarded to enterprises within the Witzenberg Municipal Area
12	29.27%	R12 137 914.18	14.45

Table 61: Awards to Enterprises within Witzenberg Municipal Area

2.9.2 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R30 000 AND R200 000

a) Awards Made to Enterprises within the Witzenberg Municipal Area

A total of 44 formal written price quotations amounting to R4 527 510.62, were awarded.

The following table detail the value of formal written price quotations awarded to enterprises within the Witzenberg Municipal Area during the 2012/2013 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	Percentage of contract value awarded to enterprises within the Witzenberg Municipal Area
4	9.09	R543 455.40	12

Table 62: Enterprises within Witzenberg Municipal Area quotation awards

2.9.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R7 260 481.36 were approved by the Accounting Officer. The following table provide a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Single supplier	241	R2 858 616.79	39.37
Impractical	269	R3 124 729.37	43.04
Emergency	130	R1 277 135.20	17.59

Table 63: Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM policy has been complied with. SCM has identified instances where the normal procurement processes can be followed to avoid having to follow the deviation process. These cases have been taken up with the relevant departments and satisfactory co-operation has been received.

2.9.4 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, Dromedaris Street are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2013, the value of stock at the municipal stores amounted to R4 786 640.32 with a satisfactory stock turnover rate of **1.44**. For the 2012/2013 financial year a total of **R775.31** were accounted for as surpluses and **R1 791.27** as deficits. No stock was accounted for as damaged stock items.

2.9.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- Iimmovable 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 e plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- 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 are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. No disposal of assets took place during the 2012/2013 financial year.

2.9.6 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 have been developed approved and are being implemented. Monthly reporting of 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 regards to our bid committee system and compliance to all relevant legislation.

This company and their two directors are prohibited from doing business with any organ of state for a period of 10 years. We are only one of two municipalities who have listed companies that did not perform in terms of the bid conditions. No companies were listed as restricted suppliers during the 2012/13 financial year.

Further to this positive progress has been made with regards to the 2011/12 Auditor-General's audit findings.

2.10 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the municipal by-laws:

By-laws developed/revised	Date of Publication
Rates	26 April 2013
Public Nuisances and Keeping of Animals	26 April 2013
Credit Control and Debt Collection	26 April 2013
Refuse Removal	26 April 2013
Liquour Trading Days and Hours	26 April 2013
Parks, Caravans and Mobile Homes	26 April 2013
Standard Rules of Order	26 April 2013
Street Trading, Pedlars and Hawkers	26 April 2013
Tariffs, Charges and Fees	26 April 2013
Water Supply, Sanitation, Industrial Effluent	26 April 2013

Table 64: 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
Tariff Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Property Rates Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Credit Contol and Debt Collection Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Consumer Payment Incentive Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Cash Management and Investment Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Municipal Supply Chain management Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Petty Cash Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Budget Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Budget Veriment Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Asset Management Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Funding and Reserves Policy	29 May 2013	Yes	Council Agenda dated 22 May 2013
Cellular telephone and data card Policy	29 May 2013	Yes	Council Agenda dated 22

Table 65: Policies

2.11 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	12 April 2012
Budget implementation policy: Tariff policy	Yes	12 April 2012
Budget implementation policy: Credit control policy	Yes	12 April 2012
Budget implementation policy: Valuation policy	Yes	12 April 2012
Budget implementation policy: SCM policy	Yes	12 April 2012
The annual report for 2011/12	Yes	3 April 2012
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2012/13 and resulting scorecards	Yes	31 July 2012
All service delivery agreements for 2012/13	Yes	31 July 2012

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
All long-term borrowing contracts for 2012/13	Yes	5 August 2012
All supply chain management contracts above a prescribed value (give value) for 2012/13	Yes	All tender results loadedas awarded
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2012/13	Yes	10 September 2012
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Not Applicable	Not Applicable
Public-private partnership agreements referred to in section 120 made in 2012/13	Not Applicable	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during 2012/13	Yes	22 February 2013

Table 66: Website Checklist

2.12 COMMUNICATION

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 clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

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
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

Table 67: Communication Activities

Chapter 3

Service Delivery Performance

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 Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 2001. Section 7(1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management **policy framework** that was approved by Council on **26 November 2009**.

After conclusion of the 2011/12 audit, we re-visited our SDBIP and an amended Top Layer SDBIP was approved by the Mayor on the 25th of March 2013. The following were considered in the development of the amended 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 2011/12
- The risks identified by the Internal Auditor during the municipal risk analysis
- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the audit
- Local Government Turnaround Strategy

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 workshopped 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. The date varies, but is usually around the 10th of each month. By this date the managers must submit their actuals achieved on a spreadsheet specifically for their section. The spreadsheet is available on the municipal server.
- A folder for proof of evidence is located on the same server address.
- A second date is indicated whereby Senior Management must verify the information submitted by the manager, as well as the proof of evidence that confirms the information submitted. Any interventions for under-performance and/or general

comments should be included on the spreadsheet. The second closure date is usually approximately 3 days after the first closure date.

- After the second closure date the applicable information cells is locked by the Performance Administrator. The Senior Manager signs each of his managerial reports as an indication that the information submitted has been verified and that proof of evidence does exist for the information.
- The relevant departmental secretary print the signed manager monthly report and save it on Trim, the municipal archive system.
- The monthly reports are then submitted for inclusion in the relevant Council Portfolio Committees.
- The Performance Administrator draws an overall municipal report and submit it as the monthly SDBIP report to the Municipal Manager for submission to the Mayoral Committee.
- The first quarterly report was submitted to the Executive Mayor on 31st of October 2012 and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance management Act, which was submitted to the Mayor on 25 January 2013. The third quarter report was submitted to the Executive Mayor on 25th of March 2013 .

3.1.3 INDIVIDUAL PERFORMANCE

a) Municipal Manager and Managers directly accountable to the Municipal Manager

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 2012/13 financial year were signed on the 31 July 2012 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2011/12 financial year took place on 21 June 2013, as well as 1 July 2013 and the mid-year performance of 2012/13 did not take place.

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

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

3.1.4 THE IDP AND THE BUDGET

The IDP for 2012/13 was reviewed and approved on the 31 May 2012 whilst the budget for 2012/13 was approved by Council on the same day. The IDP and the SDBIP for 2012/13 was amended and approved at a Council meeting held on 27 February 2013. The IDP process and the performance management process are integrated. The IDP fulfills the planning stage of performance management. Performance management in turn, fulfills the implementation management, monitoring and evaluation of the IDP.

3.1.5 STRATEGIC ALIGNMENT

Municipal Key Performance Area	STRATEGIC OBJECTIVE	
Developing Integrated & Sustainable Human Settlements	1.1	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development.
	1.2	Promote a sustainable environment through the efficient utilization of resources.
	1.3	Ensure mobility through an effective transport infrastructure.
	1.4	Expand staff & capital resources in law enforcement & emergency services to provide improved services to all, especially the most vulnerable communities.
	1.5	Provide for the needs of informal settlements through improved services.
	1.6	Provide facilities that make citizens feel at home.
Financial Sustainability	2.1	Ensure financial prudence, with clean audits by the Auditor General.
Good Governance, Communication & Institutional Development.	3.1	Maximise the use of available funding & programmes for training & skills development.
	3.2	Ensure responsiveness by creating an environment where citizens can be communicated with & responded to.
	3.3	Ensure a transparent & corruption-free government.
	3.4	Establish an efficient & productive administration that prioritises delivery.
Local Economic Development	4.1	Create an enabling environment to attract investment that generates economic growth & job creation.
	4.2	Leverage the municipality's assets to drive economic growth & sustainable development.
Social Development	5.1	Providing a safety net for vulnerable communities.
	5.2	Provide access to social services for those who need it.
	5.3	Ensure increased access to innovative human settlements for those who need it.
	5.4	Asses the possible sale or transfer of rental stock to identified beneficiaries, using established criteria.
Strategic Partnerships & International Relations.	6.1	To improve safety & security through partnerships.

	6.2	To maintain & strengthen Inter Governmental Relations with provincial & national departments.

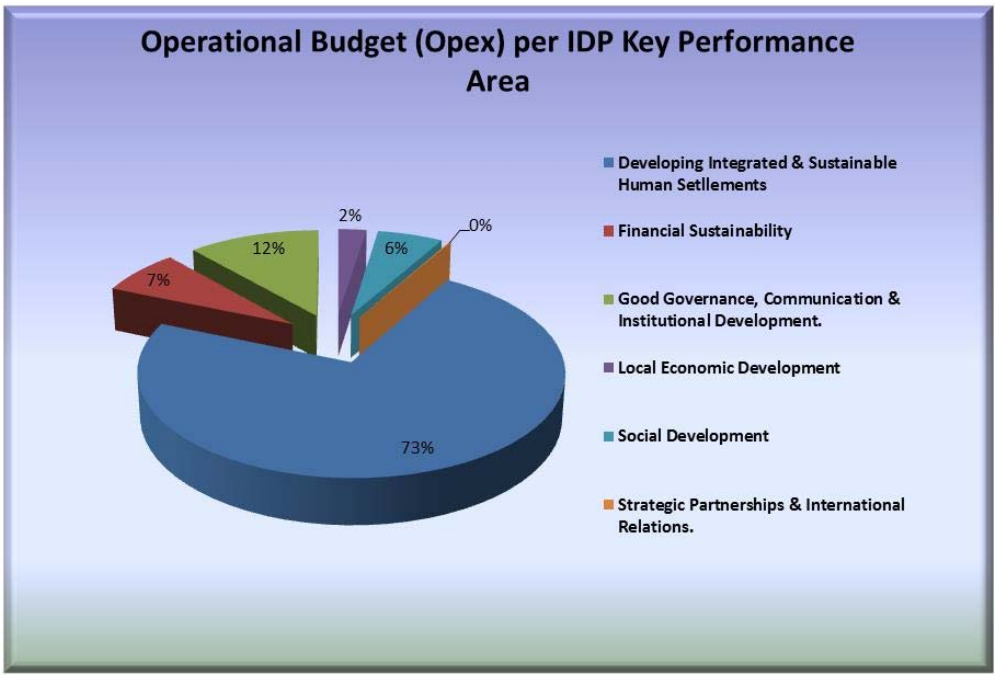
Table 68: Strategic Alignment

3.1.6 BUDGET SPENDING PER IDP KEY PERFORMANCE AREA

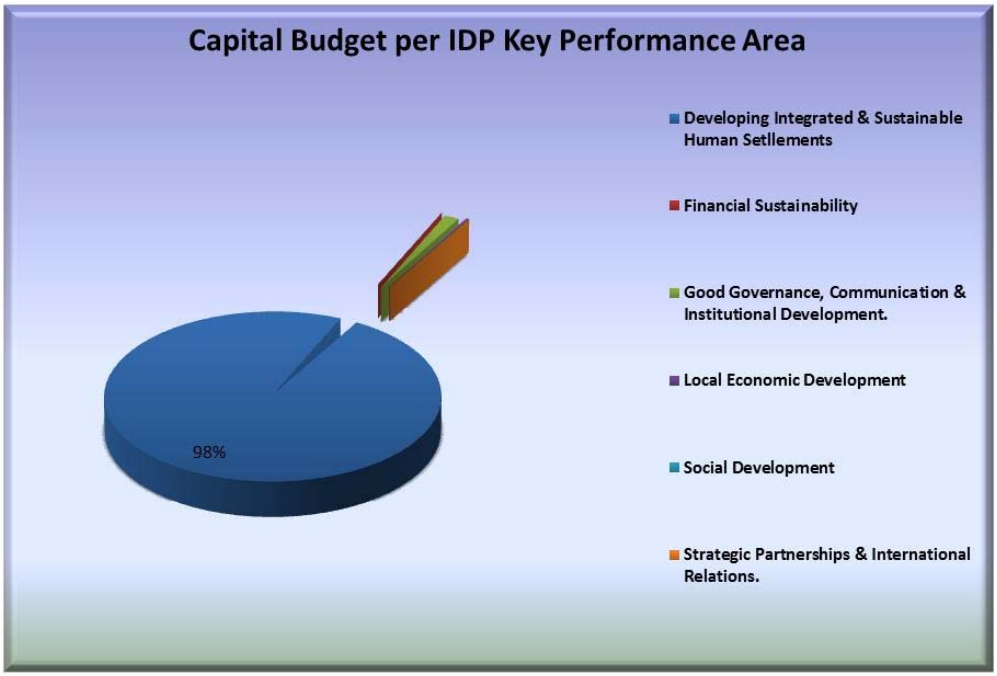
The table below provide an analysis of the budget allocation per Municipal Key Performance Area (as per approved amended 2012/13 SDBIP. Opex excludes internal transfers):

Municipal Key Performance Area	Adjusted Capital Budget R	Adjusted Operational Budget (Opex) R
Developing Integrated & Sustainable Human Settlements	87 649 392	284 403 736
Financial Sustainability	500	28 184 583
Good Governance, Communication & Institutional Development	1 335 719	44 945 931
Local Economic Development	200 000	9 515 804
Social Development	1 733	22 322 461
Strategic Partnerships & International Relations	0	447 500
Total	**89 187 344**	**389 820 015**

Table 69: Budget spending per IDP Key Performance Area (as per approved amended 2012/13 SDBIP. Opex includes internal transfers)



Graph 8: Operational Budget per IDP Key Performance Area (as per approved amended 2012/13 SDBIP. Opex includes internal transfers)

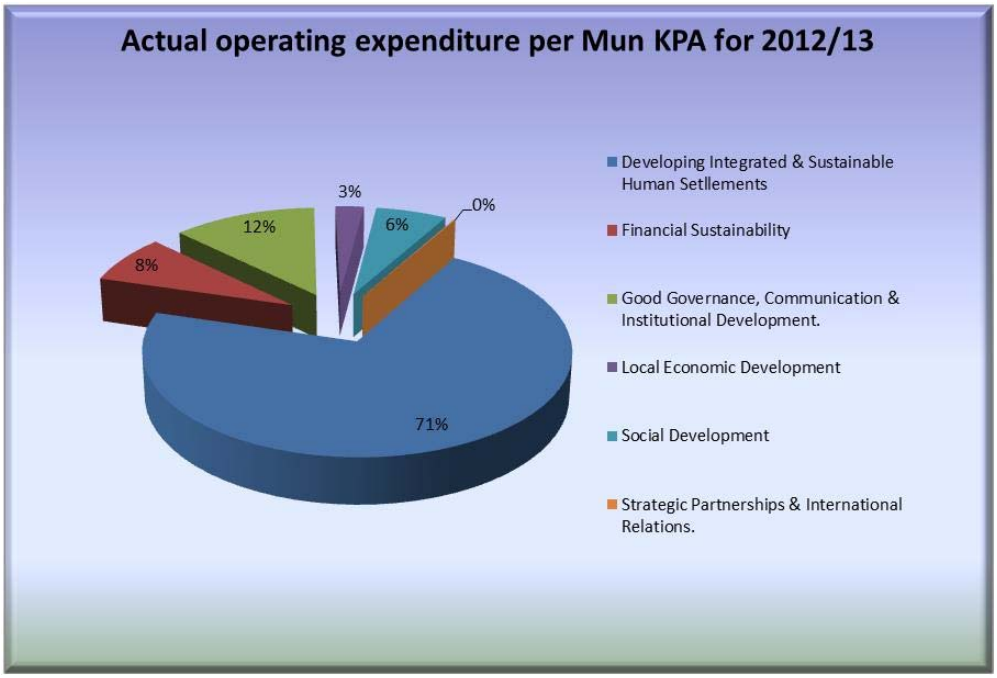


Graph 9: Capital Budget per IDP Key Performance Area (as per approved amended 2012/13 SDBIP)

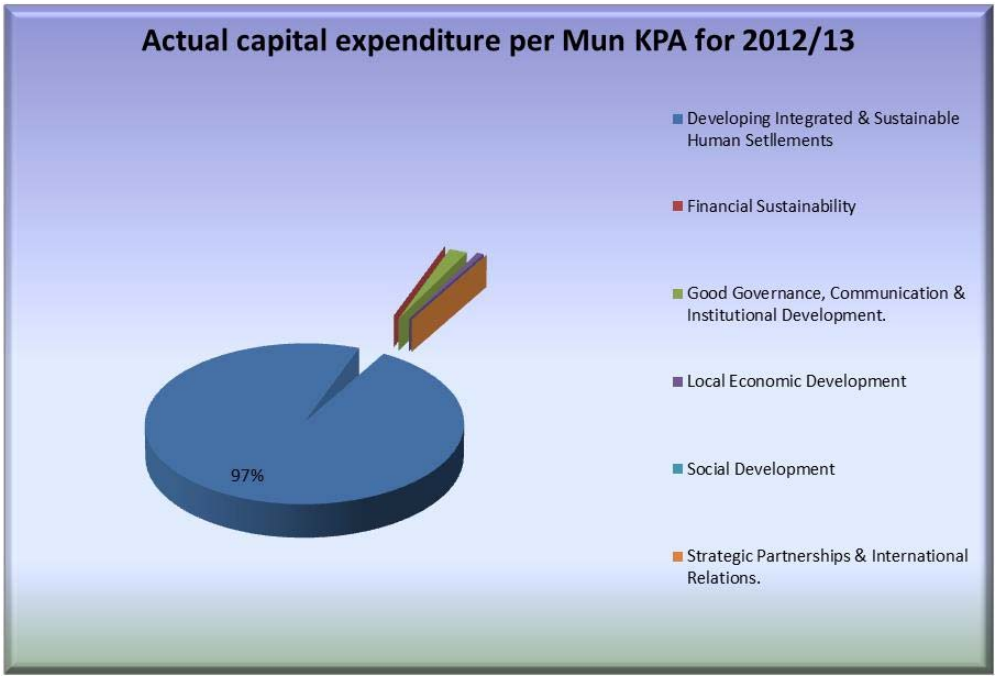
The table below provide an analysis of the actual spending per Municipal Key Performance Area for 2012/13:

Municipal Key Performance Area	Actual Capital Expenditure for 2012/13 R	Actual Operating Expenditure for 2012/13 R
Developing Integrated & Sustainable Human Settlements	87 830 305	257 280 349
Financial Sustainability	500	27 805 156
Good Governance, Communication & Institutional Development	1 754 119	44 920 657
Local Economic Development	677 941	8 819 713
Social Development	50 000	22 135 567
Strategic Partnerships & International Relations	0	447 500
Total	**90 312 865**	**361 408 942**

Table 70: Actual capital and operating expenditure (excluding internal transfers) per IDP Key Performance Area for 2012/13



Graph 10: Actual operating expenditure (excluding internal transfers) for 2012/13 per IDP Key Performance Area

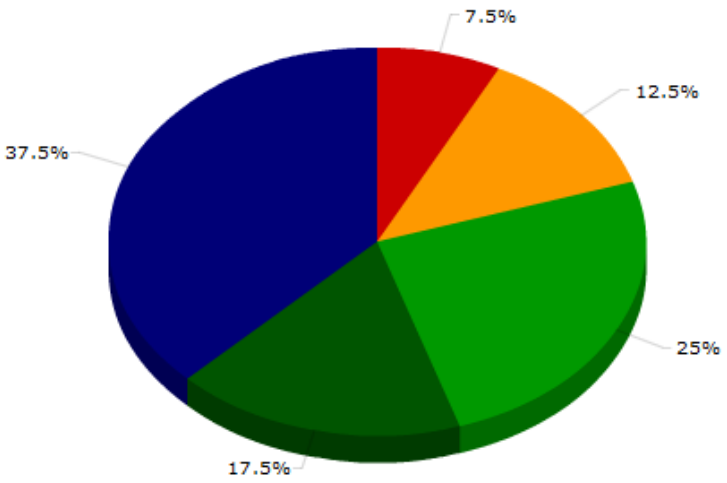


Graph 11: Actual capital expenditure for 2012/13 per IDP Key Performance Area

3.1.7 STRATEGIC PERFORMANCE (TOP LAYER SDBIP) FOR 2012/13

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

a) Overall performance for 2012/13



KPI Not Met	13 (32.5%)
KPI Almost Met	4 (10%)
KPI Met	4 (10%)
KPI Well Met	5 (12.5%)
KPI Extremely Well Met	14 (35%)
Total:	40

Graph 12: Overall Strategic Performance (Top Layer SDBIP)

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

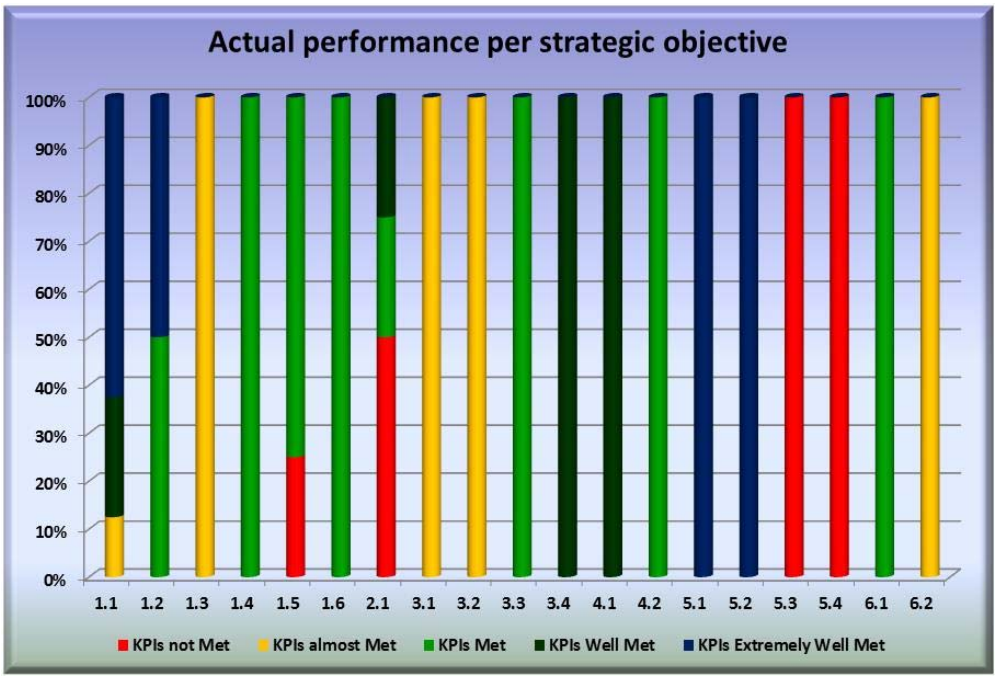
i) Overall actual performance per strategic objective

Strategic objective	Total KPIs	KPIs not Met	KPIs almost Met	KPIs Met	KPIs Well Met	KPIs Extremely Well Met
Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development. (1.1)	8	0	1	0	2	5
Promote a sustainable environment through the efficient utilization of resources. (1.2)	2	0	0	1	0	1
Ensure mobility through an effective transport infrastructure. (1.3)	1	0	1	0	0	0
Expand staff & capital resources in law enforcement & emergency services to provide improved services to all, especially the most vulnerable communities. (1.4)	1	0	0	1	0	0
Provide for the needs of informal settlements through improved services. (1.5)	4	1	0	3	0	0
Provide facilities that make citizens feel at home. (1.6)	1	0	0	1	0	0

Strategic objective	Total KPIs	KPIs not Met	KPIs almost Met	KPIs Met	KPIs Well Met	KPIs Extremely Well Met
Ensure financial prudence, with clean audits by the Auditor General. (2.1)	4	2	0	1	1	0
Maximise the use of available funding & programmes for training & skills development. (3.1)	1	0	1	0	0	0
Ensure responsiveness by creating an environment where citizens can be communicated with & responded to. (3.2)	1	0	1	0	0	0
Ensure a transparent & corruption-free government. (3.3)	1	0	0	1	0	0
Establish an efficient & productive administration that prioritises delivery. (3.4)	1	0	0	0	1	0
Create an enabling environment to attract investment that generates economic growth & job creation. (4.1)	2	0	0	0	2	0
Leverage the municipality's assets to drive economic growth & sustainable development. (4.2)	1	0	0	1	0	0
Provide access to social services for those who need it. (5.2)	7	0	0	0	0	7
Providing a safety net for vulnerable communities. (5.1)	1	0	0	0	0	1
Ensure increased access to innovative human settlements for those who need it. (5.3)	1	1	0	0	0	0
Asses the possible sale or transfer of rental stock to identified beneficiaries, using established criteria. (5.4)	1	1	0	0	0	0
To improve safety & security through partnerships. (6.1)	1	0	0	1	0	0
To maintain & strengthen Inter Governmental Relations with provincial & national departments. (6.2)	1	0	1	0	0	0
Total	**40**	**5**	**5**	**10**	**6**	**14**

Table 71: Total overall performance per strategic objective for 2012/13

The statistics of the table above was used for the graph below. Reference of the strategic objectives are included in the Strategic Alignment



Graph 13: Actual performance per strategic objective for 2012/13

ii) Detailed performance per strategic objective for 2012/13

PROVIDE & MAINTAIN ECONOMIC & SOCIAL INFRASTRUCTURE TO ENSURE INFRASTRUCTURE-LED GROWTH & DEVELOPMENT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1A	Percentage spend on repairs and maintenance for the whole municipality.	New performance indicator for 2012/13. No comparatives available	25%	50%	75%	99%	99%	91%		Proper forward planning will be implemented to ensure maximum utilization of budget .
1B	Percentage compliance with drinking water standards.	New performance indicator for 2012/13. No comparatives available	97%	97%	97%	97%	97%	100%		
1C	Percentage spend on Capital Budget (National performance indicator in terms of Performance Regulation 796)	New performance indicator for 2012/13. No comparatives available	15%	45%	65%	94%	94%	95%		
1D	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service (National performance indicator in terms of Performance Regulation 796) (Target indicates % of service applications that translates to valid accounts)	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	2%	2%	0%		
1E	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service (National performance indicator in terms of Performance Regulation 796) (Target indicates % of service applications that translates to valid accounts)	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	2%	2%	0%		

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1F	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service (National performance indicator in terms of Performance Regulation 796) (Target indicates % of service applications that translates to valid accounts)	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	2%	2%	0%	-	
1G	Number of outstanding valid applications for waste removal services expressed as a % of total number of billings for the service (National performance indicator in terms of Performance Regulation 796) (Target indicates % of service applications that translates to valid accounts)	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	2%	2%	0%	-	
1H	The number of jobs created through municipality's local economic development initiatives including capital projects (National performance indicator in terms of Performance Regulation 796)	New performance indicator for 2012/13. No comparatives available	0	150	0	170	320	615	-	

Table 72: Strategic objective: Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development

PROMOTE A SUSTAINABLE ENVIRONMENT THROUGH THE EFFICIENT UTILIZATION OF RESOURCES

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1I	Effective management of water provisioning systems to limit unaccounted water	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	32%	32%	21%		
1J	Management of electricity losses	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	8%	8%	8%	-	

Table 73: Strategic objective: Promote a sustainable environment through the efficient utilization of resources

ENSURE MOBILITY THROUGH AN EFFECTIVE TRANSPORT INFRASTRUCTURE

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1K	Provision of municipal roads measured by the km of new road for previously un-serviced areas	New performance indicator for 2012/13. No comparatives available	1.5	2	4.5	7.2	7.2	6.8	-	Increase in construction costs from time of planning to procurement.

Table 74: Strategic objective: Ensure mobility through an effective transport infrastructure

EXPAND STAFF & CAPITAL RESOURCES IN LAW ENFORCEMENT & EMERGENCY SERVICES TO PROVIDE IMPROVED SERVICES TO ALL, ESPECIALLY THE MOST VULNERABLE COMMUNITIES

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1L	Community Satisfaction survey (Score 1-5) - safety & security (Target indicates community perception in respect of safety & security. Highest score to	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	2	-	

	achieve is 5 and target of 2 being defined as "being fair")									

Table 75: Strategic objective: Expand staff & capital resources in law enforcement & emergency services to provide improved services to all, especially the most vulnerable communities

PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1M	Provide basic services - number of informal areas with sufficient communal water service points (taps) (National performance indicator in terms of Performance Regulation 796) (Target indicates number of informal areas with sufficient basic services).	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	2		
1N	Provide basic services - number of informal areas with sufficient communal sanitation service points (toilets) (National performance indicator in terms of Performance Regulation 796) (Target indicates number of informal areas with sufficient basic services).	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	2		
1O	Provide basic services - number of informal areas receiving a door-to-door refuse collection and area-cleaning service (National performance indicator in terms of Performance Regulation 796) (Target indicates number of informal areas with sufficient basic services).	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	2		
1P	Number of subsidised electricity connections installed (National performance indicator in terms of Performance Regulation 796).	New performance indicator for 2012/13. No comparatives available	25	75	250	476	476	157		The construction of subsidised housing at Tulbagh was disrupted due to unrest under the community. The unrest flow from the allocation of houses and was disrupted up to the point where construction was halted. Consultation is underway to continue with the project in the latter half of 2013.

Table 76: Strategic objective: Provide for the needs of informal settlements through improved services

PROVIDE FACILITIES THAT MAKE CITIZENS FEEL AT HOME

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
1Q	Community Satisfaction survey (Score 1-5) - community facilities (Target indicates community perception in respect of community facilities. Highest score to achieve is 5 and target of 2 being defined as "being fair").	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	2		

Table 77: Strategic objective: Provide facilities that make citizens feel at home

ENSURE FINANCIAL PRUDENCE, WITH CLEAN AUDITS BY THE AUDITOR GENERAL

Ref	KPI	Actual performance 2011/12	Performance of 2012/13		
			Target	Actual	Corrective measures for

			Q1	Q2	Q3	Q4	Target			targets not achieved
2A	Opinion of the Auditor-General	Unqualified	0	0	Un-qualified	0	Un-qualified	Un-qualified		
2B	Financial viability measured in terms of the available cash to cover fixed operating expenditure (section 10(g)(iii) performance regulation) (Proxy for National KPI)	New performance indicator for 2012/13. No comparatives available	1.6	1.6	1.6	1.6	1.6	1.5		Proper forward planning will be implemented to ensure that sufficient cash is available to cover expen-diture
2B	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (section 10(g)(i) performance regulation) Note: In year reporting will be based on year to date info.	New performance indicator for 2012/13. No comparatives available	16	16	16	16	16	25		
2B	Financial viability measured in terms of the outstanding service debtors (section 10(g)(ii) performance regulation)	New performance indicator for 2012/13. No comparatives available	48%	48%	48%	48%	48%	52%		A service provider will be appointed in 13/14 to manage outstanding debts.

Table 78: Ensure financial prudence, with clean audits by the Auditor General

MAXIMISE THE USE OF AVAILABLE FUNDING & PROGRAMMES FOR TRAINING & SKILLS DEVELOPMENT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
3A	Percentage budget spend on the implementation of the Workplace Skills Plan (National performance indicator in terms of Performance Regulation 796)	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	97%	97%	93%		Proper forward planning will be implemented to ensure maximum utilization of budget .

Table 79: Strategic objective: Maximize the use of available funding & programmes for training & skills development

ENSURE RESPONSIVENESS BY CREATING AN ENVIRONMENT WHERE CITIZENS CAN BE COMMUNICATED WITH & RESPONDED TO

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
3B	Number of IDP community meetings held.	New performance indicator for 2012/13. No comparatives available	0	0	0	14	14	12		Meetings were arranged but did not take place due to poor attendance.

Table 80: Strategic objective: Ensure responsiveness by creating an environment where citizens can be communicated with & responded to

ENSURE A TRANSPARENT & CORRUPTION-FREE GOVERNMENT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
3C	Number of PRAC meetings held.	New performance indicator for 2012/13. No comparatives available	0	2	0	3	5	5		

Table 81: Strategic objective: Ensure a transparent & corruption-free government

ESTABLISH AN EFFICIENT & PRODUCTIVE ADMINISTRATION THAT PRIORITISES DELIVERY

Ref	KPI	Actual performance 2011/12	Performance of 2012/13

			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
3D	Percentage of people from employment equity target groups employed in the three highest levels of management (National performance indicator in terms of Performance Regulation 796).	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	75%	75%	76%		

Table 82: Strategic objective: Establish an efficient & productive administration that prioritizes delivery

CREATE AN ENABLING ENVIRONMENT TO ATTRACT INVESTMENT THAT GENERATES ECONOMIC GROWTH & JOB CREATION

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
4A	All building plans approved for less than 500 square meters within 30 days	New performance indicator for 2012/13. No comparatives available	85%	85%	85%	85%	85%	93%		
4A	All building plans approved for more than 500 square meters within 60 days	New performance indicator for 2012/13. No comparatives available	85%	85%	85%	85%	85%	100%		

Table 83: Strategic objective: Create an enabling environment to attract investment that generates economic growth & job creation

LEVERAGE THE MUNICIPALITY'S ASSETS TO DRIVE ECONOMIC GROWTH & SUSTAINABLE DEVELOPMENT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
4B	Appointment of Property Officer.	New performance indicator for 2012/13. No comparatives available	0	1	0	0	1	1		

Table 84: Strategic objective: Leverage the municipality's assets to drive economic growth & sustainable development

PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
5B	Bi-annual HIV/AIDS awareness programs	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	5		Additional requests and needs Received from the community
5B	Arrange workshops for youth per twinning agreement	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	10		Additional requests and needs Received from the community
5B	Implement Substance Abuse Programmes	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	3		Additional requests and needs Received from the community
5B	Implementation of Child protection programmes	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	6		Additional requests and needs Received from the community
5B	Implementation of Early childhood development programmes	New performance indicator for 2012/13. No comparatives available	0	0	0	3	3	16		Additional requests and needs Received from the community
5B	Implementation of gender programmes	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	3		Additional requests and needs Received from the community
5B	Implementation of projects for persons with disabilities	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	5		Additional requests and needs Received from the community

Table 85: Strategic objective: Provide access to social services for those who need it

PROVIDING A SAFETY NET FOR VULNERABLE COMMUNITIES

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
5A	Number of account holders subsidised through the municipality's Indigent Policy (National performance indicator in terms of Performance Regulation 796)	4,788	0	0	0	3,900	3,900	4,126		

Table 86: Strategic objective: Providing a safety net for vulnerable communities

ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED IT

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
5C	Number of housing opportunities provided per year.	New performance indicator for 2012/13. No comparatives available	0	100	0	160	260	141		The construction of subsidised housing at Tulbagh was disrupted due to unrest under the community. The unrest flow from the allocation of houses and was disrupted up to the point where construction was halted. Consultation is underway to continue with the project in the latter half of 2013.

Table 87: Strategic objective: Ensure increased access to innovative human settlements for those who need it

ASSES THE POSSIBLE SALE OR TRANSFER OF RENTAL STOCK TO IDENTIFIED BENEFICIARIES, USING ESTABLISHED CRITERIA

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
5D	Number of Rental Stock transferred	New performance indicator for 2012/13. No comparatives available	0	0	100	150	250	7		A delay in the procurement process resulted in the late appointment of a transferring agent and also unwillingness under beneficiaries to pay outstanding accounts in order for the properties to be transferred. The outstanding accounts will be discussed on a strategic level to address.

Table 88: Strategic objective: Asses the possible sale or transfer of rental stock to identified beneficiaries, using established criteria

TO IMPROVE SAFETY & SECURITY THROUGH PARTNERSHIPS

Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
6A	Number of meetings held with SAPS	New performance indicator for 2012/13. No comparatives available	0	2	0	2	4	4		

Table 89: Strategic objective: To improve safety & security through partnerships

TO MAINTAIN & STRENGTHEN INTER GOVERNMENTAL AND INTERNATIONAL RELATIONS

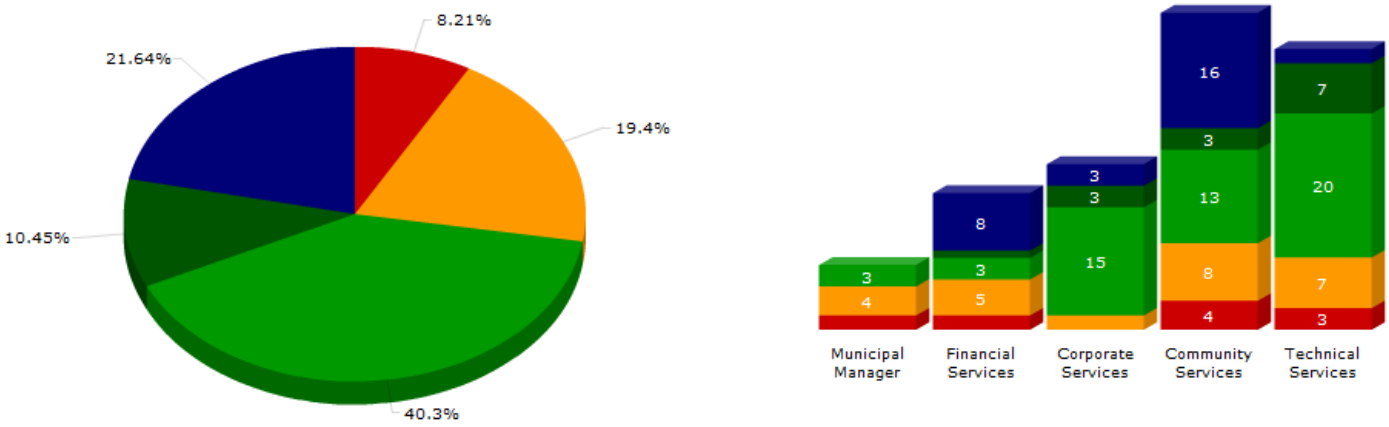
Ref	KPI	Actual performance 2011/12	Performance of 2012/13							
			Target					Actual		Corrective measures for targets not achieved
			Q1	Q2	Q3	Q4	Target			
6B	Arrange and attend IGR SASSA, Rural Development & Home affairs forum meetings.	New performance indicator for 2012/13. No comparatives available	0	0	0	6	6	5		

Table 90: Strategic objective: To maintain & strengthen Inter Governmental and International Relations

3.1.8 FUNCTIONAL PERFORMANCE (DEPARTMENTAL SDBIP)

The directorate and departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate.

a) Overall performance per Directorate



Graph 14: Overall Functional Performance per Directorate (Departmental SDBIP)

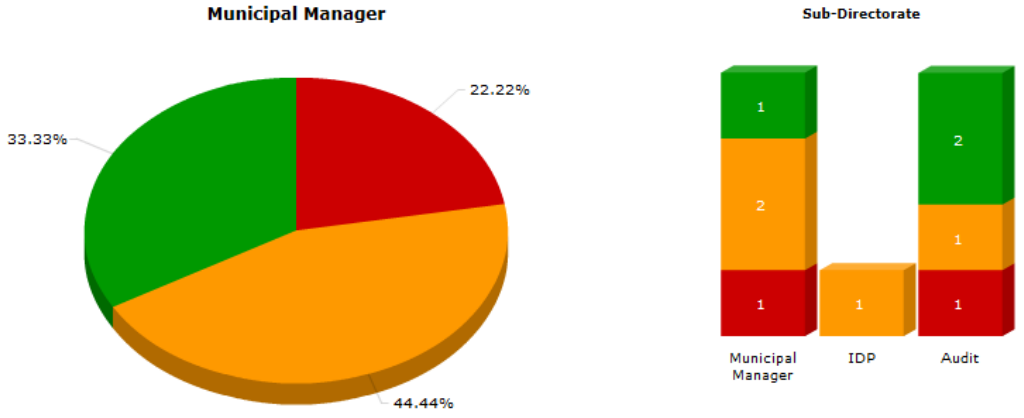
b) High level performance per department

i) Office of the Municipal Manager

Office of the Municipal Manager consists of the following divisions:

- Municipal Manager
- IDP
- Audit

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN OFFICE OF THE MUNICIPAL MANAGER



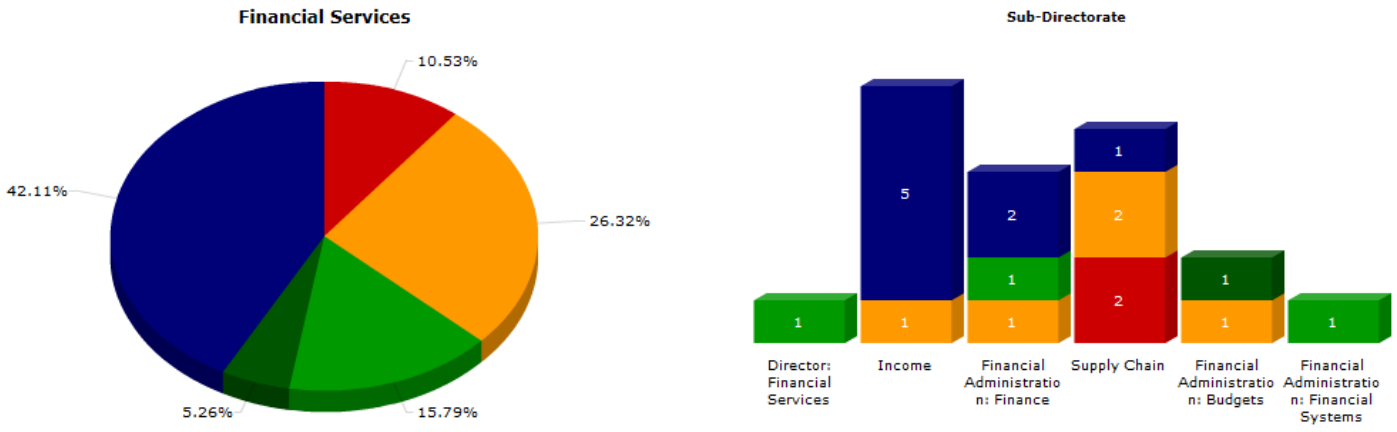
Graph 15: Functional Performance – Office of the Municipal Manager

ii) Financial Services

Financial Services consists of the following divisions:

- Director: Financial Services
- Financial Administration: Budgets
- Financial Administration: Financial Systems
- Financial Administration: Finance
- Income
- Supply Chain

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN FINANCIAL SERVICES



Graph 16: Functional Performance – Financial Services

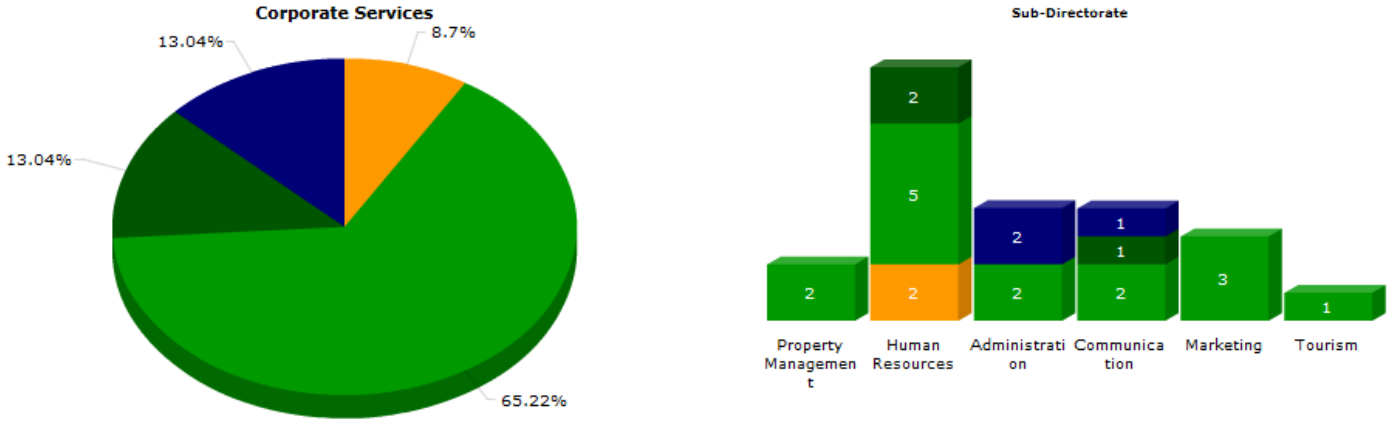
iii) Corporate Services

Corporate Services consists of the following divisions:

- Director: Corporate Services
- Administration

- Communication
- Human Resource
- Marketing
- Tourism
- Property Management

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN CORPORATE SERVICES



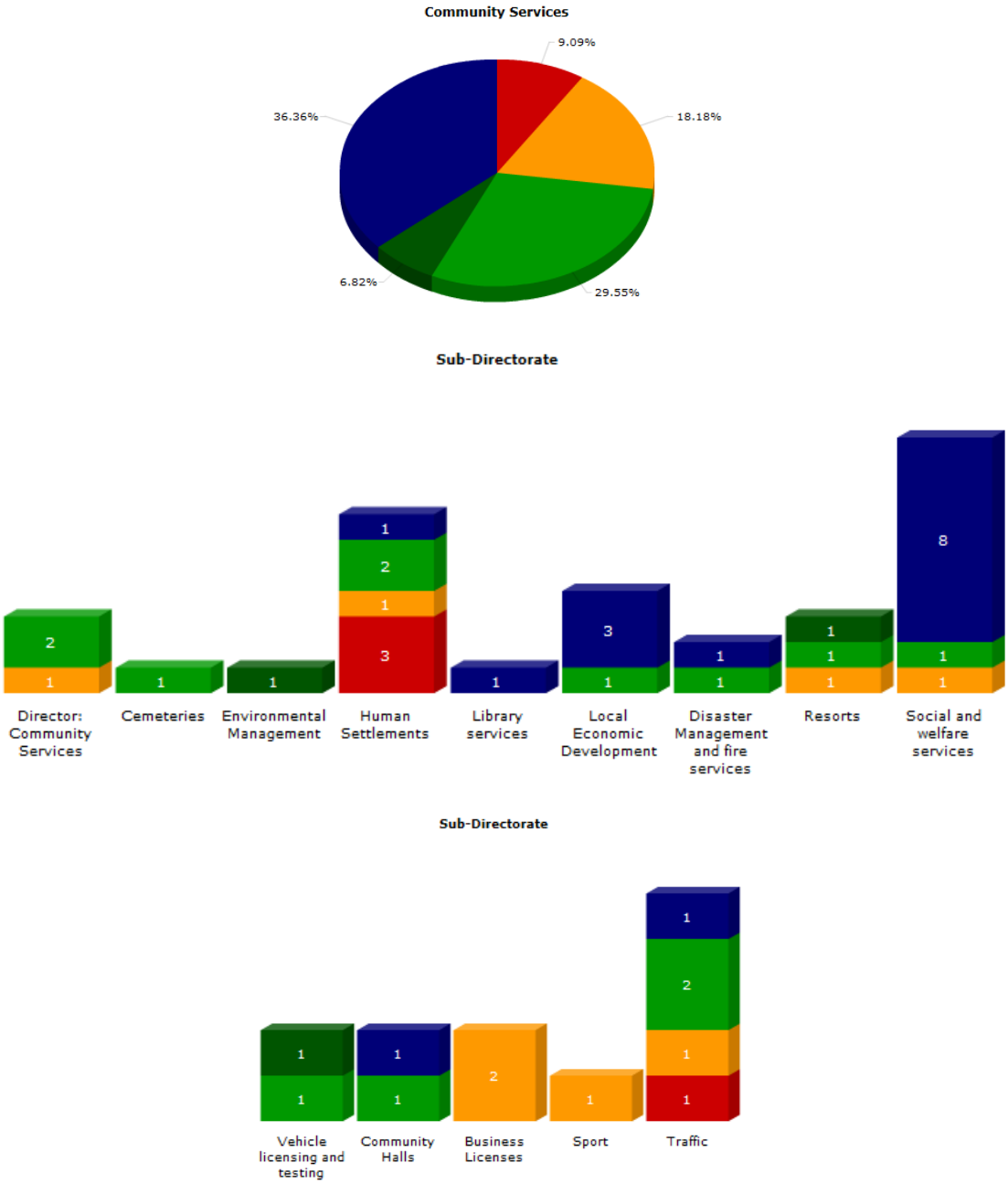
Graph 17: Functional Performance – Corporate Services

iv) Community Services

Community Services consists of the following divisions:

- Director: Community Services
- Cemeteries
- Community Halls
- Environmental Management
- Human Settlements
- Library Services
- Local Economic Development
- Parks and Recreation
- Disaster Management and Fire Services
- Traffic
- Resorts
- Social & Welfare Services
- Business Licences
- Vehicle Licensing & Testing
- Sport

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN COMMUNITY SERVICES



Graph 18: Functional Performance – Community Services

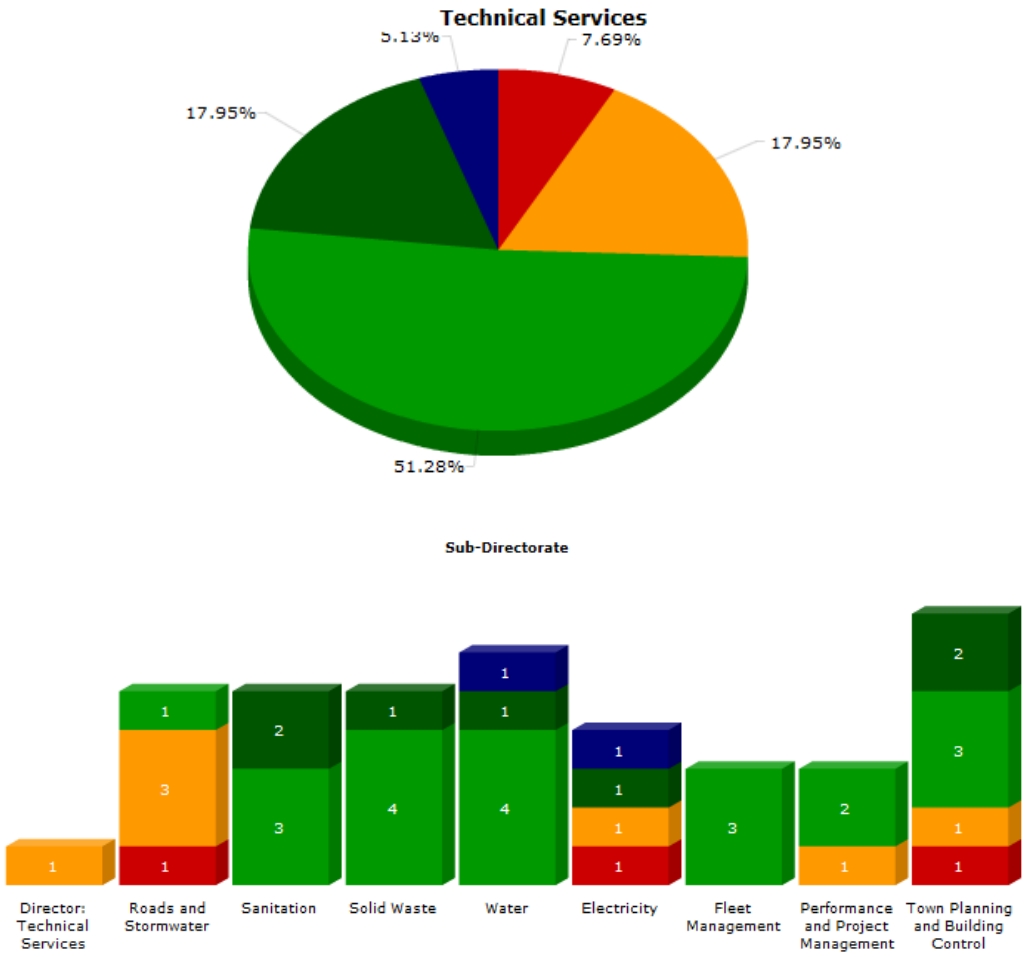
v) Technical Services

Technical Services consists of the following divisions:

- Director: Technical Services
- Roads and Storm water
- Sanitation
- Solid waste
- Water

- Electricity
- Fleet Management
- Performance & Project Management
- Town Planning & Building Control

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN TECHNICAL SERVICES



Graph 19: Functional Performance – Technical Services

3.1.9 5 YEAR CORPORATE SCORECARD: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES

The main development and service delivery priorities for 2013/14 forms part of the Municipality's 5 Year Corporate Scorecard and are indicated in the table below:

Muni-cipal KPA	Strategic Objective	Five-Year Corporate Scorecard						
		Key Performance Indicator	Baseline 2011/12	Proposed Targets				
				2012/13	2013/14	2014/15	2015/16	2016/17

Muni-cipal KPA	Strategic Objective		Five-Year Corporate Scorecard							
			Key Performance Indicator		Baseline 2011/12	Proposed Targets				
						2012/13	2013/14	2014/15	2015/16	2016/17
Developing Integrated & Sustainable Human Settlements	1.1	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development.	1A	Percentage of budget spend on repairs and maintenance.	99%	99%	99%	99%	99%	99%
			1B	Percentage compliance with drinking water quality standards.	95%	97%	97%	97%	97%	97%
			1C	Percentage spend of capital budget.	92%	94%	95%	96%	97%	97%
			1D	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	New	< 2%	< 2%	< 2%	< 1%	< 1%
			1E	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	New	< 2%	< 2%	< 2%	< 1%	< 1%
			1F	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	New	< 2%	< 2%	< 2%	< 1%	< 1%
			1G	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	New	< 2%	< 2%	< 2%	< 1%	< 1%
			1H	The number of jobs created through municipality's local economic development initiatives including capital projects	292	320	350	370	400	420
	1.2	Promote a sustainable environment through the efficient utilization of resources.	1I	Decrease unaccounted water losses.	37%	32%	29%	26%	23%	21%

Muni-cipal KPA	Strategic Objective		Five-Year Corporate Scorecard							
			Key Performance Indicator		Baseline 2011/12	Proposed Targets				
						2012/13	2013/14	2014/15	2015/16	2016/17
			1J	Decrease unaccounted electricity losses.	8%	8%	8%	8%	8%	8%
	1.3	Ensure mobility through an effective transport infrastructure.	1K	Kilometres of roads upgraded & rehabilitated.	9.5km	7.2 km	3.5 km	2.6 km	2.3 km	0 km
	1.4	Expand staff & capital resources in law enforcement & emergency services to provide improved services to all, especially the most vulnerable communities.	1L	Community Satisfaction survey (Score 1-5) - safety & security.	New	2	3	3	4	4
	1.5	Provide for the needs of informal settlements through improved services.	1M	Provide basic services - number of informal areas with sufficient communal water service points (taps).	New	2	2	2	2	2
			1N	Provide basic services - number of informal areas with sufficient communal sanitation service points (toilets).	New	2	2	2	2	2
			1O	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	New	2	2	2	2	2
			1P	Number of subsidised electricity connections installed.	New	476	0	860	0	860
	1.6	Provide facilities that make citizens feel at home.	1Q	Customer satisfaction survey (Score 1-5) - community facilities.	New	2	3	3	4	4

Muni-cipal KPA	Strategic Objective		Five-Year Corporate Scorecard							
			Key Performance Indicator		Baseline 2011/12	Proposed Targets				
						2012/13	2013/14	2014/15	2015/16	2016/17
Financial Sustainability	2.1	Ensure financial prudence, with clean audits by the Auditor General.	2A	Opinion of the Auditor-General.	New	Unqualified	Unqualified	Unqualifie d	Unqualifie d	Unqualifie d
			2B	Financial viability expressed as Debt-Coverage ratio	17.1	16	16	16	16	16
Good Governance, Communication & Institutional Development.	3.1	Maximise the use of available funding & programmes for training & skills development.	3A	Percentage budget spent on implementation of Workplace Skills Plan.	100%	97%	98%	99%	99%	100%
	3.2	Ensure responsiveness by creating an environment where citizens can be communicated with & responded to.	3B	Number of IDP community meetings held.	12	14	14	14	14	14
	3.3	Ensure a transparent & corruption-free government.	3C	Number of PRAC meetings held.	5	5	5	5	5	5
	3.4	Establish an efficient & productive administration that prioritises delivery.	3D	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the Employment Equity Plan.	New	75%	78%	80%	82%	85%
Local Economic Development	4.1	Create an enabling environment to attract investment that generates economic growth & job creation.	4A	Percentage of building plans approved within statutory timeframes (30-60 days)	82%	85%	87%	89%	90%	91%

Muni-cipal KPA	Strategic Objective		Five-Year Corporate Scorecard							
			Key Performance Indicator		Baseline 2011/12	Proposed Targets				
						2012/13	2013/14	2014/15	2015/16	2016/17
	4.2	Leverage the municipality's assets to drive economic growth & sustainable development.	4B	Revisit Municipal Land Audit and draw up an implementation plan.	New	Appoint Property Officer	Develop Implementation Plan	Implement Phase 1	Implement Phase 2	Implement Phase 3
Social Development	5.1	Providing a safety net for vulnerable communities.	5A	Number of account holders subsidised through the municipality's Indigent Policy	3968	3900	3850	3800	3750	3700
	5.2	Provide access to social services for those who need it.	5B	Number of social development programmes implemented.	New	13	15	17	19	20
	5.3	Ensure increased access to innovative human settlements for those who need it.	5C	Number of housing opportunities provided per year.	0	260	270	300	340	370
	5.4	possible sale or transfer of rental stock to identified beneficiaries, using	5D	Number of Rental Stock transferred	New	250	300	350	400	450
Strategic Partnerships & International Relations.	6.1	To improve safety & security through partnerships.	6A	Number of meetings held with SAPS	New	4	6	7	8	8
	6.2	To maintain & strengthen Inter Governmental Relations with provincial & national departments.	6B	Number of meetings conducted with other state departments.	New	6	8	10	10	12

Table 91: Service Delivery Priorities for 2013/14

3.1.10 OVERVIEW OF PERFORMANCE PER WARD

a) Ward 1 & 12: N'duli

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	Upgrading Sport facilities	February 2013	October 2013	607 836
2	Upgrading Polo Cross Hall	February 2013	February 2014	789 473
The above analysis includes only the 2 largest capital projects of the ward				

Table 92: Capital projects of N'duli, Wards 1 & 12

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery (1373 formal & 832 informal)	2 205	2 205	2 205	2 205	
Households without minimum service delivery	0	0	0	0	
Total Households*	**2 205**	**2 205**	**2 205**	**2 205**	
Houses completed in year					0
Shortfall in Housing units					1 186
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 93: Basic Service Provision: N'duli, Wards 1 & 12

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
1	Stormwater network	Regular maintenace took place and project to upgrade to be implemented in 2013/14
2	Street lights, and electrical failures due to illegal connections	Regular maintenace took place and project to upgrade to be implemented in 2014/15
3	Ablution facilities for informal areas	Included in 2012/13 budget but community requested that the project should not be implemented. Consultation ongoing to implement in 2013/14
4	Water sewer network management/maintenance	Regular maintenace took place and project to upgrade to be implemented in 2013/14

Table 94: Top four service delivery priorities for N'duli, Wards 1 & 12

b) Ward 3 & 5: CERES

Capital Projects

No.	Project Name and detail	Start Date	End Date	Total Value R
1	Upgrading of Pine Forest Resort equipment	July 2012	June 2013	144 446
2	Upgrading Traffic Department building	January 2013	July 2013	234 291
3	Upgrading Lyelstr sport facilities (only planning)	February 2013	March 2014	706 873
4	Upgrading Municipal Offices	February 2013	June 2013	198 312
5	Bulk water supply for Hamlet (Koekedouw upgrade)	October 2012	August 2013	11 500 000
The above analysis includes only the 5 largest capital projects of the ward				

***Table 95:** Capital projects of Ceres, wards 3 & 5*

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2 946	2 946	2 946	2 946	
Households without minimum service delivery	0	0	0	0	
Total Households*	**2 946**	**2 946**	**2 946**	**2 946**	
Houses completed in year					0
Shortfall in Housing units (Ceres & Bella Vista)					1 842
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

***Table 96:** Basic Service Provision: Ceres, wards 3 & 5*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
1	Maintenance and upgrade of stormwater	Regular maintenance ongoing
2	Poor quality/antiquated street lights	Regular maintenance ongoing
3	Upgrade of water network	Regular maintenance ongoing
4	Sidewalks to be upgraded/maintained – pedestrians	Regular maintenance ongoing

***Table 97:** Top four service delivery priorities for Ceres, wards 3 & 5*

c) Ward 4 & 6: Bella Vista

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	New playgrounds & upgrade of parks	February 2013	February 2014	2 243 786
2	Drainage at sportsground	October 2012	February 2013	104 275
The above analysis includes only the 2 largest capital projects of the ward				

***Table 98:** Capital projects of Bella Vista, wards 4 & 6*

Basic Service Provision

Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	2 602	2 602	2 602	2 602	
Households without minimum service delivery	0	0	0	0	
Total Households*	**2 602**	**2 602**	**2 602**	**2 602**	
Houses completed in year					0
Shortfall in Housing units (Ceres & Bella Vista)					1 842
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 99: ***Basic Service Provision: Bella Vista, wards 4 & 6***

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2011/12**
1	Traffic control/ Speed calming	Speedbumps constructed
2	Maintenance of parks and open spaces	Regular maintenance, project to upgrade certain parks implemented for 2013/14
3	Water and electrical losses	Ongoing maintenance and management programme
4	Sidewalks to be upgraded/maintained – pedestrians	Regular maintenance

Table 100: ***Top four service delivery priorities for Bella Vista, wards 4 & 6***

d) Ward 4 & 10: Prince Alfred's Hamlet

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	Upgrading of parks & open spaces	February 2013	February 2014	2 694 930
2	New swimming pool	October 2012	September 2013	5 898 218
3	Develop 178 serviced sites at Phase 5	March 2013	October 2013	4 548 000
4	New sewer network at Hamlet Station	October 2012	August 2013	1 548 000
5	Bulk water provision (upgrade of Koekedouw & link)	October 2012	December 2013	15 500 000
The above analysis includes only the 5 largest capital projects of the ward				

Table 101: ***Capital projects of Prince Alfred's Hamlet, wards 4 & 10***

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery (1602 formal & 178 informal)	1 780	1 780	Eskom	1 780	
Households without minimum service delivery	0	0	0	0	
Total Households*	**1 780**	**1 780**	**Eskom**	**1 780**	
Houses completed in year					0

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Shortfall in Housing units					1 225
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 102: ***Basic Service Provision: Prince Alfred's Hamlet, wards 4 & 10***

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
1	Sidewalks to be upgraded/maintained – pedestrians	New sidewalks in Waboom and Reid street completed and project planned for 2014/15
2	Traffic control/Speed calming	Speedbump constructed at Oppi-koppi creche
3	Unemployment	Local labour included in various projects
4	Street lights, and electrical failures due to illegal connections	Electrical network upgraded at Phase 5 informal settlement

Table 103: ***Top four service delivery priorities for Prince Alfred's Hamlet, wards 4 & 10***

e) Ward 9: Op-die-Berg

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	Develop 250 low-cost housing sites	February 2013	August 2013	8 600 000
2	Upgrade sewer works	October 2012	June 2013	2 851 464
3	Upgrade sport facilities	June 2012	February 2013	256 310
The above analysis includes only the 3 largest capital projects of the ward				

Table 104: ***Capital projects of Op-Die-Berg, ward 9***

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	361	361	Eskom	361	
Households without minimum service delivery	0	0	0	0	
Total Households*	**361**	**361**	**Eskom**	**361**	
Houses completed in year					0
Shortfall in Housing units					570
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 105: ***Basic Service Provision: Op-Die-Berg, ward 9***

Top Three Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2011/12**

Top Three Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2011/12**
1	Upgrade of roads	Certain rodas to be surfaced in 2013/14
2	Street lights, and electrical failures due to illegal connections	Maintenance on streetlights, electrical failures reported to Eskom
3	Sports and recreation facilities	New netball courts constructed and ablution facilities planned for 2013/14

Table 106: ***Top three service delivery priorities for Op-Die-Berg, ward 9***

f) Ward 7 & 11: Tulbagh

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	Develop 476 low-cost serviced sites	August 2011	March 2013	21 420 000
2	Construct 476 low-cost houses	January 2013	February 2014	33 320 000
3	Bulk services & surfaced roads for low-cost housing	August 2011	October 2013	21 500 000
4	Upgrade water treatment works	August 2012	June 2013	7 732 000
5	Upgrade Meiringsingel pumpstation	July 2012	February 2013	2 365 300
6	Upgrade Tulbagh Roads	October 2012	Nov 2013	4 500 000
The above analysis includes only the 6 largest capital projects of the ward				

Table 107: ***Capital projects of Tulbagh, wards 7 & 11***

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery (2262 formal & 288 informal)	2 550	2 550	2 550	2 550	
Households without minimum service delivery	0	0	0	0	
Total Households*	**2 550**	**2 550**	**2 550**	**2 550**	
Houses completed in year (166 houses & 49 serviced sites)					215
Shortfall in Housing units					1 374
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 108: ***Basic Service Provision: Tulbagh, wards 7 & 11***

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
1	Resealing and rehabilitation of streets	Waterkant, Buitekant and new housing development roads upgraded and re-surfaced
2	Maintenance and upgrade of storm water	Stormwater upgraded with construction of roads and regular maintenance

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
3	Traffic services	Traffic services implemented according to programme
4	Sports and recreation facilities	Facilities upgraded and to be compleed in 2013/14

Table 109: ***Top four service delivery priorities for Tulbagh, wards 7 & 11***

g) Ward 2 & 7: Wolseley

Capital Projects				
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value R**
1	Upgrading sport facilities (Pine Valley soccerfield)	February 2013	April 2014	2 747 334
2	Surfacing of Pine Valley roads	July 2012	September 2012	4 145 101
3	Upgrade sewer works	July 2012	March 2013	3 477 661
4	Upgrade Voortrekkerstr (contribution)	June 2011	April 2013	2 400 000
5	Urban renewal (Montana, Pine Valley)	March 2012	April 2013	1 750 438
The above analysis includes only the 5 largest capital projects of the ward				

Table 110: ***Capital projects of Wolseley, wards 2 & 7***

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery (2891 formal & 236 informal)	3 127	3 127	3 127	3 127	
Households without minimum service delivery	0	0	0	0	
Total Households*	**3 127**	**3 127**	**3 127**	**3 127**	
Houses completed in year					0
Shortfall in Housing units					1 668
Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Table 111: ***Basic Service Provision: Wolseley, wards 2 & 7***

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/13**
1	Maintenance and upgrade of stormwater	Regular maintenance and Voortrekker Street stormwater upgraded
2	Resealing and rehabilitation of streets	Roads in Pine Valley surfaced and regular maintenance
3	Speed calming	Regular maintenance and law enforcement
4	Poor quality/antiquated street lights	Regular maintenance of street lights

Table 112: ***Top four service delivery priorities for Wolseley, wards 2 & 7***

3.1.11 SERVICE PROVIDERS STRATEGIC PERFORMANCE

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 therefore this report contains no such details. 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:

a) Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
b) 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.
c) The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.
d) 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.

3.1.12 MUNICIPAL FUNCTIONS

a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No (support)
Electricity and gas reticulation	Yes

Municipal Function	Municipal Function: Yes / No
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 waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes

Municipal Function	Municipal Function: Yes / No
Traffic and parking	Yes

Table 113: Functional Areas

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.2 WATER PROVISION

3.2.1 INTRODUCTION

The Water services department is responsible for the bulk supply, treatment and distribution of safe drinking water to Tulbagh, Wolseley, Ceres, Prince Alfred Hamlet and Op-die-Berg. All the towns within Witzenberg has Blue Drop status, and we also scored in the top ten nationally.

3.2.2 HIGHLIGHTS

Highlights	Description
Kleinberg River pipeline	Completion of the bulk water supply pipeline
Unaccounted water	Decrease the unaccounted water from 34% to 21.69%

Table 114: Water Services Highlights

3.2.3 CHALLENGES

Challenges	Description
Informal areas	More standpipes, awareness campaigns
Water Demand Management	Implement the Water Demand Management Strategy. Awareness of water saving
Supply in rural areas	Service agreements with land owners.

Table 115: Water Services Challenges

3.2.4 WATER SERVICE DELIVERY LEVELS

Total Use of Water by Sector (cubic meters)

Year	All	Unaccountable water losses
	Cubic meters	

Year	All	Unaccountable water losses
	Cubic meters	
2011/12	6 666 784	2 289 674
2012/2013	6 786 705	1 472 036

Table 116: Total use of water by sector (cubic meters)

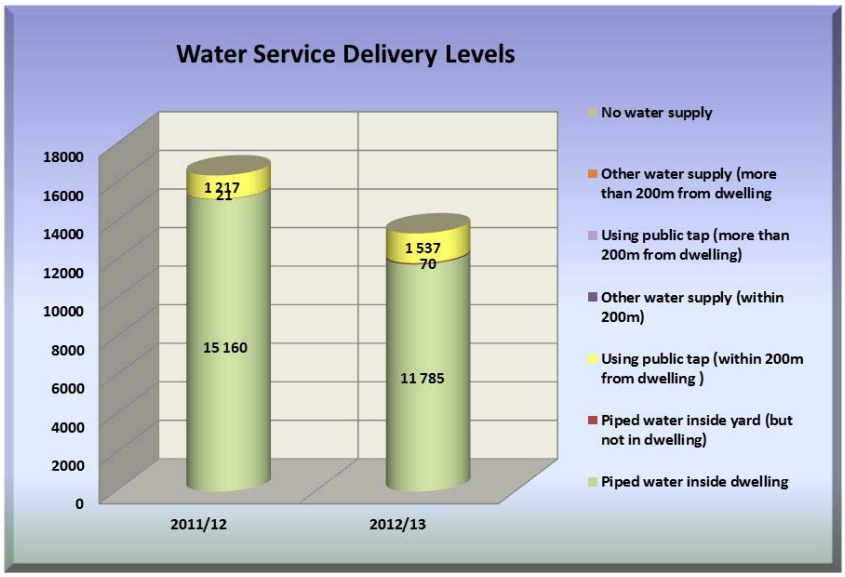
Water losses decreased from 2 289 674 (34.34%) in the 2011/12 financial year to 1 472 036 (21.69%) in the 2012/13 financial year.

Below is a table that specifies the different water service delivery levels per households for the financial years 2011/12 and 2012/13: Note that the 2011/12 "piped water inside dwelling" number is made up of accounts and not a true reflection of households. Other figures are for households. The figures exclude rural areas.

Description	2011/12	2012/13
	Actual	Actual
Household		
***Water:* (above minimum level)**		
Piped water inside dwelling	15 160	11 785
Piped water inside yard (but not in dwelling)	21	70
Using public tap (within 200m from dwelling)	1 217	1 537
Other water supply (within 200m)	0	0
Minimum Service Level and Above Sub-total	**16 398**	**13 392**
Minimum Service Level and Above Percentage	**100**	**100**
***Water:* (below minimum level)**		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling	0	0
No water supply	0	0
Below Minimum Service Level Sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0**	**0**
Total number of households (formal and informal)	**16 398**	**13 392**
Formal households calculated based on accounts issued (excluding informal households which is actual households)		

Table 117: Water service delivery levels

The graph below shows the different water service delivery levels per total households and the progress per year:



Graph 20: Water Service Delivery Levels

3.2.5 SERVICE DELIVERY INDICATORS: WATER SERVICES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1B	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Percentage compliance with drinking water standards.	New performance indicator for 2012/13. No comparatives available	97%	100%
1D	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	New performance indicator for 2012/13. No comparatives available	2%	0%
1I	Promote a sustainable environment through the efficient utilization of resources	Effective management of water provisioning systems to limit unaccounted water	New performance indicator for 2012/13. No comparatives available	32%	21%
1M	Provide for the needs of informal settlements through improved services	Provide basic services - number of informal areas with sufficient communal water service points (taps).	New performance indicator for 2012/13. No comparatives available	2	2

Table 118: Service delivery indicators: Water services

3.2.6 EMPLOYEES: WATER SERVICES

Employees: Water Services Services*				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

	No.	No.	No.	%
0 - 3	30	30	0	0
4 - 6	1	1	0	0
7 - 9	17	17	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
Total	**49**	**49**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 119: Employees: Water Services

3.2.7 CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R' 000					
Total All	**23 991**	**26 095**	**25 289**	**3%**	**25 289**
Tulbagh Bulk & link water supply for low-cost housing	144	1 352	1 352	0%	1 352
Tulbagh WTW, and link pipeline	7 500	7 799	7 732	1%	7 799
Bulk water provision PAH	7 017	11 417	10 829	5%	15 500
Bulk water Kleinberg Tulbagh pipeline	3 508	2 091	2 044	2%	7 500
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 120: Capital Expenditure 2012/13: Water Services

3.3 WASTE WATER (SANITATION) PROVISION

3.3.1 INTRODUCTION

The sewerage section delivers a service to all the towns within Witzenberg, which includes the networks, treatment works as well as a tanker service to Prince Alfred Hamlet and the rural areas. The town of Ceres has Green Drop status, with all the other towns scoring very high. Nationally we also scored in the top ten.

3.3.2 HIGHLIGHTS

Highlights	Description
Upgrade of Wolseley and Op-die-Berg Waste Water Treatment Works	The Waste Water Treatment Works of Wolseley and Op-die-Berg was upgraded in the 2012/2013 financial year

Table 121: Sanitation Services Highlights

3.3.3 CHALLENGES

Challenges	Description
Informal areas	More toilets and awareness
Upgrade of the Waste Water Treatment Works	Upgrade of the Waste Water Treatment Works to achieve Green Drop status and to accommodate industrial effluent.

Table 122: Sanitation Services Challenges

3.3.4 SANITATION SERVICE DELIVERY LEVELS

Below are a table that specifies the different sanitation service delivery levels per households for the financial years 2011/12 and 2012/13: Note that the 2011/12 "flushed toilet" number is made up of accounts and not a true reflection of households. Other figures are for households. The figures exclude rural areas.

Description	2011/12	2012/13
	Actual	Actual
Household		
Sanitation/sewerage: **(above minimum level)**		
Flush toilet (connected to sewerage)	16 377	11 059
Flush toilet (with septic tank)	352	726
Chemical toilet	41	71
Pit toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	0	0
Minimum Service Level and Above Sub-total	**16 770**	**11 856**
Minimum Service Level and Above Percentage	**100**	**100**
Sanitation/sewerage: **(below minimum level)**		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level Sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0**	**0**
Total number of households (formal and informal)	**16 770**	**11 856**

Description	2011/12	2012/13
	Actual	Actual
Household		
Formal households calculated based on accounts issued (excluding informal households which is actual households)		

Table 123: Sanitation service delivery levels

The graph below shows the different sanitation service delivery levels per total households and the progress per year:

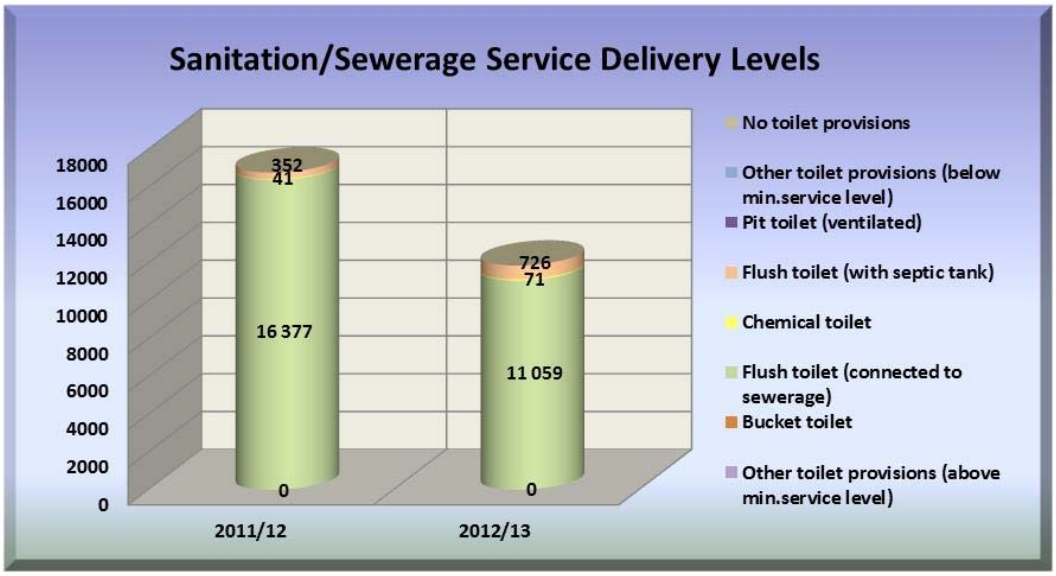


Table 124: Sanitation/Sewerage Service Delivery Levels

3.3.5 SERVICE DELIVERY INDICATORS: SANITATION SERVICES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1E	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	New performance indicator for 2012/13. No comparatives available	2%	0%
1N	Provide for the needs of informal settlements through improved services	Provide basic services - number of informal areas with sufficient communal sanitation service points (toilets).	New performance indicator for 2012/13. No comparatives available	2	2

Table 125: Service delivery indicators: Water services

3.3.6 CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	2012/13

	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R' 000					
Total All	**12 085**	**16 779**	**16 503**	**1%**	**16 503**
ODB sewer works	2 500	2 851	2 851	0%	2 851
Meiringsingel pumpstation Tulbagh	1 500	2 388	2 365	1%	2 365
Wolseley WWTW uograde	4 000	3 508	3 477	1%	3 477
Extension sewer network Hamlet Station	1 150	1 537	1 448	6%	1 548
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 126: Capital Expenditure 2012/13: Sanitation Services

3.4 ELECTRICITY

3.4.1 INTRODUCTION

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

All erven within the boundaries of Witzenberg Municipality has access to electricity. Eskom supplies electricity to Op-Die-Berg, Prince Alfred Hamlet and the rural areas inclusive of the 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's policy. However servicing informal settlement with electricity is a never-ending struggle. New low cost housing developments for 2013/2014 is 200 houses for Pine Valley (Wolseley), 350 for Bella Vista (Ceres) and 2900 households for 2014 onwards. The Electricity Master Plan for Ceres, Wolseley and Tulbagh was developed in 2011.

Local Government plays a very important 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
Chris Hani, Helpmekaar housing project	MV, LV and street lighting networks for 378 topstructures
Roll-out of GIS for revenue protection	GIS can now be used to monitor low consumption accounts and billing discrepancies in order to monitor and reduce unaccounted for energy purchases

Highlights	Description
Implementation of planned maintenance plan	The plan is designed to guide personnel carrying out maintence work and record maintenance done
Upgrade of MV supply to Wolseley industrial area	Installation of MV lines, cables and switchgear to improve quality of supply to the industrial area in Wolseley
Installation of bulk energy meters in distribution substations in Wolseley and verification of sales data	Meters are used to measure energy sent out so that the sales can be checked to ensure minimum losses

Table 127: Electricity Highlights

3.4.3 CHALLENGES

Challenges	Description
Sufficient planned maintenance for optimal operation and maintenance of assets	Lack of suitable human and other resources (such as old vehicles that are uneconomical to repair) to carry out effective planned maintenance
Provision of adequate MV network capacity to meet the demands of industry and housing projects	Capital funding for external bulk supply to subsidised housing projects within a distance up to 3 kolometers from an existing supply are not funded by the INEP. Own funds for MV distribution networks are not available

Table 128: Electricity Challenges

Major towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Ceres	34	1	35
Wolseley	4.5	0	4.5
Tulbagh	3.5	0	3.5

Table 129: Electricity Notified Maximum Demand

The energy losses for the 2011/12 financial year was **8.54%** whilst the losses in the 2012/2013 financial year was **8.37%.** The percentages indicate that losses are well maintained and managed within the national benchmark of 10%. Management processes are, however, on-going to achieve an even lower rate of losses.

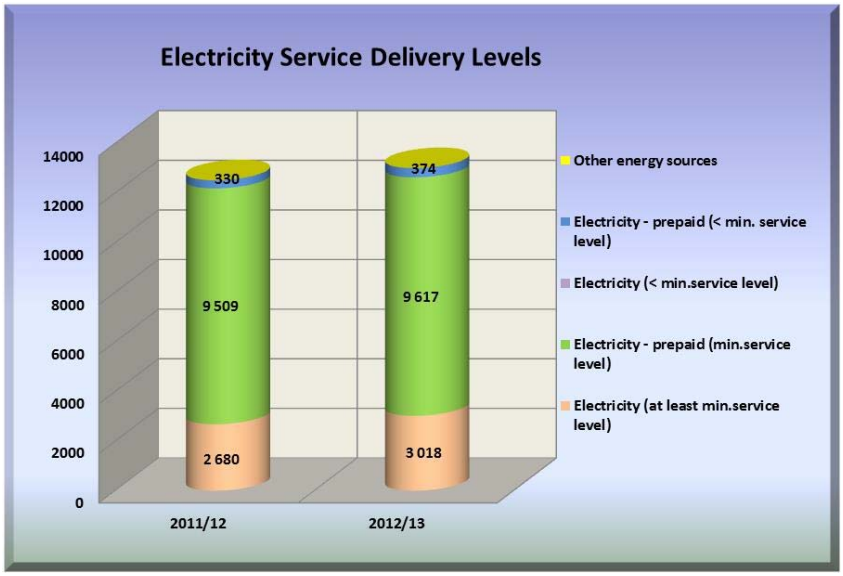
3.4.4 ELECTRICITY SERVICE DELIVERY LEVELS

Description	2011/12	2012/13
	Actual	Actual
Household		
Energy:* (above minimum level)		
Electricity (at least minimum service level)	2 680	3 018
Electricity - prepaid (minimum service level)	9 509	9 617
Minimum Service Level and Above Sub-total	**12 189**	**12 635**
Minimum Service Level and Above Percentage	**94**	**93.03**

Description	2011/12	2012/13
	Actual	Actual
Household		
***Energy:* (below minimum level)**		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	746	506
Below Minimum Service Level Sub-total	**746**	**440**
Below Minimum Service Level Percentage	**6**	**6.97**
Total number of households (formal and informal)	**12 935**	**13 581**
**The 2011/12 and 2012/13 "households above minimum level (not pre-paid) "number is made up of accounts and not a true reflection of households. The actual for below minimum level are households without an electricity connection in the informal settlements. Dept. of Energy does not fund these connections if households are not on a formalised plot.*		

Table 130: Electricity service delivery levels

The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 21: Electricity Service Delivery Levels

3.4.5 SERVICE DELIVERY INDICATORS: ELECTRICITY

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1F	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	New performance indicator for 2012/13. No comparatives available	2%	0%

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1J	Promote a sustainable environment through the efficient utilization of resources	Management of electricity losses	New performance indicator for 2012/13. No comparatives available	8%	8%
1P	Provide for the needs of informal settlements through improved services	Number of subsidised electricity connections installed.	New performance indicator for 2012/13. No comparatives available	476	157

Table 131: Service delivery indicators: Electricity

3.4.6 EMPLOYEES: ELECTRICITY

Employees: Electricity				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	23	23	0	0
4 - 6	6	6	0	0
7 - 9	2	2	0	0
10 - 12	9	9	0	0
13 - 15	1	1	0	0
Total	**41**	**41**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 132: Employees: Electricity

3.4.7 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**3 925**	**3 343**	**3 311**	**1%**	**3 311**
Network Chris Hani	2 200	1 052	1 052	0%	1 052
Street lighting Chris Hani 600	870	870	870	0%	870
11 kV supply Industrial area Wolseley	400	400	375	6%	400

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Remote metering	200	200	197	1%	200
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Table 133: Capital Expenditure 2012/13: Electricity Services

3.5 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

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 and has as its goal the transformation of waste management collection and disposal to a sustainable practice focusing on waste avoidance and environmental sustainability. Witzenberg have a 100% refuse removal at least once a week by kerbside collection . A standard collection plan were implemented where collection in each town takes place on separate days.

We also employed temporary labourers from communities for street cleaning. Services were rendered to formal and informal settlements and includes: Black bag and green bag system, public awareness, waste disposal (landfill sites), cleansing and public toilets & skips (garden refuse).

3.5.2 HIGHLIGHTS

Highlights	Description
Greenbags (garden)	Weekly (two bag system)
First runner up (waste management)	Greenest town competition
Integrated waste management plan	Sector plan in IDP
National outcome 10 target	80% licenced waste sites

Table 134: Refuse removal service Highlights

3.5.3 CHALLENGES

Challenges	Description
Rehabilitation of landfill site (Ceres)	Budget in excess of R6 million
Reporting accurate waste (DEADP)	Lack of weighbridge
Regional landfill site (WCDM)	Transfer stations

Challenges	Description
Solid waste tariff structure	Guidelines for solid waste tariff structure (DEA)

Table 135: ***Refuse removal service Challenges***

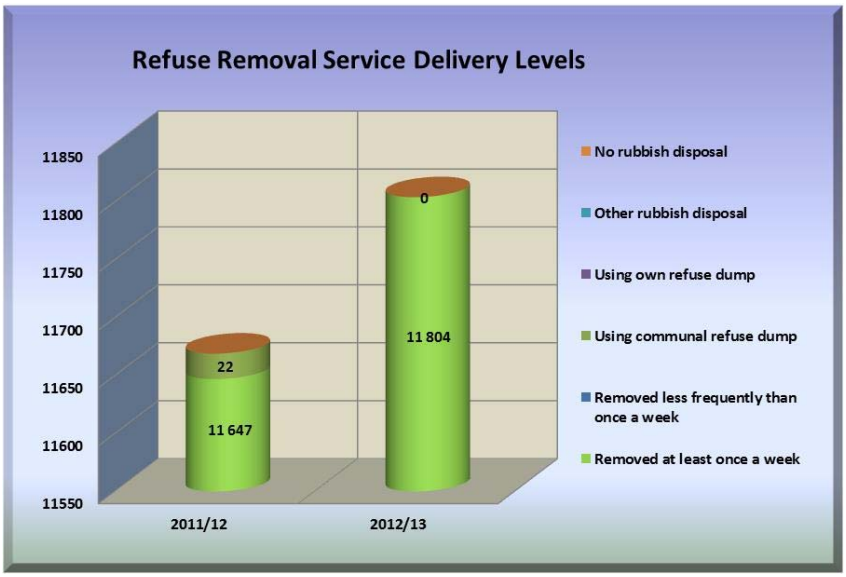
3.5.4 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS

The table below indicates the different refuse removal service delivery level standards of the Municipality:

Description	2011/12	2012/13
	Outcome	Actual
Household		
Refuse Removal: **(Minimum level)**		
Removed at least once a week	11 647	11 804
Minimum Service Level and Above Sub-total	**11 647**	**11 804**
Minimum Service Level and Above Percentage	**100**	**100**
Refuse Removal: **(Below minimum level)**		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level Sub-total	**0**	**0**
Below Minimum Service Level percentage	**0**	**0**
Total number of households (formal and informal)	**11 647**	**11 804**
****Formal households calculated based on accounts issued (excluding informal households which is actual households)***		

Table 136: ***Refuse removal service delivery levels***

The graph below shows the different refuse removal service delivery levels per total households and the progress per year:



Graph 22: Refuse Removal Service Delivery levels

3.5.5 SERVICE DELIVERY INDICATORS: REFUSE REMOVAL SERVICE

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1G	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Number of outstanding valid applications for waste removal services expressed as a % of total number of billings for the service.	New performance indicator for 2012/13. No comparatives available	2%	0%
1O	Provide for the needs of informal settlements through improved services	Provide basic services - number of informal areas receiving a door-to-door refuse collection and area-cleaning service.	New performance indicator for 2012/13. No comparatives available	2	2

Table 137: Service delivery indicators: Refuse removal service

3.5.6 EMPLOYEES: REFUSE REMOVAL SERVICE

Employees: Refuse removal service				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	74	74	0	0
4 - 6	4	4	0	0
7 - 9	14	14	0	0
10 - 12	1	1	0	0

Employees: Refuse removal service				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
13 - 15	0	0	0	0
Total	**93**	**93**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 138: Employees: Refuse removal service

3.5.7 CAPITAL EXPENDITURE – REFUSE REMOVAL SERVICE

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**500**	**500**	**347**	**30%**	**500**
Equipment	360	342	342	0%	342
Landfill sites permit conditions	120	152	0	100%	152
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					

Table 139: Capital Expenditure 2012/13: Refuse removal service

3.6 HOUSING

3.6.1 INTRODUCTION

In terms of the national objective for the provision of housing, the municipality as a developer are only dependant on the annual allocation from the Provincial Department of Housing and does not have a budget for housing of our own.

Access to basic services are a priority and the municipality have no backlog in providing these basic services because all informal and formal settlements are already serviced.

An amount of R2.5 million were made available from the Department of Human Settlements for provision of additional water taps and toilets as part of their ABS Program for informal settlements, but unfortunately the effected communities rejected these opportunities because they prefer houses to be build instead of the additional water taps and toilets.

Due to the annual DORA allocation, based on R110 000 per subsidy approved per individual, we will never be able to eradicate the housing backlog in Witzenberg.

Acceleration of our projects in the past and current provincial financial year enabled us to receive additional funding.

In the 2012/13 financial year we also expierenced a setback in underspending, due to unrest in the Tulbagh Housing Project and a community objection on the Op-die-Berg Project. This resulted in targets not being achieved and funding not being spend.

The department's view is that only service sites must be provided before the construction of top structures. This will enable more people to get access to a piece of land because the cost of a serviced site is much lower than a complete house.

A major challenge is the unflux controll into the informal areas.

For the last 5 years the municipality only concentrated on UISP projects (PAH, Wolseley and currently Tulbagh) and were priviledged to provide a site and topstructures.

Formalization of the informal settlements are thus one of our priorities and may result into people staying on formal sites and building their own houses.

A project for the formalization of the informal settlement consisting out of 177 serviced plots in Prince Alfred Hamlet is in progress and will give privacy of water and sanitation to these residents.

A Provincial Housing Database System has been implemented by the department as from 1 January 2011 and we are currently operating on the system to eliminate duplications and corruption.

3.6.2 HIGHLIGHTS

Highlights	Description
Provincial Ministerof Housing handed over title deeds in March 2013	• Completion of Wolseley 575 Project in November 2011 • Long completed projects in 2008 in Prince Alfred Hamlet and N'duli

Table 140: Housing Highlights

3.6.3 CHALLENGES

Challenges	Description
Influx control in informal settlements	Lack of staff capacity. Shacks are normally erected over weekends when staff are off duty. Occupants normally work during days when inspectorate are doing inspection and do not find them at home
Availbility of suitable land for the buidling of houses in the whole of Witzenberg	High cost of private land and farms especailly in the Tulbagh and Op-die-Berg areas
Address farmworkers housing need	In terms of the current policy, farmworkers are part of our total waiting lists
Transfer of rental stock to current tenants	Some of these units does not have registered rental agreements, specially where the parents died and the children cannot come to an agreement on who's name the contract must be signed. Tenants with

Challenges	Description
	huge outstanding debt are not keen to come forward to apply for the EEDBS subsidy

Table 141: Housing Challenges

3.6.4 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year end	Total households (including formal and informal settlements)
2011/12	1 660 (informal)
2012/13	**1 537 (informal)**

Table 142: Households with access to Basic Housing

The following table shows the **increase** in the number of people on the housing waiting list. There are currently approximately 7 865 applicants on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase
2011/12	7 513	5.4
2012/13	7 865	4.6

Table 143: Housing waiting list

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2011/12	0	0	0	0	0
2012/13	34 395	16 980	64	141	0

Table 144: Housing

3.6.5 SERVICE DELIVERY INDICATORS: HOUSING

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
5C	Ensure increased access to innovative human settlements for those who need it	Number of housing opportunities provided per year.	New performance indicator for 2012/13. No comparatives available	260	141
5D	Asses the possible sale or transfer of rental stock to identified beneficiaries, using established criteria	Number of Rental Stock transferred	New performance indicator for 2012/13. No comparatives available	250	7

Table 145: Service delivery indicators: Housing

3.6.6 EMPLOYEES: HOUSING

Employees: Housing				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	5	5	0	0
7 - 9	4	4	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
Total	**11**	**11**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 146: Employees: Housing

3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

Witzenberg acknowledges the fact that priority must be given to the basic needs of the community and that the social and economic development of the community is assisted 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 combined monthly income of less than **R 3 000.**

Household applies on 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 lapse, they need to apply again.

The aim of the indigent policy is to ensure a sound and sustainable manner to provide affordable basic services to the poor by means of assisting them financially within the legal framework of the powers and functions of the Municipality in order to improve the livelihood, in an effort to creating a prosperous Municipality free of poverty

3.7.1 ACCESS TO FREE BASIC SERVICES

The access to free basic services is summarised into the different services as specified in the following table:

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	%
2011/12	13 195	4 788	36	4 788	36	4 788	36	4 788	36
2012/13	13 338	4 126	31	4 126	31	4 126	31	4 126	31

Table 147: Free basic services to low income households

The object of this policy is to:

- Ensure a transparent, accountable and sustainable manner to assist the poor to access of basic services as defined in the policy;
- Ensure a sustainable manner to assist the poor with the graveyard 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 utilized as a contribution to poverty alleviation.

The qualification criteria for urban households in order to receive assistance are as follow:

- 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 the Municipality of Witzenberg;
- An application on the prescribe form, fully completed with the required information and signed, must be provided;
- No member of the household may own a fixed property other that the site on which the household resides; and
- The household joint gross income may not exceed R 3,000.00 per month.

The qualification criteria for old age homes in order to receive assistance are as follow:

- More 50% of the residence within the old age home must receive less than R 3,000.00 per month.
- The qualification criteria for electricity customers within the jurisdiction area of Witzenberg Municipality but in areas where the Municipality is not the supplier of electricity is that their connection may not exceed 20 Amps.

BENEFITS

- **Property rates**

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R 85,000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R 85,000 market value or the total valuation of property.

- **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 providers.

- **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

- **Graveyard costs**

A subsidy equal to 100% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household.

- **Transfer costs**

A subsidy equal to 100% of the amount charged for transferring the municipal services 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 as a result of death of the head of the household whilst approved as an Indigent household and the current registration is not in both parties name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the municipality.

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value R'000	No of HH	Exempt Valuation	Value R'000
2011/12	4 788	85 000	1 743	8 551	15 000	940
2012/13	4 126	85 000	1 304	9 212	15 000	1 022

Table 148: Property values exempted from rates for indigent households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value R'000	No of HH	Unit per HH (kwh)	Value R'000	No of HH	Unit per HH (kwh)	Value R'000
2011/12	4 788	50	1 743	9 439	0	0		50	710
2012/13	2 592	50	1 908	8 509	0	0	945	50	432

Table 149: Free basic Electricity services to indigent households

Water		
Financial year	Indigent Households	Non-indigent households

	No of HH	Unit per HH (kl)	Value R'000	No of HH	Unit per HH (kl)	Value R'000
2011/12	4 788	6	4 566	8 479	0	0
2012/13	4 126	6	4 725	9 193	0	0

Table 150: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value R'000	No of HH	Unit per HH per month	Value R'000
2011/12	4 788	143.30	6 936	8 513	0	0
2012/13	4 126	149.20	7 388	9 212	0	0

Table 151: Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value R'000	No of HH	Unit per HH per month	Value R'000
2011/12	4 788	1	7 668	8 008	0	0
2012/13	4 126	1	7 910	8 710	0	0

Table 152: Free basic Refuse Removal services to indigent households

COMPONENT B: ROAD TRANSPORT

3.8 ROADS

3.8.1 INTRODUCTION

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 done according to a schedule and data is recorded and prioritised for implementation. Limited and funding backlogs are the greatest challenge we face in maintaining the road network.

3.8.2 HIGHLIGHTS

Highlights	Description
Reconstruction Tulbagh Buitenkant Street	Total reconstruction of deteriorated road 170 meter, with new

Highlights	Description
	kerbing, stormwater systems and asphalt surfacing
Reconstruction Tulbagh Waterkant Street	Total reconstruction of deteriorated road 470 meter, with new kerbing, stormwater systems and asphalt surfacing
Reconstruction section Tulbagh Magnolia Street	Total reconstruction of deteriorated road 185 meter, with new kerbing, stormwater systems and paving surfacing
Reconstruction Tulbagh Rose Street	Total reconstruction of deteriorated road 185 meter, with new kerbing, stormwater systems and paving surfacing
New roads Tulbagh: Chris Hani Housing	New roads for low cost housing development, 4.7 kilometers with new kerbing, stormwater systems and asphalt paving
New main road Wolseley Voortrekker Street	Total reconstruction of deteriorated road 2 kilometers, with new kerbing, stormwater systems and asphalt surfacing

Table 153: Roads highlights

3.8.3 CHALLENGES

Challenges	Description
Funding backlogs	Pavement Management System 2010, all bituminous pavements, resealing and upgrading of roads amount to R52 million
Tulbagh roads	• Structural condition, 36% in poor and very poor • Surfacing condition, 11% in poor and very poor
Manpower/ Technical assistance	Only 1 technical assistant, Technician

Table 154: Roads challenges

3.8.4 SERVICE DELIVERY LEVELS: NEW ROADS AND MAINTENANCE OF EXISTING ROADS

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

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
2011/12	207.32	6.92	5.0	1.33	194.07
2012.13	212.04	4.72	0.17	0.41	206.74

Table 155: Tarred (Asphalted) 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
2011/12	5.97	0.57	2.2	5.97
2012/13	7.51	1.54	0	5.97

Table 156: Graveled roads

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
2011/12	21 341	2 412	998
2012/13	18 113	781	1 172

Table 157: ***Cost of construction/maintenance of roads***

3.8.5 SERVICE DELIVERY INDICATORS: ROAD SERVICES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1K	Ensure mobility through an effective transport infrastructure	Provision of municipal roads measured by the km of new road for previously un-serviced areas	New performance indicator for 2012/13. No comparatives available	7.2	6.8

Table 158: ***Service delivery indicators: Road services***

3.8.6 EMPLOYEES: ROAD SERVICES

Employees: Streets and Stormwater				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	20	20	0	0
4 - 6	11	11	0	0
7 - 9	6	6	0	0
10 - 12	2	2	0	0
13 - 15	1	1	0	0
Total	**40**	**40**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 159: ***Employees: Streets and Stormwater***

3.8.7 CAPITAL EXPENDITURE – ROAD SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**17 977**	**25 156**	**25 131**	**0%**	**25 131**

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Upgrade Tulbagh Roads	11 015	12 114	12 113	0%	12 113
Pine Valley, Wolseley roads surfacing	4 145	4 145	4 145	0%	4 145
Upgrade Voortrekkestr, Wolseley (contribution)	600	600	600	0%	600
Wolseley Urban renewal	0	1 199	1 195	0%	1 750
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Table 160: Capital Expenditure 2012/13: Road services

3.9 WASTE WATER (STORMWATER DRAINAGE)

3.9.1 INTRODUCTION

Currently the municipality does not have a Stormwater Master Plan. Maintenance and upgrading is done by way of scheduled inspections and prioritised accordingly for implementation. Cleaning of infrstructure is done according to program

3.9.2 HIGHLIGHTS

Highlights	Description
New main road Wolseley Voortrekker Street	New stormwater drainage systems
Reconstruction Tulbagh Waterkant Street	New underground stormwater systems diverting stormwater away from main road

Table 161: Stormwater highlights

3.9.3 CHALLENGES

Challenges	Description
Stormwater Master Plan	None
Manpower/Technical assistance	Only 1 technical assistant, Technician
Vandalism stormwater drainage	Covers being stolen for scrap
Trees damage stormwater pipes/sidewalks and roads	Trees with aggressive root systems

Table 162: Stormwater challenges

3.9.4 SERVICE DELIVERY LEVELS: INFRASTRUCTURE AND COST OF CONSTRUCTION/MAINTENANCE

a) Stormwater Infrastructure

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

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2011/12	133.10	1.603	0.100	18.277
2012/13	135.83	2.73	0.940	135.00

Table 163: Stormwater infrastructure

b) Cost of construction/Maintenance

The table below indicates the amount of money spend on stormwater projects:

Financial year	Stormwater measures	
	Capital	Maintained
	R'000	R'000
2011/12	794	522
2012/13	300	540

Table 164: Cost of construction/maintenance of stormwater systems

3.9.5 CAPITAL EXPENDITURE – STORMWATER SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**466**	**6 054**	**5 903**	**2%**	**5 903**
Bulk storm water Op-Die-Berg	0	1 669	1 669	0%	1 669
Op-Die-Berg Storm water	0	2 290	2 290	0%	2 290
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 165: Capital Expenditure 2012/13: Stormwater

COMPONENT C: PLANNING AND 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 section report to the Municipal Manager and is responsible for the development of the Integrated Development Plan and Process Plan. Tourism and Marketing are situated in the Directorate 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. The development of a Strategic Planning Unit will be investigated as part of the municipality's internal organisational structure during 2013/14.

3.10 PLANNING

3.10.1 INTRODUCTION

The table below sets out the main elements of Witzenberg Planning Strategies:

Strategy	Description
Building Control	Building plan approvals and inspections in terms of the National Building Regulations
Development Control	Rezonings, subdivisions, new developments in terms of the Land Use Planning Ordinance

Table 166: Town Planning and building control Strategies

3.10.2 HIGHLIGHTS

Highlights	Description
GIS	A GIS has been established and is maintained by a service provider

Table 167: Town planning and building control highlights

3.10.3 CHALLENGES

Challenges	Description
Illegal building work and illegal land usage	Owners build without approved plans and use properties contrary to zoning
Prosecutions and demolitions	Prosecutions is slow and the removal of illegal structures is problematic

Table 168: Town planning and building control challenges

3.10.4 SERVICE DELIVERY STATISTICS

Type of service	2011/12	2012/13

Type of service	2011/12	2012/13
Town Planning and Building Control		
Building plans application processed	314	345
Total surface (m^2)	45 115 m2	60 856.61 m2
Approximate value	R95 995 344	R147 933 705
New residential dwellings	22	89
Residential extensions	191	161
New Business buildings	4	8
Business extensions	15	22
Rural applications	54	65
Land use applications processed	52	48

Table 169: ***Town planning and building control service delivery statistics***

3.10.5 SERVICE DELIVERY INDICATORS: PLANNING

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
4A	Create an enabling environment to attract investment that generates economic growth & job creation	All building plans approved for less than 500 square meters within 30 days	New performance indicator for 2012/13. No comparatives available	85%	93%
4A	Create an enabling environment to attract investment that generates economic growth & job creation	All building plans approved for more than 500 square meters within 60 days	New performance indicator for 2012/13. No comparatives available	85%	100%

Table 170: ***Service delivery indicators: Town planning and building control***

3.10.6 EMPLOYEES: PLANNING

Employees: Town planning and building control				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	5	5	0	0
13 - 15	0	0	0	0
16 – 18	1	1	0	0

Employees: Town planning and building control				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Total	7	7	0	0
Employees and Posts numbers are as at 30 June.				

Table 171: Employees: Town planning and building control

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The table below gives a brief description of all the achievements within local economic development during the 2012/13 financial year:

Achievement/Highlight	Description
Crafting a database of arts & crafts producers	Database of 73 skilled arts and craft producers in the Witzenberg Municipal region
Arts and Crafts Workshop and information session 12 November 2012	42 people attended the workshop which entailed an overview on the assistance that the municipality can provide in arts and craft development
Tourism awareness workshop 7 December 2012	32 people attended the workshop which entailed an introductory tourism training session, followed by a tourism product offering workshop
Site visit at Cape Craft Development Institute 22 February 2013	8 arts and craft producers attended the site visit, which entailed liaison with the product assistance unit, graphic designers and business development unit
Visit at Design Indaba & cultural tour 1-3 March 2013	The visit was an exposure tour which included visits to the South African National Gallery (SANG), District 6 Museum, The Slave Lodge, and a tour of CCDI
Arts & Crafts Expo on 19 June 2013	24 entrepreneurs exhibited at the expo with +- 80- 100 people attending. Networking between exhibitors occurred, where business linkages occurred
Contractor Development course for 11 emerging construction contractors	Training was held for 3 weeks and entailed the establishment of a construction business, operating a construction business and executing a construction project
Connecting 52 Deernis beneficiaries with short-term work opportunities	The job creation projects included: the Community Works Programme and Expanded Public Works Programme projects
Crafting a contractor profile database of contractors in the Witzenberg region	The database contain information on the skills, training needs, experience and regsitration status of contractors in the Witzenberg region
Hosting a Western Cape supplier database roadshow on 7 November 2012	Contractors registered themselves on the Western Cape Department supplier database, SARS, BEE certificates and CIPRO at the roadshow which was held at the Ceres Town Hall
Sending 1 tourist guide to Social Media training on the 15 and 16 April 2013	The training entailed training on how to use Twitter, facebook and other social media to market their business in an effective manner
Six small businesses qualified for seed fund	Businesses were funded in partnership with CWDM and Nedbank. They were also linked with a mentorship program

Achievement/Highlight	Description
World Food day on 10 October 2012	Sixty households were provided by the Department of Agriculture with garden equipment. Three institutions funded food parcels
Fourty women entrepreneurs linked with entrepreneurship training	The group consisted of women smme`s of all 5 towns. Women were trained regarding business registration, informed about the services SARS offers to smme`s and also about business plans. They were assisted by SARS to register and to sort out their tax issues.
Twenty local caterers linked with culinary training that was funded by CWDM	The caterers received accreditted training that consisted of 3 weeks theory and 3 weeks practical work. All of them were successful
Establishment of a Reference Committee for the Community Work Program	The Reference Committee consist of 12 ward committee members of the 12 wards. Their role is to give input in the projects that have to be implemented as part of the Community Work Program
Fifty nine co-operatives established in the CRDP sites by the Department of Rural Development & Land Reform and 28 in Wolseley	Initiative by DRDLR to improve the local economy by establishing co-operatives
Nine institutions funded by Rural Development to establish food gardens	DRDLR appointed a service provider to assist with the establishment of the gardens. They will provide training, seedlings, equipment and mentorship
Support to Witzenberg Kersmark	Create a business opportunity and Link 110 smme`s wiith christmas stalls

Table 172: Local Economic Development Achievements

The table below gives a brief description of all the challenges within local economic development during the 2012/13 financial year:

Description	Actions to address
Discrepencies with labour employed for Expanded Public Works Programme projects	Communicate work ethic properly to beneficiaries
Low involvement of formal business in stakeholder liaison	Obtain more buy-in from business
Lack of mentorship	Link with mentorship program – SEDA; mentorship by big businesses
Lack of sufficient resources	Create opportunities to link businesses with the relevant resources
Lack of access to markets	Link with initiatives that will give them more exposure like an expo or networking opportunities
Some people not true entrepreneurs and are using entrepreneurship as survival tool	Link with job opportunities

Table 173: Local Economic Development Challenges

The LED strategy along with the LED process plan is completed and is being implemented. The Witzenberg Municipality has an established LED forum comprising of a diverse membership emanating from various sectors of society. The LED strategy is built around commitment to develop a climate in which economic development and economic growth can prosper. Currently the LED Strategy is in a process of review.

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

Strategic areas	Description
Establishment of a high level LED Board	Institutional Framework
Ensuring a credible LED Strategy	Reviewing the LED Strategy

Strategic areas	Description
Identify bankable projects	Skills development & Employment Intensity

Table 174: LED Objectives and Strategies

3.11.1 ECONOMIC ACTIVITY

The table below identifies the economic activity within the different sectors:

Sector	2011/12	2012/13
Agric, forestry and fishing	51%	21.7%
Mining and quarrying	0.01%	0.02%
Manufacturing	9%	16.2%
Wholesale and retail trade	13%	16%
Finance, property, etc.	4%	18.5%
Community and social services	13%	17.6%
Infrastructure services	5%	5%

Table 175: Economic activity by sector: Regional Global Explorer data for 2012/13

Economic Employment by Sector		
Sector	**2011/12**	**2012/13**
Agriculture, forestry and fishing	15 820	18 945
Mining and quarrying	3	4
Manufacturing	2 828	2 827
Electricity	68	74
Construction	1 576	1 401
Wholesale and retail trade	4 194	4 127
Transport	145	441
Finance, property, etc.	1 280	1 240
Community and social services	4 958	4 495
Total	**31 143**	**34 563**

Table 176: Economic Employment by Sector

3.11.2 LED INITIATIVES

During 2012/2013, **457** work opportunities were created via the Community Works Programme (CWP). The CWP is a safety-net job creation programme where beneficiaries work for 8 days per month for R67 per day. There are 4 different sectors that CWP projects consist of in Witzenberg, namely:

- social

- education
- local government
- environment

The projects within the sectors include:

- Early–child hood development crèche assistance
- NGO support (which include: women groups assistance, nutritional support, HIV support, disabled support)
- school support(which include: food scheme, site cleaning)
- street cleaning (which include river banks cleaning)
- LED kiosk information assistance

The CWP provide beneficiaries with bread on the table and give them the experience needed for market entry. There is also a training element incorporated in the CWP, which included:

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

3.11.3 LED STATS

Additional statistics on Local Economic Development

Type of service	2011/12	2012/13
Small businesses assisted	75	95
SMME's trained	49	101
Community members trained for tourism	0	33
Local artisans and crafters assisted	2	43
Recycling awareness programmes	1	0

Table 177: Additional Statistics on LED

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2011/12	26	364
2012/13	26	438

Table 178: Job creation through EPWP* projects

3.12 TOURISM

3.12.1 AIM AND FUNCTION OF TOURISM SECTION

Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liases with 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 tourist demands and provide requisite services and products to promote local trade and economic development.

3.12.2 TRAINING/DEVELOPMENT

Tourism runs educational packages with schools, front of house staff and local stores to promote clientele service. Tourism also sources courses in areas such as first aid training, communication, administration and hospitality to help local businesses improve output and skill levels.

3.12.3 MARKETING SECTION

Tourism has produced tearoff maps which are distributed to points of sale with high traffic providing location and contact details of local tourist attractions. They have also produced a joint brochure called the Witzenberg Meander, covering activities all over the municipality. Tourism bureaus for Wolseley, Ceres and Tulbagh also created their own brochures with niche marketing of their sectors and with social media promotion through Facebook and website.

3.12.4 TOURISM AWARENESS/EVENTS

Annual events in the Witzenberg Municipal Region:

Annual Event	Date
Wolseley Chrysanthemum Show	4 and 5 May 2013
Ceres Chrysanthemum Show	12 May 2013
Christmas in Winter	30 June 2013
Wolseley MTB Challenge	20 July 2012
Michell's Pass Half Marathon	4 August 2012
Tulbagh Spring Arts Festival	24 to 26 August 2012
Tulbagh Horse and Wild Flower Show	26 to 29 September 2012
Eselfontein Outdoor Festival	19 to 21 October 2012
Gydo Christmas Light Festival	30 November to 1 December 2012
Witzenberg Christmas Market	14 to 16 December 2012

Table 179: Tourism Awareness/Events

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

The Socio Economic Unit create an environment for socio economic development through the support and strengthening of Safety net programmes for children, persons with Disabilities, women, farm workers and the youth. Indigent households are connected to the Indigent subsidies which ensure free basic services.

3.13 LIBRARIES AND COMMUNITY FACILITIES

Libraries and community facilities are managed by the Section Facilities and Environment that is located in the Directorate Community Services. All towns have either a community hall or town hall with Ceres and Tulbagh having both. All towns have a library with Wheelie Wagons in Prince Alfred Hamlet and Op-Die-Berg.

3.13.1 SERVICE STATISTICS – LIBRARIES AND COMMUNITY FACILITIES

Type of service	2011/12	2012/13
Libraries		
Number of Libraries	8 & 3 Wheelie Wagons	8 & 3 Wheelie Wagons
Library members	15 857	18 951
Books circulated	264 595	283 969
Exhibitions held	197	222
Internet access points	6 258	10 780
New library service points or Wheelie Wagons	1	0
Children programmes	2	33
Visits by school groups	493	581
Community Facilities		
Number of Community Facilities – Community Hall & Town Halls	9	9

Table 180: Service Statistics: Libraries and Community Facilities

3.13.2 SERVICE DELIVERY INDICATORS: LIBRARIES AND COMMUNITY FACILITIES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual

1Q	Provide facilities that make citizens feel at home	Community Satisfaction survey (Score 1-5) - community facilities.	New performance indicator for 2012/13. No comparatives available	2	2	

Table 181: ***Service delivery indicators: Libraries and Community Facilities***

3.13.3 EMPLOYEES: LIBRARIES AND COMMUNITY FACILITIES

Employees: Libraries and Community Facilities				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	3	0	0
4 - 6	0	0	0	0
7 - 9	7	7	0	0
10 - 12	11	11	0	0
13 - 15	0	0	0	0
Total	**21**	**21**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 182: ***Employees: Libraries and Community Facilities***

3.14 CEMETERIES

Cemeteries in all towns are managed, except Op-Die-Berg which is managed by the church. Ceres cemetery has reached full capacity with Nduli very close to full capacity. The cemetery at Bella Vista will cater for these two towns in future. Currently busy with the expansion of Wolseley cemetery. No crematoriums are managed. No funding for nay future extentions

3.14.1 SERVICE STATISTICS - CEMETERIES

Type of service	2011/12	2012/13
Number of Cemeteries	6	6
Number of private burials	386	411
Number of poor burials	31	12
Number of indigent burials	59	63
Note: the stats above are for all towns excluding Op-die-Berg and Prince Alfred Hamlet		

Table 183: ***Service Stats: Cemeteries***

3.14.2 EMPLOYEES: CEMETERIES

Employees: Cemeteries				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	26	26	0	0
4 - 6	8	8	0	0
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
Total	**36**	**36**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 184: Employees: Cemeteries

3.15 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Socio Economic Unit is responsible for:

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

3.15.1 SERVICE STATISTICS – CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Type of service	2011/12	2012/13
Child Care; Aged Care; Social Programmes		
Trees planted	No information available	160
Veggie gardens established	Two CRDP Sites Bella Vista and Nduli food gardens were established.	One food garden at the Youth Centre in Chris Hani, Tulbagh
Soup kitchens established or supported	Three soup kitchens in War on Poverty Wards were supported.	Site visits at soup kitchens in Witzenberg to link them with possible funding.
Initiatives to increase awareness on child abuse	• -Awareness programme ODB- 50 children on child abuse on 01 December • -awareness programmes in Prince Alfred Hamlet for 200 children – Life skills were taught to children and kids were	• Youth day-Hamlet 16 June 2013 • 16 Days programme in Wolseley and Bree River 29 November 2012 (150 women and children) • 4 Child safety programmes in Ceres,

Type of service	2011/12	2012/13
	developed through physical activities, like sport and karate classes.	Hamlet, Wolseley and Tulbagh (more than 200 children at crèches)
Youngsters educated and empowered	200 Computer Training, CV & Interview workshops	• 180 in Wolseley Youth Programme focussing on self-image development. • 200 youth in Tulbagh in Youth Arts & Craft Programme • 15 youth in Entrepreneurs training in Tulbagh Youth Centre
Initiatives to increase awareness on disability	• - quarterly disability forum meetings • -2awareness programmes in Bella Vista and Nduli for 200 disabled people on 01 Dec. 2011 and 11 Dec. 2011	• quarterly disability forum meetings • research regarding disabled people in Witzenberg and compiling a database of all disabled people
Initiatives to increase awareness on women	• -municipal woman's day in august 2011 for 200 women • -Gender Links training /workshop in September 2011 for 50 women	• Municipal Women's day on 31 August 2012 for 200 women employees • Gender verification process of Witzenberg Municipality completed • 16 days programmes in Bree River on 29 November 2012 (150 women and children) • Women's day programmes for women from N'duli and surrounding farms on 18 August 2012 (75 women)
Women empowered	250	• 200 women officials empowered in leadership development • 20 Women entrepreneurs empowered
Initiatives to increase awareness on HIV/AIDS	• 1 Workshop for 30 woman in Bella Vista • World Aids day in Wolseley was held.	4 awareness and prevention programs in different areas in Witzenberg
Initiatives to increase awareness on Early Childhood Development	Children's rights event was held during Child protection month in June.	Facilitating and parttaking in 3 ECD Forum meetings in Witzenberg
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	• Local Drug Action Committee has been established. • Awareness on national youth day and Wolseley youth week in June 2011.	3 Awareness and prevention programs in Hamlet, Ceres and Breerivier
Special events hosted	• Women's Day programmes in August 2011 • National Youth day held in June 2011. • 16 Days of Activism against women and child abuse programmes; International day of disabilities: awareness day programmes.	A sucessful Women's Day ws held in August with 200 municipal women on eadership

Table 185: Service Statistics: Child Care; Aged Care; Social Programmes

3.15.2 SERVICE DELIVERY INDICATORS: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
5B	Provide access to social services for those who need it	Bi-annual HIV/AIDS awareness programs	New performance indicator for 2012/13. No comparatives available	2	5
5B	Provide access to social services for those who need it	Arrange workshops for youth per twinning agreement	New performance indicator for 2012/13. No comparatives available	2	10
5B	Provide access to social services for those who need it	Implement Substance Abuse Programmes	New performance indicator for 2012/13. No comparatives available	2	3
5B	Provide access to social services for those who need it	Implementation of Child protection programmes	New performance indicator for 2012/13. No comparatives available	2	6
5B	Provide access to social services for those who need it	Implementation of Early childhood development programmes	New performance indicator for 2012/13. No comparatives available	3	16
5B	Provide access to social services for those who need it	Implementation of gender programmes	New performance indicator for 2012/13. No comparatives available	2	3
5B	Provide access to social services for those who need it	Implementation of projects for persons with disabilities	New performance indicator for 2012/13. No comparatives available	2	5

Table 186: ***Service delivery indicators: Child Care; Aged Care; Social Programmes***

3.15.3 EMPLOYEES: SOCIO ECONOMIC

Employees: Socio Economic				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	5	0	0
7 - 9	0	0	0	0
10 - 12	4	4	0	0
13 - 15	0	0	0	0
Total	**9**	**9**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 187: ***Employees: Socio Economic***

COMPONENT E: ENVIRONMENTAL PROTECTION

The Section Facilities and Environment manages environmental protection that 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 Plan.

3.16 POLLUTION CONTROL

Environmental Officers within the department are responsible for pollution control. The focus is mainly on pollution and illegal dumping. The municipality are part of the Regional Air Quality Forum and have an official appointed as Air Quality Officer. We put a lot of emphasis on education and training of youth and learners.

3.16.1 SERVICE STATISTICS – POLLUTION CONTROL

Type of service	2011/12	2012/13
Pollution Control		
Number of environmental education initiatives held	0	5
Number of baboon damage incidents	0	3

Table 188: Service Statistics: Pollution Control

3.17 PARKS, PUBLIC OPEN SPACES AND RIVER MANAGEMENT

Parks management is responsible for the management and maintenance of parks in the municipal area. New parks are designed and developed by the section. The function also includes river maintenance and conservation of municipal nature areas. We have more than 50 hectares of ofiicial parks and many more open spaces and areas that needs maintanance. Parks are cur at least once every 3 weeks.

3.17.1 EMPLOYEES: PARKS, PUBLIC OPEN SPACES AND RIVER MANAGEMENT

Employees: Parks, public open spaces and river management				
Job Level	**2011/12**	**2012/13**		
	Employees	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**%**
0 - 3	30	30	0	0
4 - 6	5	5	0	0
7 - 9	2	2	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
Total	**37**	**37**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 189: Employees: Parks, public open spaces and river management

COMPONENT F: SECURITY AND SAFETY

This component includes: Traffic; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.18 TRAFFIC

Our top sevice 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 will be to improve service delivery at the Traffic Centre. This will be achieved through service excellence and by identifying shortcomings and addressing these through training initiatives.

3.18.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2011/12	2012/13
	Actual No.	Actual No.
Number of road traffic accidents during the year	1 486	866
Number of by-law infringements attended	0	0
Number of Traffic officers in the field on an average day	3	5
Number of Traffic officers on duty on an average day	8	9
Animals impounded	0	0
Motor vehicle licenses processed	21 360	23 120
Learner driver licenses processed	2 746	2 555
Driver licenses processed	2 301	2 210
Driver licenses issued	1 179	785
Fines issued for traffic offenses	18 253	8 353
R-value of fines collected	833 288	708 827
Operational call-outs	12 327	14 148
Roadblocks held	1	9
Complaints attended to by Traffic Officers	160	251
Special Functions – Escorts	25	33
Awareness initiatives on public safety	12	19

Table 190: ***Service Statistics: Traffic and Licensing Services***

3.18.2 SERVICE DELIVERY INDICATORS: TRAFFIC AND LICENSING SERIVICES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12

				Target	Actual	
6A	To improve safety & security through partnerships	Number of meetings held with SAPS	New performance indicator for 2012/13. No comparatives available	4	4	
1L	Expand staff & capital resources in law enforcement & emergency services to provide improved services to all, especially the most vulnerable communities	Community Satisfaction survey (Score 1-5) - safety & security.	New performance indicator for 2012/13. No comparatives available	2	2	

Table 191: ***Service delivery indicators: Traffic and Licensing Services***

3.18.3 EMPLOYEES: TRAFFIC

Employees: Traffic				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	9	9	0	0
7 - 9	17	17	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
Total	**28**	**28**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 192: ***Employees: Traffic***

3.18.4 CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**150**	**248**	**244**	**1%**	**244**
Upgrade building	150	237	234	1%	237
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 193: ***Capital Expenditure 2012/13: Traffic Service***

3.19 FIRE

Fire Services function is provided in conjunction with the Cape Winelands District Municipality. An agreement was reach on support from the District Municipality. Witzenberg Municipality mainly attends to urban fires in built areas and the District Municipality to fires outside urban areas. Support does however take place as and when needed. Personnel capacity does hamper the delivery of a proper services but a satellite fire station was implemented in Tulbagh.

3.19.1 SERVICE STATISTICS – FIRE SERVICES

Details	2011/12	2012/13
	Actual	Actual
Total fires attended in the year	292	365
Average turnout time - urban areas	> 20 min	> 20 min
Average turnout time - rural areas	> 20 min	> 20 min
Fire fighters in post at year end	0	5
Total fire appliances at year end	4	5
Total Operational call-outs	292	365
Reservists and volunteers not trained	14	14
Awareness Initiatives on Fire Safety	6	12
Working of Fire	24	12

Table 194: Service Data for Fire Services

3.19.2 CAPITAL EXPENDITURE – FIRE SERVICES

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**1 043**	**1 258**	**1 215**	**3%**	**1 258**
Fire fighting equipment	100	179	151	16%	179
New fire fighting vehicle	663	753	753	0%	753
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 195: Capital Expenditure 2012/13: Fire Services

3.20 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The Disaster Management function is not fully developed yet and personnel for the function do not exist. The function is delivered in conjunction with the Cape Winelands District Municipality and the Fire Services and Traffic Department. The municipality is in the process of developing a Disaster Management Plan. No serious disasters were experienced during the past year. Support is given to families in informal areas where fires have demolished structures. Support depends on the extremity but includes temporary housing in community facilities and food-parcels being distributed.

The municipality does not enforce animal licensing at this stage. Animal control is, however, problematic as the municipality does not manage an animal pound and it is too expensive to impound animals to neighbouring towns which do manage pounds.

Public nuisances' are addressed by the Traffic Department. No records are kept of incidents is they are very limited.

The municipality does not enforce animal licensing at this stage. Animal control is, however, problematic as the municipality does not manage an animal pound and it is too expensive to impound animals to neighbouring towns which do manage pounds.

Public nuisances' are addressed by the Traffic Department. No records are kept of incidents is they are very limited.

COMPONENT G: SPORT AND RECREATION

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

The municipality manages one resort, namely Dennebos. This resort offers the following facilities for visitors and the local community:

- 97 accommodation units for that can house 506 people
- 22 normal camping sites and 286 sites for long-term rentals
- 1 recreation hall
- 2 conference halls
- 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 2012/13 applicable to accommodation units and normal camping sites, amounted to 22 678 (48 672 bed nights).

Besides the swimming pools in Dennebos, three more swimming pools are available to the local community in:

- Ceres (one)
- Tulbagh (one)
- Wolseley (one)

We are in the process of building a swimming pool in Prince Alfred Hamlet which will be completed towards the end of September 2013.

According to ticket sales, 8 300 adults and 20 600 kids visited the pools during 2012/13.

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

3.21 SPORT AND RECREATION

3.21.1 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and recreation				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	28	28	0	0
4 - 6	30	30	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 – 18	0	0		
Total	**59**	**59**	**0**	**0**
Employees and Posts numbers are as at 30 June.				

Table 196: Employees: Sport and recreation

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.22 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. 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.

3.22.1 SERVICE STATISTICS – FINANCIAL SERVICES

Debt Recovery						
Details of the types of account raised and recovered	2011/12			2012/13		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
R'000						
Property Rates	37 625	36 485	97.0%	44 230	40 859	92.4%
Electricity – B & C	128 156	125 589	98.0%	146 639	143 966	98.2%
Water – B & C	25 771	19 559	75.9%	27 856	19 752	70.9%
Sanitation	11 992	8 582	71.6%	16 011	11 733	73.3%
Refuse	13 997	10 731	76.7%	16 216	11 762	72.5%
Other	158	71	44.9%	1 121	957	85.4%
Total	**217 699**	**201 017**	**92.3%**	**252 074**	**229 029**	**90.9%**
B – Basic; C- Consumption. ***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.***						

Table 197: ***Service Standards for Financial Services***

3.22.2 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	33	33	0	0

Employees: Financial Services				
Job Level	2011/12	2012/13		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	14	14	0	0
10 - 12	6	6	0	0
13 - 15	0	0	0	0
16 – 18	4	4	1	25
Total	**57**	**57**	**1**	**1.75**
Employees and Posts numbers are as at 30 June.				

Table 198: Employees: Financial Services

3.22.3 SERVCE DELIVERY INDICATORS: FINANCIAL SERVICES

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
1A	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Percentage spend on repairs and maintenance for the whole municipality.	New performance indicator for 2012/13. No comparatives available	99%	91%
1C	Provide & maintain economic & social infrastructure to ensure infrastructure-led growth & development	Percentage spend on Capital Budget	New performance indicator for 2012/13. No comparatives available	94%	95%
2A	Ensure financial prudence, with clean audits by the Auditor General	Opinion of the Auditor-General	Unqualified	Unqualified	Unqualified
5A	Providing a safety net for vulnerable communities	Number of account holders subsidised through the municipality's Indigent Policy	4,788	3,900	4,126

Table 199: Service delivery indicators: Financial Services

3.23 HUMAN RESOURCE SERVICES

The Human Resources Section within Witzenberg Municipality incorporates the following disciplines which are- Recruitment and Selection, Leave Administration, Benefit Administration, Labour Relations , Training and Development , Health and Safety Performance Management, Work Study Administration.

3.23.1 SERVICE STATISTICS – HUMAN RESOURCE SERVICES

Details	2011/12	2012/13

Details	2011/12	2012/13
Number of HR policies reviewed	4	0
Number of total permanent employees	498	512
Number of total temporary employees	49	57
Number of total injuries IOD cases	56	60
Number of total approved annual leave days taken	10 379	11 404.5
Number of Family Responsibility leave days taken	486	526.5
Number of total Health and Safety Representatives	20	20
Number of total First Aiders	17	17
Number of sick days leave taken	3 724.50	4 202.5
Number of termination	47	27
Number of new employees appointed	68	21
Number of total employees trained	288	367
Number of total female employees trained	86	101
Number of total male employees trained	202	266
Number of total Learnerships enrolled	4	5
Number of total Training Courses rolled out	76	98

Table 200: Service Data for Human Resource Services

3.24 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

3.24.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Details	2011/12	2012/13
	Actual	Actual
Desktop Support	143	204
Network Support	90	156
Network downtime experienced	0	0
Server downtime experienced (total for 15 servers)	<5hours	36 hours

Details	2011/12	2012/13
	Actual	Actual
File Restores requested	108	80

Table 201: Service Data for Information and Communication Technology (ICT) Services

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R'000					
Total All	**355**	**1 250**	**1 274**	**(1)%**	**1 274**
Computor replacement	200	255	255	0%	255
Microsoft licences	0	620	649	(4)%	649
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

Table 202: Capital Expenditure 2012/13: Information and Communication Technology (ICT) Services

3.25 RISK MANAGEMENT AND INTERNAL AUDIT

Witzenberg Municpality does not have a Risk Management sub-directorate. The Accounting Officer is the Chief Risk Officer and the duties are deleagted to the Chief Financial Officer and Internal Audit. Internal Audit is responsible to facilitate risk assessment. Portfolio directors and risk owners are responsible to maintain controls and the implementaion of action plans to to mitigate and improve risks.

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 risk based audit and 3 year strategic plans.

Internal Audit is an 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, 56 of 2003 and System Act of No. 32 of 2000.

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

3.25.1 SERVICE STATISTICS –INTERNAL AUDIT

Details	2011/12	2012/13
	Actual #	Actual #
Compilation of the Risk Based Audit and 3 year strategic plans	1	1
Internal Audits	7	6

Table 203: Service statistics for Internal Audit

3.25.2 SERVICE DELIVERY INDICATORS: RISK MANAGEMENT AND INTERNAL AUDIT

Ref	Strategic Objective	KPI	Actual 2011/12	Overall performance 2011/12	
				Target	Actual
3C	Ensure a transparent & corruption-free government	Number of PRAC meetings held.	New performance indicator for 2012/13. No comparatives available	5	5

Table 204: ***Service delivery indicators: Risk Management and Internal Audit***

3.25.3 EMPLOYEES: INTERNAL AUDIT

Employees: Risk Management and Internal Audit					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	1	1	0	0
Total	**1**	**3**	**2**	**1**	**33.3**
Employees and Posts numbers are as at 30 June.					

Table 205: ***Employees: Internal Audit***

3.26 LEGAL SERVICES

Witzenberg municipality do not have a legal department and manage all legal cases on an adhoc basis.

Chapter 4

Organisational Development Performance

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORAMNCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Witzenberg Municipality currently employs **556** officials excluding councillors, who individually and collectively contribute to the achievement of 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"

a) Employment Equity targets/actual

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
75%	76%	76%	75%	76%	76%	75%	76%	76%	75%	76%	76%

Table 206: 2012/13 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
75%	76%	76%	75%	76%	76%	75%	76%	76%

Table 207: 2012/13 EE targets/actual by gender classification

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	29 300	76 450	273	8 944	114 967
% Population	**25.4**	**66.5**	**0.3**	**7.8**	**100**
Number for positions filled	139	377	1	39	556
Number for positions filled for the 2012/13 financial year (Permanent plus Temporary Appointments)	8	19	0	7	34
% for Positions filled	**5.75**	**5.03**	**0**	**17.94**	**6.12**

Table 208: EE population 2012/13

Note: The total population numbers is based on projection done by Global Insight.

c) Occupational Categories – Race

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

Posts filled									
Occupational	**Male**				**Female**				**Total**
categories	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	
Legislators, senior officials and managers	5	18	0	11	1	7	1	1	**44**
Professionals	1	13	0	3	2	13	0	3	**35**
Technicians and associate professionals	3	31	0	5	1	1	0	0	**41**
Clerks	6	25	0	1	12	50	0	14	**109**
Service and sales workers	0	1	0	0	3	9	0	0	**13**
Craft and related trades workers	8	15	0	1	3	5	0	2	**34**
Plant and machine operators and assemblers	21	67	0	2	1	0	0	0	**91**
Elementary occupations	58	109	0	0	18	27	0	0	**212**
Total permanent	**103**	**279**	**0**	**23**	**41**	**112**	**1**	**20**	**579**
	3	9	0	2	10	18	0	1	43
Grand total	**106**	**288**	**0**	**25**	**51**	**130**	**1**	**21**	**622**

Table 209: Occupational Categories

d) Occupational Levels - Race

The table below categories the number of employees by race within the occupational levels: (NOTE: 23 Legislators (councillors) not included.)

Occupational	**Male**				**Female**				**Total**
Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	
Top Management	0	1	0	0	0	0	0	0	**1**
Senior management	1	0	0	1	0	0	0	0	**2**
Professionally qualified and experienced specialists and mid- management	1	18	0	11	2	12	1	2	**47**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	55	0	4	4	18	0	6	**96**
Semi-skilled and discretionary decision making	36	123	0	2	20	52	0	9	**242**
Unskilled and defined decision making	**51**	**81**	**0**	**0**	**14**	**22**	**0**	**0**	**168**

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Total permanent	**98**	**278**	**0**	**18**	**40**	**104**	**1**	**17**	**556**
Non- permanent employees	3	9	0	2	10	18	0	1	43
Grand total	101	287	0	20	50	122	1	18	**599**

Table 210: Occupational Levels

e) Departments - Race

The following table categories the number of employees by race within the different departments (Excluding 23 Councillors)

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	3	0	1	1	2	0	0	**7**
Corporate Services	2	8	0	2	3	12	1	3	**31**
Financial Services	1	14	0	2	5	20	0	8	**49**
Community Services	32	85	0	4	24	58	0	4	**206**
Technical Services	63	168	0	9	7	12	0	2	**263**
Total permanent	**98**	**278**	**0**	**18**	**40**	**104**	**1**	**17**	**556**
Non- permanent	3	9	0	2	10	18	0	1	43
Grand total	**101**	**287**	**0**	**20**	**50**	**122**	**1**	**18**	**599**

Table 211: Department – Race

4.1.2 VACANCY RATE

The approved organogram for the municipality had 763 posts for the 2012/13 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **4** Posts were vacant at the end of 2012/13, resulting in a vacancy rate of **0.69%.**

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

PER POST LEVEL		
Post level	**Filled**	**Vacant**
MM & MSA section 57 & 56	3	2
Middle management	18	0
Professionals	27	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	96	1
Unskilled and defined decision making	242	
General Workers	168	2

PER POST LEVEL		
Post level	**Filled**	**Vacant**
Total	**556**	**5**
PER FUNCTIONAL LEVEL		
Functional area	**Filled**	**Vacant**
Office of the Municipal Manager	7	0
Corporate Services	31	0
Financial Services	48	1
Community Services	206	1
Technical Services	263	3
Total	**556**	**5**

Table 212: Vacancy rate per post and functional level

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

Salary Level	Number of Section 57 and 56 vacancies	Vacancy % (as a proportion of the total Section 57 and 56 posts)
Municipal Manager	0	**0**
Chief Financial Officer	1	**100**
Director: Corporate Services	0	**0**
Director: Community Services	1	**100**
Director: Technical Services	0	**0**
Total	2	**40**

Table 213: Vacancy rate per Section 57 and 56 posts

4.1.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a decrease from 8.97% in 2011/12 to **4.86%** in 2012/13.

The table below indicates the turn-over 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	Turn-over Rate
2011/12	523	68	47	**8.97%**
2012/13	556	21	27	**4.86%**

Table 214: Turnover Rate

The reason for the decrease in the turnover rate for the 2012/13 financial year is because there were less retirements, dismissals and resignations.

4.2 MANAGING THE MUNICIPAL WORKFORCE

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

4.2.1 INJURIES

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 slight **increase** for the 2012/13 financial year from 60 employees injured against **56** employees in the 2011/12 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	2011/12	2012/13
Office of the Municipal Manager	0	0
Corporate Services	4	2
Financial Services	0	1
Community Services	27	31
Technical Services	25	24
Total	**56**	**60**

Table 215: Injuries

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

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 employees that have taken sick leave during the 2012/13 financial year shows an **increase** when comparing it with the 2011/12 financial year.

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

Department	2011/12	2012/13
Office of the Municipal Manager	6	25.5
Corporate Services	206	313
Financial Services	309.5	317

Department	2011/12	2012/13
Community Services	1 481	1 543
Technical Services	1 722	2 004
Total	**3 724.50**	**4 202.5**

Table 216: Sick Leave

4.2.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing 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/ revised**
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
Policies still to be developed	
Name of policy	**Proposed date of approval**
Employment on 5/8 basis	30 June 2014
Imprisoned Employees	30 June 2014
Longservice Awards Policy	30 June 2014

Table 217: HR policies and plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

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	1
Legislators, senior officials and managers	Female	10	10
	Male	29	30
Associate professionals and Technicians	Female	13	19
	Male	47	51
Clerks	Female	56	52
	Male	23	24
Service and sales workers	Female	16	3
	Male	14	3
Plant and machine operators and assemblers	Female	0	1
	Male	71	61
Elementary occupations	Female	29	16
	Male	132	98
Sub total	**Female**	**123**	**101**
	Male	**317**	**268**
Total		**440**	**369**

Table 218: Skills Matrix

Note: The reason why the figures differ from those in table 63 is due to the fact that some employees that have been identified for training are being identified for more than one training/workshop/skills course. In some instances the employees that are attending learnerships are also booked for a skills course.

The reason for the total work force not being trained is due to the following:

- Shortage of staff to be released for training

The following training was provided for employees trained:

- Skills programs and other short courses

- Minimum competencies
- Local Government Accounting certificate
- Training identified for Councillors

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						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
MM and S57	Female	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0
Legislators, senior officials and managers	Female	10	2	2	10	10	**12**	**12**	100
	Male	34	3	3	29	29	**32**	**32**	100
Professionals	Female	18	1	1	0	11	**1**	**12**	8.3
	Male	17	4	4	33	14	**37**	**18**	205.6
Technicians and associate professionals	Female	2	0	0	19	2	**19**	**2**	0
	Male	39	0	0	18	33	**18**	**33**	55
Clerks	Female	77	6	7	52	56	**58**	**63**	92.1
	Male	32	2	2	24	23	**26**	**25**	104
Service and sales workers	Female	22	0	0	3	16	**3**	**16**	18.8
	Male	25	0	0	3	14	**3**	**14**	21.4
Craft and related trade workers	Female	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	1	1	1	0	**2**	**1**	200
	Male	90	9	9	61	71	**70**	**80**	87.5
Elementary occupations	Female	45	0	0	16	29	**16**	**29**	55.2
	Male	167	0	0	98	132	**98**	**132**	74.2
Sub total	**Female**	**175**	10	11	**101**	**124**	**111**	**135**	**82.2**
	Male	**404**	18	18	**266**	**316**	**284**	**334**	**85**
Total		**579**	**28**	29	367	**367**	**440**	**395**	**469**

Table 219: Skills Development

4.3.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R**945 000 were allocated to the workplace skills plan and that 93% of the total amount was spent in the 2012/13 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R11 000 000	R945 000	R879 037.55	93.02

Table 220: Budget allocated and spent for skills development

4.3.4 EMPLOYEE PERFORMANCE REWARDS

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

(1) The annual report for the financial year under review has been tabled and adopted by the municipal council;

(2) an evaluation of performance in accordance with the provisions of regulation 23; and

(3) 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 that received performance rewards for the 2011/12 financial year. The rewards for 2011/12 were only paid out in the 2013/2014 financial year. The 2012/13 financial year's performance bonuses will only be awarded after the annual report was tabled:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	**0**
	Male	2	1	**50%**
Asian	Female	0	0	**0**
	Male	0	0	**0**
Coloured	Female	0	0	**0**
	Male	2	2	**100%**
White	Female	0	0	**0**
	Male	0	0	**0**
Disability	Female	0	0	**0**
	Male	0	0	**0**
Total		**4**	**3**	**75%**

Table 221: Performance Rewards

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 three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2011/12	89 261	283 160	31.5
2012/13	96 978	337 869	28.7

Table 222: Personnel Expenditure

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

Financial year	2011/12	2012/13		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)				
Allowance	5 887	7 091	7 091	6 147
Pension Contributions	735	0	0	760
Medical Aid Contributions	17	0	0	26
Motor vehicle allowance	0	0	0	0
Cell phone allowance	0	0	0	0
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total - Councillors	**6 639**	**7 091**	**7 091**	**6 933**
% increase/ (decrease)	**(0.8)**	**6.81**	**6.81**	**4.43**
Senior Managers of the Municipality				
Salary	2 874	3 331	3 331	3 205
Pension Contributions	394	571	571	448
Medical Aid Contributions	155	84	84	65
Motor vehicle allowance	484	649	649	512
Cell phone allowance	0	0	0	0

Financial year	2011/12	2012/13		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
Housing allowance	0	0	0	0
Performance Bonus	575	663	663	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total - Senior Managers of Municipality	**4 482**	**5 298**	**5 298**	**4 231**
% increase/ (decrease)	**(9.4)**	**18.20**	**18.20**	**(5.62)**
Other Municipal Staff				
Basic Salaries and Wages	54 029	58 460	58 620	57 287
Pension Contributions	8 680	10 210	10 122	9 596
Medical Aid Contributions	3 741	5 622	5 281	4 240
Motor vehicle allowance	2 366	2 574	2 883	3 011
Cell phone allowance	0	0	0	0
Housing allowance	704	360	350	324
Overtime	4 390	3 801	3 831	4 559
Other benefits or allowances	11 252	19 696	19 360	17 971
Sub Total - Other Municipal Staff	**85 162**	**95 101**	**95 166**	**92 748**
% increase/ (decrease)	**(3.2)**	**11.67**	**11.75**	**8.9**
Total Municipality	**96 283**	**100 399**	**100 464**	**96 978**
% increase/ (decrease)	**(3.4)**	4.27	4.34	0.72

Table 223: ***Personnel Expenditure***

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

4.5 MFMA COMPETENCIES

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

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, 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."

18 Employees were identified to obtain the abovementioned qualification and prescribed competencies. A number of employees have achieved the prescribed competencies and the other has been subscribed to complete in 2013.

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	0	1	0
Chief Financial Officer	1	1	1	1
Senior Managers	3	3	3	3
Any other financial officials	14	0	0	0
Supply Chain Management Officials				
Heads of supply chain management units	1	1	0	1
TOTAL	**20**	**1**	**3**	**1**

Table 224: ***Financial Competency Development: Progress Report***

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 2012/13 financial year:

Description	2011/12	2012/13			2012/13 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Financial Performance						
Property rates	37 625	43 882	44 378	44 230	0.79	-0.33
Service charges	180 074	208 307	214 939	207 843	-0.22	-3.41
Investment revenue	2 089	1 957	1 957	2 053	4.68	4.68
Transfers recognised - operational	53 994	76 178	80 710	72 347	-5.30	-11.56
Other own revenue	20 520	21 288	21 325	21 877	2.69	2.52
Total Revenue (excluding capital transfers and contributions)	294 302	351 612	363 310	348 351	-0.94	-4.29
Employee costs	89 255	100 399	100 464	96 930	-3.58	-3.65
Remuneration of councillors	6 639	7 091	7 091	6 932	-2.29	-2.29
Depreciation & asset impairment	12 403	18 623	18 623	13 996	-33.06	-33.06
Finance charges	12 245	15 663	14 617	11 319	-38.38	-29.14
Materials and bulk purchases	102 548	118 259	122 259	118 181	-0.07	-3.45
Transfers and grants	794	761	742	767	0.85	3.33
Other expenditure	77 146	86 051	97 610	82 425	-4.40	-18.42
Total Expenditure	301 030	346 848	361 407	330 551	-4.93	-9.33
Surplus/(Deficit)	-6 728	4 764	1 903	17 801	73.24	89.31
Transfers recognised - capital	58 971	62 001	74 823	73 085	15.17	-2.38
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	52 243	66 765	76 726	90 886	26.54	15.58
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	58 971	62 001	74 823	73 085	0.15	-0.02
Borrowing	0	0	0	0	0	0
Internally generated funds	9 171	12 941	15 490	14 232	0.09	-0.09

Description	2011/12	2012/13			2012/13 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Total sources of capital funds	**68 142**	**74 943**	**90 313**	**87 244**	0.14	-0.04
Financial position						
Total current assets	82 467	64 337	104 882	92 096	0.30	-0.14
Total non-current assets	532 877	270 635	606 649	610 195	0.56	0.01
Total current liabilities	81 056	57 268	192 097	81 299	0.30	-1.36
Total non-current liabilities	110 800	112 372	494 646	106 264	-0.06	-3.65
Community wealth/Equity	423 488	165 331	24 788	514 728	0.68	0.95
Cash flows						
Net cash from (used) operating	85 399	270 635	606 649	93 335	-1.90	-5.50
Net cash from (used) investing	-67 282	57 268	192 097	(87 948)	1.65	3.18
Net cash from (used) financing	-7 429	112 372	125 601	(7 096)	16.84	18.70
Cash/cash equivalents at the year end	32 562	165 331	494 646	30 853	-4.36	-15.03
Cash backing/surplus reconciliation						
Cash and investments available	32 562	165 331	494 646	30 853	-4.36	-15.03
Application of cash and investments	47 828	96 418	167 399	45 797	-1.11	-2.66
Balance - surplus (shortfall)	-15 266	68 913	327 247	(14 944)	5.61	22.90
Asset management						
Asset register summary (WDV)	461 366	269 883	604 565	554 872	0.51	-0.09
Depreciation & asset impairment	12 403	18 623	18 623	13 996	-0.33	-0.33
Renewal of Existing Assets	18 792	20 240	23 491	21 611	0.06	-0.09
Repairs and Maintenance	14 163	16 190	14 016	13 525	-0.20	-0.04
Free services						
Cost of Free Basic Services provided	12 913	14 852	11 813	11 279	-0.32	-0.05
Revenue cost of free services provided	16 613	18 565	14 766	14 099	-0.32	-0.05
Households below minimum service level						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0
Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

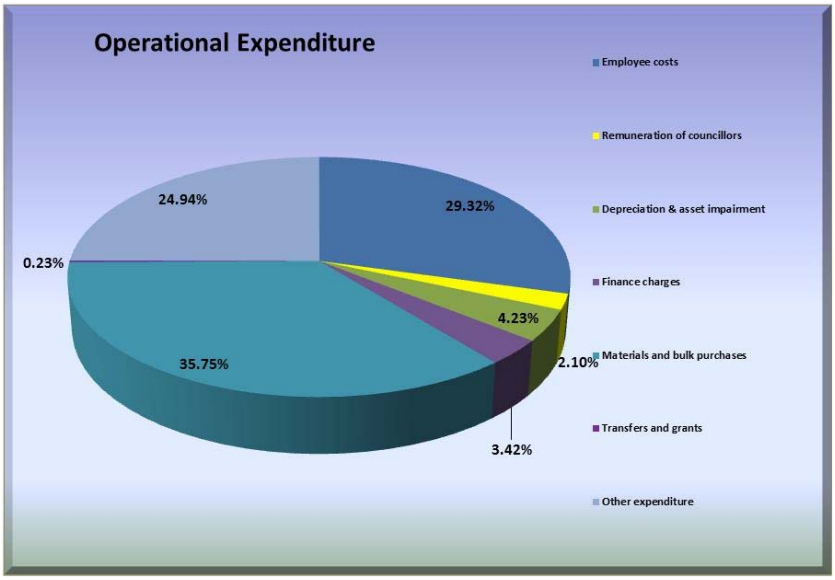
Table 225: Financial Performance 2011/12

The table below shows a summary of performance against budgets

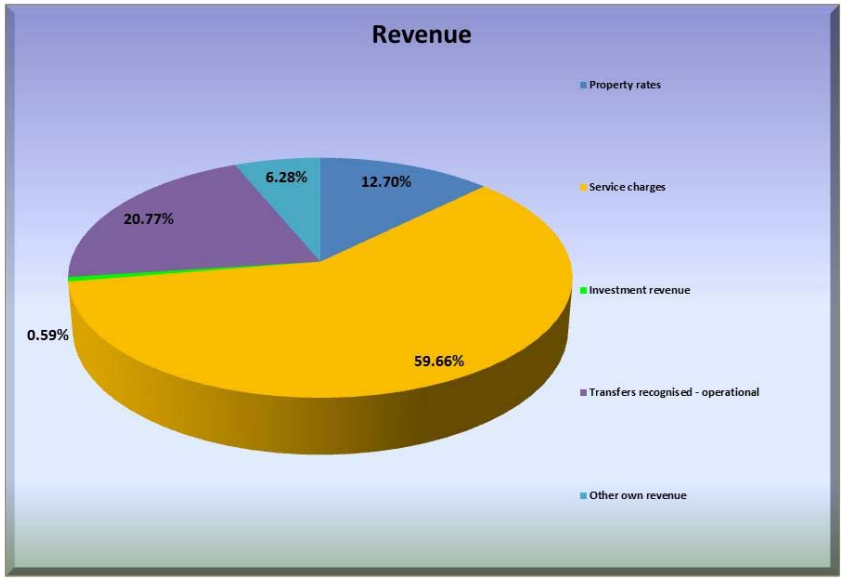
Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2011/12	294 994	294 302	692	100	290 278	301 030	-10 752	104
2012/13	351 612	348 351	(3 261)	99	346 848	330 551	16 298	95

Table 226: Performance against budgets

The municipality received **R348 351 006** revenue (excluding capital transfers and contributions) for the 2012/13 year of which **R330 550 506** was utilized for operating expenditure. The expenditure is below budget due to savings on salaries and bulk purchases.



Graph 23: High level overview of operating expenditure for 2012/13



Graph 24: High level overview of revenue for 2012/13

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote

Vote Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Vote1 - Executive and Council	1 369	2 831	2 831	2 861	1.06	1.06
Vote2 - Budget and Treasury Office	49 941	55 778	58 249	58 248	4.24	0.00
Vote3 - Corporate Services	1 054	3 930	2 090	1 931	-103.52	-8.25
Vote4 - Planning and Development	1 071	3 100	1 722	2 313	-34.00	25.56
Vote5 - Public Safety	884	2 160	2 160	755	-186.04	-186.04
Vote6 - Health	0	0	0	0	0	0
Vote7 - Community and Social Services	43 828	50 407	49 477	49 555	-1.72	0.16
Vote8 - Sports and Recreation	9 932	15 445	14 254	25 271	38.88	43.60
Vote9 - Housing	1 522	15 344	16 826	12 110	-26.71	-38.94
Vote10 - Waste Management	15 505	14 922	16 175	17 408	14.28	7.08
Vote11 - Road Transport	21 815	16 223	24 367	10 636	-52.53	-129.11
Vote12 - Waste Water Management	28 437	25 164	35 152	37 546	32.98	6.38
Vote13 - Water	47 851	54 203	56 302	54 542	0.62	-3.23
Vote14 - Electricity	130 066	154 108	158 314	148 004	-4.12	-6.97
Vote15 - Environmental Management	0	0	216	255	100.00	15.31
Total Revenue by Vote	**353 275**	**413 614**	**438 133**	**421 436**	**1.86**	**-3.96**

Table 227: Revenue by Vote

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2012/13 financial year:

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Property rates	37 625	43 882	44 378	44 230	0.79	-0.33
Property rates - penalties & collection charges	1 042	729	729	1 047	30.40	30.40
Service Charges - electricity revenue	128 156	152 783	156 989	146 639	-4.19	-7.06

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Service Charges - water revenue	25 771	29 146	29 283	27 856	-4.63	-5.12
Service Charges - sanitation revenue	11 992	12 100	13 138	16 011	24.43	17.95
Service Charges - refuse revenue	14 156	14 277	15 530	17 337	17.65	10.42
Service Charges - other	0	0	0	0	0	0
Rentals of facilities and equipment	6 944	7 749	7 749	6 555	-18.23	-18.23
Interest earned - external investments	2 089	1 957	1 957	2 053	4.68	4.68
Interest earned - outstanding debtors	3 799	4 139	4 139	4 748	12.83	12.83
Dividends received	0	0	0	0	0	0
Fines	897	2 169	2 169	760	-185.18	-185.18
Licences and permits	168	244	244	125	-94.59	-94.59
Agency services	2 853	2 864	2 864	3 051	6.14	6.14
Transfers recognised - operational	53 994	76 178	80 710	72 347	-5.30	-11.56
Other revenue	4 339	65 395	78 254	78 674	16.88	0.53
Gains on disposal of PPE	477	0	0	0	0	0
Total Revenue (excluding capital transfers and contributions)	**294 302**	**413 614**	**438 133**	**421 436**	**1.86**	**-3.96**

Table 228: Revenue by Source

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2012/13 financial year:

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Water	17 505	19 366	20 004	16 717	-15.85	-19.66
Waste Water (Sanitation)	17 680	13 723	14 379	17 086	19.68	15.84
Electricity	120 713	136 602	141 662	136 953	0.26	-3.44
Waste Management	22 482	20 298	21 144	22 068	8.02	4.19
Housing	3 673	13 727	19 452	14 312	4.09	-35.91
Component A: sub-total	**182 053**	**203 716**	**216 640**	**207 136**	**1.65**	**-4.59**
Waste Water (Storm Water Drainage)	3 070	3 999	3 987	3 320	-20.45	-20.08
Roads	9 328	12 295	14 446	8 764	-40.28	-64.83

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Transport	0	0	0	0	0	0
Component B: sub-total	**12 398**	**16 294**	**18 433**	**12 084**	**-34.84**	**-52.53**
Planning	0	0	0	0	0	0
Local Economic Development	0	0	0	0	0	0
Component B: sub-total	**0**	**0**	**0**	**0**	**0**	**0**
Planning (Strategic & Regulatory)	842	1 155	1 296	957	-20.66	-35.33
Local Economic Development	2 081	3 152	3 138	2 581	-22.12	-21.59
Component C: sub-total	**3**	**4 307**	**4 434**	**3 539**	**-21.72**	**-25.30**
Community & Social Services	8 735	10 142	9 962	10 892	6.88	8.53
Environmental Protection	738	758	1 045	967	21.56	-8.09
Health	0	0	0	0	0	0
Security and Safety	4 970	6 808	6 707	6 002	-13.43	-11.75
Sport and Recreation	13 225	15 637	16 082	14 246	-9.77	-12.89
Corporate Policy Offices and Other	75 988	89 185	88 103	75 686	-17.84	-16.41
Component D: sub-total	**103 656**	**122 531**	**121 900**	**107 792**	**-13.67**	**-13.09**
Total Expenditure for the year	**301 030**	**346 848**	**361 407**	**330 551**	**-4.93**	**-9.33**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 229: Operational Services Performance

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

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

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

5.2.1 EXECUTIVE AND COUNCIL

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**1 369**	**2 831**	**2 831**	**2 861**	**1.06**
Expenditure:					
Employees	(6 704)	(7 802)	(7 380)	(6 765)	-15.33

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Repairs and Maintenance	(25)	(73)	(67)	(4)	-1743.53
Other	(9 676)	(10 061)	(10 901)	(9 913)	-1.50
Total Operational Expenditure	(16 405)	(17 936)	(18 348)	(16 682)	-7.52
Net Operational (Service) Expenditure	**(15 036)**	**(15 105)**	**(15 517)**	**(13 820)**	**-9.30**

Table 230: Financial Performance: Executive and Council

5.2.2 BUDGET AND TREASURY OFFICE

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	49 941	55 778	58 249	58 248	4.24
Expenditure:					
Employees	(9 850)	(11 903)	(12 053)	(11 535)	-3.19
Repairs and Maintenance	(53)	(41)	(61)	(35)	-18.89
Other	(15 312)	(19 109)	(18 984)	(18 460)	-3.51
Total Operational Expenditure	(25 215)	(31 053)	(31 098)	(30 031)	-3.41
Net Operational (Service) Expenditure	**24 726**	**24 724**	**27 151**	**28 217**	**12.38**

Table 231: Financial Performance: Budget and Treasury Office

5.2.3 CORPORATE SERVICES

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**1 054**	**3 930**	**2 090**	**1 931**	**-103.52**
Expenditure:					
Employees	(12 906)	(13 021)	(13 490)	(12 271)	-6.12
Repairs and Maintenance	(461)	(1 015)	(1 185)	(844)	-20.16
Other	(11 283)	(13 161)	(12 314)	(6 106)	-115.56
Total Operational Expenditure	(24 650)	(27 197)	(26 989)	(19 221)	-41.50
Net Operational (Service) Expenditure	**(23 596)**	**(23 267)**	**(24 899)**	**(17 290)**	**-34.57**

Table 232: Financial Performance: Corporate Services

5.2.4 COMMUNITY AND SOCIAL SERVICES

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	43 828	50 407	49 477	49 555	-1.72
Expenditure:					
Employees	(8 881)	(10 741)	(10 561)	(10 380)	-3.48
Repairs and Maintenance	(96)	(123)	(133)	(55)	-122.77
Other	(2 651)	(4 392)	(3 322)	(3 132)	-40.25
Total Operational Expenditure	(11 628)	(15 256)	(14 016)	(13 567)	-12.45
Net Operational (Service) Expenditure	**32 200**	**35 151**	**35 460**	**35 989**	**2.33**

Table 233: Financial Performance: Community and Social Services

5.2.5 SPORT AND RECREATION

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	9 932	15 445	14 254	25 271	38.88
Expenditure:					
Employees	(9 724)	(11 433)	(11 373)	(9 971)	-14.67
Repairs and Maintenance	(993)	(1 117)	(1 169)	(1 306)	14.42
Other	(4 480)	(5 661)	(5 903)	(4 947)	-14.43
Total Operational Expenditure	(15 197)	(18 212)	(18 446)	(16 224)	-12.25
Net Operational (Service) Expenditure	**(5 265)**	**(2 767)**	**(4 192)**	**9 048**	**130.58**

Table 234: Financial Performance: Sport and Recreation

5.2.6 PUBLIC SAFETY

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	884	2 160	2 160	755	-186.04
Expenditure:					
Employees	(3 184)	(4 202)	(4 250)	(4 054)	-3.66
Repairs and Maintenance	(97)	(215)	(155)	(106)	-102.38

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Other	(1 690)	(2 391)	(2 302)	(1 842)	-29.80
Total Operational Expenditure	(4 971)	(6 808)	(6 707)	(6 002)	-13.43
Net Operational (Service) Expenditure	**(4 087)**	**(4 648)**	**(4 547)**	**(5 247)**	**11.41**

Table 235: Financial Performance: Public Safety

5.2.7 HOUSING

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1 522	15 344	16 826	12 110	-26.71
Expenditure:					
Employees	(2 073)	(2 030)	(2 030)	(2 195)	7.54
Repairs and Maintenance	(170)	(194)	(198)	(144)	-35.27
Other	(1 430)	(11 503)	(17 225)	(11 973)	3.93
Total Operational Expenditure	(3 673)	(13 727)	(19 452)	(14 312)	4.09
Net Operational (Service) Expenditure	**(2 151)**	**1 618**	**(2 626)**	**(2 202)**	**173.47**

Table 236: Financial Performance: Housing

5.2.9 PLANNING AND DEVELOPMENT

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1 071	3 100	1 722	2 313	-34.00
Expenditure:					
Employees	(4 067)	(4 627)	(4 677)	(4 797)	3.55
Repairs and Maintenance	(8)	(21)	(27)	(20)	-3.61
Other	(1 833)	(2 721)	(2 791)	(1 757)	-54.85
Total Operational Expenditure	(5 908)	(7 368)	(7 495)	(6 574)	-12.08
Net Operational (Service) Expenditure	**(4 837)**	**(4 268)**	**(5 773)**	**(4 260)**	**-0.18**

Table 237: Financial Performance: Planning and Development

5.2.10 ROAD TRANSPORT

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	21 815	16 223	24 367	10 636	-52.53
Expenditure:					
Employees	(4 541)	(5 190)	(5 234)	(5 285)	1.78
Repairs and Maintenance	(4 407)	(3 170)	(3 114)	(2 948)	-7.53
Other	(2 273)	(6 185)	(8 288)	(2 597)	-138.15
Total Operational Expenditure	(11 221)	(14 545)	(16 636)	(10 829)	-34.31
Net Operational (Service) Expenditure	**10 594**	**1 678**	**7 731**	**(194)**	**966.68**

Table 238: ***Financial Performance: Road Transport***

5.2.11 ENVIRONMENTAL PROTECTION

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**216**	**255**	**100.00**
Expenditure:					
Employees	(553)	(632)	(632)	(578)	-9.40
Repairs and Maintenance	0	0	0	0	0
Other	(159)	(126)	(413)	(389)	67.60
Total Operational Expenditure	(712)	(758)	(1 045)	(967)	21.56
Net Operational (Service) Expenditure	**(712)**	**(758)**	**(829)**	**(712)**	**-6.59**

Table 239: ***Financial Performance: Environmental Protection***

5.2.12 ELECTRICITY

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	130 066	154 108	158 314	148 004	-4.12
Expenditure:					
Employees	(7 152)	(7 962)	(7 963)	(7 819)	-1.83

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Repairs and Maintenance	(3 979)	(4 528)	(5 096)	(4 419)	-2.49
Other	(109 582)	(124 112)	(128 602)	(124 716)	0.48
Total Operational Expenditure	(120 713)	(136 602)	(141 662)	(136 953)	0.26
Net Operational (Service) Expenditure	**9 353**	**17 506**	**16 652**	**11 051**	**-58.41**

Table 240: Financial Performance: Electricity

5.2.13 WATER

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	47 851	54 203	56 302	54 542	0.62
Expenditure:					
Employees	(3 918)	(4 012)	(4 012)	(4 189)	4.24
Repairs and Maintenance	(1 096)	(1 054)	(1 152)	(1 132)	6.84
Other	(12 491)	(14 300)	(14 840)	(11 396)	-25.49
Total Operational Expenditure	(17 505)	(19 366)	(20 004)	(16 717)	-15.85
Net Operational (Service) Expenditure	**30 346**	**34 837**	**36 298**	**37 825**	**7.90**

Table 241: Financial Performance: Water

5.2.14 WASTE WATER MANAGEMENT

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	28 437	25 164	35 152	37 546	32.98
Expenditure:					
Employees	(7 124)	(7 832)	(7 797)	(7 890)	0.74
Repairs and Maintenance	(2 371)	(2 095)	(1 938)	(2 089)	-0.30
Other	(11 255)	(7 795)	(8 631)	(10 427)	25.24
Total Operational Expenditure	(20 750)	(17 722)	(18 366)	(20 406)	13.15
Net Operational (Service) Expenditure	**7 687**	**7 442**	**16 786**	**17 140**	**56.58**

Table 242: Financial Performance: Waste Water Management

5.2.15 WASTE MANAGEMENT

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	15 505	14 922	16 175	17 408	14.28
Expenditure:					
Employees	(8 578)	(9 011)	(9 011)	(9 202)	2.07
Repairs and Maintenance	(409)	(556)	(558)	(424)	-31.21
Other	(13 495)	(10 731)	(11 575)	(12 442)	13.75
Total Operational Expenditure	(22 482)	(20 298)	(21 144)	(22 068)	8.02
Net Operational (Service) Expenditure	**(6 977)**	**(5 376)**	**(4 969)**	**(4 660)**	**-15.37**

Table 243: ***Financial Performance: Waste Management***

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the Grant performance for the 2012/13 financial year:

The Municipality had a total amount of **R74 million** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2012/13 financial year. The performance in the spending of these grants including operating grants is summarised as follows:

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating and Capital Transfers and Grants						
National Government:	**91 340**	**110 792**	**116 239**	**114 649**	**3.36**	**-1.39**
Equitable share	39 305	46 200	46 200	46 200	0.00	0.00
Municipal Systems Improvement	1 116	500	800	906	44.83	11.73
Department of Water Affairs	26 359	28 980	30 716	33 565	13.66	8.49
Finance Management Grant	1 344	1 250	1 250	1 055	-18.46	-18.46
Expanded Public Works Programm	0	1 000	1 000	1 110	9.88	9.88
Municipal Infrastructure Grant	17 822	21 623	22 399	22 065	2.00	-1.51
Housing	0	0	0	0	0	0
INEP	1 597	0	0	146	100.00	100.00

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Rural Development	3 176	11 238	13 874	8 277	-35.77	-67.62
Neighbourhood Development Plan	621	0	0	1 324	100.00	100.00
Provincial Government:	**19 373**	**27 088**	**38 095**	**30 794**	**12.04**	**-23.71**
Health subsidy	0	0	0	0	0	0
Housing	13 162	21 254	29 853	24 940	14.78	-19.70
Sports and Recreation	0	109	109	109	0.00	0.00
Library Services	4 354	5 407	5 407	5 316	-1.71	-1.71
CDW	143	216	216	118	-82.54	-82.54
Main roads	665	101	2 191	101	0.00	-2069.31
PTIG	1 049	0	19	31	100.00	40.23
Financial Management Training	0	0	300	300	100.00	0.00
Multipurpose Centre	0	0	0	(122)	100.00	100.00
District Municipality:	**2 222**	**0**	**0**	**0**	**0**	**0**
Water & Sanitation Informal Area	77	0	0	0	0	0
Housing Consumer Education Training	11	0	0	0	0	0
Upgrading of Streets & Sidewalks	1 758	0	0	0	0	0
Solid Waste	376	0	0	0	0	0
Other grant providers:	**214**	**0**	**0**	**0**	**0**	**0**
Belgium	214	0	0	0	0	0
Total Operating Transfers and Grants	**113 149**	**137 880**	**154 334**	**145 443**	**5.20**	**-6.11**

Table 244: Grant Performance for 2012/13

5.3.2 CONDITIONAL GRANTS: EXCLUDING MIG

The performance in the spending the conditional grants is summarised as follows:

Details	Budget	Adjustment Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	
Department of Human Settlements	21 254	29 853	24 940	14.78	-19.70
Department of Social development	0	0	0	0	0
Municipal Systems Improvement Grant	500	800	906	44.83	11.73
Finance Management Support Grant	1 250	1 250	1 055	-18.46	-18.46

Details	Budget	Adjustment Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	
Department of Transport	101	2 191	101	0	-2069.31
Department of Culture	0	0	0	0	0
Finance Management Grant	1 250	1 250	1 055	-18.46	-18.46
Department of Minerals and Energy	0	0	0	0	0
Department of Sport and Recreation	0	0	0	0	0
Equitable share: Councillors Remuneration	2 831	2 831	2 828	-0.12	-0.12
Equitable share	43 369	43 369	43 372	0.01	0.01
Total	**70 555**	**81 544**	**74 258**	**4.99**	**-9.81**

Table 245: Conditional Grant (excl. MIG)

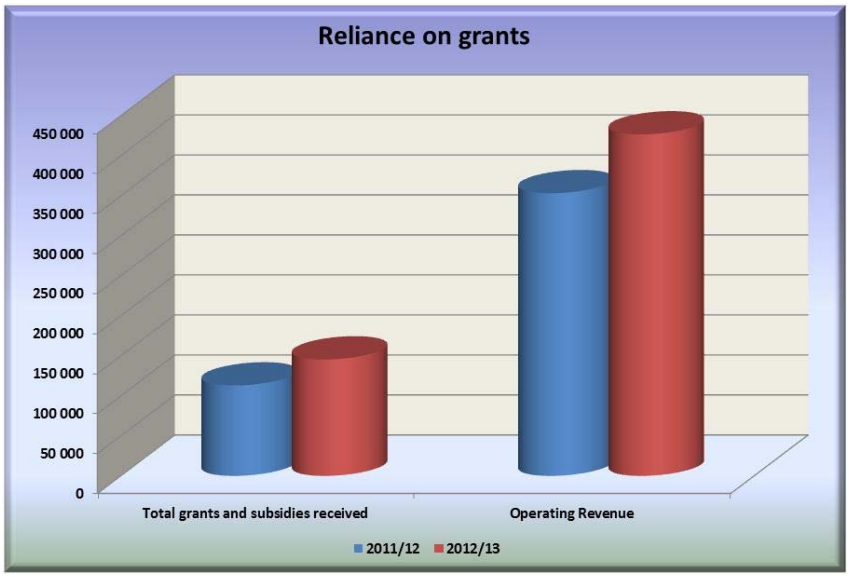
The grant from the Department of Human Settlements was utilised to provide houses for qaulifying families while the basic service delivered to the poor were financed from the equitable share.

5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2011/12	112 965	353 273	31.98
2012/13	145 432	421 436	34.51

Table 246: Reliance on grants

The following graph indicates the municipality's reliance on grants for the last two financial years



Graph 25: Reliance on grants

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

5.4 ASSET MANAGEMENT

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

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

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

5.4.1 TREATMENT OF THE THREE LARGEST ASSETS

Asset 1	
Name:	Koekedouw Dam
Description:	Water storage dam for the Ceres and Prince Alfred Hamlet areas.
Asset Type:	Water storage
Key Staff Involved:	Director Civil Services and Manager: Water Services
Staff Responsibilities:	Management of the Dam and the water

Asset 1	
Capital Implications:	**None**
Future Purpose of Asset:	To provide water to the Ceres and Prince Alfred Hamlet areas.
Describe Key Issues:	The interest and redemption payments on the loan has an impact on the total expenditure and cash flow position of the municipality.
Policies in Place to Manage Asset:	Asset Management Policy

Table 247: Summary of Largest Asset

Asset 2	
Name:	Pine Forest, Ceres
Description:	Pine Forest Resort
Asset Type:	Community Asset, Resort
Key Staff Involved:	Director Community and Social Services and Manager: Resorts
Staff Responsibilities:	Management of the resort
Capital Implications:	**None**
Future Purpose of Asset:	To provide holiday accomodation and recreational facilities
Describe Key Issues:	The expenditure to manage the resort exceeds the income from the resort. As this is not a primary municipal function of a municipality a partner need to be identified for the management of the resort.
Policies in Place to Manage Asset:	Asset Management Policy

Table 248: Summary of 2nd Largest Asset

Asset 3	
Name:	Klip River Park, Tulbagh
Description:	Klip River Park
Asset Type:	Community Asset, Resort
Key Staff Involved:	Director Community and Social Services and Manager: Resorts
Staff Responsibilities:	Management of the resort
Capital Implications:	**None**
Future Purpose of Asset:	To be rented out.
Describe Key Issues:	Tenders will be invited during the 2013/2014 financial year to identify posible leseas.
Policies in Place to Manage Asset:	Asset Management Policy

Table 249: Summary of 3rd Largest Asset

5.4.2 REPAIRS AND MAINTENANCE

Description	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000			%
Repairs and Maintenance Expenditure	14 206	14 202	14 853	13 524

Table 250: Repairs & Maintenance Expenditure

The future expenditure on repairs and maintenance needs to be expanded 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	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	0.98	1.13
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.98	1.13
Liquidity Ratio	Monetary Assets/Current Liabilities	0.40	0.38

Table 251: Liquidity Financial Ratio

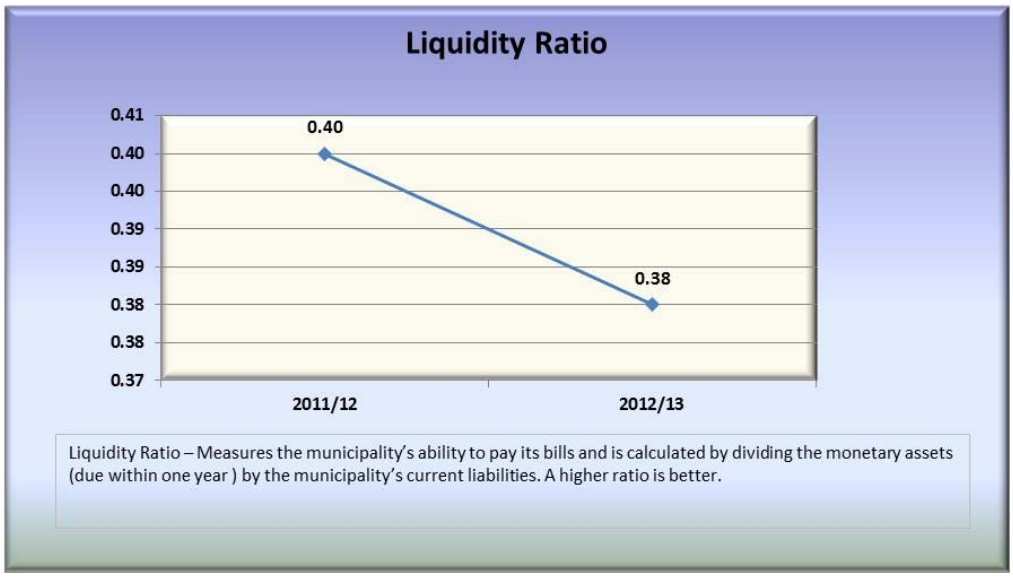
Financial year	Net current assets	Net current liabilities	Ratio
	R'000		
2011/12	79 583	81 056	0.98
2012/13	92 096	81 299	1.13

Table 252: Liquidity Financial Ratio

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

The largest contributor to the increase in the current liabilities is the payables from exchange transactions.

The following graph indicates the liquidity financial ratio for 2012/13:



Graph 26: Liquidity Ratio

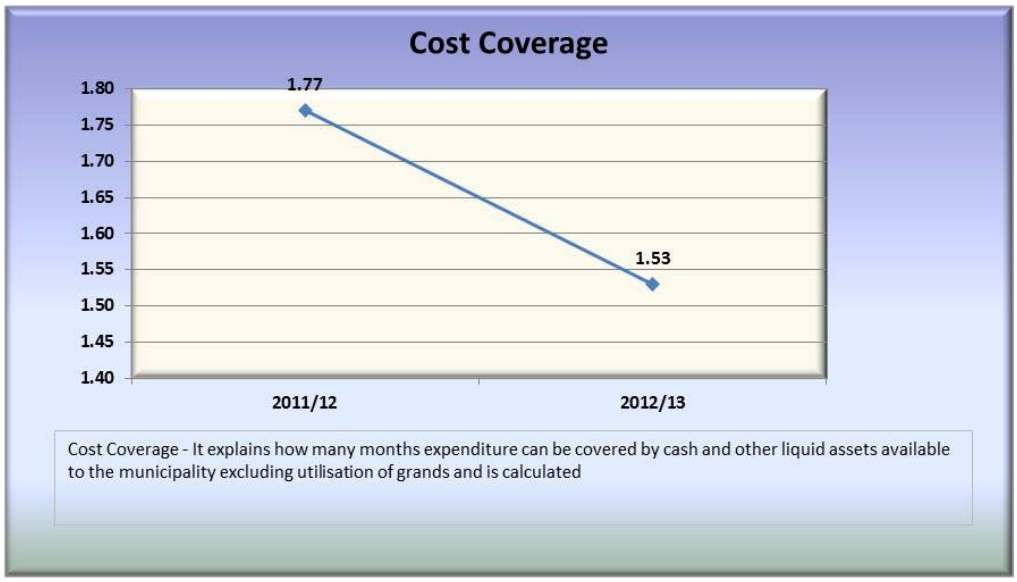
5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.77	1.53
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.47	0.51
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.10	21.50

Table 253: Financial Viability National KPAs

a) Cost Coverage

The following graph indicates the cost coverage financial viability indicator:



Graph 27: Cost Coverage

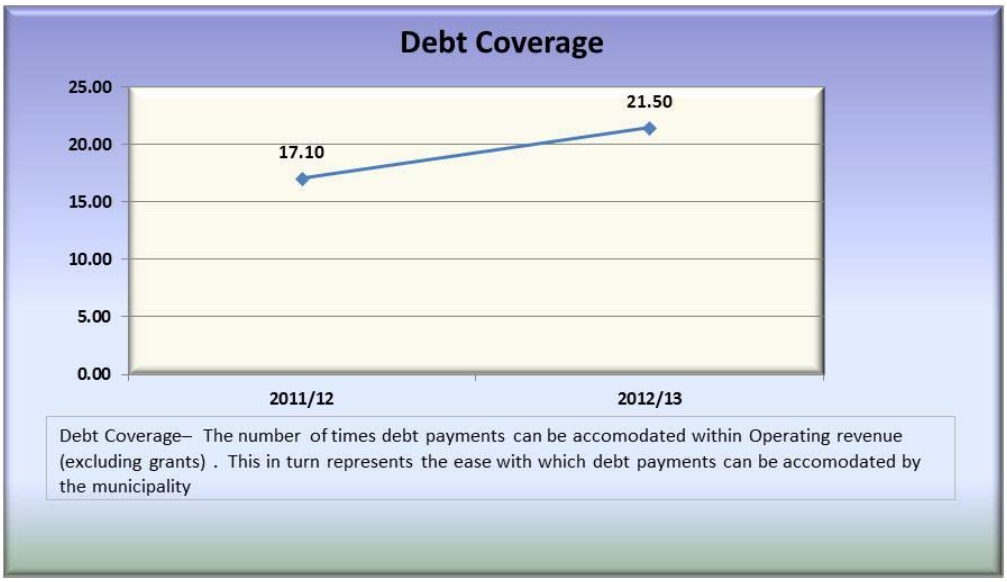
b) Outstanding Service Debtors to Revenue

The following graph indicates the outstanding service to revenue financial viability indicator:

Graph 28: Total Outstanding Service Debtors

c) Debt Coverage

The following graph indicates the debt coverage financial viability indicator:



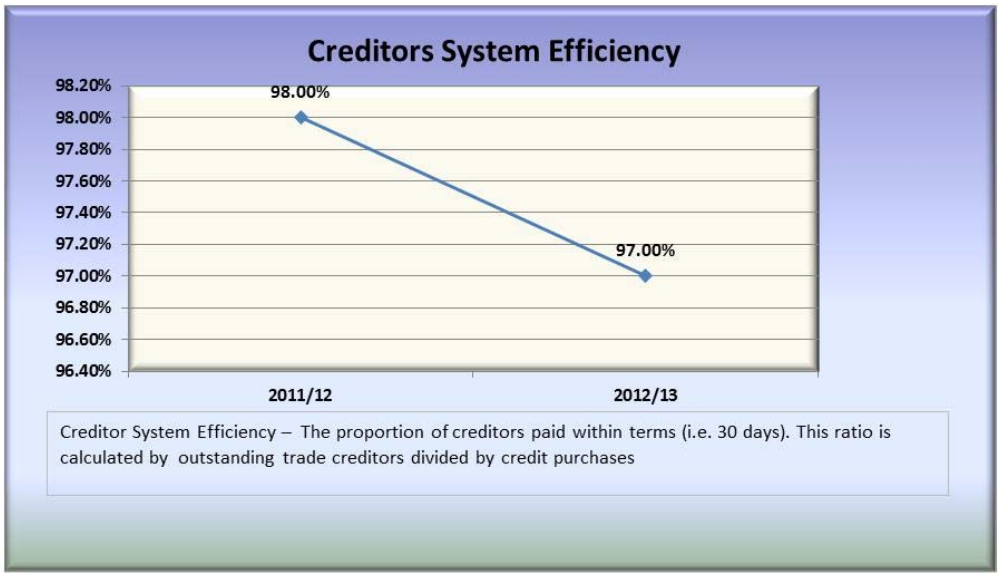
Graph 29: Debt Coverage

5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within `MFMA' s 65(e))	98	97

Table 254: Creditors Management

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



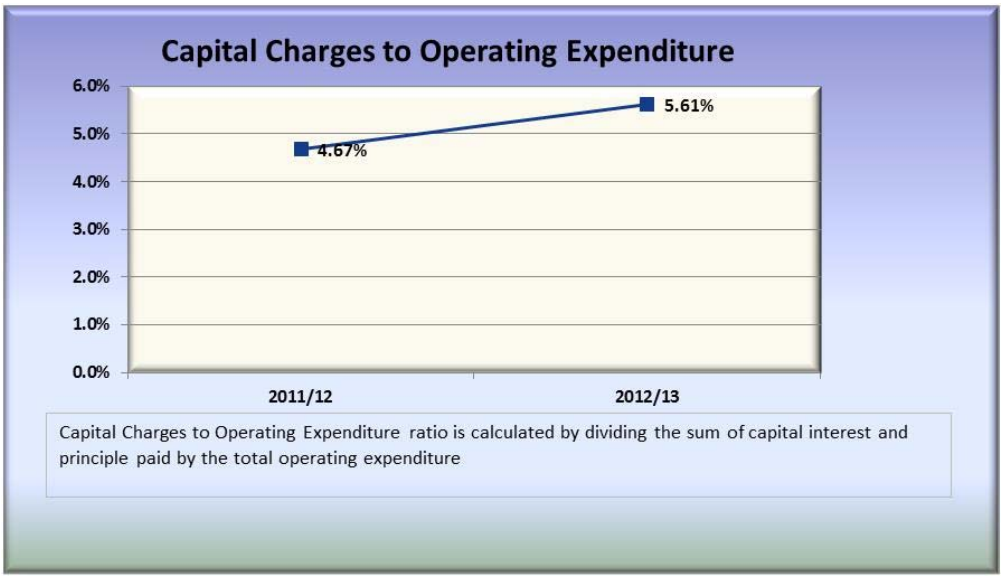
Graph 30: Creditors Ratio

5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.67%	5.61%

Table 255: Borrowing Management

The following graph indicates the ratio of capital charges to operating expenditure:



Graph 31: Capital Charges to Operating Expenditure Ratio

5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.60%	27.83%

Table 256: Employee Costs

The following graph indicates the employee costs ratio:

Graph 32: Employee Costs Ratio

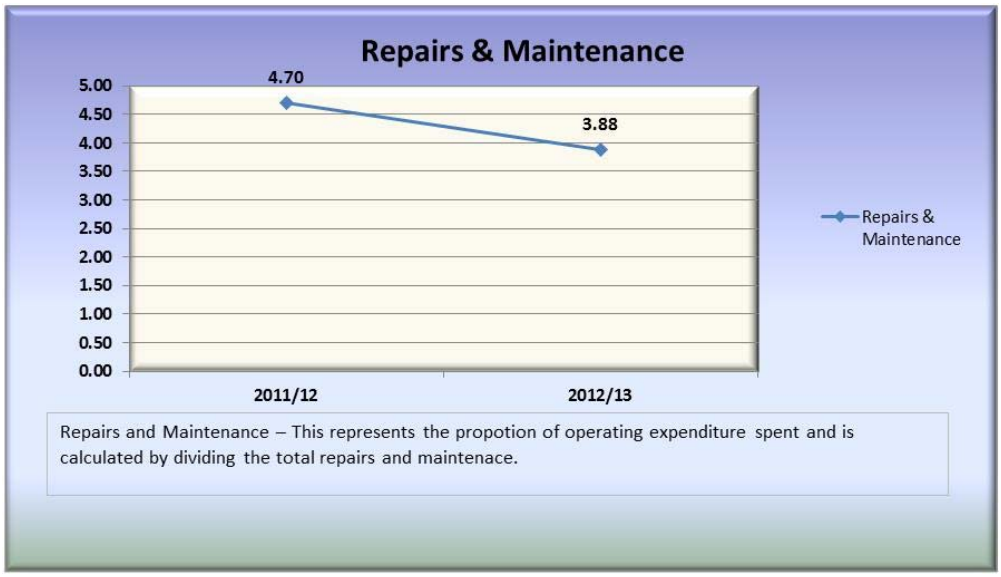
5.5.6 REPAIRS & MAINTENANCE

Description	Basis of calculation	2011/12	2012/13
		Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.70	3.88

Table 257: Repairs and Maintenance

The expenditure on repairs and maintenance are below the required standard. The financial position of the municipality must improve to make more funds available for this very impotant expense item.

The following graph indicates the ratio of repairs and maintenance:



Graph 33: Repairs and Maintenance Ratio

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

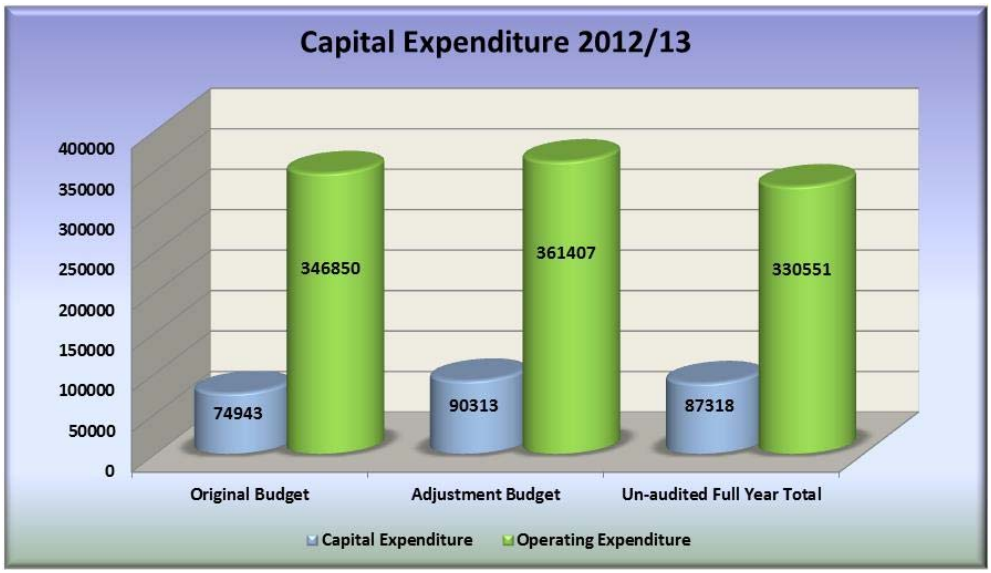
Capital expenditure relates mainly to construction projects that will have an economic life of more than one year. Capital expenditure is funded from grants and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available funding as planned.

5.6 CAPITAL EXPENDITURE

Description	Original Budget	Adjustment Budget	Unaudited Full Year Total	Original Budget variance	Adjusted Budget Variance
	R'000			%	
Capital Expenditure	74 943	90 313	87 318	-3.32	16.51
Operating Expenditure	346 848	361 407	330 551	-8.54	-4.70
Total expenditure	**421 793**	**451 722**	**425 112**	**-5.89**	**0.79**

Table 258: Capital Expenditure

The following graph indicates the expenditure against the capital budget:



Graph 34: Capital Expenditure

5.6.1 CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
	R'000						
Capital expenditure by Asset Class							
Infrastructure - Total	**38 727**	**49 012**	**55 869**	**53 789**	**25 320**	**16 722**	**7 532**
Infrastructure: Road transport - Total	**6 194**	**6 549**	**14 810**	**14 802**	**3 682**	**50**	**–**
Roads, Pavements & Bridges	5 468	6 398	9 202	9 195	1 411	0	0
Storm water	726	152	5 608	5 607	2 270	50	0
Infrastructure: Electricity - Total	**3 446**	**3 670**	**2 800**	**2 631**	**2 600**	**2 354**	**200**
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	3 446	2 800	1 929	1 760	2 600	2 354	200
Street Lighting	0	870	870	870	0	0	0
Infrastructure: Water - Total	**20 154**	**23 377**	**25 916**	**25 110**	**6 051**	**11 140**	**1 263**
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	20 154	23 377	25 916	25 110	6 051	11 140	1 263

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
	R'000						
Infrastructure: Sanitation - Total	**4 576**	**3 006**	**4 925**	**4 835**	**1 256**	**877**	**4 000**
Reticulation	0	0	0	0	0	0	0
Sewerage purification	4 576	3 006	4 925	4 835	1 256	877	4 000
Infrastructure: Other - Total	**150**	**120**	**153**	**0**	**0**	**0**	**0**
Waste Management	150	120	153	0	0	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Community - Total	**4 207**	**12 291**	**7 266**	**6 411**	**11 732**	**2 300**	**2 068**
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	0	0	0	0	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	2 089	168	168	639	0	0
Libraries	0	0	25	0	3 000	0	0
Recreational facilities	4 137	8 836	6 929	6 100	8 093	2 300	1 968
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	70	50	50	50	0	0	0
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	0	1 315	93	93	0	0	100
Capital expenditure by Asset Class							
Heritage assets - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Investment properties - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	**2 274**	**2 280**	**2 055**	**1 685**	**2 890**	**350**	**550**
General vehicles	332	280	280	280	1 500	0	0

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
	R'000						
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	1 386	1 450	1 214	1 135	950	300	500
Computers – hardware/equipment	19	0	0	0	0	0	0
Furniture and other office equipment	537	550	382	122	50	50	50
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	0	0
Other Buildings	0	0	0	0	390	0	0
Other Land	0	0	0	0	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	0	0	180	148	0	0	0
Agricultural assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
List sub-class	0	0	0	0	0	0	0
Biological assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
List sub-class	0	0	0	0	0	0	0
Intangibles	**15**	**0**	**0**	**0**	**0**	**0**	**0**
Computers - software & programming	15	0	0	0	0	0	0
Other (list sub-class)	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	**41 016**	**51 292**	**57 924**	**55 474**	**28 210**	**17 072**	**8 082**
Specialised vehicles	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

Table 259: Capital Expenditure – New Assets Programme

5.6.2 CAPITAL EXPENDITURE BY UPGRADE/RENEWAL PROGRAMME

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
Capital expenditure by Asset Class							
(R '000)							
Infrastructure - Total	**24 145**	**20 811**	**28 274**	**28 161**	**21 607**	**12 274**	**22 336**
Infrastructure: Road transport -Total	15 601	11 316	15 836	16 368	9 847	50	7 136
Roads, Pavements & Bridges	15 539	11 016	15 396	16 078	9 697	50	6 986
Storm water	62	300	440	291	150	0	150
Infrastructure: Electricity - Total	**0**	**122**	**427**	**424**	**0**	**0**	**0**
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	0	0	305	305	0	0	0
Street Lighting	0	122	121	118	0	0	0
Infrastructure: Water - Total	**296**	**300**	**600**	**617**	**1 740**	**9 439**	**13 450**
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	296	300	600	617	1 740	9 439	13 450
Infrastructure: Sanitation - Total	**8 248**	**9 073**	**11 411**	**10 752**	**10 020**	**2 786**	**1 750**
Reticulation	8 248	9 073	11 411	10 752	10 020	2 786	1 750
Sewerage purification	0	0	0	0	0	0	0
Infrastructure: Other - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Waste Management	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Community	**657**	**160**	**244**	**51**	**500**	**0**	**200**
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	0	0	0	0	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	60	60	51	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	152	100	129	0	500	0	200

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
Capital expenditure by Asset Class							
(R '000)							
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	505	0	56	0	0	0	0
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Heritage assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Capital expenditure by Asset Class							
Investment properties	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	**2 380**	**2 680**	**3 250**	**2 982**	**783**	**0**	**350**
General vehicles	394	900	791	778	250	0	0
Specialised vehicles	0	664	754	754	0	0	0
Plant & equipment	1 395	420	466	282	30	0	50
Computers - hardware/equipment	0	0	0	0	0	0	0
Furniture and other office equipment	94	200	216	199	53	0	150
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic Land and Buildings	219	276	511	510	370	0	150
Other Buildings	278	220	513	459	80	0	0
Other Land	0	0	0	0	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Agricultural assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
List sub-class	0	0	0	0	0	0	0
Biological assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Description	2011/12	2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expen-diture	2013/14	2014/15	2015/16
Capital expenditure by Asset Class							
(R '000)							
List sub-class	0	0	0	0	0	0	0
Intangibles	**0**	**0**	**620**	**650**	**250**	**0**	**200**
Computers - software & programming	0	0	620	650	250	0	200
Other (list sub-class)	0	0	0	0	0	0	0
Total Capital Expenditure on renewal of existing assets	**27 182**	**23 650**	**32 388**	**31 844**	**23 140**	**12 274**	**23 086**
Specialised vehicles	**0**	**664**	**754**	**754**	**0**	**0**	**0**
Refuse	0	0	0	0	0	0	0
Fire	0	664	754	754	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

Table 260: ***Capital Expenditure – Upgrade/Renewal Programme***

5.7 SOURCES OF FINANCE

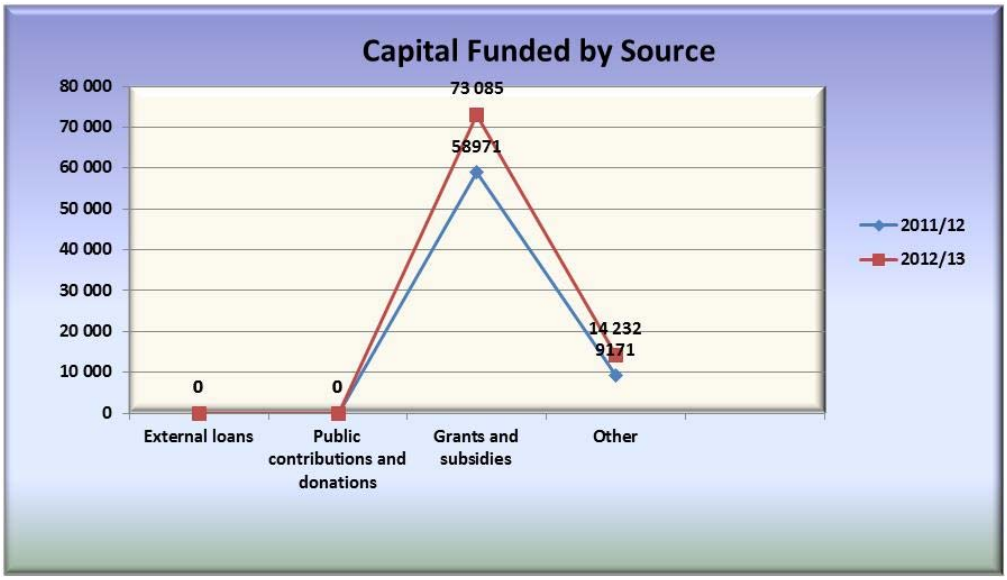
The table below indicates the capital expenditure by funding source for the 2012/13 financial year:

Details	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	(R"000)				(%)	
Source of finance						
External loans	0	–	–	–	#DIV/0!	#DIV/0!
Public contributions and donations	0				#DIV/0!	#DIV/0!
Grants and subsidies	58 971	62 001	74 823	73 085	20.68	-2.80
Other	9 171	12 941	15 490	14 232	19.69	-9.71
Total	**68 142**	**74 943**	**90 313**	**87 318**	**20.51**	**-4.00**
Percentage of finance						
External loans	0.00%	0.00%	0.00%	0.00%	n/a	n/a
Public contributions and donations	0.00%	0.00%	0.00%	0.00%	n/a	n/a
Grants and subsidies	86.54%	82.73%	82.85%	83.70%	n/a	n/a
Other	13.46%	17.27%	17.15%	16.30%	n/a	n/a

Details	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	(R"000)				(%)	
Capital expenditure						
Water and sanitation	34 000	23 677	26 516	25 727	11.99	-3.33
Electricity	3 575	3 792	3 226	3 054	-14.93	-4.54
Housing	0					
Roads and storm water	22 138	17 865	30 646	31 170	71.55	2.93
Other	8 430	29 609	29 924	27 366	1.06	-8.64
Total	**68 143**	**74 943**	**90 313**	**87 318**	**20.51**	**-4.00**
Percentage of expenditure						
Water and sanitation	49.90%	31.59%	29.36%	29.46%	n/a	n/a
Electricity	5.25%	5.06%	3.57%	3.50%	n/a	n/a
Housing	0.00%	0.00%	0.00%	0.00%	n/a	n/a
Roads and storm water	32.49%	23.84%	33.93%	35.70%	n/a	n/a
Other	12.37%	39.51%	33.13%	31.34%	n/a	n/a

Table 261: Capital Expenditure by Funding Source

The graph below illustrate the capital expenditure funded by source for the past two financial years



Graph 35: Capital funded by source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2012/13

Name of Project	2012/13			Variance Current Year: 2012/13	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Bulk Water Provision Hamlet	7 018	11 418	10 830	54.3	-5.1
Upgrading Roads	7 952	9 270	9 269	16.6	0.0
Bulk Water - Waterworks	7 500	7 799	7 732	3.1	-0.9
Wolseley Pine Valley Busroute	4 145	4 145	4 145	0.0	0.0
Swimming Pool Hamlet	5 263	3 567	3 567	-32.2	0.0

Table 262: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Bulk Water Provision Hamlet
Objective of Project	Provision of bulk water infrastructure that includes the upgrade of the main water supply line from the Koekedouw Dam. Water will be transferred through the Koekedouw irrigation system to Prince Alfred's Hamlet as per agreement with the Koekedouw Irrigation Board.
Delays	None.
Future Challenges	The second phase of the project includes the construction of a link line from the Koekedouw irrigation system to the Prince Alfred's Hamlet water works. This phase will be implemented in 2013/14.
Anticipated citizen benefits	Water shortages were experienced during peak summer season and this project will ebsure a sustainable provision of potable water to the community of Prince Alfred's Hamlet.

Table 263: Summary of Project A – Bulk Water Provision Hamlet

Name of Project - B	Upgrading Roads - Tulbagh
Objective of Project	The upgrading of Buitekant- & Waterkantstreets in Tulbagh as well as the construction of new roads in the Chris Hani subsidised housing project in Tulbagh
Delays	The replacement of underground services during construction as well as rain and storm damages delayed the project.
Future Challenges	The majority of roads in Tulbagh is in a deteriorated state and funding are required to continue with the upgrading programme.
Anticipated citizen benefits	The upgraded roads and adjacent storm water infrastructure will ensure safer road usage and future maintenance costs. The projects also increase the value of property and supports local economic development.

Table 264: Summary of Project B – Upgrading Roads – Tulbagh

Name of Project - C	Bulk Water – Tulbagh Waterworks
Objective of Project	To upgrade the existing Tulbagh water works to ensure sustainable provision of purified water to the community of Tulbagh.
Delays	No delayes
Future Challenges	The short term storage capasity will be addressed with the implementation of a project in 2013/14 to construct new reservoir.
Anticipated citizen benefits	An increased quality of water will be supplied to the community and the increased capacity of the water works will ensure sustainable water supply to new developments in the town.

Table 265: Summary of Project C – Bulk Water – Tulbagh Waterworks

Name of Project - D	Wolseley Pine Valley Busroute
Objective of Project	Surfacing of gravel roads in the Pine Valley township of Wolseley.
Delays	No delayes
Future Challenges	No challenges
Anticipated citizen benefits	The upgraded roads and adjacent storm water infrastructure will ensure safer road usage and future maintenance costs. The projects also increase the value of property and supports local economic development.

Table 266: Summary of Project D – Wolseley Pine Valley Bus route

Name of Project - E	Swimming Pool Hamlet
Objective of Project	Construct a half olympic size swimming pool with cloackrooms in Kliprug, Prince Alfred's Hamlet.
Delays	No delays
Future Challenges	None
Anticipated citizen benefits	The social upgrading of the area and usage by the community.

Table 267: Summary of Project E – Swimming Pool Hamlet

The expenditure on the major projects listed above are according to budget and were all completed within set timeframes, except the Upgrade of Roads. A major concern is the ability of the municipality to maintain the assets in future, within the parameters of affordable tariff adjustments.

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

All the residents in the town areas have access to minimum basic services. Some areas still need to be upgraded to waterborne sewer 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

Households (HHs)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	Number of Households	% Households	Number of Households	% Households
Water	13 319	100%	0	0
Sanitation	13 235	100%	0	0
Electricity	12 635	100%	0	0
Waste management	12 836	100%	0	0
Housing			7 865	0
*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*				

Table 268: ***Service Backlogs***

5.9.2 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjust-ments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	
Infrastructure - Road transport	12 097	15 084	15 084	19.8	0.0
Roads, Pavements & Bridges	12 097	13 415	13 414	9.8	0.0
Storm water	0	1 670	1 670	100.0	0.0
Infrastructure - Electricity	870	870	870	0.0	0.0
Generation	0	0	0	0	0
Transmission & Reticulation	870	870	870	0.0	0.0
Street Lighting	0	0	0	0	0
Infrastructure - Water	2 989	1 499	1 499	-99.4	0.0
Dams & Reservoirs	2 989	1 499	1 499	-99.4	0.0
Water purification	0	0	0	0	0
Reticulation	0	0	0	0	0
Infrastructure - Sanitation	723	977	974	25.8	-0.3
Reticulation	723	977	974	25.8	-0.3
Sewerage purification	0	0	0	0	0
Infrastructure – Other	0	0	0	0	0
Waste Management	0	0	0	0	0
Transportation	0	0	0	0	0
Gas	0	0	0	0	0

Details	Budget	Adjust-ments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	
Other Specify:	2 424	1 027	993	-144.0	-3.4
Total	**19 104**	**19 458**	**19 420**	**1.6**	**-0.2**
** 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. Note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*					

Table 269: Municipal Infrastructure Grant (MIG)

The largest portion of the Municipal Infrastructure Grant was spend on the upgrade of the roads in Tulbagh.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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

5.10 CASH FLOW

Description	2011/12	2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
R'000				
Receipts				
Ratepayers and other	216 200	257 376	257 376	251 302
Government	111 604	138 180	147 585	128 518
Interest	5 888	6 096	5 902	7 849
Dividends	0	0	0	0
Payments				
Suppliers and employees	-235 138	(297 547)	(305 254)	(282 247)
Finance charges	-12 245	(17 139)	(16 452)	(11 319)
Transfers and Grants	-794	(1 079)	(1 045)	(767)
Net cash from/(used) operating activities	86	85 887	88 112	93 335
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	1 001	2	0	13
Decrease (Increase) in non-current debtors	-118	0	25	49
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0

Description	2011/12	2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
R'000				
Payments				
Capital assets	-68 281	(74 943)	(89 200)	(88 010)
Net cash from/(used) investing activities	**-67 398**	**(74 941)**	**(89 175)**	**(87 948)**
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	51	0	348	121
Payments				
Repayment of borrowing	-7 480	(7 441)	(7 441)	(7 217)
Net cash from/(used) financing activities	**-7 429**	**(7 441)**	**(7 441)**	**(7 217)**
Net increase/ (decrease) in cash held	**10 688**	**3 506**	**(8 504)**	**(1 829)**
Cash/cash equivalents at the year begin:	21 874	32 562	32 562	32 562
Net increase on Cash/cash equivalents at the year-end:	32 562	36 068	24 058	30 853

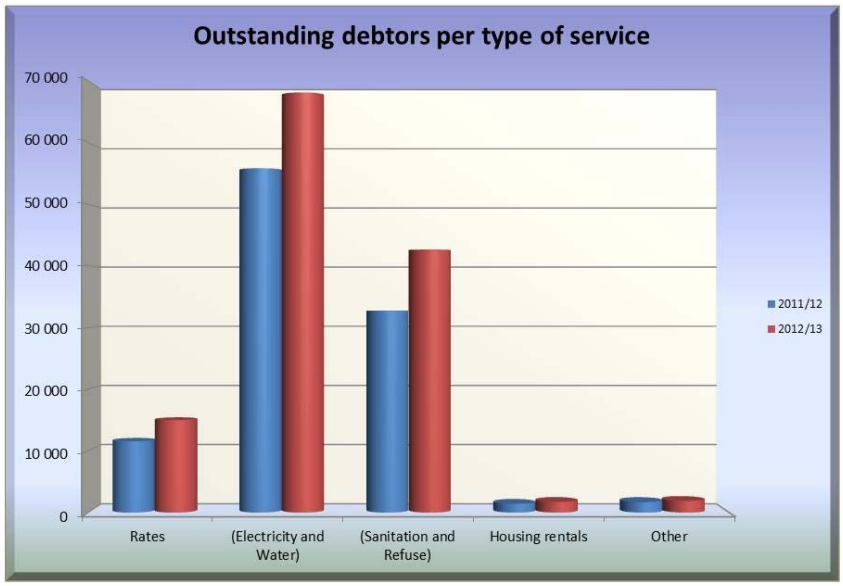
Table 270: Cash flow

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					
2011/12	11 557	55 815	32 687	1 422	1 712	103 193
2012/13	14 976	68 105	42 643	1 732	1 898	129 353
Difference	3 419	12 290	9 956	310	186	26 160
% growth year on year	**29.6**	**22.0**	**30.5**	**21.8**	**10.9**	**25.4**
Note: Figures exclude provision for bad debt.						

Table 271: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2012/13



Graph 36: Debt per type of service

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				
2011/12	29 236	2 588	1 481	58 331	91 636
2012/13	33 629	4 467	2 214	89 044	129 353
Difference	4 393	1 879	733	30 713	37 717
% growth year on year	**15.0**	**72.6**	**49.5**	**52.7**	**41.2**
Note: Figures exclude provision for bad debt.					

Table 272: Service debtor age analysis

Steps need to be implemented urgently to adress the non payment for municipal rates and services. If consumers do not pay for services delivered the municipality will not be in a position to maintain or improve on the current level of service delivery.

5.13 BORROWING AND INVESTMENTS

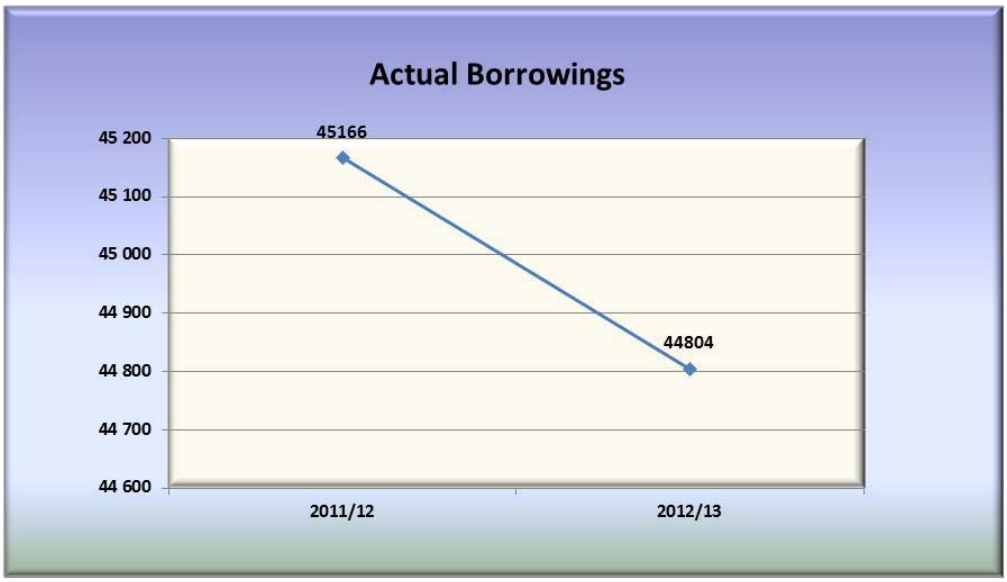
5.13.1 ACTUAL BORROWINGS

Instrument	2011/12	2012/13
	R'000	
Long-Term Loans (annuity/reducing balance)	45 166	44 804
Long-Term Loans (non-annuity)	0	0

Instrument	2011/12	2012/13
	R'000	
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non-Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Municipality Total	**45 166**	**44 804**

Table 273: Actual Borrowings

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



Graph 37: Actual Borrowings

5.13.2 MUNICIPAL INVESTMENTS

Investment type	2011/12	2012/13
	R'000	R'000
Securities - National Government	0	0
Listed Corporate Bonds	0	0
Deposits - Bank	18 076	21 914
Deposits - Public Investment Commissioners	0	0
Deposits - Corporation for Public Deposits	0	0
Bankers Acceptance Certificates	0	0
Negotiable Certificates of Deposit - Banks	0	0
Guaranteed Endowment Policies (sinking)	0	0
Repurchase Agreements - Banks	0	0
Municipal Bonds	0	0
Other	0	0
Municipality Total	**18 076**	**21 914**

Table 274: Municipal Investments

Witzenberg municipality need to increase the available investments in order to be financially more viabile. This can only be achieved if the payment for rates and taxes improves.

The table below indicates the declaration of loans and grants made by the municipality for the 2012/13 financial year:

All Organisation or Person in receipt of Loans/Grants provided by the municipality	Value 2012/13 R'000	Total Amount budgeted for future years R'000
Grants paid to:		
Ceres Togryers museum	23 000	75 000
Total:	**23 000**	**75 000**

Table 275: Declaration of Loans and Grants

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

Witzenberg municipality implemented policies and practices in compliance with the guidelines set down 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.

The cost of compliance to the GRAP standards is a concern as it outweighs the benefits for the municipality. The asset register increased from ±15 000 items to ±37 000 items. Future depreciation charges on the deemed cost of assets and its effect on tariffs, must be carefully managed.

Chapter 6

Auditor- General Audit Findings

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2011/12

6.1 AUDITOR GENERAL REPORTS 2011/12

The following table provide the details on the audit outcomes for the 2011/12 financial year with the correctives steps implemented:

Auditor-General Report on Financial Performance 2011/12	
Status of the audit report:	**Unqualified with other matters**
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Significant uncertainties	
With reference to note 50 to the financial statements, the municipality is engaged in litigation in five legal claims with an estimated financial exposure of R3 679 716 which could result in damage/cost being awarded against Council if the claimants are successful in their actions. The ultimate outcome of the matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.	The municipality is of the view that the claims have no reasonable prospect of success. It is also not required in terms of GRAP to create a provision for the possible liability
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during the 2011-12 financial year in the financial statements of the Witzenberg Municipality at, and for the year ended, 30 June 2011.	The restatement of the corresponding figures was necessitated by the full implementation of GRAP 17 on the componentising of assets
Emphasis of matter:	
Material losses	
As disclosed in note 3 to the financial statements, the municipality had receivables from exchange transactions (consumer debtors) totalling R91 640 269 at 30 June 2012 (2010-11: R73 579 457). A provision for impairment of R59 991 407 has been made against the debtors balance for doubtful debts (2010-11: R39 795 692) at 30 June 2012. As disclosed in note 4 to the financial statements, the municipality had receivables from non-exchange transactions (rates and other receivables) totalling R12 567 949 at 30 June 2012 (2010-11: R12 003 815). A provision for impairment of R9 857 556 has been made against the debtors balance for doubtful debts (2010-11: R9 069 481) at 30 June 2012.	The indigent and credit control policies were amended in an effort to reduce bad debt.
Emphasis of matter:	
Material under spending of the capital budget	

Auditor-General Report on Financial Performance 2011/12	
Status of the audit report:	**Unqualified with other matters**
Issue raised	**Corrective step implemented**
As disclosed in note 42.3 to the financial statements, the municipality has materially underspent on the capital budget by R5 949 264 (8%). As a consequence, the municipality has not completed all its planned projects, mainly in respect of civil services and public safety.	Management will improve the monitoring and review process to ensure that under spending on the capital budget is reduced.

Table 276: 2012/13 Detail on audit outcomes

6.2 AUDITOR GENERAL REPORT 2012/13

The following table provide the details on the audit outcomes for the 2012/13 financial year with the correctives steps implemented:

Auditor-General Report on Financial Performance 2012/13	
Status of the audit report:	**Unqualified**
2012/13	
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Significant uncertainties	
With reference to note 51 to the financial statements, the municipality is engaged in litigation in seven legal claims with an estimated financial exposure of R8 118 660 (2011-12: R3 679 716) which could result in damages/costs being awarded against Council if the claimants are successful in their actions. The ultimate outcome of the matters cannot be determined at present, and no provision for any liability that may result has been made in the financial statements.	The municipality is of the view that the claims have no reasonable prospect of success. Some of the cases were submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote. It is also not required in terms of GRAP to create a provision for the possible liability
Emphasis of matter:	
Material losses	
As disclosed in note 3 to the financial statements, the municipality had receivables from exchange transactions (consumer debtors) totalling R114 377 545 at 30 June 2013 (2011-12: R91 640 269). A provision for impairment of R80 738 124 (2011-12: R59 991 408) has been made against the debtors balance for doubtful debts at 30 June 2013. As disclosed in note 4 to the financial statements, the municipality had receivables from non-exchange transactions (rates and other receivables) totalling R16 754 646 at 30 June 2013 (2011-12: R12 567 949). A provision for impairment of R12 594 725 (2011-12: R9 857 556) has been made against the debtors balance for doubtful debts at 30 June 2013.	A new service provider has been appointed for debt collection as from 1 October 2013.
As disclosed in note 44.3 to the financial statements, water distribution losses for the municipality totalled 21.45% (R765 011) for the year ended 30 June 2013 compared to 31.6% (R1 525 167) for the year ended 30 June 2012.	Steps implemented to reduce water losses seems to be effective. These must be continued to further improve the percentage of water lost

Auditor-General Report on Financial Performance 2012/13	
Status of the audit report:	**Unqualified**
2012/13	
Issue raised	**Corrective step implemented**
As disclosed in note 44.3 to the financial statements, electricity distribution losses for the municipality totalled 8.37% (R9 889 673) for the year ended 30 June 2013 compared to 8.54% (R8 755 780) for the year ended 30 June 2012.	The electricity losses are within acceptable norms. The prepaid electricity meters are replaced with split meters in instances were illegal consumption are suspected. It is more dificult to tamper with the split meters.

Table 277: 2012/13 Detail on audit outcomes

Comments on Auditor-General's Opinion 2012/13:

Witzenberg Municipality received a clean audit report from the Auditor-General of South Africa for the past financial year 2012/2013. This is the first year that this recognition accrues to the municipality and indicates to the residents of Witzenberg that the municipality is well managed and committed to provide a good service to the community.

A clean audit entails that

a) the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2013, and its financial performance, cash flows and the comparison of budget and actual amounts for the year then ended, in accordance with South African Standards of GRAP and the requirements of the Municipal Financial Management Act and the Division of Revenue Act;
b) there were no material findings on the annual performance report concerning the usefulness and reliability of the information; and
c) that the Auditor-General of South Africa did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the Public Audit Act.

Comments on MFMA Section 71 Responsibilities:

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

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury

LIST OF ABBREVIATIONS

OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
PPP	Public Private Partnership
MRF	Material Recovery Facilities

ANNEXURE A: FINANCIAL STATEMENTS

2013

Annual Financial Statements

30 June 2013

H J Kritzinger - CFO
WC022 – WITZENBERG MUNICIPALITY
11/30/2013

Audited - Trim ref 05/03/1

WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Witzenberg Municipality includes the following areas:

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

MUNICIPAL MANAGER

D Nasson

ACTING CHIEF FINANCIAL OFFICER

HJ Kritzinger

REGISTERED OFFICE

50 Voortrekker Street, Ceres, 6835

AUDITORS

Auditor-General South Africa

PRINCIPAL BANKERS

Standard Bank, Ceres

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal 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)
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
SALBC Leave Regulations

WITZENBERG MUNICIPALITY

MEMBERS OF THE WITZENBERG MUNICIPALITY

COUNCILLORS

Position	Surname	Party	Seat type
Executive Mayor	Klazen, JNED	DCP	PR 1
Deputy Executive Mayor	Adams, K	Independent	Ward 6
Speaker	Godden, TT	COPE	PR 1
Member of Mayoral Committee	Louw, S	DA	PR 1
Member of Mayoral Committee	Veschini, JA	VIP	PR 1
Member of Mayoral Committee	Smit, HJ	DA	Ward 5
Member of Mayoral Committee	Visagie, JJ	DA	Ward 4
Ordinary Councillor	Badela, R	ANC	Ward 12
Ordinary Councillor	Du Plessis, JJ	DA	PR 3
Ordinary Councillor	Du Toit, MC	ANC	PR 1
Ordinary Councillor	Heradien, P	DA	Ward 7
Ordinary Councillor	Klaasen, BC	DA	PR 2
Ordinary Councillor	Mouton, JS	ANC	PR 2
Ordinary Councillor	Ndwanya, SM	ANC	PR 4
Ordinary Councillor	Phungula, JT	ANC	PR 3
Ordinary Councillor	Salmon, L	ANC	Ward 8
Ordinary Councillor	Saula, MI	ANC	Ward 1
Ordinary Councillor	Sidego, EM	DA	Ward 11
Ordinary Councillor	Simpson, RJ	ANC	Ward 9
Ordinary Councillor	Swart, D	DA	Ward 2
Ordinary Councillor	Chaaban, BJ	NPP	PR 1
Ordinary Councillor	Hanekom, WJ	DA	Ward 3
Ordinary Councillor	Waterboer, P	DA	Ward 10

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.

30 November 2013

D Nasson
Municipal Manager

Date

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	2013 R	2012 R
ASSETS			
Current Assets		**92 096 073**	**79 520 307**
Cash and Cash Equivalents	**2**	30 853 256	32 561 784
Receivables from exchange transactions	**3**	33 639 421	31 648 861
Receivables from non-exchange transactions	**4**	4 159 921	2 710 393
Inventory	**5**	5 386 185	5 401 138
Current Portion of Long-term Receivables	**6**	27 141	29 011
Unpaid Conditional Government Grants and Receipts	**7**	15 678 100	5 599 933
VAT Receivable (net)	**8**	2 352 049	1 569 187
Non-current assets held for sale	**9**	**2 884 238**	**2 884 238**
Non-Current Assets		**607 311 261**	**532 176 285**
Long-Term Receivables	**6**	200 525	247 491
Non-Current Investments	**10**	105 062	105 062
Property, Plant and Equipment	**11**	554 871 877	480 467 195
Intangible Assets	**12**	1 858 501	1 609 595
Investment Property	**13**	48 011 630	48 299 923
Heritage assets	**14**	550 000	550 000
Operating Lease Asset	**15**	28 049	31 997
Capitalised Restoration Cost	**16**	1 685 617	865 022
Total Assets		**702 291 572**	**614 580 830**
LIABILITIES			
Current Liabilities		**81 298 993**	**81 219 143**
Payables from exchange transactions	**17**	45 403 643	39 250 377
Consumer Deposits	**18**	1 862 631	1 741 866
Provisions	**19**	6 791 539	7 348 043
Current Employee benefits	**20**	12 526 114	11 392 476
Unspent Conditional Government Grants and Receipts	**7**	6 545 350	13 137 816
Unspent Public Contributions	**21**	624 664	699 642
Current Portion of Long-term Liabilities	**22**	7 545 052	7 648 923
Non-Current Liabilities		**106 264 102**	**109 518 913**
Long-term Liabilities	**22**	32 335 486	37 626 852
Non-Current Provisions	**23**	16 774 616	14 209 553
Employee benefits	**24**	57 154 000	57 682 508
Total Liabilities		**187 563 095**	**190 738 056**
Net Assets		**514 728 477**	**423 842 774**
Capital Replacement Reserve	**25**	8 565 886	6 414 513
Accumulated Surplus		506 162 591	417 428 261
Total Net Assets and Liabilities		**702 291 572**	**614 580 830**

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 (Actual) R	2012 (Restated) R	2012 Correction of error R	2012 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**192 522 607**	**152 744 154**	**-**	**152 744 154**
Taxation Revenue		**45 277 877**	**38 666 814**	**-**	**38 666 814**
Property rates	**26**	44 230 471	37 624 624	-	37 624 624
Property Rates - penalties imposed and collection charges		1 047 406	1 042 190	-	1 042 190
Transfer Revenue		**147 244 730**	**114 077 340**	**-**	**114 077 340**
Fines		760 499	897 473	-	897 473
Government Grants and Subsidies - Capital	**27**	73 085 201	58 971 308	-	58 971 308
Government Grants and Subsidies - Operating	**27**	72 347 109	53 994 181	-	53 994 181
Public Contributions and Donations		1 051 921	214 378	-	214 378
Revenue from Exchange Transactions		**228 913 600**	**200 014 201**	**-**	**200 014 201**
Service Charges	**28**	207 843 497	180 073 921	-	180 073 921
Rental of Facilities and Equipment		6 554 512	6 912 583	-	6 912 583
Interest Earned - external investments		2 053 378	2 089 182	-	2 089 182
Interest Earned - outstanding debtors		4 747 998	3 798 921	-	3 798 921
Licences and Permits		125 483	167 515	-	167 515
Agency Services		3 051 493	2 852 993	-	2 852 993
Other Income	**29**	4 536 790	4 115 917	-	4 115 917
Unamortised Discount - Interest		449	3 169	-	3 169
Total Revenue		**421 436 207**	**352 758 355**	**-**	**352 758 355**
EXPENDITURE					
Employee related costs	**30**	96 930 354	89 301 596	-	89 301 596
Remuneration of Councillors	**31**	6 932 325	6 638 931	-	6 638 931
Debt Impairment	**32**	19 722 706	20 637 333	-	20 637 333
Collection Costs		299 065	289 847	-	289 847
Depreciation and Amortisation	**33**	13 995 677	12 499 763	38 500	12 461 263
Repairs and Maintenance		13 523 782	14 205 850	-	14 205 850
Unamortised Discount - Interest paid		1 821 743	1 728 738	-	1 728 738
Finance Charges	**35**	11 319 234	12 252 472	7 763	12 244 709
Bulk Purchases	**36**	118 180 997	102 547 908	-	102 547 908
Contracted services		8 717 708	9 576 007	-	9 576 007
Grants and Subsidies	**37**	767 362	793 804	-	793 804
Operating Grant Expenditure		13 247 855	3 189 052	(80 126)	3 269 178
General Expenses	**38**	31 380 075	26 241 159	80 126	26 161 033
Total Expenditure		**336 838 883**	**299 902 460**	**46 263**	**299 856 197**
Gain / (loss) on disposal of assets		2 500	(274 033)	-	(274 033)
(Impairment loss)	**34**	(449 054)	(242)	-	(242)
Gain on Adjustment of Provision		598 555	355 502	355 502	-
Inventories: (Write-down) / Reversal of write-down		(1 728)	9 326	-	9 326
Gain / (loss) on Actuarial Valuations	**24**	6 138 104	(291 917)	-	(291 917)
NET SURPLUS FOR THE YEAR		**90 885 701**	**52 654 531**	**309 239**	**52 345 292**

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2011		**5 568 197**	**365 717 810**	**371 286 006**
Correction of error	**39.6**	-	(97 762)	(97 762)
Restated Balance at 1 JULY 2011		**5 568 197**	**365 620 048**	**371 188 244**
Contribution to Capital Replacement Reserve		10 186 322	(10 186 322)	-
Property, Plant and Equipment purchased		(9 340 005)	9 340 005	-
Net Surplus for the year		-	52 654 531	52 654 531
Balance at 30 JUNE 2012		**6 414 514**	**417 428 262**	**423 842 775**
Contribution to Capital Replacement Reserve		15 672 599	(15 672 599)	-
Property, Plant and Equipment purchased		(13 521 227)	13 521 227	-
Net Surplus for the year		-	90 885 701	90 885 701
Balance at 30 JUNE 2013		**8 565 886**	**506 162 591**	**514 728 476**

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	30 JUNE 2013 R	30 JUNE 2012 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Taxation	**40**	40 858 607	36 484 655
Sales of goods and services		210 443 550	178 589 811
Government Grants		128 518 466	111 604 065
Interest		7 848 782	6 930 293
Payments			
Employee costs		(90 187 122)	(83 597 268)
Suppliers		(192 060 284)	(151 270 343)
Finance charges	**35**	(11 319 234)	(12 252 472)
Transfers and Grants		(767 362)	(793 804)
Cash generated by operations	**40**	**93 335 404**	**85 694 937**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**11**	(87 124 310)	(67 945 872)
Purchase of Intangible Assets		(885 195)	(390 527)
Proceeds on Disposal of Fixed Assets		12 500	868 678
Increase/(Decrease) in Long-term Receivables	**6**	48 836	(117 938)
Net Cash from Investing Activities		**(87 948 169)**	**(67 585 660)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(7 216 529)	(7 472 308)
Increase in Consumer Deposits		120 765	50 724
Net Cash from Financing Activities		**(7 095 764)**	**(7 421 584)**
NET INCREASE/(DECREASE IN CASH AND CASH EQUIVALENTS		**(1 708 529)**	**10 687 693**
Cash and Cash Equivalents at the beginning of the year		32 561 785	21 874 092
Cash and Cash Equivalents at the end of the year	**2**	30 853 256	32 561 785
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1 708 529)**	**10 687 693**

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED

	Actual 2013 R	Approved budget 2013 R	Adjustments 2013 R	Final budget 2013 R	Difference between final budget and actual	Actual 2012 R
Operating Revenue						
Property rates	44 230 471	43 882 168	496 077	44 378 245	-0.3%	37 624 624
Property Rates - penalties imposed and collection charges	1 047 406	729 000	-	729 000	43.7%	1 042 190
Fines	760 499	2 168 800	-	2 168 800	-64.9%	897 473
Government Grants and Subsidies - Capital	73 085 201	62 001 428	12 821 890	74 823 318	-2.3%	58 971 308
Government Grants and Subsidies - Operating	72 347 109	76 178 275	4 531 353	80 709 628	-10.4%	53 994 181
Public Contributions and Donations	1 051 921	-	16 200	16 200	6393.3%	214 378
Service Charges	207 843 497	208 306 789	6 632 665	214 939 454	-3.3%	180 073 921
Rental of Facilities and Equipment	6 554 512	7 749 090	-	7 749 090	-15.4%	6 912 583
Interest Earned - external investments	2 053 378	1 957 280	-	1 957 280	4.9%	2 089 182
Interest Earned - outstanding debtors	4 747 998	4 139 060	-	4 139 060	14.7%	3 798 921
Licences and Permits	125 483	244 180	-	244 180	-48.6%	167 515
Agency Services	3 051 493	2 864 260	-	2 864 260	6.5%	2 852 993
Other Income	4 536 790	3 393 513	21 257	3 414 770	32.9%	4 115 917
Unamortised Discount - Interest	449	-	-	-		3 169
Total revenue	**421 436 207**	**413 613 843**	**24 519 442**	**438 133 285**	**3.8%**	**352 758 355**
Operating Expenses						
Employee related costs	96 930 354	100 399 121	65 080	100 464 201	3.5%	89 301 596
Remuneration of Councillors	6 932 325	7 091 230	-	7 091 230	2.2%	6 638 931
Debt Impairment	19 722 706	11 962 280	2 000 000	13 962 280	-41.3%	20 637 333
Collection Costs	299 065	677 930	(198 000)	479 930	37.7%	289 847
Depreciation and Amortisation	13 995 677	18 623 342	-	18 623 342	24.8%	12 499 763
Repairs and Maintenance	13 523 782	14 202 082	651 232	14 853 314	9.0%	14 205 850
Unamortised Discount - Interest paid	1 821 743	1 814 212	-	1 814 212	-0.4%	1 728 738
Finance Charges	11 319 234	15 663 420	(1 046 280)	14 617 140	22.6%	12 252 472
Bulk Purchases	118 180 997	118 259 148	4 000 000	122 259 148	3.3%	102 547 908
Contracted services	8 717 708	9 128 340	802 069	9 930 409	12.2%	9 576 007
Grants and Subsidies	767 362	760 820	(19 000)	741 820	-3.4%	793 804
Operating Grant Expenditure	13 247 855	14 161 704	7 099 092	21 260 796	37.7%	3 189 052
Other expenses	25 091 698	34 104 814	1 204 426	35 309 240	28.9%	26 442 523
Total expenses	**330 550 506**	**346 848 443**	**14 558 619**	**361 407 062**	**8.5%**	**300 103 824**
Surplus/(deficit) for the period	**90 885 701**	**66 765 400**	**9 960 823**	**76 726 223**	**-18.5%**	**52 654 531**
Capital expenditure by vote						
Budget & Treasury Office	438	-	500	500	12.4%	54 416
Civil Services	73 427 013	55 472 969	19 201 432	74 674 401	1.7%	56 628 393
Community & Social Services	429 789	2 280 015	(1 681 113)	598 902	28.2%	740 785
Corporate Services	1 900 726	2 168 000	(20 558)	2 147 442	11.5%	979 347
Electro Technical Services	3 182 147	3 936 750	(566 776)	3 369 974	5.6%	3 628 139
Executive & Council	-	-	-	-		56 535
Housing	1 481	-	1 733	1 733	14.5%	5 813
Planning	-	-	-	-		10 190
Public Safety	1 459 238	1 193 678	313 339	1 507 017	3.2%	1 208 667
Sport & Recreation	6 916 859	9 891 183	(1 878 287)	8 012 896	13.7%	4 885 898
Total capital expenditure	**87 317 691**	**74 942 595**	**15 370 270**	**90 312 865**		**68 198 183**

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.

Please refer to Note 43 for more information on budget comparisons.

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

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

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash-generating assets
GRAP 23	Revenue from Non-Exchange Transactions
GRAP 24	Presentation of Budget Information
GRAP 26	Impairment of cash-generating assets
GRAP 100	Non-current Assets held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources

IAS 12 (AC102)	Income Taxes
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16(AC449)	Hedges in a Net Investment in a Foreign Operation

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not effective yet.

Standard	Description	Effective Date
GRAP 25	Employee Benefits	1 April 2013

The impact of the accounting policy based on the above GRAP standards on the financial statements is minimal.

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. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 18	Segment Reporting Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	Presentation of Budget Information in Financial Statements Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 25	Employee Benefits Information to a large extent is already included in the notes to the annual financial statements.	1 April 2013
GRAP 105	Transfer of Functions Between Entities Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 106	Transfer of Functions Between Entities Not Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 107	Mergers No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown

1.7. 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.

1.8. LEASES

1.8.1. 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.

1.8.2. 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.

1.9. 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.

1.10. 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.

1.11. PROVISIONS

1.11.1. GENERAL PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

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.

1.11.2. 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 less 4%. The dates of total closure and rehabilitation are uncertain, but are currently expected to be between 2012 and 2015.

1.12. EMPLOYEE BENEFITS

1.12.1. 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.

1.12.2. Long Service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

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

1.12.3. 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.

1.12.4. 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.

1.12.5. 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.

1.12.6. 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.

1.12.7. 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.

1.13. PROPERTY, PLANT AND EQUIPMENT

1.13.1. Initial Recognition

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

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

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

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.13.2. 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.

1.13.3. 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	15-60	Furniture and equipment	5-30
Other	10-15	Landfill sites	9-24
		Markets	30
Community		Other	3-30
Recreational Facilities	10-30	Other vehicles	5-67
Sport fields & Stadia	10-20	Plant and Equipment	5-32
Halls	5-97	Specialist vehicles	7-38
Libraries	10-30		
Parks and gardens	10		
Other assets	5-30		
Cemeteries	5-30		
Finance lease assets			
Office equipment	4		

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.13.4. 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.

1.13.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional arrangement as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The municipality updated the Land and Buildings acquired before 30 June 2008 to the fair value as determined by an independent valuator. For Other Assets the depreciation replacement cost method was used to establish the deemed cost as on 1 July 2008.

1.14. INTANGIBLE ASSETS

1.14.1. *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.

1.14.2. 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.

1.14.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	Years
Computer Software	5
Computer Software Licenses	5

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

1.14.4. 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.

1.15. INVESTMENT PROPERTY

1.15.1. 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.

1.15.2. 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.

1.15.3. Depreciation and Impairment

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

Investment Property	Years
Buildings	99 - 100

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

1.15.4. 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.

1.16. HERITAGE ASSETS

1.16.1. Initial Recognition

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

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

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

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

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

1.16.2. *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.

1.16.3. *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.

1.16.4. 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 derecognition 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.

1.17. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.17.1. 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.

1.17.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

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

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

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

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

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

1.18. 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.

1.19. INVENTORIES

1.19.1. 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.

1.19.2. Subsequent Measurement

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

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

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

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

1.20. 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.

1.21. 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).

1.21.1. 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

1.21.2. 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.

1.21.2.1. Receivables

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

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

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

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

1.21.2.2. Payables and Annuity Loans

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

1.21.2.3. 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.

1.21.2.4. 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.

1.21.3. De-recognition of Financial Instruments

1.21.3.1. 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.

1.21.3.2. 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.

1.21.4. Offsetting of Financial Instruments

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

1.22. REVENUE

1.22.1. 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 based on an estimation of future collections of fines issued based on prior period trends and collection percentages.

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

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

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

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

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

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

1.22.2. Revenue from Exchange Transactions

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

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

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

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

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

Interest revenue is recognised using the effective interest rate method.

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

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

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

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

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

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

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

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

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

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

1.22.3. 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.

1.23. RELATED PARTIES

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

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

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

1.24. 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.

1.25. IRREGULAR EXPENDITURE

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

1.26. 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.

1.27. CONTINGENT LIABILITIES

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

Management judgement is required when recognising and measuring contingent liabilities.

1.28. PRESENTATION OF BUDGET INFORMATION

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

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

1.29. 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.

Revenue Recognition

Accounting Policy 1.22.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.22.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.30. 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.

1.31. 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.

1.32. 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.

		2013 R	2012 R
2	**CASH AND CASH EQUIVALENTS**		
	Assets		
	Call Investments Deposits	21 913 574	18 076 435
	Bank Accounts	8 931 456	14 476 952
	Cash Floats	8 226	8 397
	Total Cash and Cash Equivalents - Assets	**30 853 256**	**32 561 784**

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

The municipality has the following bank accounts:

Cash book balance at beginning of year	14 476 952	10 252 347
Cash book balance at end of year	8 931 456	14 476 952

The municipality changed it's Primary Bank Account from ABSA Bank Limited to The Standard Bank of South Africa Limited on 1 March 2013. The ABSA account has not been closed at year end as some debtors still pay their service accounts into the old account.

Primary Bank Account: Standard Bank - Account Number 203241819		
Bank statement balance at beginning of year	-	
Bank statement balance at end of year	12 855 343	
ABSA Bank Limited - Account Number 350000011		
Bank statement balance at beginning of year	16 461 234	12 518 038
Bank statement balance at end of year	164 567	16 461 234

Call Investment Deposits

Call investment deposits consist of the following accounts:

ABSA Bank Ltd - Account Number 9184483785	1 094 641	5 783 801
First Rand Bank - Account Number 62192709164	63 995	61 437
Nedbank Ltd - Account Number 03/7881032766/30	10 130 630	8 033 863
Standard Bank of SA Ltd - Account Number 088779831-008	10 624 309	4 197 335
	21 913 574	18 076 435

3	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	28 334 228	25 287 370
	Water	39 770 496	30 531 591
	Housing Rentals	1 732 028	1 421 901
	Refuse	23 188 758	18 111 213
	Sewerage	19 453 910	14 576 064
	Other	1 898 125	1 712 130
	Total Receivables from Exchange Transactions	**114 377 545**	**91 640 269**
	Less: Provision for Impairment	(80 738 124)	(59 991 408)
	Total Net Receivables from Exchange Transactions	**33 639 421**	**31 648 861**

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	12 824 898	11 262 252
Accrued Income Water	2 693 795	2 405 394

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Accrued Income Electricity	12 824 898	11 262 252
Current (0 - 30 days)	11 354 395	10 076 361
31 - 60 Days	567 272	563 160
61 - 90 Days	192 805	81 199
+ 90 Days	3 394 858	3 304 399
Total	**28 334 228**	**25 287 371**

RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2013 R	2012 R
(Water): Ageing		
Accrued Income Water	2 693 795	2 405 394
Current (0 - 30 days)	2 343 834	2 192 821
31 - 60 Days	957 326	946 925
61 - 90 Days	871 205	651 553
+ 90 Days	32 904 337	24 334 898
Total	**39 770 496**	**30 531 591**
(Housing): Ageing		
Current (0 - 30 days)	47 018	48 605
31 - 60 Days	34 215	27 880
61 - 90 Days	31 170	22 479
+ 90 Days	1 619 625	1 322 937
Total	**1 732 028**	**1 421 901**
(Refuse): Ageing		
Current (0 - 30 days)	1 414 496	1 385 470
31 - 60 Days	637 336	526 627
61 - 90 Days	466 580	380 566
+ 90 Days	20 670 345	15 818 550
Total	**23 188 758**	**18 111 213**
(Sewerage): Ageing		
Current (0 - 30 days)	1 261 948	1 752 259
31 - 60 Days	2 003 180	460 807
61 - 90 Days	414 782	331 869
+ 90 Days	15 774 000	12 031 129
Total	**19 453 910**	**14 576 064**
(Other): Ageing		
Current (0 - 30 days)	77 483	112 599
31 - 60 Days	36 674	62 623
61 - 90 Days	30 659	13 760
+ 90 Days	1 753 309	1 523 148
Total	**1 898 125**	**1 712 130**
(Total): Ageing		
Accrued Income	15 518 693	13 667 646
Current (0 - 30 days)	16 499 174	15 568 115
31 - 60 Days	4 236 003	2 588 022
61 - 90 Days	2 007 201	1 481 426
+ 90 Days	76 116 474	58 335 060
Total	**114 377 545**	**91 640 270**
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	59 991 405	39 795 690
Contribution to provision	20 749 936	21 486 850
Bad Debts Written Off	(3 218)	(1 291 135)
Balance at end of year	**80 738 123**	**59 991 405**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. 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.

		2013 R	2012 R
4	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Rates	14 975 942	11 604 078
	Other Receivables	1 778 704	963 871
	Accrued Fines	130 799	84 740
	Irregular Expenditure	-	130 406
	Deposits	224 616	224 615
	SARS	524 109	524 110
	Prepaid Expenditure	899 180	-
	Total Receivables from Non-Exchange Transactions	**16 754 646**	**12 567 949**
	Less: Provision for Impairment	(12 594 725)	(9 857 556)
	Total Net Receivables from Non-Exchange Transactions	**4 159 921**	**2 710 393**

Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	1 610 717	1 414 356
31 - 60 Days	231 023	236 594
61 - 90 Days	207 011	75 474
+ 90 Days	12 927 191	9 830 322
Total	**14 975 942**	**11 556 746**

Reconciliation of Provision for Bad Debts

Balance at beginning of year	9 857 556	9 069 481
Contribution to provision	2 882 346	849 147
Bad Debts Written Off	(145 177)	(61 072)
Balance at end of year	**12 594 725**	**9 857 556**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. 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**		
	Consumable Stores - At cost	5 367 612	5 383 826
	Water - At purification cost	18 573	17 312
	Total Inventory	**5 386 185**	**5 401 138**
	Consumable stores materials written down due to losses as identified during the annual stores counts.	1 796	34
	Consumable stores materials surplusses identified during the annual stores counts	68	1 498
	Consumable stores inventory recognised as an expense during the year	8 001 445	7 483 332

		2013 R	2012 R
6	**LONG-TERM RECEIVABLES**		
	Housing Loans	313 895	346 164
	Sport Club Loans	58 355	60 332
	Town Development	31 126	29 923
		403 376	436 419
	Less: Unamortised Discount on Loans	(7 260)	(7 260)
	Balance 1 July	(7 260)	(9 834)
	Adjustment for the period	-	2 574
		396 116	429 159
	Less: Current portion transferred to current receivables	(27 141)	(29 011)
	Housing Loans	(20 096)	(22 371)
	Sport Club Loans	(7 045)	(6 640)
		368 975	400 148
	Less: Provision for Impairment	(168 450)	(152 657)
	Total Long Term Receivables	**200 525**	**247 491**
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	152 657	172 170
	Contribution to provision	15 793	21 528
	Bad Debts Written Off	-	(41 041)
	Balance at end of year	**168 450**	**152 657**
7	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
	Unspent Grants	6 545 350	13 137 816
	National Government Grants	1 434 320	5 714 787
	Provincial Government Grants	5 111 030	7 114 445
	District Municipality	-	308 584
	Less: Grants spend but not yet received	15 678 100	5 599 933
	National Government Grants	15 577 100	4 792 872
	Provincial Government Grants	101 000	129 804
	District Municipality	-	677 257
	Total Conditional Grants and Receipts	**(9 132 750)**	**7 537 883**

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Please refer to Note 27 for more information on specific grants.

8	**VAT**		
	VAT PAYABLE		
	VAT output in suspense	2 042 501	3 805 686
	Total Vat payable	2 042 501	3 805 686
	VAT RECEIVABLE		
	VAT input in suspense	4 394 550	5 374 873
	Total VAT receivable	4 394 550	5 374 873
	NET VAT RECEIVABLE/(PAYABLE)	2 352 049	1 569 187

VAT is receivable/payable on the cash basis.

		2013 R	2012 R
9	**NON-CURRENT ASSETS HELD FOR SALE**		
	Erven	2 884 238	2 884 238
		2 884 238	**2 884 238**

Council resolved on 18 August 2011 to alienate erven not required for basic service delivery.

10	**NON-CURRENT INVESTMENTS**		
	Unlisted		
	Investment in Joint Ventures - at cost	105 062	105 062
	Total Non-Current Investments	**105 062**	**105 062**

Managements valuations of the unlisted investments are as follows:

Ceres Koekedouw Bestuurskomitee - Joint Venture with Koekedouw Besproeingsraad	105 062	105 062
	105 062	105 062

The Municipality has a 41% interest in the Ceres Koekedouw Management Committee. The equity method was used to recognise the interest in the joint venture. The joint venture operates the Koekedouw Dam. The financial statements are available at Witzenberg Municipality.

The municipalities assets and liabilities in respect of the dam is included in the statement of financial position of the municipality. The relevant expenditure is expensed in the statement of financial performance.

The carrying value of the asset and liability on the statement of financial position is R 30 273 938 and R 21 216 964 respectively.

The financial statements of the joint venture is summarised as follow:

Income	932 906	1 081 391
Expenditure	(911 579)	(1 014 018)
Non-current Assets	45 083	39 568
Current Assets	2 309 004	853 768
Non-current Liabilities	(2 138 847)	(513 225)
Current Liabilities	(215 239)	(52 551)

Please note that the 2013 figures are preliminary.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 30 JUNE 2013

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2012	71 146 145	99 097 465	244 397 628	42 077 386	121 333	23 627 239	480 467 195
Cost	71 146 145	103 211 343	319 972 256	43 046 952	728 997	37 718 224	575 823 917
Original Cost	71 146 145	103 211 343	319 972 256	43 046 952	728 997	37 718 224	575 823 917
Accumulated Impairments	-	-	-	-	-	(75 905)	(75 905)
Original Cost	-	-	-	-	-	(75 905)	(75 905)
Accumulated Depreciation	-	(4 113 878)	(75 574 628)	(969 567)	(607 664)	(14 015 080)	(95 280 817)
Original Cost	-	(4 113 878)	(75 574 628)	(969 567)	(607 664)	(14 015 080)	(95 280 817)
Acquisitions	-	18 785	75 561 613	6 737 785	691 343	4 114 783	87 124 309
Transfers	-	-	-	(12 770)	-	12 770	-
Cost			-	(12 770)	-	12 770	-
Impairment	-	-	-	-	-	(373 987)	(373 987)
Impairment		-	-	-	-	(373 987)	(373 987)
Depreciation	-	(1 024 793)	(5 972 872)	(716 324)	(284 225)	(4 262 359)	(12 260 573)
Normal Depreciation	-	(1 024 793)	(5 972 872)	(716 324)	(284 225)	(4 262 359)	(12 260 573)
Carrying value of disposals	(10 000)	-	(75 068)	-	-	-	(85 068)
Cost	(10 000)	-	(189 175)	-	(728 997)	-	(928 172)
Accumulated Depreciation	-	-	114 107	-	728 997	-	843 104
Carrying value at 30 June 2013	71 136 145	98 091 457	313 911 301	48 086 077	528 451	23 118 446	554 871 877
Cost	71 136 145	103 230 127	395 344 694	49 771 967	691 343	41 845 778	662 020 054
Original Cost	71 136 145	103 230 127	395 344 694	49 771 967	691 343	41 845 778	662 020 054
Accumulated Impairments	-	-	-	-	-	(449 892)	(449 892)
Original Cost	-	-	-	-	-	(449 892)	(449 892)
Accumulated Depreciation	-	(5 138 671)	(81 433 393)	(1 685 890)	(162 892)	(18 277 439)	(106 698 285)
Original Cost	-	(5 138 671)	(81 433 393)	(1 685 890)	(162 892)	(18 277 439)	(106 698 285)

PROPERTY, PLANT AND EQUIPMENT CONTINUED

11.2 30 JUNE 2012

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2011	71 843 145	100 086 972	190 606 998	37 656 536	304 082	24 631 221	425 128 953
Cost	71 843 145	103 167 505	260 987 299	38 192 162	728 997	35 362 989	510 282 096
Original Cost	71 843 145	103 167 505	260 987 299	38 192 162	728 997	35 362 989	510 282 096
Accumulated Impairments	-	-	-	-	-	(95 536)	(95 536)
Original Cost	-	-	-	-	-	(95 536)	(95 536)
Accumulated Depreciation	-	(3 080 533)	(70 380 301)	(535 626)	(424 915)	(10 636 232)	(85 057 607)
Original Cost	-	(3 080 533)	(70 380 301)	(535 626)	(424 915)	(10 636 232)	(85 057 607)
Acquisitions	-	43 838	13 450 868	4 728 640	-	3 885 898	22 109 244
Capital under Construction	-		45 594 233	126 149			45 720 382
Transfers	(697 000)	-	-	-	-	-	(697 000)
Cost	(697 000)	-	-	-	-	-	(697 000)
Impairments	-	-	-	-	-	(242)	(242)
Impairments		-	-	-	-	(242)	(242)
Depreciation	-	(1 033 345)	(5 237 662)	(433 940)	(182 749)	(3 763 734)	(10 651 430)
Normal Depreciation	-	(1 033 345)	(5 237 662)	(433 940)	(182 749)	(3 763 734)	(10 651 430)
Carrying value of disposals	-	-	(16 807)	-	-	(1 125 904)	(1 142 711)
Cost			(60 142)			(1 530 663)	(1 590 805)
Accumulated Impairments		-	-	-	-	19 873	19 873
Accumulated Depreciation			43 335			384 886	428 221
Carrying value at 30 June 2012	71 146 145	99 097 465	244 397 630	42 077 384	121 333	23 627 239	480 467 196
Cost	71 146 145	103 211 343	319 972 258	43 046 951	728 997	37 718 224	575 823 917
Original Cost	71 146 145	103 211 343	319 972 258	43 046 951	728 997	37 718 224	575 823 917
Accumulated Impairments	-	-	-	-	-	(75 905)	(75 905)
Original Cost	-	-	-	-	-	(75 905)	(75 905)
Accumulated Depreciation	-	(4 113 878)	(75 574 628)	(969 567)	(607 664)	(14 015 080)	(95 280 817)
Original Cost	-	(4 113 878)	(75 574 628)	(969 567)	(607 664)	(14 015 080)	(95 280 817)

12 INTANGIBLE ASSETS

	2013 R	2012 R
Computer Software		
Net Carrying amount at 1 July	**1 609 594**	**1 754 262**
Cost	3 147 576	2 757 049
Accumulated Amortisation	(1 537 982)	(1 002 788)
Additions	885 196	390 527
Amortisation	(636 289)	(535 194)
Net Carrying amount at 30 June	**1 858 501**	**1 609 595**
Cost	4 032 772	3 147 576
Accumulated Amortisation	(2 174 270)	(1 537 982)

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value	
Microsoft Office and Windows software	5	1 858 501	1 609 595

No intangible assets were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

13 INVESTMENT PROPERTY

Net Carrying amount at 1 July	**48 299 923**	**50 782 252**
Cost	49 452 507	51 645 507
Accumulated Depreciation	(1 152 584)	(863 255)
Depreciation for the year	(288 293)	(289 329)
Transfers	-	(2 187 238)
Net Carrying amount at 30 June	**48 011 630**	**48 299 923**
Cost	49 452 507	49 452 507
Accumulated Depreciation	(1 440 877)	(1 152 584)

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.

14 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

		2013	2012
15	**OPERATING LEASE ARRANGEMENTS**	**R**	**R**
	The Municipality as Lessor (Asset)		
	Balance on 1 July	31 997	32 897
	Movement during the year	(3 948)	(900)
	Balance on 30 June	**28 049**	**31 997**

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	35 662	32 420
1 to 5 Years	102 892	106 721
Total Operating Lease Arrangements	**138 554**	**139 141**

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for periods ranging until 2016

16 CAPITALISED RESTORATION COST

Net Carrying amount at 1 July	**865 022**	**2 803 904**
Cost	9 865 460	10 785 035
Accumulated Depreciation	(9 000 438)	(7 981 131)
Acquisitions	1 631 116	116 249
Adjustment for the period	-	(1 035 824)
Depreciation for the year	(810 522)	(1 019 307)
Net Carrying amount at 30 June	**1 685 616.89**	**865 022**
Cost	11 496 576	9 865 460
Accumulated Depreciation	(9 810 960)	(9 000 438)

17 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	34 617 576	31 335 161
Deposits: Other	606 517	380 980
Interest Accrued	1 118 806	1 321 575
Other Creditors	355 585	300 082
Library books	11 238	8 856
Payments Received in Advance	3 638 724	3 024 112
Pre-paid Electricity	640 981	622 432
Retentions	4 414 216	2 257 179
Total Trade Payables	**45 403 643**	**39 250 377**

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

Sundry deposits include hall, builders and housing Deposits.

18 CONSUMER DEPOSITS

Water and Electricity	1 862 631	1 741 866
Total Consumer Deposits	**1 862 631**	**1 741 866**

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

		2013	2012
19	**CURRENT PROVISIONS**	**R**	**R**
	Current Portion of Rehabilitation of Landfill-sites - Note 23	6 791 539	7 348 043
	Total Provisions	**6 791 539**	**7 348 043**

20	**CURRENT EMPLOYEE BENEFITS**		
	Current Portion of Post Retirement Benefits - Note 24	1 522 000	1 263 000
	Current Portion of Long-Service Provisions - Note 24	565 000	264 669
	Current Portion of Ex-gratia Pension Provisions - Note 24	105 000	112 741
	Staff Leave	6 675 642	6 634 900
	Performance Bonuses	930 974	620 471
	Staff Bonuses	2 727 498	2 496 695
	Total Current Employee Benefits	**12 526 114**	**11 392 476**

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	6 634 901	4 668 121
Contribution to current portion	290 588	2 289 571
Expenditure incurred	(249 847)	(322 791)
Balance at end of year	**6 675 642**	**6 634 901**

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	620 471	574 885
Contribution to current portion	310 503	620 471
Expenditure incurred	-	(574 885)
Balance at end of year	**930 974**	**620 471**

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

Staff Bonuses

Balance at beginning of year	2 496 695	2 225 686
Contribution to current portion	4 714 107	4 195 331
Expenditure incurred	(4 483 305)	(3 924 322)
Balance at end of year	**2 727 497**	**2 496 695**

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.

Backdated Remuneration

Balance at beginning of year	-	2 460 667
Expenditure incurred	-	(2 460 667)
Balance at end of year	**-**	**-**

		2013 R	2012 R
21	**UNSPENT PUBLIC CONTRIBUTIONS**		
	China - Water meters	222 677	276 740
	Essen Belgium	401 987	422 902
	Total Unspent Public Contributions	624 664	699 642

Reconciliation of public contributions

China - Water meters

Opening balance	276 740	277 370
Conditions met - Transferred to revenue	(54 063)	(630)
Closing balance	222 677	276 740

3580 Water meters were donated by the Chinees Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.

Essen Belgium

Opening balance	422 902	88 199
Contributions received	247 626	548 451
Conditions met - Transferred to revenue	(268 541)	(213 748)
Closing balance	401 987	422 902

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

		2013 R	2012 R
22	**LONG-TERM LIABILITIES**		
	Annuity Loans - At amortised cost	44 376 732	52 115 199
	Capitalised Lease Liability - At amortised cost	521 937	-
		44 898 669	**52 115 199**
	Current Portion transferred to Current Liabilities	**(7 545 052)**	**(7 648 923)**
	Annuity Loans - At amortised cost	(7 320 766)	(7 648 923)
	Capitalised Lease Liability - At amortised cost	(224 286)	-
		37 353 617	**44 466 276**
	Unamortised charges on loans	**(5 018 131)**	**(6 839 424)**
	Balance 1 July	(6 839 424)	(8 567 567)
	Adjustment for the period	1 821 293	1 728 143
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**32 335 486**	**37 626 852**

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	12 414 777	13 650 776
Payable within two to five years	40 516 170	48 395 339
Payable after five years	8 177 263	12 854 206
	61 108 210	74 900 320
Less: Future finance obligations	(16 731 478)	(22 895 151)
Present value of annuity obligations	**44 376 732**	**52 005 169**

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

The obligations under finance leases are scheduled below:	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	260 046	-
Payable within two to five years	314 195	
Payable after five years	-	-
	574 241	-
Less: Future finance obligations	(52 304)	-
Present value of lease obligations	**521 937**	**-**

Leases are secured by property, plant and equipment - Note 11

		2013	2012
23	**NON-CURRENT PROVISIONS**	**R**	**R**
	Provision for Rehabilitation of Landfill-sites	16 774 616	14 209 553
	Total Non-current Provisions	**16 774 616**	**14 209 553**

The provision includes the rehabilitation cost of landfill sites in Ceres, Prince Alfred's Hamlet, Op-die-Berg, Tulbagh and Wolseley. The expected closing dates of the sites are:
Ceres - 2010 (The site is longer in operation)
Prince Alferd's Hamlet - 2014
Op-die- Berg - 2014
Tulbagh - 2014
Wolseley - 2020

Landfill Sites

Balance 1 July	21 557 597	21 745 403
Contribution for the year	1 032 560	116 249
Unwinding of Interest	975 998	1 087 270
Adjustment for the period	-	(1 391 326)
Total provision 30 June	**23 566 155**	**21 557 596**
Less: Transfer of Current Portion to Current Provisions - Note 19	(6 791 539)	(7 348 043)
Balance 30 June	**16 774 616**	**14 209 553**

24	**EMPLOYEE BENEFITS**		
	Post Retirement Benefits	52 408 000	55 584 812
	Long Service Awards	4 511 000	1 873 372
	Ex-Gratia Pension Benefits	235 000	224 324
	Total Non-current Employee Benefit Liabilities	**57 154 000**	**57 682 508**

Post Retirement Benefits

Balance 1 July	56 847 812	51 015 674
Contribution for the year	2 986 400	2 730 675
Interest Cost	4 559 400	4 401 759
Expenditure for the year	(1 371 126)	(1 304 409)
Actuarial Loss/(Gain)	(9 092 486)	4 113
Total post retirement benefits 30 June	**53 930 000**	**56 847 812**
Less: Transfer of Current Portion - Note 20	(1 522 000)	(1 263 000)
Balance 30 June	**52 408 000**	**55 584 812**

Long Service Awards

Balance 1 July	2 138 041	1 806 355
Contribution for the year	279 377	250 706
Interest Cost	126 572	127 576
Expenditure for the year	(339 040)	(340 320)
Actuarial Loss/(Gain)	2 871 050	293 724
Total long service 30 June	**5 076 000**	**2 138 041**
Less: Transfer of Current Portion - Note 20	(565 000)	(264 669)
Balance 30 June	**4 511 000**	**1 873 372**

Ex-Gratia Pensions

Balance 1 July	337 065	327 352
Contribution for the year	4 044	3 975
Interest Cost	20 559	26 436
Expenditure for the year	(105 000)	(14 778)
Actuarial Loss/(Gain)	83 332	(5 920)
Total Ex-Gratia 30 June	**340 000**	**337 065**
Less: Transfer of Current Portion - Note 20	(105 000)	(112 741)
Balance 30 June	**235 000**	**224 324**

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	59 322 918	53 149 381
Contribution for the year	3 269 821	2 985 356
Interest cost	4 706 531	4 555 771
Expenditure for the year	(1 815 166)	(1 659 507)
Actuarial Loss/(Gain)	(6 138 104)	291 917
Total employee benefits 30 June	**59 346 000**	**59 322 918**
Less: Transfer of Current Portion - Note 20	(2 192 000)	(1 640 410)
Balance 30 June	**57 154 000**	**57 682 508**

EMPLOYEE BENEFITS CONTINUED	2013 R	2012 R

24.1 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	255	248
In-service (employee) non-members	248	265
Continuation members (e.g. Retirees, widows, orphans)	55	53
Total Members	**558**	**566**

	2013 R	2012 R
The liability in respect of past service has been estimated to be as follows		
In-service members	35 087 000	38 525 020
Continuation members	18 843 000	18 322 792
Total Liability	**53 930 000**	**56 847 812**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2011 R	2010 R	2009 R
In-service members	32 437 101	26 124 600	22 717 210
Continuation members	18 578 573	10 151 587	9 217 993
Total Liability	**51 015 674**	**36 276 187**	**31 935 203**

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

Bonitas;
LA Health
Samwumed; and
Keyhealth.

Key actuarial assumptions used:	2013	2012
i) Rate of interest		
Discount rate	7.89%	8.11%
Health Care Cost Inflation Rate	7.14%	6.94%
Net Effective Discount Rate	0.70%	1.09%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries

iii) Normal retirement age

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:	2013 R	2012 R
Present value of fund obligations	53 930 000	56 847 812
Net liability/(asset)	**53 930 000**	**56 847 812**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).

EMPLOYEE BENEFITS CONTINUED

	2013 R	2012 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	56 847 812	51 015 674
Total expenses	6 174 674	5 828 025
Current service cost	2 986 400	2 730 675
Interest Cost	4 559 400	4 401 759
Benefits Paid	(1 371 126)	(1 304 409)
Actuarial (gains)/losses	(9 092 486)	4 113
Present value of fund obligation at the end of the year	53 930 000	56 847 812
Less: Transfer of Current Portion - Note 20	(1 522 000)	(1 263 000)
Balance 30 June	**52 408 000**	**55 584 812**

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)
Central Assumptions	35 087	18 843	53 930

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central assumptions		35 087	18 843	53 930	
Health care inflation	1%	39 672	21 305	60 977	13
Health care inflation	-1%	30 576	16 421	46 997	-13
Mortality rate	20%	32 577	17 495	50 072	-7
Mortality rate	-20%	38 218	20 525	58 743	9

24.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses	504	504

	2013	2012
i) Rate of interest		
Discount rate	7.40%	6.30%
General Salary Inflation (long-term)	6.66%	5.98%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.69%	0.31%

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	5 076 000	2 138 041
Net liability	**5 076 000**	**2 138 041**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2011 R	2010 R	2009 R
Net liability	**1 806 355**	**1 522 979**	**1 393 580**

EMPLOYEE BENEFITS CONTINUED

	2013 R	2012 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	2 138 041	1 806 355
Total expenses	66 909	37 962
Current service cost	279 377	250 706
Interest Cost	126 572	127 576
Benefits Paid	(339 040)	(340 320)
Actuarial (gains)/losses	2 871 050	293 724
Present value of fund obligation at the end of the year	5 076 000	2 138 041
Less: Transfer of Current Portion - Note 20	(565 000)	(264 669)
Balance 30 June	**4 511 000**	**1 873 372**

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R'000)	% change
Central assumptions		5 076	
General salary inflation	1.00%	5 440	7%
General salary inflation	-1.00%	4 747	-6%
Withdrawal rates	20%	4 788	-6%
Withdrawal rates	-20%	5 402	6%

24.3 Ex-Gratia Pension Benefits

	2013	2012
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	42	47
i) Rate of interest		
Discount rate	7.40%	6.13%
General Salary Inflation (long-term)	6.91%	6.26%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.46%	-0.13%

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	340 000	337 065
Net liability	**340 000**	**337 065**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2011 R	2010 R	2009 R
Net liability	**327 352**	**360 815**	**346 951**

	2013 R	2012 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	337 065	327 352
Total expenses	(80 397)	15 633
Current service cost	4 044	3 975
Interest Cost	20 559	26 436
Benefits Paid	(105 000)	(14 778)
Actuarial (gains)/losses	83 332	(5 920)
Present value of fund obligation at the end of the year	340 000	337 065
Less: Transfer of Current Portion - Note	(105 000)	(112 741)
Balance 30 June	**235 000**	**224 324**

EMPLOYEE BENEFITS CONTINUED

		2013 R	2012 R
24.4	**Retirement funds**		

CAPE JOINT PENSION FUND

The funding level of the CJPF Defined Benefit section was 98.1% as at the 30 June 2011 valuation date compared with a 100% funding level as at 30 June 2010. The valuation actuary recommended a total contribution rate of 32.40% which was in excess of the 27.0% contribution rate prevailing as at 30 June 2011.

Contributions paid recognised in the Statement of Financial Performance	319 071	251 351

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The funding level at the most recent actuarial valuation (1 July 2011) of 98.1% was calculated on a Discounted Cash Flow (DCF) basis. This deficit was lower than as at the previous valuation on 1 July 2010. The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2011 be maintained at 19.18%. This includes a margin of 3.53% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs.
The valuation actuary expected that the funding level would be close to 100% as at the next statutory valuation date of 1 July 2012.

Contributions paid recognised in the Statement of Financial Performance	262 930	241 334

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, Nationale Fund for Municipale Employees (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	7 462 622	6 878 930
Municipal Councillors Pension Fund	200 402	288 103
Nasionale Fonds Vir Munisipale Werknemers (IMATU)	94 286	83 999
SAMWU National Provident Fund	2 431 021	2 375 442
	10 188 331	9 626 474

25 NET ASSET RESERVES

Capital Replacement Reserve	8 565 886	6 414 513
Total Net Asset Reserves	**8 565 886**	**6 414 513**

26 PROPERTY RATES

	2013 R	2012 R
Actual		
Rates Levied	44 709 660	38 071 975
Business	7 807 814	5 669 553
Building Clauses	106 371	34 651
Rural	10 163 055	7 806 394
Industrial	4 532 741	4 165 394
Residential	16 724 092	15 508 888
State	4 495 817	4 024 023
Vacant Land	871 604	855 524
Public Service Infrastructure	8 166	7 548
Less: Revenue Forgone	(479 189)	(447 351)
Total Assessment Rates	**44 230 471**	**37 624 624**

Valuations - 1 JULY

Rateable Land and Buildings		
Residential Property	2 414 481 366	2 379 660 190
Commercial Property	674 844 700	609 952 122
Industrial Property	322 615 000	323 842 000
Informal Property	22 246 000	21 816 000
Agricultural Purposes	3 802 219 623	3 847 479 123
State - National/ Provincial Services	320 327 000	317 813 000
Municipal Property	258 255 260	280 572 510
Vacant Property	89 618 884	91 464 310
Total Valuation	**7 904 607 833**	**7 872 599 255**

PROPERTY RATES CONTINUED

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4 years. The last valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates:		
Residential	0.740c/R	0.685c/R
Commercial	1.405c/R	1.301c/R
Industrial	1.405c/R	1.301c/R
Bona Fide Argricultural	0.185c/R	0.171c/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 R15 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.

		2013	2012
27	**GOVERNMENT GRANTS AND SUBSIDIES**	**R**	**R**
	Unconditional Grants	**46 200 000**	**39 305 000**
	Equitable Share	46 200 000	39 305 000
	Conditional Grants	**99 232 310**	**73 660 489**
	Grants and donations	99 232 310	72 995 489
	Subsidies	-	665 000
	Total Government Grants and Subsidies	**145 432 310**	**112 965 489**
	Government Grants and Subsidies - Capital	73 085 201	58 971 308
	Government Grants and Subsidies - Operating	72 347 109	53 994 181
		145 432 310	**112 965 489**

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

27.1 Equitable share

Grants received	46 200 000	39 305 000
Conditions met - Operating	(46 200 000)	(39 305 000)
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.

27.2 Local Government Financial Management Grant (FMG)

Opening balance	(422 255)	(328 669)
Grants received	1 250 000	1 250 000
Conditions met - Operating	(1 055 217)	(1 343 586)
Write off / Transfers	167 188	-
Conditions still to be met/(Grant expenditure to be recovered)	**(60 284)**	**(422 255)**

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).

27.3 Municipal Systems Improvement Grant

Opening balance	106 274	21 831
Grants received	800 000	1 200 000
Conditions met - Operating	(162 824)	(442 043)
Conditions met - Capital	(743 450)	(673 514)
Conditions still to be met/(Grant expenditure to be recovered)	**-**	**106 274**

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

	GOVERNMENT GRANTS AND SUBSIDIES CONTINUED	2013 R	2012 R
27.4	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	(804 844)	(1 211 704)
	Grants received	22 112 000	18 229 000
	Conditions met - Operating	(2 658 286)	(2 091 353)
	Conditions met - Capital	(19 406 535)	(15 730 787)
	Conditions still to be met/(Grant expenditure to be recovered)	**(757 665)**	**(804 844)**

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

27.5	**Housing Grants**		
	Opening balance	6 193 692	3 652 233
	Grants received	23 311 641	15 703 209
	Conditions met - Operating	(11 553 893)	(1 394 363)
	Conditions met - Capital	(13 385 901)	(11 767 387)
	Conditions still to be met/(Grant expenditure to be recovered)	**4 565 539**	**6 193 692**

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

27.6	**Integrated National Electrification Grant**		
	Opening balance	(824 041)	772 895
	Conditions met - Operating	(146 000)	(189 836)
	Conditions met - Capital	-	(1 407 100)
	Conditions still to be met/(Grant expenditure to be recovered)	**(970 041)**	**(824 041)**

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

		R	R
27.7	**Other Grants**		
	Opening balance	3 289 056	5 992 723
	Grants received	34 844 825	35 916 856
	Conditions met - Operating	(10 327 678)	(9 228 003)
	Conditions met - Capital	(39 549 315)	(29 392 520)
	Write off / Transfers	(167 188)	-
	Conditions still to be met/(Grant expenditure to be recovered)	**(11 910 300)**	**3 289 056**

Various grants were received from other spheres of government (e.g. Library fund and Skills Development Grant)

27.8	**Total Grants**		
	Opening balance	7 537 882	8 899 309
	Grants received	128 518 466	111 604 065
	Conditions met - Operating	(72 103 898)	(53 994 184)
	Conditions met - Capital	(73 085 201)	(58 971 308)
	Conditions still to be met/(Grant expenditure to be recovered)	**(9 132 751)**	**7 537 882**

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	6 545 350	13 137 816
Unpaid Conditional Government Grants and Receipts	(15 678 100)	(5 599 933)
	(9 132 750)	**7 537 883**

28	**SERVICE CHARGES**		
	Electricity	148 438 054	129 808 712
	Water	30 752 672	29 191 110
	Refuse removal	20 860 896	19 661 672
	Sewerage and Sanitation Charges	20 290 957	17 168 496
	Bulk service levies	1 120 532	409 110
		221 463 111	196 239 100
	Less: Revenue Forgone	(13 619 614)	(16 165 179)
	Total Service Charges	**207 843 497**	**180 073 921**

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.

		2013	2012
29	**OTHER INCOME**	**R**	**R**
	Application fees - Town Planning	69 862	54 027
	Building Plan Fees	894 089	529 358
	Cemetery Fees	194 353	198 585
	Clip Cards	205 995	103 008
	Collection Fees	8 792	2 047
	Damages Income	9 594	17 813
	Housing	283 027	239 460
	Insurance Claims Received	362 697	244 748
	Re-connection fees	220 025	175 768
	Refuse Bags	6 489	5 597
	Servitudes	880 811	-
	Skills Development Levies received	381 421	97 632
	Special Projects	33 840	32 178
	Sundry Income	985 795	2 415 696
	Total Other Income	**4 536 790**	**4 115 917**
30	**EMPLOYEE RELATED COSTS**		
	Salaries and Wages	63 726 386	56 902 632
	Bargaining Council Levy	49 297	26 765
	Bonuses	5 042 542	4 885 413
	Contributions For Pensions	10 043 620	9 074 785
	Contributions For Medical Aids	4 305 233	3 895 804
	Contributions For UIF	626 503	576 224
	Ex-Gratia Pension	(97 214)	3 975
	Group Life Insurance	1 305 810	1 160 272
	Housing Benefits and Allowances	676 269	704 452
	Leave Reserve	290 589	2 241 663
	Long service awards	279 377	250 706
	Overtime	4 559 151	4 389 813
	Post Employment Health Care Benefits	2 986 400	2 728 332
	Travel, Motor Car, Accomodation, Subsistance and Other Allowances	3 525 330	2 849 380
		97 319 293	89 690 216
	Less: Employee Cost allocated elsewhere	(388 939)	(388 620)
	Total Employee Related Costs	**96 930 354**	**89 301 596**

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager		
Annual Remuneration	826 531	771 370
Performance Bonuses	-	140 903
Car Allowance	108 000	108 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	203 056	188 772
Total	**1 137 587**	**1 209 045**
Remuneration of the Director Technical Services		
Annual Remuneration	665 061	339 272
Performance Bonuses	-	108 496
Travelling Allowance	137 500	50 478
Contributions to UIF, Medical, Pension Funds and Bargaining Counci	3 128	89 624
Total	**805 689**	**587 870**
Remuneration of the Director Corporate Services		
Annual Remuneration	632 769	588 053
Performance Bonuses	-	108 495
Travelling Allowance	119 363	119 363
Contributions to UIF, Medical, Pension Funds and Bargaining Counci	124 588	115 743
Total	**876 719**	**931 654**
Remuneration of the Director Financial Services		
Annual Remuneration	474 576	588 053
Performance Bonuses	-	108 495
Car Allowance	89 522	119 363
Acting Allowance	0	5 651
Contributions to UIF, Medical, Pension Funds and Bargaining Counci	91 395	115 743
Total	**655 493**	**937 305**

	EMPLOYEE RELATED COSTS CONTINUED	2013 R	2012 R
	Remuneration of the Director Community Services		
	Annual Remuneration	606 172	587 223
	Performance Bonuses	-	108 495
	Car Allowance	57 689	86 534
	Contributions to UIF, Medical, Pension Funds and Bargaining Counci	105 954	149 401
	Total	**769 816**	**931 653**

The performance bonusses for the 2011/2012 financial year were paid during July 2013

31 REMUNERATION OF COUNCILLORS

Executive Mayor	579 550	558 662
Deputy Mayor	453 252	436 081
Speaker	481 423	455 200
Mayoral Committee Members	1 777 284	1 711 828
Ordinary Councillors	2 855 032	2 724 945
Pension fund contributions	759 732	734 935
Medical aid contributions	26 052	17 280
Total Councillors' Remuneration	**6 932 325**	**6 638 931**

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.

32 DEBT IMPAIRMENT

Long term Receivables - Note 6	-	152 657
Receivables from exchange transactions - Note 3	16 840 361	19 696 600
Receivables from non-exchange transactions - Note 4	2 882 345	788 076
Total Contribution to Debt Impairment	**19 722 706**	**20 637 333**

33 DEPRECIATION AND AMORTISATION

Property Plant and Equipment	12 260 573	10 561 261
Investment Property	288 293	384 002
Intangible Assets	636 289	535 193
Capitalised restoration cost	810 522	1 019 307
	13 995 677	**12 499 763**

34 IMPAIRMENTS

Property Plant & Equipment	449 054	242
	449 054	242

35 FINANCE CHARGES

Long-term Liabilities	5 636 698	6 571 400
Ex-Gratia Pension	20 559	26 436
Bank Overdraft	7	25
Post Employment Health Care Benefits	4 559 400	4 401 759
Long service awards	126 572	127 576
Capitalised restoration cost	975 998	1 087 271
Other	-	38 005
Total finance charges	**11 319 234**	**12 252 472**

36 BULK PURCHASES

Electricity	118 180 997	102 547 908
Total Bulk Purchases	**118 180 997**	**102 547 908**

37 GRANTS AND SUBSIDIES

Sport	36 700	50 000
Council	147 210	216 054
Tourism	583 452	527 750
Total Grants and Subsidies	**767 362**	**793 804**

		2013	2012
38	**GENERAL EXPENSES**	**R**	**R**
	Audit Fees	3 191 390	2 197 757
	Bank Charges	379 118	423 928
	Cellphone	442 711	438 079
	Chemicals	935 426	770 154
	Communication & Events	287 065	234 549
	Commission	1 234 273	859 644
	Consultant Fees	72 429	428 303
	Developing Projects	166 489	196 059
	Entertainment	495 206	486 303
	Escom Electricity	962 093	671 316
	Expenditure against Public Donations	270 021	226 007
	Indigent costs	454 068	710 011
	Insurance	840 544	782 949
	Investigations	434 628	443 167
	Koekedouw	75 407	214 528
	Membership Fees	807 523	674 381
	Printing and Stationary	1 899 084	2 321 138
	Projects	376 706	329 837
	Protective Clothing	529 734	417 834
	Professional Fees	698 200	-
	Refuse bags	1 118 835	975 045
	Rental of Offices	438 930	458 095
	Sewerage anlysis	593 493	461 876
	Strategic Partnerships	278 368	322 465
	Telephone and Postage	1 694 113	1 791 621
	Training	881 143	492 105
	Travel and Accommodation	1 125 548	1 490 281
	TV Transponder	157 208	210 328
	Valuation Costs	1 055 685	242 043
	Vehicle Fleet Costs	5 211 058	4 790 679
	Veterinary Expenses	313 769	339 250
	Ward Committee Allowance	541 000	-
	Wards	280 088	80 126
	Water levies	490 618	290 852
	Other	2 648 104	1 470 449
	General Expenses	**31 380 075**	**26 241 159**

39 CORRECTION OF ERROR IN TERMS OF GRAP 3

39.1 Long-term Liabilities

Balance previously reported	**45 165 745**
Correction of Redemption on Nedbank Loans Previous years - Note 39.5	102 266
Correction of Redemption on Nedbank Loans: 2011/2012 - Note 39.6	7 763
Balance now reported	**45 275 774**

39.2 Property, Plant and Equipment

Balance previously reported	**481 183 784**
Heritage assets was included in Property Plant & Equipment - Note 39.3	(550 000)
Correction of carrying value of assets - Note 39.6	4 503
Correction of prior year depreciation - Note 39.5	(38 500)
Intangible assets was included in Property Plant & Equipment - Note 39.4	(132 593)
Balance now reported	**480 467 195**

39.3 Heritage assets

Balance previously reported	**-**
Heritage assets was included in Property Plant & Equipment - Note 39.2	550 000
Balance now reported	**550 000**

39.4 Intangible Assets

Balance previously reported	**1 477 002**
Intangible assets was included in Property Plant & Equipment - Note 39.2	**132 593**
Balance now reported	**1 609 595**

39.5 Net Surplus For The Year

Surplus previously reported	**52 345 292**
Correction of Redemption on Nedbank Loans: 2011/2012 - Note 39.1	(7 763)
Correction of Capitalised Restoration Cost - Note 39.7	355 502
Correction of prior year depreciation - Note 39.2	(38 500)
Surplus now reported	**52 654 531**

		2013 R	2012 R
	CORRECTION OF ERROR IN TERMS OF GRAP 3		
39.6	**Accumulated Surplus/(Deficit) 1 July 2011**		
	Balance previously reported		**365 717 810**
	Correction of Redemption on Nedbank Loans Previous years - Note 39.1		(102 266)
	Correction of carrying value of assets - Note 39.2		4 503
	Balance now reported		**365 620 047**
39.7	**Capitalised Restoration Cost**		
	Balance previously reported		**509 520**
	Correction of Capitalised Restoration Cost - Note 39.5		355 502
	Balance now reported		**865 022**
40	**RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS**		
	Surplus/(Deficit) for the year	90 885 701	52 654 531
	Adjustments for:		
	Depreciation	13 359 389	11 964 569
	Amortisation of Intangible Assets	636 289	535 194
	Gain on disposal of property, plant and equipment	(2 500)	(289 112)
	Loss on disposal of property, plant and equipment	-	563 145
	Gain on Adjustment of Provision	(598 555)	(355 502)
	Unamortised Discount on Loans	1 821 294	1 725 569
	Debt Impairment	19 722 706	20 484 676
	Debt Impairment - Long term receivables	-	152 657
	Stock Adjustments	(1 728)	(9 326)
	Contribution from/to provisions	975 998	1 203 519
	Contribution from/to employee benefits	6 743 232	5 704 328
	Actuarial Loss	(6 138 104)	291 917
	Impairment written off	449 054	242
	Operating lease income accrued	3 948	900
	Operating Surplus/(Deficit) before changes in working capital	127 856 724	94 627 307
	Changes in working capital	(34 521 320)	(8 932 369)
	Increase/(Decrease) in Trade and Other Payables	6 153 266	12 227 817
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(6 592 466)	(1 956 264)
	Increase/(Decrease) in Unspent Public Contributions	(74 978)	334 073
	Increase/(Decrease) in Taxes	(782 862)	(1 955 769)
	(Increase)/Decrease in Inventory	16 681	(51 236)
	(Increase)/Decrease in Trade and other receivables	(23 162 794)	(18 125 830)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(10 078 167)	594 840
	Cash generated/(absorbed) by operations	**93 335 404**	**85 694 938**
41	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 2	30 853 256	32 561 784
	Investments - Note 10	105 062	105 062
		30 958 318	32 666 846
	Less:	6 545 350	13 137 816
	Unspent Committed Conditional Grants - Note 7	6 545 350	13 137 816
	Resources available for working capital requirements	**24 412 968**	**19 529 030**
	Allocated to:		
	Capital Replacement Reserve	8 565 886	6 414 513
	Employee Benefits Reserve	69 680 114	69 074 984
	Non-Current Provisions Reserve	16 774 616	14 209 553
	Shortfall in working capital requirements	**(70 607 648)**	**(70 170 020)**
42	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 22	44 898 669	52 115 199
	Used to finance property, plant and equipment - at cost	(44 898 669)	(52 115 199)

43 BUDGET COMPARISONS

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performanc

Net surplus/deficit per the statement of financial performance		**90 885 701**
Adjusted for:		
Fair value adjustments	a)	6 138 104
Depreciation and Amortisation recognised / reversed	b)	(4 627 665)
Increases in debt impairment	c)	5 760 426
Employee related cost	d)	(3 533 847)
Finance Charges	e)	(3 297 906)
Bulk Purchases	f)	(4 078 151)
Operating Grant Expenditure	g)	(8 012 941)
Other Expenditure	h)	(6 627 822)
Rates & Service Charges	i)	6 925 325
Grants & Donations	j)	9 064 915
Other Income	k)	711 218
Net surplus/deficit per approved budget		**76 726 223**

a) Actuarial gains on Employee Benefits
b) Depreciation less than expected due to slow capital spending
c) Collection ratio less than expected.
d) Employee cost less than budget due to vacancies not filled timeously
e) Loans redeemed
f) Bulk purchases less than expected.
g) Unforseen delays in housing delivery
h) Other expenditure less than expected.
i) Property rates increase due to the inclusion of the District Management Area
j) Improved spending of Grants received.
k) More interest earned than expected.

Please refer to the statement of comparison of budget and actual amounts for more information

44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

44.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	-	14 595 714
Unauthorised expenditure current year - capita	-	73 559
Unauthorised expenditure current year - operating	20 307 803	13 649 655
Condoned by council	(20 307 803)	(28 318 928)
Unauthorised expenditure awaiting authorisation	**-**	**-**

44.2 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	-	110 720
Irregular expenditure current year	430 556	-
Condoned by Council	-	(110 720)
Irregular expenditure awaiting further action	**430 556**	**-**

The Municipal Manager has subsequent to the year-end ratified the minor breaches of the supply chain management regulations in terms of section 36 (1) (b) of the mentioned regulations.

Please refer to Note 45.7 for more information.

44.3 Material Losses

Water distribution losses		
- Kilolitres purified	6 786 705	6 666 785
- Kilolitres sold	5 330 908	4 560 196
- Kilolitres lost during distribution	1 455 797	2 106 589
- Percentage lost during distribution	21.45%	31.60%
- Value of kilolitres lost during distribution	765 011	1 525 167
- The value of kilolitres lost is based on the treatment cost of water.		
Electricity distribution losses		
- Units purchased (Kwh)	193 057 642	190 189 018
- Units sold (Kwh)	176 902 110	173 950 236
- Units lost during distribution (Kwh)	16 155 532	16 238 782
- Percentage lost during distribution	8.37%	8.54%
- Value of units lost during distribution (Kwh)	9 889 673	8 755 780

45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

Council subscriptions	801 114	667 416
Amount paid - current year	(801 114)	(667 416)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

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

Opening balance	416 828	291 989
Current year audit fee	3 408 526	3 490 996
External Audit - Auditor-General	3 191 390	1 905 768
Internal Audit	157 765	1 505 062
Audit Committee	59 371	80 166
Amount paid - current year	3 408 526	(3 074 168)
Amount paid - previous year	416 828	(291 989)
Balance unpaid (included in Payables from exchange transactions)	**-**	**416 828**

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

	2013 R	2012 R
Opening balance	(988 597)	678 043
Amounts received - Output VAT - current year	(38 931 399)	(19 593 009)
Amounts claimed - Input VAT - current year	34 129 406	16 324 400
Amount paid - current year	2 804 777	2 280 012
Amount paid - previous year	988 597	(678 043)
Closing balance	**(1 997 217)**	**(988 597)**
Vat in suspense due to cash basis of accounting		
Input VAT	4 394 550	5 374 873
Output VAT	(2 042 501)	(3 805 686)
Receivable	2 352 049	1 569 187

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.

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

Current year payroll deductions and Council Contributions	11 167 854	10 051 891
Amount paid - current year	(11 167 854)	(10 051 891)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

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

Current year payroll deductions and Council Contributions	25 239 230	21 691 510
Amount paid - current year	(25 239 230)	(21 691 510)
Balance unpaid (included in Payables from exchange transactions)	**-**	**-**

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

The following Councillors had arrear accounts for more than 90 days as at 30 June 2013

	Outstanding more than 90 days	Outstanding more than 90 days
Mouton, JS	1 888	1 664
Phungula, SL&JT	-	6 186
Total Councillor Arrear Consumer Accounts	**1 888**	**7 850**

During the year the following Councillors had arrear accounts outstanding for more than 90 days

	Highest Amount Outstanding	Highest Amount Outstanding
Godden, TT&C	738	36 451
Heradien, P	763	2 844
Mouton, JS	3 618	1 755
Phungula, SL&JT	3 221	7 354
Veschini, JA	2 363	-
	10 703	**48 404**

45.7 Disclosers in terms of the Municipal Supply Chain Management Regulations - Promulgated by Govenment Gazette 27636 dated 30 May 2005

Regulation 36 (2) - Details of deviations approved by the Occounting Officer in terms of Regulation 36 (1) (a)

		Type of deviation			
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	397 720	17	-	15	6
August	517 710	13	-	19	9
September	844 722	35	-	18	12
October	659 661	25	-	22	4
November	552 335	19	-	18	16
December	523 080	18	-	24	7
January	521 332	17	-	32	11
February	398 783	18	-	25	11
March	830 915	18	-	28	11
April	627 294	10	-	19	22
May	864 592	41	-	24	9
June	522 338	10	-	25	12
	7 260 481	241	-	269	130

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
Witzenberg Builders and Painters	G Hanse	Father	T Davids	Cape Winelands District Municipality; Health inspector	1 995
Girly's Catering Services	G De Bruyn	Mother	M De Bruyn	Witzenberg Municipality; Clerk Debt collection	6 200
Williams Loodgieters	SR Wiliams	Husband	R Williams	Department of Health: Nurse	28 654
L & E Blinds	AHE De Jongh	Husband	E De Jongh	Department of Correctional Services; Correctional officer	43 626
Queens Cake	M Zimri	Wife	JJ Zimri	Department of Correctional Services; Correctional officer	183 548
		Mother	MM Zimri	Witzenberg Municipality; Intern: Financial Services	
RRR Cleaning Services	R Louw	Father	RML Louw	Witzenberg Municipality; Artisan, Housing	26 599
		Husband	M Louw	Department of Health: Nurse	
Creative Minds	Johan Jordaan	Husband	WA Jordaan	Department of Education: Occupational therapist	1 300
Creative Minds	R Louw	Father	EE Hofmeester	Witzenberg Municipality; Building Inspector	1 985
		Father	L Frieslaar	Department of Health: Administration officer	
		Father	AJ Hofmeester	Witzenberg Municipality; IDP Manager	
Creative Minds	John Schuurman	Husband	R Schuurman	Department of Education: Teacher	159 803

		2013 R	2012 R
46	**COMMITMENTS**		
	Commitments in respect of expenditure:		
	Approved and contracted for.	33 220 633	14 903 856
	Infrastructure	19 418 693	8 144 738
	Community	5 246 303	2 121 479
	Other Capital	934 017	224 716
	Operational	7 621 621	4 412 924
	Approved but not yet contracted for	3 014 375	-
	Community	2 236 884	-
	Operational	777 491	-
	Total	**36 235 008**	**14 903 856**

47 FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

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

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

1% (2012 - 0.5%) Increase in interest rates	(44 652)	(63 087)
0.5% (2012 - 0.5%) Decrease in interest rates	44 652	63 087

(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.

FINANCIAL RISK MANAGEMENT CONTINUED

Balances past due not impaired:

	2013 %	2013 R	2012 %	2012 R
Long Term Receivables				
Rates & other	50.62%	200 525	57.67%	247 491
Non-Exchange Receivables				
Rates & other charges	24.83%	4 159 921	21.57%	2 710 393
Exchange Receivables				
Electricity	82.72%	23 438 637	83.38%	21 084 523
Water	12.56%	4 994 940	17.74%	5 414 968
Housing Rentals	5.80%	100 542	7.46%	106 098
Refuse	9.09%	2 107 193	12.88%	2 333 596
Sewerage	13.95%	2 714 503	17.23%	2 511 743
Other	23.59%	447 816	11.56%	197 935
	29.55%	33 803 631	34.54%	31 648 863

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.

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

	2013 %	2013 R	2012 %	2012 R
Long Term Receivables				
Rates & other	0.18%	168 450	0.22%	152 657
Non-Exchange Receivables				
Rates & other	13.49%	12 594 725	14.08%	9 857 556
Exchange Receivables				
Electricity	5.25%	4 895 591	6.00%	4 202 847
Water	37.26%	34 775 556	35.88%	25 116 623
Housing Rentals	1.75%	1 631 486	1.88%	1 315 803
Refuse	22.59%	21 081 565	22.54%	15 777 617
Sewerage	17.93%	16 739 407	17.23%	12 064 321
Other	1.55%	1 450 309	2.16%	1 514 195
	86.33%	80 573 914	86%	59 991 406

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

	2013 %	2013 R	2012 %	2012 R
Residential	86.14%	80 404 824	86.30%	60 414 257
Commercial	0.00%	-	0.00%	1
Business	8.71%	8 126 636	8.08%	5 653 335
Government	0.58%	544 199	0.45%	315 968
Other	4.44%	4 141 295	5.17%	3 618 058
	99.87%	**93 337 089**	**100.00%**	**70 001 619**

FINANCIAL RISK MANAGEMENT CONTINUED	2013 %	2013 R	2012 %	2012 R
Bad debts written off per debtor class:				
Long Term Receivables				
Rates & other	0.00%	-	2.95%	41 041
Non-Exchange Receivables				
Rates	97.83%	145 177	4.38%	61 072
Exchange Receivables				
Electricity	0.54%	797	25.57%	356 278
Water	0.75%	1 119	30.87%	430 165
Housing Rentals	0.03%	49	1.44%	20 033
Refuse	0.44%	652	18.31%	255 172
Sewerage	0.37%	547	14.74%	205 365
Other	0.04%	53	1.73%	24 122
	2.17%	3 218	92.67%	1 291 135

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.

	2013 R	2012 R
Financial assets exposed to credit risk at year end are as follows		
Long term receivables	227 666	276 502
Receivables from exchange transactions	33 639 421	31 648 861
Receivables from non-exchange transactions	1 778 704	963 871
Cash and Cash Equivalents	30 853 256	32 561 783
Non-Current Investments	105 062	105 062
Unpaid conditional grants and subsidies	15 678 100	5 599 933
	82 282 209	71 156 012

(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.

FINANCIAL RISK MANAGEMENT CONTINUED

2013	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities	12 414 777	40 203 694	8 390 315	-
Capital repayments	7 320 766	29 888 116	7 279 148	-
Interest	5 094 011	10 315 578	1 111 167	-
Trade and Other Payables	44 430 303	-	-	-
Unspent conditional government grants and receipts	6 545 350	-	-	-
Cash and Cash Equivalents				
	63 390 430	40 203 694	8 390 315	-

2012	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities	13 650 775	48 395 338	12 315 712	538 494
Capital repayments	7 648 923	33 901 504	9 931 265	523 476
Interest	6 001 852	14 493 834	2 384 447	15 018
Trade and Other Payables	38 560 458	-	-	-
Unspent conditional government grants and receipts	13 137 816	-	-	-
Cash and Cash Equivalents				
	65 349 049	48 395 338	12 315 712	538 494

48 FINANCIAL INSTRUMENTS

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

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

48.1 Financial Assets	Classification	2013 R	2012 R
Long-term Receivables			
Officials Housing Loans	Financial instruments at amortised cost	313 895	346 164
Rates (Re-negotiated terms)	Financial instruments at amortised cost	58 355	60 332
Councillor Allowances	Financial instruments at amortised cost	31 126	29 923
Receivables			
Receivables from exchange transactions	Financial instruments at amortised cost	33 639 421	31 648 861
Receivables from non-exchange transactions	Financial instruments at amortised cost	1 778 704	963 871
Other Receivables			
Government Subsidies and Grants	Financial instruments at amortised cost	15 678 100	5 599 933
Current Portion of Long-term Receivables			
Officials Housing Loans	Financial instruments at amortised cost	20 096	22 371
Sport Club Loans	Financial instruments at amortised cost	7 045	
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	21 913 574	18 076 435
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	8 931 456	14 476 952
Cash Floats and Advances	Financial instruments at amortised cost	8 226	8 397
		82 379 998	**71 233 239**

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost	82 379 998	71 233 239
At amortised cost	**82 379 998**	**71 233 239**

	FINANCIAL INSTRUMENTS CONTINUED		2013 R	2012 R
48.2	**Financial Liability**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	51 697 498	59 764 122
	Capitalised Lease Liability	Financial instruments at amortised cost	746 223	-
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	34 617 576	31 335 161
	Arrear portion of long term liabilities	Financial instruments at amortised cost		
	Retentions	Financial instruments at amortised cost	3 638 724	3 024 112
	Deposits	Financial instruments at amortised cost	640 981	622 432
	Other	Financial instruments at amortised cost	5 533 022	3 578 754
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	6 545 350	13 137 816
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	(7 320 766)	(7 648 923)
	Capitalised Lease Liability	Financial instruments at amortised cost	(224 286)	-
			95 874 322	**103 813 474**
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		**95 874 322**	**103 813 474**

49 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review

50 PRIVATE PUBLIC PARTNERSHIPS

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

		2013 R	2012 R
51	**CONTINGENT LIABILITY**		
	Claims against Council	**8 118 660**	**3 679 716**
	Estimate legal Fees	**230 023**	**272 504**

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

GP Bezuidenhout	Mr Gert Bezuidenhout has issued a summons out of the High Court against the Municipal Manager and Witzenberg Municipality for damages. Mr Bezuidenhout's claim is based on the premise that the Municipal Manager made an affidavit in the labour matter instituted by Mr Bezuidenhout that he was found guilty of fraud whilst he was found guilty of a lesser dishonest offence.	844 349	844 349
IMATU on behalve of GP Bezuidenhout	This is an application for review of a SALGBC ruling in which the Commissioner found the Bargaining Council does not have jurisdiction to hear Mr Bezuidenhout's dispute about an alleged occupational detriment as it relates to an alleged protected disclosure and the Labour Court has exclusive jurisdiction. The Applicant asks the court to order the Bargaining Council to arbitrate the dispute.	40 000	
F Daniels / SALGBC & two others	The applicant was the former Manager of Traffic. He was dismissed after an internal disciplinary hearing on 21/09/2009, where after he unsuccessfully appealed internally against the sanction of dismissal. Management is of opinion that the risk of the municipality being ordered to pay Mr Daniel's legal fees is slim.	196 944	196 944
Ceres Inn	Ceres Inn alleged that they delivered a service to Witzenberg Municipality by providing lunch/dinner to a former Mayor. Management denies this allegation until proof can be provided in the form of an order number, which must be issued beforehand according to our supply chain policies.	823	823
Benjamin Weitz	A minor was electrocuted at an electrical installation situated near a public park. The premises are fenced but Mr Weitz alleged that the security measures of the municipality are insufficient. The case was submitted to the municipality's insurance broker. The change that any amount might be payable by the municipality is remote.	1 210 000	1 210 000
L Louw	A child was molested at the Pine Forest. The claimant alleged that the security measures at the Pine Forest were not sufficient to protect the child. The case was submitted to the municipality's insurance broker. The change that any amount might be payable by the municipality is remote.	1 427 600	1 427 600
SALGA versus municipal trade unions	The trade unions alledged that the wage curve as implemented by municipalities on advice of SALGA is not in terms of the agreement reached. The matter is currently disputed in the labour appeal court.	4 398 944	
		8 118 660	**3 679 716**

52 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

52.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in Note 6 to the Annual Financial Statements.

52.2 Compensation of key management personnel

The compensation of key management personnel is set out in Note 30 to the Annual Financial Statements

52.3 Other related party transactions

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

APPENDIX A - Unaudited
WITZENBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2012	Balance at 30 JUNE 2012 Restated	Received during the period	Redeemed / written off during the period	Balance at 30 JUNE 2013
ANNUITY LOANS								
ABSA	13.05%	30-0969-8128	2013/02/14	55 552	55 552		55 552	0
ABSA	12.80%	30-0969-8770	2013/02/14	7 969	7 969		7 969	0
ABSA	12.80%	30-0969-9043	2013/02/14	131 241	131 241		131 241	0
ABSA	10.21%	90-9200-8204	2015/12/30	39 636	39 636		10 163	29 473
ABSA	10.21%	20-9200-9990	2015/12/30	67 774	67 774		17 379	50 395
ABSA	10.21%	0-9205-8859	2015/12/30	18 617	18 617		4 775	13 842
NED BANK	8.00%	5032172 0001	2013/05/30	791 863.11	791 863		791 863	0
NED BANK	8.00%	5032156 0001	2015/05/30	682 307.19	682 307		212 197	470 110
NED BANK	8.00%	5032113 0001	2018/05/30	1 163 954.24	1 163 954		165 733	998 222
NED BANK	8.00%	5032032 0001	2023/05/30	9 304 898.42	9 304 898		604 507	8 700 391
CERES GOLF CLUB	18.00%	49	2018/06/30	32 661	32 661		3 390	29 271
DBSA	12.00%	10478/102	2017/09/30	2 429 277	2 429 277		435 324	1 993 953
DBSA	12.00%	10525/104	2017/03/31	25 029 291	25 029 291		3 812 328	21 216 964
DBSA	15.25%	11188/101	2018/09/30	7 379 819	7 379 819		730 164	6 649 655
DBSA	15.50%	10772/101	2018/09/30	1 671 234	1 671 234		164 107	1 507 127
DBSA	9.50%	102040/1	2021/09/30	271 979	271 979		18 691	253 288
DBSA	9.49%	102040/2	2013/09/30	442 028	442 028		287 824	154 204
DBSA	14.65%	12977/101	2012/12/31	802	802		802	0
DBSA	14.35%	12978/101	2013/12/31	70 031	70 031		45 057	24 974
DBSA	10.75%	13161/101	2014/12/31	9 999	9 999		3 688	6 311
DBSA	15.25%	13164/101	2014/12/31	6 222	6 222		2 218	4 004
DBSA	8.59%	100605/1	2023/06/30	2 398 014	2 398 014		218 001	2 180 013
Total Annuity Loans				**52 005 169**	**52 005 169**	**-**	**7 722 974**	**44 282 196**
LEASE LIABILITY								
Office Equipment		Various	2012/02/29	-	-	691 343	169 406	521 937
Total Lease Liabilities				**-**	**-**	**691 343**	**169 406**	**521 937**
TOTAL EXTERNAL LOANS				**52 005 169**	**52 005 169**	**691 343**	**7 892 380**	**44 804 133**

APPENDIX B - Unaudited
WITZENBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
MUNICIPAL VOTES CLASSIFICATION

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
39 114 165	(75 250 279)	(36 136 114)	Budget & Treasury Office	45 757 066	(17 540 332)	28 216 734
(3 420 515)	52 202 799	48 782 284	Civil Services	(2 896 546)	47 998 668	45 102 122
-	22 954 350	22 954 350	Community & Social Services	-	27 807 076	27 807 076
-	(23 032 254)	(23 032 254)	Corporate Services	-	(17 548 372)	(17 548 372)
-	18 032 044	18 032 044	Electro Technical Services	-	13 891 649	13 891 649
-	(15 788 828)	(15 788 828)	Executive & Council	-	(15 410 919)	(15 410 919)
-	(2 156 474)	(2 156 474)	Housing	-	(2 201 672)	(2 201 672)
156 122	(3 525 885)	(3 369 763)	Planning	46 422	(2 959 527)	(2 913 105)
-	(1 846 046)	(1 846 046)	Public Safety	-	(5 531 629)	(5 531 629)
-	(6 776 993)	(6 776 993)	Sport & Recreation	-	4 748 273	4 748 273
35 849 772	(35 187 566)	662 206	**Total**	42 906 943	33 253 214	76 160 157

APPENDIX C - Unaudited
WITZENBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
-	-	-	Executive & Council	-	-	-
-	-	-	Budget & Treasury Office	-	-	-
-	(25 035 832)	(25 035 832)	Corporate Services	-	(19 523 911)	(19 523 911)
-	-	-	Planning & Development	-	-	-
-	-	-	Community & Social Services	-	-	-
-	(2 156 474)	(2 156 474)	Housing	-	(2 201 672)	(2 201 672)
-	(2 939 196)	(2 939 196)	Public Safety	-	(6 606 659)	(6 606 659)
-	-	-	Sport & Recreation	-	-	-
-	(738 073)	(738 073)	Environmental Protection	-	(711 555)	(711 555)
-	(4 142 719)	(4 142 719)	Waste Management	-	(2 991 699)	(2 991 699)
-	8 825 598	8 825 598	Waste Water Management	-	15 182 524	15 182 524
-	13 080 534	13 080 534	Road Transport	-	(5 348 299)	(5 348 299)
(3 420 515)	35 532 534	32 112 020	Water	(2 896 546)	42 231 172	39 334 627
-	18 997 887	18 997 887	Electricity	-	15 041 208	15 041 208
-	-	-	Other	-	-	-
(3 420 515)	41 424 260	38 003 745	**Total**	(2 896 546)	35 071 109	32 174 563

APPENDIX D - Unaudited
WITZENBERG MUNICIPALITY
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 2012	Grants Received	Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2013	Unspent 2013 (Payable)	Unpaid 2013 (Receivable)
	R	R	R	R	R	R	R	R
National Government Grants								
Finance Management Grant	(422 255)	1 250 000	167 188	(1 055 217)	-	(60 285)	-	60 285
Transformation funds	167 188	-	(167 188)	-	-	-	-	-
DWAF - Drought relief	3 185 757	(1 760 000)	924 431	(664 863)	(5 256 059)	(3 570 734)	-	3 570 734
Municipal Systems Improvement Grant	106 274	800 000	-	(162 824)	(743 450)	-	-	-
Municipal infrastructure Grant	(804 844)	22 112 000	-	(2 658 286)	(19 406 535)	(757 665)	-	757 665
Regional Bulk Infrastructure Grant (DWAF)	(2 202 205)	19 897 358	-	(2 685 292)	(21 007 252)	(5 997 391)	-	5 997 391
Housing - Kluitjieskraal	(85 704)	-	-	-	-	(85 704)	-	85 704
Integrated National Electricity Program	(824 041)	-	-	(146 000)	-	(970 041)	-	970 041
Equitable share	-	46 200 000	-	(46 200 000)	-	-	-	-
Department of Rural Development	(453 823)	4 705 468	-	(599 656)	(7 677 700)	(4 025 711)	-	4 025 711
ACIP funds (DWAF)	876 275	4 000 000	(924 431)	(474 181)	(3 477 662)	-	-	-
Expanded Public Works Programme	-	1 000 000	-	(309 571)	(800 000)	(109 570)	-	109 570
Neighbourhood Development Plan	1 379 294	1 379 000	-	(127 993)	(1 195 980)	1 434 321	1 434 321	-
Provincial Government Grants								
Library services	275 121	669 000	1 982	(578 218)	-	367 885	367 885	-
Library services Replacement Funding	-	4 738 000	-	(4 738 000)	-	-	-	-
CDW	79 938	216 000	-	(118 332)	-	177 606	177 606	-
Main roads	-	-	-	(101 000)	-	(101 000)	-	101 000
Wolseley Landbouprojek	59 411	-	-	(59 411)	-	-	-	-
Hand Crafts Project	42 760	-	-	(42 760)	-	-	-	-
Aqua Culture Project	21 134	-	-	(21 134)	-	-	-	-
Planning	(8 151)	-	-	8 151	-	-	-	-
Housing	6 193 692	23 311 641	-	(11 553 893)	(13 385 901)	4 565 539	4 565 539	-
Sport	109 458	-	-	(5 182)	(104 276)	-	-	-
Library Capital	1 982	-	(1 982)	-	-	-	-	-
Public Transport Infrastucture Grant	30 950	-	-	(562)	(30 388)	-	-	-
Multipurpose Centre	(121 653)	-	-	121 653	-	-	-	-
Financial Management Training	300 000	-	-	(300 000)	-	-	-	-
	-	-	-	-	-	-	-	-
District Municipality								
Asset Investigation - Electricity	57 508	-	-	(57 508)	-	-	-	-
Water & Sanitation Informal Areas	(113 932)	-	-	113 932	-	-	-	-
Housing Consumer Eduction Training	(5 138)	-	-	5 138	-	-	-	-
Hawkers Sites (Op die Berg)	251 076	-	-	(251 076)	-	-	-	-
Upgrading of Streets & Sidewal	(481 987)	-	-	481 987	-	-	-	-
Solid Waste	(76 200)	-	-	76 200	-	-	-	-
Total	**7 537 883**	**128 518 466**	**-**	**(72 103 898)**	**(73 085 201)**	**(9 132 749)**	**6 545 351**	**15 678 100**

ANNEXURE B: REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON WITZENBERG MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Witzenberg Municipality set out on pages 3 to 54, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2013, and its financial performance, cash flows and the comparison of budget and actual amounts for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 51 to the financial statements, the municipality is engaged in litigation in seven legal claims with an estimated financial exposure of R8 118 660 (2011-12: R3 679 716) which could result in damages/costs being awarded against Council if the claimants are successful in their actions. The ultimate outcome of the matters cannot be determined at present, and no provision for any liability that may result has been made in the financial statements.

Material losses/Impairments

9. As disclosed in note 3 to the financial statements, the municipality had receivables from exchange transactions (consumer debtors) totalling R114 377 545 at 30 June 2013 (2011-12: R91 640 269). A provision for impairment of R80 738 124 (2011-12: R59 991 408) has been made against the debtors balance for doubtful debts at 30 June 2013.

10. As disclosed in note 4 to the financial statements, the municipality had receivables from non-exchange transactions (rates and other receivables) totalling R16 754 646 at 30 June 2013 (2011-12: R12 567 949). A provision for impairment of R12 594 725 (2011-12: R9 857 556) has been made against the debtors balance for doubtful debts at 30 June 2013.

11. As disclosed in note 44.3 to the financial statements, electricity distribution losses for the municipality totalled 8.37% (R9 889 673) for the year ended 30 June 2013 compared to 8.54% (R8 755 780) for the year ended 30 June 2012.

Additional matters

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

Material inconsistencies in other information included in the annual report

13. The revised draft annual report has not yet been received for review. As a result, it has not been reviewed for any inconsistencies with the financial statements. The draft annual report as well as the final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Unaudited supplementary schedules

14. The supplementary information set out on pages 55 to 58 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 14 to 91 of the annual report.

17. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability.

18. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information*.

19. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

20. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

21. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the matter below. This matter does not have an impact on the audit findings on predetermined objectives reported above.

Achievement of planned targets

22. Of the total number of 40 targets planned for the year, 10 targets were not fully achieved during the year under review. This represents 25% of total planned targets that were not fully achieved during the year under review.

23. This was mainly due to the municipality being unable to fully execute its planning as a result of, among others, protest actions which had a negative effect on the achievement of housing targets and also increased the cost of projects.

Compliance with laws and regulations

24. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.

25. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

26. I considered internal control relevant to my audit of the financial statements, performance information and compliance with laws and regulations.

27. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor - General

Cape Town

29 November 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE C: REPORT OF THE PERFORMANCE, RISK AND AUDIT COMMITTEE

Report of the Performance Risk and Audit Committee

We are pleased to present our Report for Witzenberg Municipality for the financial year ended 30 June 2013.

1. Performance, Risk and Audit Committee Members and Attendance

The Performance, Risk and Audit Committee (PRAC) consists of six independent persons of which one member was terminated with effect from 29 May 2013. The termination was due to the member being absent for more than three consecutive PRAC meetings. Council has decided not to replace the member as they are of the opinion that the committee has enough experience to fulfill their mandate. All members of the Performance, Risk and Audit Committee have the required expertise and experience in business, financial matters and performance management. The Committee met five times during the year to 30 June 2013 and performed their duties in accordance with the MFMA and the PRAC Charter.

Name of PRAC member	Capacity	Meeting dates
Mr. SA Redelinghuys	Chairperson	20 July 2012
Mr. J George	Member	30 August 2012
Mr. A Amod	Member	23 November 2012
Ms. T Bavuma	Member terminated WEF 29 May 2013	15 March 2013
Mr. B Afrika	Member	22 April 2013
Ms. B. Daries	Member	

Other invitees by the Audit Committee during the year under review include the Municipal Manager, Chief Finance Officer, the Auditor-General of South Africa (AGSA), Internal Auditors and Deputy Director: Finance.

The PRAC members participated in discussions with the AGSA in reviewing the 2013 audit experience and held further discussions with the AGSA, Municipal Manager, Internal Auditors and other officials to gain further understanding of the issues and challenges facing the municipality.

2. PRAC Responsibility

The PRAC reports that it has complied with its responsibilities according to the MFMA and the PRAC Charter as far as reasonably possible.

The PRAC further reports that it has reviewed and re-affirmed the PRAC Charter during the year and has regulated its affairs in compliance with this charter.

3. Internal audit

The PRAC reviewed its three year risk based audit plan adopted in 2012 as required by legislation. The PRAC reviewed the actual internal audit work that was conducted by the Internal Audit Unit in relation to the one year internal audit plan. Internal audit achieved 50% of their risk based audit plan for the 2012/2013 financial year, due to resource constraints. Internal audit committed that they will complete their risk based audit plan for the 2013/2014 financial year.

The PRAC is satisfied that the internal audit function operated effectively and that it has addressed the risks pertinent to the municipality. To this extend the PRAC expresses their appreciation to the Internal Auditors for the work done.

4. Internal control

Internal control is the system of controls and directives that are designed to provide cost effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed and that the municipality fulfills its mandate, in compliance with all relevant statutory and governance duties and requirements.

The PRAC reviewed the following:

- Internal audit reports
- AGSA's audit report
- Annual Financial Statements
- Section 71 report
- Section 72 report

Based on these reports, certain control deficiencies have been identified. The PRAC will monitor the progress made by Management towards the improvement of the internal control environment.

5. Risk Management

The PRAC has reviewed the completeness of the 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 high risks.

Management is advised on a regular basis towards improvement of risk management.

6. Performance Management

The PRAC raised its concerns at meetings with regards to the implementation and use of the Performance Management System, particularly the establishment of the KPA's and the KPI's. The PRAC also reviews the quarterly Service Delivery and Budget Implementation Plan.

The PRAC notes of the plan of action by the municipality and will monitor the implementation and the use of the Performance Management System.

7. Evaluation of 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.
- Reviewed changes in accounting policies and practices as applicable.

The PRAC accordingly concurs with and supports the AGSA conclusion on the annual financial statements, and is of the opinion that the audited annual financial statements can be accepted.

8. Concerns

Although steps were taken the PRAC is still concerned about certain aspects:

- The collection of long outstanding debt remains a concern and has a serious negative affect on the cash flow and sustainability of the municipality;
- Electricity and water losses.

9. Conclusion

The PRAC congratulates the municipality on achieving an Unqualified Audit Report with no other matters, which in terms of the AGSA definition is a Clean Audit Report. This is due to the commitment of management and officials.

The PRAC expresses their appreciation for the cooperation of all the officials who have engaged with them during the year. The PRAC expresses their appreciation for the cooperation of the AGSA who we have engaged with during the year.

Chairperson

Performance Risk and Audit Committee