

WITZENBERG MUNICIPALITY



2014/15 ANNUAL REPORT

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CHAPTER 1

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



TO BE INCLUDED ONCE THE AUDIT FOR 2014/15 HAS BEEN COMPLETED

Jacques Klazen

EXECUTIVE MAYOR



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



TO BE INCLUDED ONCE THE AUDIT FOR 2014/15 HAS BEEN COMPLETED

David Nasson

MUNICIPAL MANAGER



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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 2014/15 Annual Report reflects on the performance of the Witzenberg Municipality for the period 1 July 2014 to 30 June 2015. 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

a) *Vision*

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

b) *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



c) *Value System*

- 📌 **Consultation** - Citizens should be consulted about service levels and quality when possible.
- 📌 **Service Standard** – Citizens must be made aware of what to expect in terms of level and quality of services.
- 📌 **Access** – Citizens should have equal access to the services to which they are entitled.
- 📌 **Courtesy** – Citizens should be treated with courtesy and consideration.
- 📌 **Information** – Citizens must receive full and accurate information about their services.
- 📌 **Openness and Transparency** - Citizens should be informed about government department's operations budgets and management structures.
- 📌 **Redress** – Citizens are entitled to an apology, explanation and remedial action if they promised standard of service is not delivered.
- 📌 **Value for money** – Public Services should be provided economically and efficiently.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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: 5 339 people
- 🍷 People in poverty: 24 231
- 🍷 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 115 946 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 sub-sector is clearly dominant, representing 69.4% of total manufacturing.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Graphic illustration of spatial elements, potential and constraints:

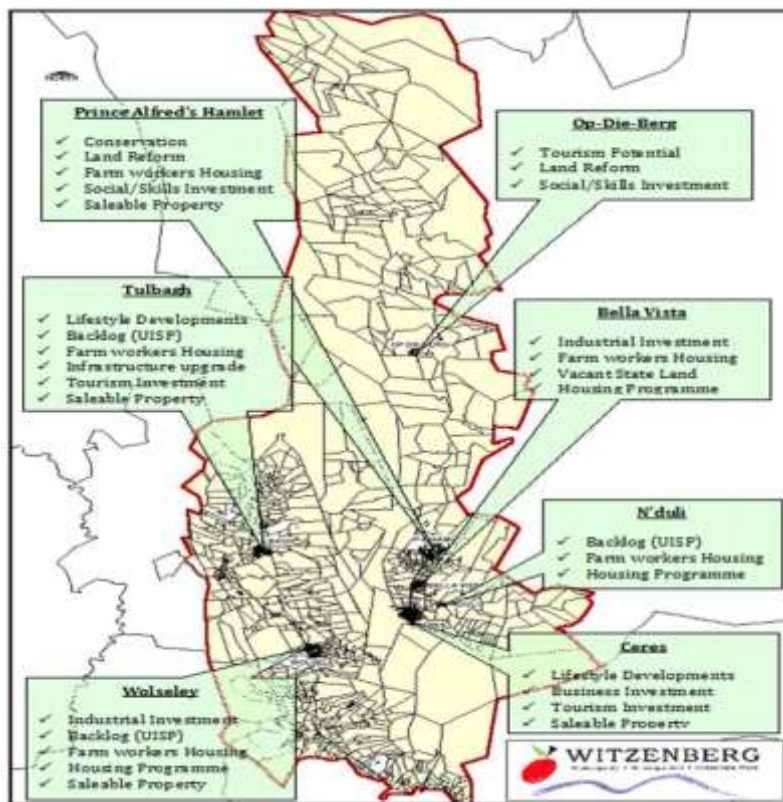


Figure 1: Spatial elements

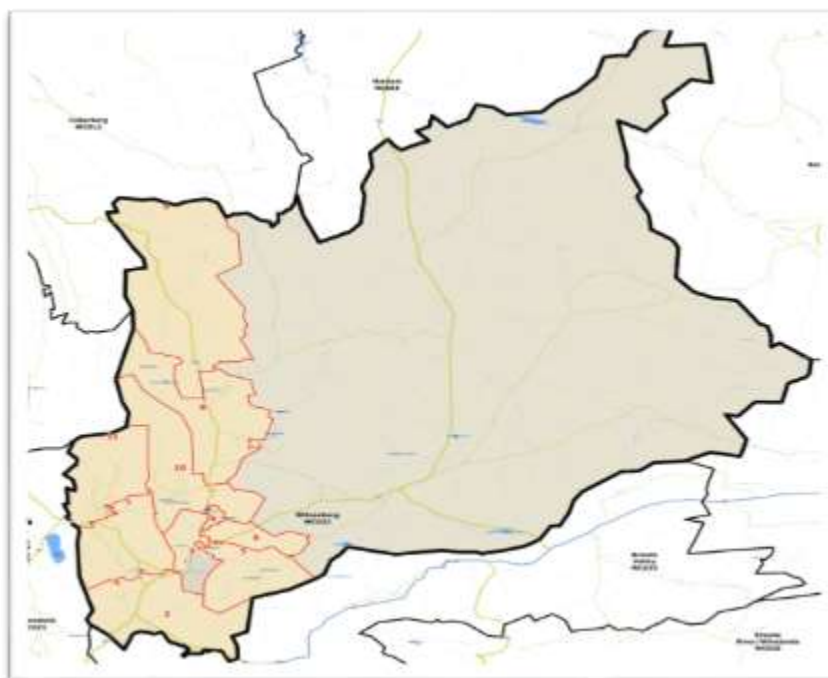






Figure 2: Witzenberg Graphic illustration








CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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	N'Duli - 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 & werkestoer, De Agen, Twee Jonge Gezellen.
12	N'Duli Community Hall, Bo-Swaarmoed, Inverdoorn, Wanganella, Driefontein, Achtertuin, Gansfontein.

Table 1: Municipal Wards



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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

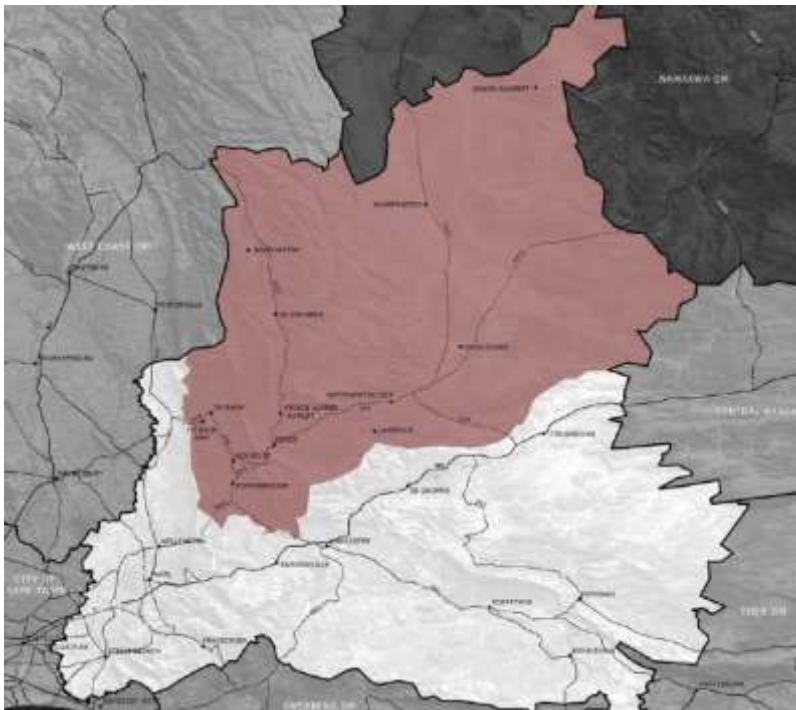


Figure 3: Western Cape Area Map



Figure 4: Western Cape Area map 2

1.2.3 POPULATION

According to Census 2011, Witzenberg Local Municipality has a total population of 115 946 people, of whom 65.9% are coloured, 25.3% are black african, and 7.7% are white. The other population groups make up the remaining 1.1%.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Of those aged 20 years and older, 9.2% have completed primary school, 40.2% have some secondary education, 18.2% have completed matric, and 5.8% have some form of higher education, while 6.6% of those aged 20 years and older have no form of schooling.

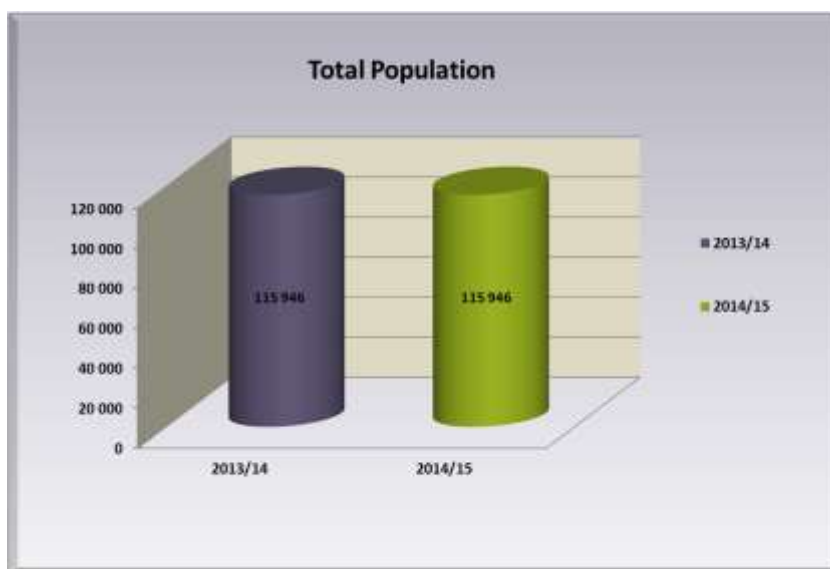
The table below indicates the total population within the municipal area:

Population	2013/14	2014/15
	115 946*	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	2013/14	2014/15
Females	56 392*	56 392*
Males	59 554*	59 554*
Total	115 946*	115 946*

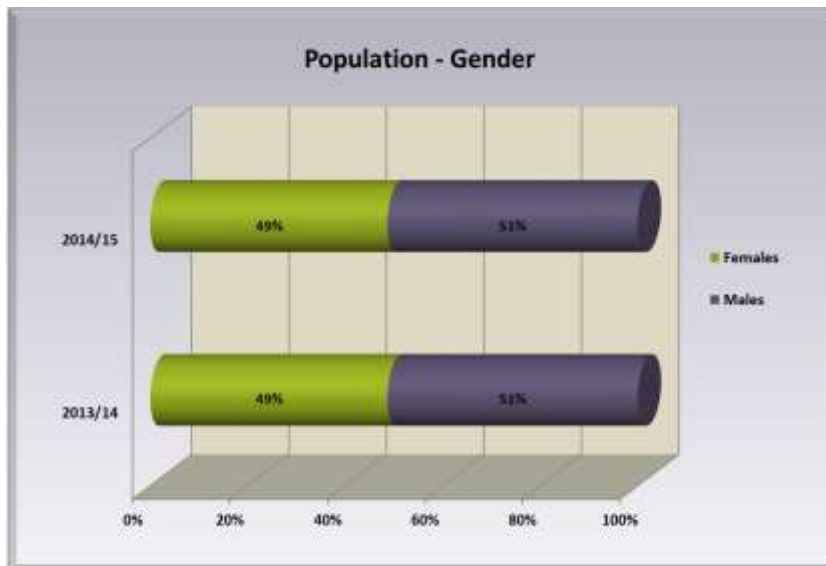
**Statistics South Africa: Census 2011*

Table 3: Demographic information of the municipal area – Gender



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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	2013/14*	2014/15
Females aged 0 – 4	5 070	5 070
Males aged 0 – 4	5 238	5 238
Females aged 5 - 14	9 379	9 379
Males aged 5 - 14	9 771	9 771
Females aged 15 - 34	20 555	20 555
Males aged 15 - 34	23 610	23 610
Females aged 35 - 64	18 909	18 909
Males aged 35 - 64	19 022	19 022
Females aged 65 and older	2 478	2 478
Males aged 65 and older	1 912	1 912
Total	115 946	115 946

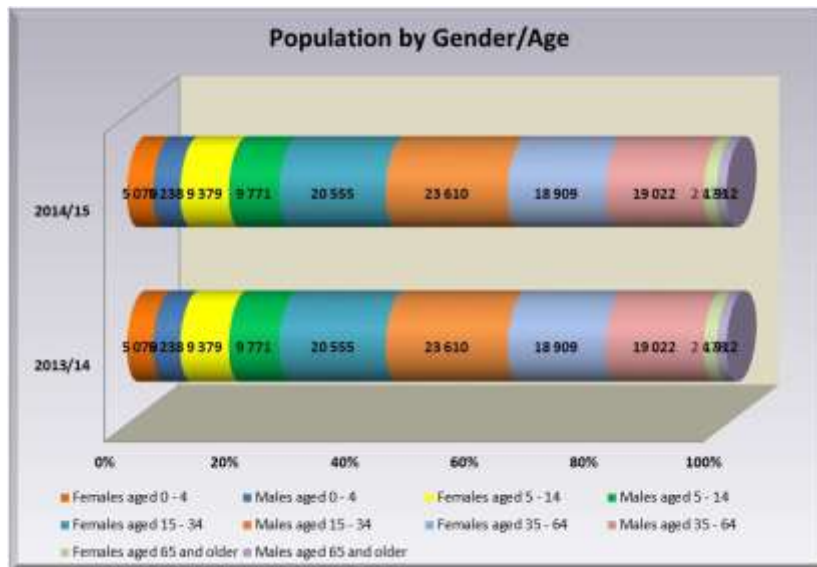
*Statistics South Africa: Census 2011

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



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The graph below indicates the population categories by gender/age



Graph 3: Population Categories by gender/age

c) Population by Race Categories

Population – Racial	2013/14*	2014/15
African	29 300	29 300
Coloured	76 450	76 450
Indian	273	273
White	8 944	8 944
Other	979	979
Total	115 946	115 946

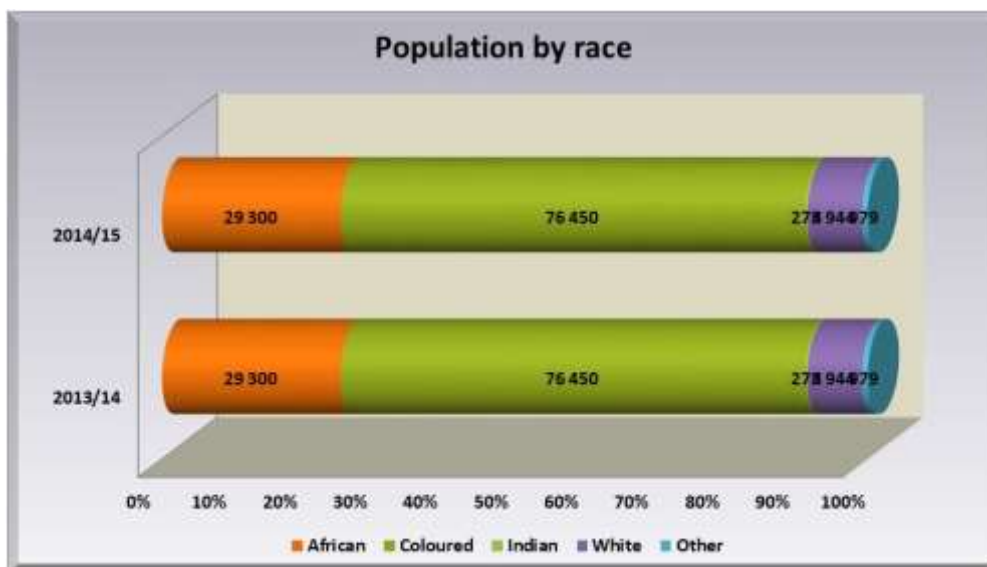
*Statistics South Africa: Census 2011

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



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The graph below shows the population by race.



Graph 4: Population by race

1.2.5 HOUSEHOLDS

There are 27 419 households in the municipality, with an average household size of 3.8 persons per household.

90.9% of households have access to piped water either in their dwelling or in the yard. Only 0.5% of households do not have access to piped water.

The total number of households within the municipal area increased from 27 039 (2013/14) to 27 419 (2014/15) and the indigent households decreased from 4 515 (2013/14) to 2 810 (2014/15).



Households	2012/13*	2013/14	2014/15
Number of households in municipal area	24 600	27 039	27 419
Number of indigent households in municipal area	2 599	4 515	2 810
Percentage of indigent households in municipal area	10.57	16.70	10.25%

*Statistics South Africa: Census 2011

Table 6: Total number of households



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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	1 083
Tulbagh	8 969
Prince Alfred Hamlet	6 809
Bella Vista	13 460
Ceres	10 412
N'Duli	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

56 334 people are economically active (employed or unemployed but looking for work), and of these, 7.6% are unemployed.

9.9% of the 29 308 economically active youth (15 – 34 years) in the municipality are unemployed



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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
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
The rural predominance of Witzenberg	Great development challenges on the one hand and the resource constraints of the municipality on the other hand, place great pressure on our capacity to meet the service and infrastructure needs of all our residents. Consequently, it is essential that inter-governmental engagement in respect of improving municipal financial management, staffing and institutional capacity, systems and service delivery takes place in order to enhance the municipality's ability to deliver a bouquet of quality service
Public transport infrastructure	Public transport infrastructure challenges in Witzenberg Municipality include provision of shelters at a number of informal ranks and within the rural areas
Rural areas	Present serious challenges to the municipality, specifically since these services needs to be delivered on private property. A specific policy regarding the different level of services to be provided to the different communities still needs to be formulated. The need for the supply of basic services is well understood and a free basic water and power policy have already been accepted and implemented
Sustainable job creation	Although procurement processes and implementation of temporary community development projects have 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 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
Accommodation	The result of our growing staff compliment and increased capacity in terms of service delivery, has led to serious accommodation challenges. The municipality has completed an accommodation needs analysis and the design and planning has been completed. We intend raising the necessary funding (in the next financial year) to begin construction in phases over the next five years

Table 9: Municipal Challenges



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.3 SERVICE DELIVERY OVERVIEW

The investment in municipal infrastructure has historically being influenced mainly by existing backlogs, to ensure sustainable service delivery taken into account new developments and general upgrading and maintenance. The developmental potential of urban areas plays a major role in guiding infrastructure investment to ensure sustainable service delivery to human settlements. Basic services that includes water, sanitation, electricity, refuse, roads and storm water should be the major focus areas for infrastructure budgeting and investment.

Past and current investment into bulk water resources was well supported through funding from DWA and is Witzenberg one of the few municipalities whom are well capacitated in this regard for the next 25 years. Upgrading of sewer works to ensure sustainable capacity for the next 15 years are well underway and should be completed within the next 3 years. Upgrading roads, stormwater, electrical bulk provision & networks and water & sanitation networks however remain underfunded and should be increased over the next couple of years.

1.3.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Improvement of service delivery	New Cherry Picker purchased for Electrical Services
Compliance to DWA standards	Upgrade of Tulbagh WWTW
Upgrade of Vredebes and Schoonvlei industrial area (bulk electricity and roads)	Secured funding from Rural Development
Improvement of service delivery	Secured funding from DEADP (Tedcor) for wheelie bins for Op-die-Berg and wheight pad and office for Tulbagh Solid Waste Site

Table 10: Basic Services Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Housing	Bulk services to be upgraded to cater for Vredebes and Bella Vista housing project	Additional funding to be secured to adress this challenge
Solid waste	Air space depleted at most of the solid waste sites for future waste	Regional solid waste site and recycling to be investigated in detail

Table 11: Basic Services Delivery Challenges

1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

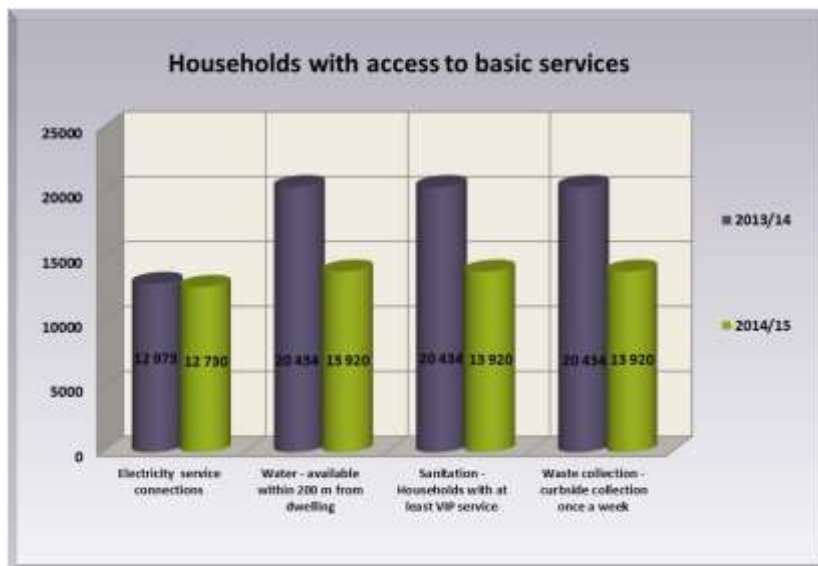
Proportion of Households with minimum level of Basic services		
Description	2013/14	2014/15
Electricity service connections	12 973	12 730
Water - available within 200m from dwelling	13 266	13 920
Sanitation - Households with at least VIP service	13 266	13 920
Waste collection - kerbside collection once a week	13 266	13 920

Table 12: Households with minimum level of Basic Services



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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 27.88	The number of times debt payments can be accommodated within operating revenue. This represents the ease with which debt payments can be accommodated by the municipality
Cost coverage ratio 2.00 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 0.67	A specialised service provider was appointed to collect outstanding debt. The legal process are time consuming. A workshop on debt collection will be held with Council.

Table 14: Financial Viability Challenges



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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	2013/14	2014/15	Comments
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	24.7 : 1	27.8 : 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)	0.62 : 1	0.67 : 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	1.53 : 1	2.00 : 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	117 606 048	140 481 794	135 642 362
Grants	299 102 445	299 102 445	290 597 100
Taxes, Levies and tariffs	28 447 006	31 868 457	48 716 530
Other	394 064 688	411 027 468	399 523 554
Less Expenditure	51 090 811	60 425 228	75 432 437
Net surplus/(deficit)	117 606 048	140 481 794	135 642 362

Table 16: Financial Overview

1.4.5 OPERATING RATIOS

Detail	Expected norm	Actual	Variance
	%	%	%
Employee Cost	30	29.33	0.67
Repairs & Maintenance	20	4.62	15.38
Finance Charges & Depreciation	10	9.87	0.13

Table 17: Operating ratios



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.4.6 TOTAL CAPITAL EXPENDITURE

Detail	2013/14	2014/15
	R'000	
Original Budget	74 943	62 922
Adjustment Budget	90 313	67 466
Actual	87 244	64 040

Table 18: Total Capital Expenditure

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Creation of policy awareness to all level of employees	Various HR roadshows
Relisation of public participation with all relevant wards	5 Channels of communication between the municipality and communities
Creation of awareness on Corruption and Fraud Policy	Communication of Wistle Blower Process on a quarterly basis to community and personnel
Skilling, capacitating and building of essential personnel	Minimum competency realisation for all key staff

Table 19: Municipal Transformation and Organizational Development Highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Gap in filling employment equity targeted groups in managerial positions	Sspecify the recruitments to the targeted in te3rms of the Employment Equit Plan segment
Low salary (remuneration) equals to lack of attraction of specialized skills	Embarking on salary scale reviews (Task)
Limited capital budgets	Requiring financial support for auxilliary functions from supporting Organs of the State

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 General Recognised Accounting Standards (GRAP) 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 of South Africa will issue opinions on the performance indicators in years to come which add to the challenge.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Will be included once the audit of 2014/15 is completed

Table 21: Audit Outcomes



Executive Mayor Jacques Klazen, Cllr. Hennie Smit and Executive Deputy Mayor Karriem Adams with the Certificate of Excellence for Clean Audit awarded to Witzenberg Municipality



CHAPTER 2

CHAPTER 2: GOOD 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.

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
Adams, Karriem	Deputy Executive Mayor	Independent	Ward 6
Badela, Reginald	Councillor	ANC	Ward 12
Chaaban, Badih J	Councillor	NPP	Proportional
Du Plessis, Jacobus J	Councillor	DA	Proportional
Du Toit, Magdalena C	Councillor	ANC	Proportional
Godden, Theodore T	Speaker	COPE	Proportional
Hanekom, Wouda J	Councillor	DA	Ward 3
Heradien, Petrus/ Daniels Patric	Councillor	DA	Ward 7
Klaasen, Barnito C	Councillor	DA	Proportional
Klazen, Jacques NED	Executive Mayor	Democratic Christian Party	Proportional
Louw, Stefanus	MAYCO Member	DA	Proportional
Mouton, Johnnerey S	Councillor	ANC	Proportional
Ndwanya, Stanley M	Councillor	ANC	Proportional
Phungula, Joyce T	Councillor	ANC	Proportional
Salmon, Lea	Councillor	ANC	Ward 8
Saula, Monwabisi Isaac	Councillor	ANC	Ward 1
Sidego, Elizabeth M	Councillor	DA	Ward 11
Simpson, Richard J	Councillor	ANC	Ward 9
Smit, Hendrik J	MAYCO Member	DA	Ward 5
Swart, Dirk	Councillor	DA	Ward 2



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Name of councillor	Capacity	Political Party	Ward representing or proportional
Veschini, John A/ Fredericks John	MAYCO Member	Voice of Independent Party (VIP)	Proportional
Visagie, Joachem J	MAYCO Member	DA	Ward 4
Waterboer, Piet/ Smit Andries	Councillor	ANC	Ward 10

Table 22: Council 2014/15

Below is a table which indicates the Council meeting attendance for the 2014/15 financial year:

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
27 August 2014	28	96	4
25 November 2014	12	91	9
10 December 2014	34	91	9
30 January 2015	9	81	19
27 February 2015	3	96	4
31 March 2015	11	100	0
29 April 2015	19	100	0
27 May 2015	20	100	0
19 June 2015	2	74	16

Table 23: Council meetings

2.1.2 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor JNED Klazen**, 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 2014 to 30 June 2015:

Name of member	Capacity
Councillor H Smit	Chairperson: Committee for Corporate and Financial Services
Councillor J Veschini/ Councillor JJ Visagie	Chairperson: Committee for Technical Services
Councillor S Louw	Chairperson: Committee for Rural and Economic Development
Councillor J Visagie/ Councillor J Fredericks	Chairperson: Committee for Community Development
Councillor K Adams	Chairperson: Committee for Housing Matters

Note: The chairpersons changed due to the resignation of Councillor J A Veschini

Table 24: Executive Mayoral Committee 2014/15



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The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2014/15 financial year:

Meeting date	Number of items submitted to Council
COMMITTEE FOR HOUSING MATTERS	
1 July 2014	0
17 July 2014	1
7 August 2014	0
9 October 2014	0
6 November 2014	0
14 November 2014	0
2 December 2014	0
12 February 2015	0
12 March 2015	1
13 April 2015	0
12 June 2015	0
COMMITTEE FOR RURAL ECONOMIC DEVELOPMENT, TOURISM AND MARKETING	
19 August 2014	2
18 March 2015	0
15 April 2015	1
21 May 2015	0
26 June 2015	0
COMMITTEE FOR COMMUNITY DEVELOPMENT	
6 August 2014	0
20 November 2014	0
11 March 2015	0
16 April 2015	1
24 June 2015	0
COMMITTEE FOR CORPORATE AND FINANCIAL SERVICES	
6 August 2014	3
16 October 2014	10
20 November 2014	1
19 March 2015	3
22 May 2015	3
COMMITTEE FOR TECHNICAL SERVICES	
23 July 2014	0
5 August 2014	0
15 October 2014	3
19 November 2014	0
18 March 2015	2
15 April 2015	1
29 May 2015	2



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Meeting date	Number of items submitted to Council
26 June 2015	0
<i>Please note that the name and functions of the committees have on numerous occasions been altered due to the change of Council</i>	

Table 25: 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	Councillor K Adams	Section 80	(1) 1 July 2014	27 August 2014 to Council
			(1) 17 July 2014:	
			(1) 7 August 2014	10 December 2014
			(1) 11 September 2014	
			(1) 09 October 2014	31 Maart 2015
			(1) 6 November 2014	
			(1) 14 November 2014	
			(1) 2 December 2014	
			(1) 12 February 2014	29 April 2015
			(1) 12 March 2014	

Table 26: Committee for Housing Matters 2014/15

b) Committee for Community Development:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Community Development	Councillor J Visagie	Section 80	(1) 19 July 2014	19 July 2014 to Council
			(1) 06 August 2014	27 August 2014
			(1) 20 August 2014	06- August 2014 to Council
			(1) 11 March 2015	10 December 2014
				31 March 2015
	29 April 2015			

Table 27: Committee for Community Development 2014/15



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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	Councillor H Smit	Section 80	0 (1) 06 August 2014 (1) 20 November 2014 (0)	27 August 2014 10 December 2014 31 March 2015 29 April 2015

Table 28: Committee for Corporate and Financial Services 2014/15

d) Committee for Technical Services:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Technical Services	Councillor J Veschini	Section 80	(1) 23 July 2014 (1) 15 August 2014 (1) 20 November 201 (1) 18 March 2015	27 August 2014 10 December 2014 31 March 2015 29 April 2015

Table 29: Committee for Technical Services 2014/15

e) Committee for Rural Economic Development, Tourism and Marketing:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee for Rural Economic Development, Tourism and Marketing	Clr S Louw	Section 80	(0) (0) (1) 19 August 2014 (1) 18 March 2015	27 August 2014 10 December 2014 31 March 2015 29 April 2015

Table 30: Committee for Rural Economic Development, Tourism and Marketing 2014/15

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Accounting Officer of the municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his 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	Yes
Cobus Kritzinger	Chief Financial Officer	Yes
Monwabisi Mpeluza	Director: Corporate Services	Yes
Jo-Ann Krieger	Director: Community Services	Yes
Joseph Barnard	Director: Technical Services	Yes

Table 31: Administrative Governance Structure



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COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

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

2.3.1 INTERGOVERNMENTAL STRUCTURES

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipals Managers Forum	SALGA, Neighbouring municipality's MMs, xxxx; xxxx	District based initiatives
SALGA Working Groups	SALGA, Neighbouring municipality's Technical Directors and experts	Municipal wide information sharing
IDP Managers Forum	Department of Local Government (DPLG), All municipalities in the Western Cape (WC), IDP Managers	Provincial wide information sharing
LED Managers Forum	Cape Winelands Regional LED Forum	Sharing information and best practises on Economic Development



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Name of Structure	Members	Outcomes of Engagements/Topics Discussed
WMO Forum	DEADP, All municipalities in the Western Cape (waste management officers), and experts	Municipal wide information sharing with all 3 spheres of government.
IDP Indaba's	All Provincial Sector Departments, All Municipalities in the Western Cape	Provincial, District & Local based planning: JPI's and WC DP
Provincial Public Participation and Communication Forum (PPPCOM)	DPLG, All Municipalities in the WC, s IDP Manager	Provincial wide information sharing
Ministerial Technical Committee	Provincial Government and Municipal Managers	Provincial programmes and initiatives aligned with municipal performance
Ministerial Mayoral Committee	Provincial Government and Mayors	Provincial programmes and initiatives aligned with municipal performance

Table 32: Inter-governmental structures

2.3.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS

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

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
National War on Poverty	Reduce poverty in identified poorest wards in municipal area	National Department of Rural Development	<ul style="list-style-type: none"> 📌 Established steering committee with municipality and other provincial sector departments 📌 Implementing community based projects with Council of Stakeholders and IGR partners 📌 Mobilising resources
CRDP ISC Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	<ul style="list-style-type: none"> 📌 Mobilising resources 📌 Implementing projects to reduce poverty 📌 Sharing information

Table 33: Joint projects and functions with sector departments

COMPONENT C: PUBLIC ACCOUNTABILITY




MSA section 15(b) requires a municipality to establish and organize its administration to facilitate and a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(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 and 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;



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-  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 the meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attended
IDP /Budget Public meetings				
Tulbagh	8 September2014	4	13	69
P A Hamlet	9 September2014	1	10	54
Wolseley	10 September2014	1	13	39
N'Duli	14 September2014	3	8	103
Bella Vista	16 September2014	1	10	29
Op Die Berg	22 September2014	1	5	71
Ceres	23 September2014	3	8	22
IDP /Budget Public meetings				
N'Duli	13 April 2015	4	5	131
Tulbagh	14 April 2015	1	8	48
Wolseley	15 April 2015	3	10	72
P A Hamlet	16 April 2015	1	9	31
Bella Vista	22 April 2015	1	10	61
Op-die-Berg	23 April 2015	0	6	30

Table 34: Public Meetings

2.4.1 REPRESENTATIVE FORUMS

a) Labour Forums

The table below specifies the members of the Labour Forum for the 2014/15 financial year:

Name of representative	Capacity	Meeting dates
H Smit	Chairperson	16 July 2014
B Klaasen	Mayco Member	13 August 2014
W Hanekom	Mayco Member	10 September 2014
K Adams	Deputy Mayor	8 October 2014
D Nasson	Municipal Manager	26 November 2014
H Kritzinger	Director Finance	25 February 2015
J Krieger	Director Community Services	25 March 2015
		22 April 2015






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Name of representative	Capacity	Meeting dates
M Mpeluza	Director Corporate Services	20 May 2015
J Barnard	Director Technical Services	10 June 2015
I Swartbooi	Manager Human Resources	
G Bezuidenhout	Manager Administration	
H Philander	Human Resources Officer	
C Titus	Committee Clerk	
A Christians	IMATU	
J Noble	IMATU	
H Minnaar	IMATU	
E Segels	IMATU	
M Pieterse	IMATU	
A Persens	IMATU	
K Ntanjana	SAMWU	
C Appolis	SAMWU	
L Silver	SAMWU	
M Mnyatheli	SAMWU	
A Morkel	SAMWU	

Table 35: Labour Forum

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 IDP of the area.

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

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

Name of representative	Capacity representing	Number meetings held during the year
Mzimkhulu Baruza	Sport & Culture	7
Jacqueline Jamjam	Health & Social	



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Name of representative	Capacity representing	Number meetings held during the year
Nomfuduko Hlazo	Safety	
Kholiwe Lithunya	Youth	
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	9
Frederik Booysen	Education	
Engela Afrika	Health & Social	
Linda Norman	Disability & Elderly	
Hester van der 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	6
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



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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	5
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	
Karin Rode	Education	

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
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	6
Isaac Jacobs	Churches	
Melanie Bê	Disabled & Elderly	
Sara Krotz	Sport & Culture	
Chantel De Bruin	Health & Social	
Petrus Baadtjies	Safety	
Godvin Kammies	Business & Community	
Sylvia Minnar	Women	
Theo Le Cordeur	Education	



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Name of representative	Capacity representing	Number meetings held during the year
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	5
Herald Gypies	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	
Neville Africa	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	6
Philda Bosman	Sport & Culture	
Absalom Snyders	Business Community	
Maria Pretorius	Women	
Miriam Titus	Youth	
Hildagardt Ramasesane	Churches	
Lena Pieterse	Safety	
Natasha Jacobs	Health & Social	
Venessa Mackenzie	Education	
Wilbur Zas	Civic & taxis	

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	9
Johannes Mars	Health & Social	
Willem Koopman	Disabled & Elderly	
Mgrieta Baartman	Women	



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Name of representative	Capacity representing	Number meetings held during the year
Carol De Klerk	Education	
Andries Paulse	Civics & Taxes	
Johannes Fransman	Safety	
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	7
Sophia De Bruin	Women	
Ilize Stuurman	Health & Social	
Karliën 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: Ward 10 Committee Meetings

k) Ward 11: Tulbagh (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Johanes Smit	Education	10
Mina Bagan	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



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I) Ward 12: N'Duli (Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Tommy Mona	Education	7
Ntombizanele Baruza	Disabled & Elderly	
Wise Magalakanqa	Churches	
Thandiswa Mdange	Health & Social	
Victor Sifile	Business Community	
Vacant	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. 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
1	Yes	6	7	Yes
2	Yes	9	9	Yes
3	Yes	6	6	Yes
4	Yes	5	5	Yes
5	Yes	1	1	Yes
6	Yes	6	6	Yes
7	Yes	5	5	Yes
8	Yes	6	6	Yes
9	Yes	6	6	Yes
10	Yes	7	7	Yes
11	Yes	9	9	Yes
12	Yes	7	7	Yes

Table 48: Functioning of Ward Committees



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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) Poor growth in revenue base
- 2) Un-recoverability of outstanding receivables
- 3) Major unplanned interruptions to deliver basic services
- 4) Deteriorating electrical, water, sanitation, pipe and road infrastructure
- 5) Inability to deal with disaster, business continuity and fire hazards
- 6) Inability to create a safe environment for communities
- 7) Inability to minimise recyclable waste
- 8) Community dissatisfaction with slow progress towards service delivery
- 9) Uneconomical utilization of assets
- 10) Inability to provide low cost housing, service sites and gap housing

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.



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2.6.1 DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Fraud and Corruption Strategy	Yes	27 August 2014
Fraud and Corruption prevention policy and response plan	Yes	27 August 2014

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 through the National Fraud Hotline	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
Establish a 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 PERFORMANCE RISK AND AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

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



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2.7.1 FUNCTIONS OF THE PERFORMANCE, RISK & AUDIT COMMITTEE

Council adopted its Performance Risk and Audit Committee charter on 15 March 2015 and approved the appointment of 2 new members on 29 April 2015.

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:

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

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

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 advise Council on the standard of service pertaining to internal audit function.

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.



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2.7.2 MEMBERS OF THE PERFORMANCE, RISK & AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Audit Committee appointed for the period 1 June 2015-30 May 2018		
Name of representative	Capacity	Meeting dates
Ms. B. Daries (Re-appointed for a second term)	Chairperson	n/a
Mr A Amod (Re-appointed for a second term)	Member	n/a
Mr J. Basson	New Member	n/a
Mr. T. Lesihla	New Member	n/a
Audit Committee appointed for the period 1 March 2012-to 28 February 2015		
Name of representative	Capacity	Meeting dates
Mr SA Redelinghuys (Second 3 year term ended 28 February 2015)	Chairperson	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015
Ms. B. Daries	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015
Mr A Amod	Member	24 November 2014 8 December 2014 20 February 2015
Mr J George (Second 3 year term ended 28 February 2015)	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015
Mr B Afrika (3 year term ended 28 February 2015)	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015

Table 51: Members of the Audit Committee

2.7.3 PERFORMANCE, RISK & AUDIT COMMITTEE RECOMMENDATIONS

Date of Committee	Committee recommendations during 2014/15	Recommendations adopted (enter Yes) If not adopted (provide explanation)
8 December 2014	The the Chief Financial Officer forwards a list of staff members with outstanding debt to the Municipal Manager to consider steps to be taken	No, report on staff debt included in monthly finance report.
8 December 2014	That alternative solutions, such as the installation of water meters, be considered for indigent households.	Yes



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Date of Committee	Committee recommendations during 2014/15	Recommendations adopted (enter Yes) If not adopted (provide explanation)
8 December 2014	That consideration be given to the initiative applied by other municipalities to waive the interest when the consumer settles the account in full.	Yes
20 February 2015	That it be recommended to Council to review the Indigent and Credit Control Policies by taking the financial sustainability of the municipality into consideration	No, Report in draft

Table 52: Performance, Risk and 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.

Risk register and three-year strategic plan

An annual risk assessment was performed during April/June 2014 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 2015/16 to 2016/17 Risk Based Audit Plan.

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

Audit Activity	2014/15	2015/16	2016/17
Risk based audits			
Income & Debtors			√
Supply Chain Management	√		
Human Resources (Including Leave and Training)	√		
Asset Management*	√	√	
Inventory	√		
Maintenance Management		√	



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Audit Activity	2014/15	2015/16	2016/17
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		√	
Property valuations			√
<i>*Moved forward to implement new standards and strategics</i>			

Table 53: Three year strategic internal audit plan

Annual Audit Plan

The Audit Plan for 2014/15 was implemented and 69% 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)	100	All	Integrated into risk Based Audits
DORA compliance	100	4	Work in Progress
Performance Management System	300	All	Completed
Risk based audits			
Supply Chain Management	350	2 & 4	Move forward
Human Resouce Management	350	3 & 4	Move forward
Assement Management	200	3	Work in progress
Inventory	200	3	Completed
Cash Handling	200	2	Completed
Follow up audit work			
AGSA Key Controls	60	All	Completed
Internal Audit findings (Quraterly)	200	All	Completed
AGSA Audit Findings (Quarterly)	60	All	Completed
AD-Hoc audits			
Year-end stock count	50	4	Completed
Ad-hoc assignments	630	All	Completed

Table 54: Annual risk based audit plan



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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 2014/15 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
21	26	21

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	100
Director Community Services	85
Director Corporate Services	57
Manager Supply Chain	100

Table 58: Attendance of members of bid adjudication committee

Note: 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 Adjudication Committee awarded 32 bids of an estimated value of R38 292 842.19.

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



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Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/12/5	Installation of new bulk water and link services for Vredebes housing development	Technical – Water & Sewerage	Vakala Construction (PTY) Ltd	8 867 670.75
08/2/12/1	Supply and delivery of electrical equipment	Technical – Electricity	Various bidders	4 219 721.17
08/2/12/7	Upgrading of bulk water and link services for Pine Valley affordable housing development, Wolseley	Technical – Water & Sewerage	Strata Civils (PTY) Ltd	3 398 921.02
08/2/12/2	Supply and delivery of electrical cables	Technical – Electricity	Various bidders	2 831 837.90
08/2/12/34	Electrification of Pine Valley phase 2b - 160 erven	Technical – Electricity	Solethu Energy (PTY) Ltd	1 748 156.47

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 R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. No bid above R 10 million was awarded by the Accounting Officer for the 2014/15 financial year.

The following bid was awarded by the Accounting Officer during the 2014/15 financial year:

Bid number	Title of bid	Directorate and section	Value of bid awarded R
08/2/12/14	Supply and delivery of one new 4 ton truck with aerial platform	Technical – Electrical	974 862.10

Table 60: Awards made by Accounting Officer

d) Appeals Lodged by Aggrieved Bidders

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

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Dismissal date	Dismissed by
08/2/12/7	Upgrading of water bulk and link services for Pine Valley affordable housing development, Wolseley	16 January 2015	Dennis Lendor Civils	Reason for non-compliance to pre-qualification criteria	15 April 2015	Accounting Officer

Table 61: Appeals lodged by aggrieved bidders on awards made

e) Awards Made to Enterprises within the Witzenberg Municipal Area

The following table details the value of competitive bids awarded to enterprises within the Witzenberg Municipal Area during the 2014/15 financial year:



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Number of contracts awarded to enterprises within the Witzenberg Municipal Area	Percentage of contracts awarded to enterprises within the Witzenberg Municipal Area	Value of contracts awarded to enterprises within the Witzenberg Municipal Area R	Percentage of contract value awarded to enterprises within the Witzenberg Municipal Area
7	21.87	4 069 956.46	10.69

Table 62: 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 13 formal written price quotations amounting to R1 100 401.41, were awarded.

The following table detail the value of formal written price quotations awarded to enterprises within the Witzenberg Municipal Area during the 2014/15 financial year:

Number of contracts awarded to enterprises within the Witzenberg Municipal Area	Percentage of contracts awarded to enterprises within the Witzenberg Municipal Area	Value of contracts awarded to enterprises within the Witzenberg Municipal Area R	Percentage of contract value awarded to enterprises within the Witzenberg Municipal Area
4	30.77	89 150.00	8.10

Table 63: Enterprises within Witzenberg Municipal Area quotation awards

2.9.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 44 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R12 398 477.26 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 R	Percentage of total deviations value
Single supplier	91	2 399 256.25	20.73
Impossible	1	3 000.00	0.23
Impractical	256	8 482 325.23	58.31
Emergency	91	1 513 895.78	20.73

Table 64: 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 44 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:



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- 📌 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 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 2015, the value of stock at the municipal stores amounted to **R6 325 141.37** with a satisfactory stock turnover rate of 1.46. For the 2014/15 financial year a total of **R1 302.00** were accounted for as deficits. No stock was accounted for as surplus items, redundant inventory and damaged stock items.




2.9.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- 📌 immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- 📌 movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- 📌 Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- 📌 Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;



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-  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 2014/15 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.

No companies were listed as restricted suppliers during the 2014/15 financial year.

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
Repeal of Bylaw 13 of 2004 relating to the impound of animals and promulgation of new by-law	19 June 2015
Amendment to Witzenberg Municipality By-Law on Liquor trading days and hours	n/a
Draft by-law relating to pounds reviewed	19 June 2015
Amendment to Witzenberg Municipality by-law on liquor trading days and hours	Item needs to be re-tabled to Council
Land Use Planning By-Law	Approved on 19 June 2015

Table 65: 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
Draft Fraud Prevention Policy and Response Plan revised	27 August 2014	No	Not Applicable
Proposed amendments to the Tarrif Policy	27 August 2014	No	Not Applicable



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Policies developed/ revised	Date adopted	Public Participation conducted prior to adoption of policy (Yes/No)	Date of Publication
Proposed amendments to the Credit Control and Debt Collection Policy	27 August 2014	No	Not Applicable
Proposed amendment to Indigent Policy	25 November 2014	No	Not Applicable
Policy: Trade of Tools for Councillors	25 November 2014	No	Not Applicable

Table 66: 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 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	23 June 2015
Budget implementation policy: Tariff policy	Yes	16 March 2015
Budget implementation policy: Credit control policy	Yes	16 March 2015
Budget implementation policy: Valuation policy	Yes	16 March 2015
Budget implementation policy: SCM policy	Yes	16 March 2015
The annual report for 2012/13	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2014/15 and resulting scorecards	Yes	27 July 2015
All long-term borrowing contracts for 2014/15	Yes	16 March 2015
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 2014/15	Yes	16 March 2015
All quarterly reports tabled in the council in terms of section 52 (d) during 2014/15	Yes	31 July 2015

Table 67: 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.



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Good customer care is of fundamental importance to government organisations due to their constant interaction with members of the public. All local government entities strive to uphold the following Constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:

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

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

1. Consultation

There are many ways to consult consumers of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGO's and CBO's. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

2. Setting service standards

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards. Required are standards that are precise and measurable so that residents can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters. To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development.

3. Increasing access

One of the primary aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres and Call Centres. Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

4. Ensuring courtesy

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves. Local government is committed to continuous, honest and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or delay the



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efficient delivery of services to promised standards. If applied properly, the principle will help demystify the negative perceptions that the citizens in general have about the attitude of the public servants.

5. Providing information

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

6. Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

7. Redress

This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme. Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

8. Value for money

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

2.12.1 COMMUNICATION STRATEGY

The Witzenberg Municipality Communication Strategy 2013/2017 illustrates the views of local residents regarding communication and perceptions of the municipality. Many views expressed display dissatisfaction levels with aspects related to elements beyond the scope of local government, for example access to housing, employment opportunities, education and healthcare. However, local government acts as the conduit to expedite issues of this nature to the correct government entities as well as support and invest in various programmes aimed at skills development, youth development, social development and short term temporary employment. Levels of literacy, understanding of language, public apathy, level of education, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how they communicate and assimilate communication, especially within rural environs.

A successful communication strategy therefore links local demographics to the municipality's programme for the year and influences budgetary expenditure according to the needs of the public.

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



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

Table 68: Communication Activities

2.12.2 COMMUNICATION AND QUERY/COMPLAINT MANAGEMENT

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

2.12.3 COMMUNICATION AND MUNICIPAL MARKETING

Marketing of a municipality differs vastly from corporate marketing in its conventional sense within the private sector. Marketing is a commercial term referring to sales generation and promotion of services/goods for purchase. The exercise of marketing according to its traditional definition is an imperative exercise as it has direct impact upon profits, needs to be current and competitive as well as exert influence on consumer decision-making.

Branding is the establishment of a persona and value system associated to a service or product and is often linked to the user experience, graphical representation, sound bite or smell which inspires a mental link to the value of the product or service. Traditional marketing models identify the consumer as being the party with decision making and buying power.

Marketing in a municipal context is very similar but has fundamental differences. Municipal marketing is not focussed upon sales to drive its profit margins in the same way as the private sector, as it is the sole supplier of public services to residents and businesses, i.e. municipalities provide access to drinking water, residential garden waste removal, residential refuse removal, commercial refuse removal, fire services, traffic services, law enforcement, waste water management, etc. This means that municipalities often possess the monopoly of services. The target public for municipalities concentrate on mainly are the local residents within its geographical area and the residents targeted crosses all demographics,



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social statuses and income levels. Whilst municipal marketing aims to focus in part upon municipal revenue, it also aims to protect the security and integrity of vulnerable communities. Thus, municipal marketing includes support programmes to address social issues and poverty alleviation.

Municipal marketing places emphasis upon the promotion of milestones and success stories to motivate residents to consistently pay their municipal accounts. Municipal marketing towards local businesses and residents encompasses the creation of transparent communication processes, timeous responses to queries, query resolution and validation of complaints. Municipal marketing also plays a role in marketing our projects, campaigns and initiatives towards other legs of government. The municipality's participation and roll out of these types of events, markets Witzenberg Municipality as a municipality which is focussed upon delivery and poverty alleviation as per its Constitutional mandate and that of its Integrated Development Plan as well as being a forerunner and pioneer in pilot projects. The cornerstone of municipal marketing is the quality of service which includes speed of initial response, workmanship of service rendered, duration of address before resolution, feedback to the complainant, professional closure/finishing of the problem addressed.

Branding is associated with all types of municipal marketing and as illustrated in the Communication Strategy 2013/2017, the public do not have a negative perception of services rendered by the municipality, but neither do they have a positive perception of the municipality. Thus, the branding objective during this Communication Strategy is focussed upon brand establishment. This means that the marketing effort will focus upon placing logos upon all infrastructure, creation of printed collateral, monthly newsletters, social media engagement, media statements, corporate gifting, etc. The overarching theme projected with communication is to offer the public easy access towards services, information, personnel and complaint resolution.

2.12.4 COMMUNICATION AND INTERNATIONAL RELATIONS

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

2.12.5 COMMUNICATION AND INVESTOR RELATIONS

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

2.12.6 EMERGENCY AND DISASTER COMMUNICATION

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

2.12.7 FINANCIAL COMMUNICATION

Witzenberg Municipality engages frequently with the public regarding its expenditure on projects, financial legislation, anti-fraud and corruption mechanisms, the bid and tender processes, etc through social media and printed collateral. The aim of financial communication is to create



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transparency regarding our expenditure and asset management. As a municipality our ultimate goal is to comply and, where possible, to exceed the audit standards set forth for local government and attain unqualified audit status. Due to the regulatory nature of financial management, Witzenberg Municipality aims to make this information freely available for the public to access as well as make use of language calibration to ensure that the information disseminated is simple and easily assimilated. Use of graphics and household comparisons are frequently used to illustrate technical information. Witzenberg Municipality strives to relay this type of communication in the three official languages for local government within the Western Cape.

2.12.8 ELECTRONIC COMMUNICATION

Witzenberg Municipality performs media scanning of communication by following commonly used alerts, hashtags, bookmarks and words associated with our municipality on social media. This allows the municipality to bring important information to the attention of senior management and Council to address. It also aids with complaint management as it allows us to mitigate situations before they escalate. Social media is a cost effective resource to use to convey information and is an effective method of relaying municipal communication as many residents are in possession of cellphones. However, this mode of communication is labour intensive and does not have great penetration in our rural environs. We also make use of text message communication to residents to convey urgent updates concerning power outages, water interruptions, road closures, dangerous weather conditions, municipal jamborees, etc. Witzenberg Municipality also uploads Council information and minutes of meetings and tender information onto our corporate website.

2.12.9 INTERPERSONAL COMMUNICATION

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

2.12.10 MEDIA COMMUNICATION

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

2.12.11 COMMUNICATION AND LEGISLATION

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












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2.12.12 VISUAL COMMUNICATION

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

2.12.13 COMMUNICATION CHALLENGES






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

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

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

2.13 DISCLOSURES OF FINANCIAL INTERESTS

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

-  shares and securities in any company;
-  membership of any close corporation;
-  interest in any trust;
-  directorships;
-  partnerships;



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- 🏠 other financial interests in any business undertaking;
- 🏠 employment and remuneration;
- 🏠 interest in property;
- 🏠 pension; and
- 🏠 Subsidies, grants and sponsorships by any organisation.

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

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

Disclosures of Financial Interests		
2014/2015		
Name	Description of Financial interests*	
Executive Mayor		
Clr JNED Klazen	No Financial Interest	
Member of Mayoral Committee / Executive Committee		
Clr K Adams	Pension	Consolidated Retirement Fund
Clr T Godden	Subsidies, Grants , Sponsorships	Auditor General
Clr JP Fredericks	Pension	Consolidated Retirement Fund
Clr HJ Smit	Pension	Consolidated Retirement Fund
Clr JJ Visagie	Property	Residential
	Pension	Municipal Councillors Pension Fund
Clr S Louw	Property	Residential
	Pension	Municipal Councillors Pension Fund
Councillor		
Clr R Badela	No Financial Interest	
Clr BJ Chaaban	No Financial Interest	
Clr P Daniels	Membership of any close corporation	Avaxa514- Dormant
	Property	Residential (only 1)
Clr JJ Du Plessis	Membership of any close corporation	Moulin Du Plessis BK
	Trust	Du Plessis Family
	Employment and Remuneration	Clr Cape Winelands District Municipality and Witzenberg Municipality
	Pension	Sanlam
Clr MC Du Toit	Trust	IB du Toit
	Property	IB Du Toit Trust
	Employment and Remuneration	Ceres Rem Hoogte; Boerdery BPK
	Pension	Consolidated Retirement Fund
Clr WJ Hanekom	Employment and Remuneration	Councillor at Witzenberg Municipality and Koue Bokkeveld Training Centre



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Disclosures of Financial Interests		
2014/2015		
Name	Description of Financial interests*	
	Property	Residential
	Pension	Consolidated Retirement Fund
Cllr BC Klaasen	Shares and securities in any	NASPERS and SASOL
	Directorships	Klaasen Incorporated
	Employment and Remuneration	Klaasen Incorporated
	Property	Residential (only 2)
Cllr JS Mouton	Directorships 2 Companies	2 Companies
	Property	Residential (only 1) and business (only 1)
	Pension	Consolidated Retirement Fund
Cllr SM Ndwanya	No Financial Interest	
Cllr JT Phungula	Employment and Remuneration	Councillor at Witzenberg Municipality
	Property	Residential
	Pension	Consolidated Retirement Fund
Cllr L Salmon	No Financial Interest	
Cllr MI Saula	No Financial Interest	
Cllr EM Sidego	No Financial Interest	
Cllr RJ Simpson	Pension	Municipal Councillors Pension Fund
Cllr A Smit	Trust	Leeupoort
	Employment and Remuneration	Dennekruin
	Pension	Consolidated Retirement Fund
Cllr D Swart	Shares and securities in any company	Krispy Farming
	Employment and Remuneration	Councillor at Witzenberg Municipality
	Property	Residential
	Pension	Municipal Councillors Pension Fund
Chief Accounting Officer		
Mr D Nasson	Shares and securities in any company	Old Mutual
	Employment and Remuneration	IEC
Chief Financial Officer		
Mr HJ Kritzinger	Property	Residential
Directors		
Mr JF Barnard	Property	Residential (Small Holding); Farm
Mrs JS Krieger	Directorship and Partnerships	NAWA, (Fikelelela cc –Dormant)
Mr M Mpeluza	Property	Residential
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		

Table 69: Disclosures of Financial Interests



CHAPTER 3

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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**.

The Top Layer SDBIP was approved by the Mayor on the 28 May 2014. The following were considered in the development of the Top Layer SDBIP:

- 📌 Alignment with the IDP, National KPA’s, Municipal KPA’s and IDP objectives
- 📌 Alignment with the budget
- 📌 Oversight Committee Report on the Annual Report of 2013/14
- 📌 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 the performance web based system.
- 📌 Proof of evidence is saved on the system.
- 📌 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 system. The second closure date is usually approximately 3 days after the first closure date.
- 📌 After the second closure date the Performance Administrator generate reports for the relevant portfolio committees, as well as for each directorate. The senior managers signs each of his/her directorate reports as an indication that the information submitted has been verified and that proof of evidence does exist for the actual performance.
- 📌 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 Committee.



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- 📌 The Performance Administrator generate 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 24 October 2014 and the second quarterly report formed part of the MFMA section 72 report, which was submitted to the Mayor on the 28 January 2015. The third quarter report was submitted to the Executive Mayor on 24 April 2015.

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 2014/15 financial year were signed on the 31 July 2014 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 2013/14 financial year took place on 3 and 5 December 2014 and the mid-year performance of 2014/15 on 25 and 26 February 2015.

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
- 📌 Manager: Human Resources
- 📌 Mr. A Pause, Municipal Manager of Bitou Municipality, took part in the review of the Municipal Manager
- 📌 Facilitator - Consultant

3.1.4 THE IDP AND THE BUDGET

The IDP for 2014/15 was reviewed and approved on 28 May 2014 whilst the budget for 2014/15 was approved by Council on the same day. 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

a) *Municipal Key Performance Areas*

Municipal Key Performance Area	Strategic Objective	
Essential Services	1.1	Sustainable provision & maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance	2.1	Support Institutional Transformation & Development
	2.2	Ensure financial viability



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Municipal Key Performance Area	Strategic Objective	
	2.3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services	3.1	Provide & maintain facilities that make citizens feel at home
Socio-Economic Support Services	4.1	Support the poor & vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment & support local economy.

Table 70: Strategic Alignment

b) Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective

i) Create an enabling environment to attract investment & support local economy

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards	1st Phase implemented	All	Develop implementation plan.	Implementation plan was completed during 2013/14	0	0	0	1	1
TL36	Compile & Implementation of LED Strategy	Approved LED Strategy	All	New performance indicator for 2014/15. No comparative audited results available		0	0	0	1	1

Table 71: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Create an enabling environment to attract investment & support local economy

ii) Ensure financial viability

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	All	16	24.7	0	0	16	16	16
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	All	1.6	1.53	0	0	1.6	1.6	1.6
TL20	Financial viability expressed outstanding service debtors	Ratio	All	48%	62%	0%	0%	46%	46%	46%
TL21	Opinion of the Auditor-General on annual financial statements of the previous year	Opinion of AG	All	Unqualified Report	Unqualified Report	0	0	1	0	1
TL22	Increased revenue collection	Percentage revenue collected	All	New performance indicator for 2014/15. No comparative audited results available		0%	96%	0%	96%	96%
TL23	Percentage of budget spent on repairs & maintenance	Percentage of budget spent	All	99%	99%	25%	50%	75%	99%	99%
TL24	Percentage spend of capital budget	Percentage of budget spent	All	95%	96%	10%	40%	60%	96%	96%

Table 72: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Ensure financial viability



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iii) Provide and maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL27	Customer satisfaction survey (Score 1-5) - community facilities	Score of survey	All	3	3	0	0	0	3	3
TL28	% Expenditure on Operational Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available		25%	50%	75%	99%	99%
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available		10%	40%	60%	96%	96%

Table 73: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Provide and maintain facilities that make citizens feel at home

iv) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL11	Number of subsidised serviced sites developed.	Number of serviced plots	All	New performance indicator for 2014/15. No comparative audited results available		100	150	235	0	485
TL12	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas	All	2	2	0	0	2	2	2
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas	All	2	2	0	0	2	2	2
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas	All	2	2	0	0	2	2	2
TL15	Number of subsidised electricity connections installed.	Number of connections	All	56	60	0	0	40	50	50

Table 74: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Provide for the needs of informal settlements through improved services

v) Support institutional transformation and development

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent	All	98%	99%	0%	0%	80%	99%	99%
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	78%	74%	0%	0%	70%	70%	70%

Table 75: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Support institutional transformation and development



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vi) Support the poor and vulnerable through programmes and policy

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL30	Number of account holders subsidised through the municipality's Indigent Policy	Number of account holders	All	3 850	2 689	0	0	2 800	3 100	3 100
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	350	367	0	180	0	200	380
TL32	Number of social development programmes implemented	Number of programmes	All	15	15	4	4	4	5	17
TL33	Number of housing opportunities provided per year	Number of top structures	All	247	439	0	0	30	42	42
TL34	Number of Rental Stock transferred	Number of properties transferred	All	65	15	10	10	20	25	65

Table 76: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Support the poor and vulnerable through programmes and policy

vii) Sustainable provision and maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL1	% Expenditure on Operational Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available		25%	50%	75%	99%	99%
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available		10%	40%	60%	96%	96%
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance	All	100%	100%	97%	97%	97%	97%	97%
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	<2%	0%	0%	0%	<2%	<2%	<2%
TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	<2%	0%	0%	0%	<2%	<2%	<2%
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	<2%	0%	0%	0%	<2%	<2%	<2%
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	<2%	0%	0%	0%	<2%	<2%	<2%
TL8	Decrease unaccounted water losses.	Percentage water losses	All	29%	27.50%	0%	26%	0%	26%	26%
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses	All	8%	9.56%	0%	8%	9%	9%	9%
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	3.5	4.54	0	0.5	1	1.1	2.6

Table 77: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: Sustainable provision and maintenance of basic infrastructure



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- viii) To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures

Ref	KPI	Unit of Measurement	Wards	Target for 2013/14	Actual performance of 2013/14	Target for 2014/15				
						Q1	Q2	Q3	Q4	Annual
TL25	Number of IDP community meetings held	Number of meetings held	All	14	14	0	7	0	7	14
TL26	Number of meetings with inter-governmental partners	Number of meetings held	All	8	5 (SAPS) and 9 other state departments	3	2	3	2	10

Table 78: Performance indicators set in the approved Top Layer SDBIP for 2014/15 per strategic objective: To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures

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 (Opex excludes internal transfers):

Municipal Key Performance Area	Capital Budget R'000	Operational Budget (Opex) R'000
Essential Services	56 441	265 834
Governance	694	90 890
Communal Services	10 058	50 282
Socio-Economic Support Services	40	6 751
Total	67 233	413 757

Table 79: Budget spending per IDP Key Performance Area (as per approved amended 2014/15 SDBIP. Opex includes internal transfers)

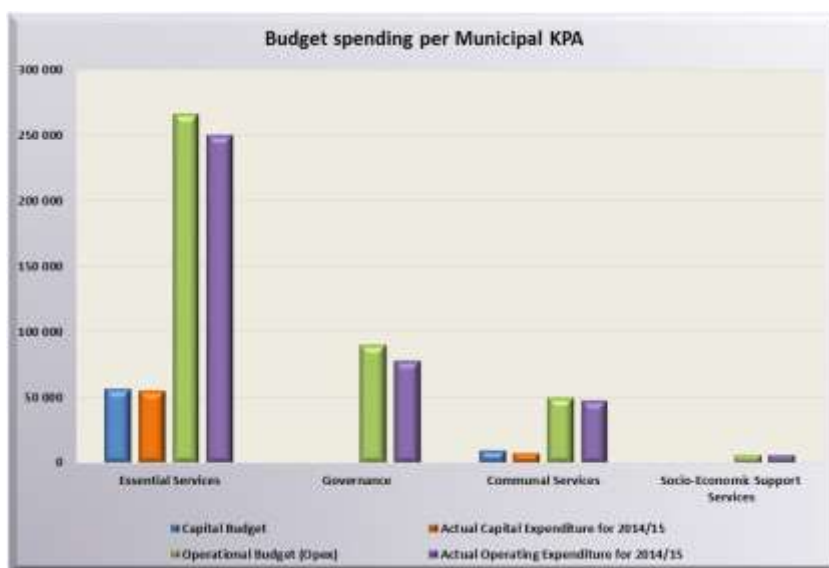
The table below provide an analysis of the actual spending per Municipal Key Performance Area for 2014/15:

Municipal Key Performance Area	Actual Capital Expenditure for 2014/15 R'000	Actual Operating Expenditure for 2014/15 R'000
Essential Services	54 970	262 392
Governance	685	81 728
Communal Services	8 351	49 445
Socio-Economic Support Services	33	6 317
Total	64 040	399 882

Table 80: Actual capital and operating expenditure (excluding internal transfers) per IDP Key Performance Area for 2014/15



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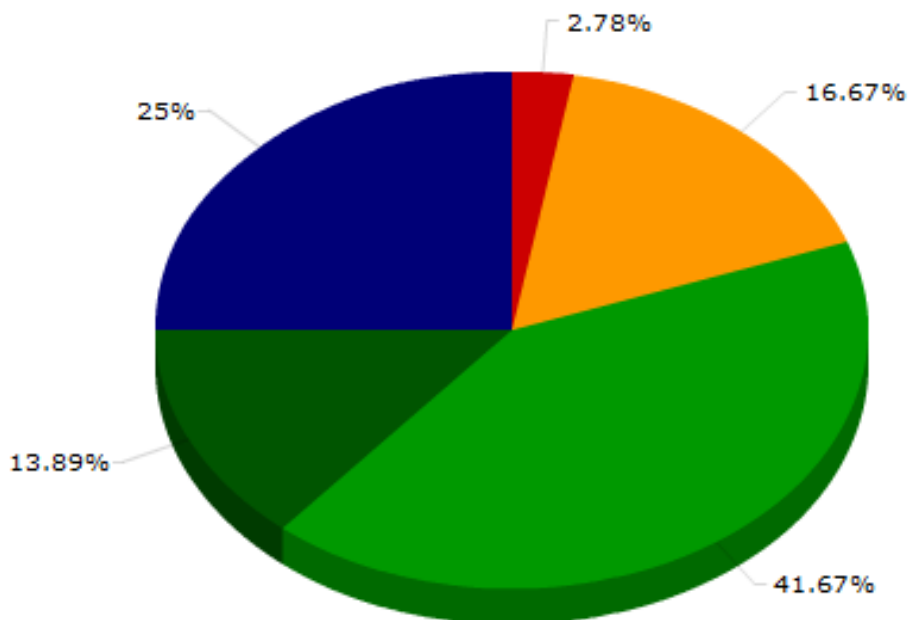


Graph 1: Budget spending per Municipal KPA

3.1.7 STRATEGIC PERFORMANCE (TOP LAYER SDBIP) FOR 2014/15

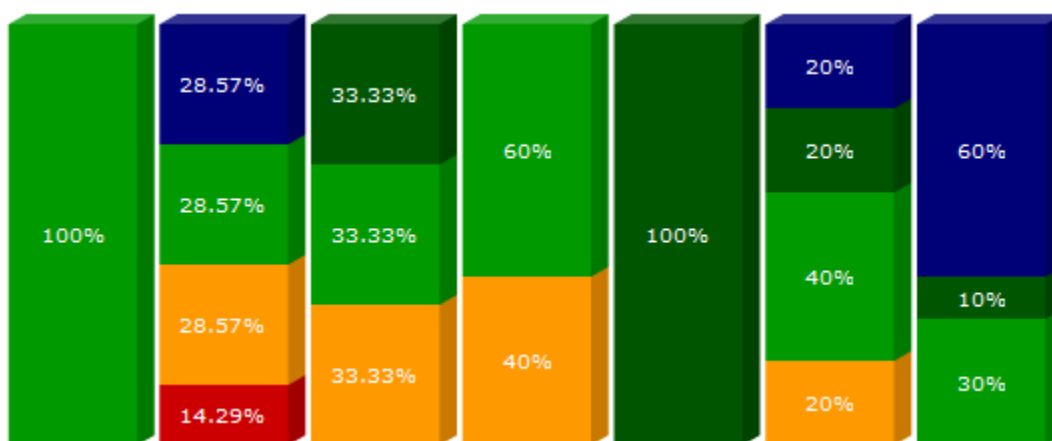
Strategic performance of the municipality is measured in terms of the municipality's performance on its key performance indicators set in the Top Layer SDBIP.

c) Overall performance for 2014/15



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	Witzenberg Municipality
■ KPI Not Met	1 (2.8%)
■ KPI Almost Met	6 (16.7%)
■ KPI Met	15 (41.7%)
■ KPI Well Met	5 (13.9%)
■ KPI Extremely Well Met	9 (25%)
Total:	36



	Strategic Objective						
	<i>Create an enabling environment to attract investment and support local economy</i>	<i>Ensure financial viability</i>	<i>Provide and maintain facilities that make citizens feel at home</i>	<i>Provide for the needs of informal settlements through improved services</i>	<i>Support institutional transformation and development</i>	<i>Support the poor and vulnerable through programmes and policy</i>	<i>Sustainable provision and maintenance of basic infrastructure</i>
■ KPI Not Met	-	1 (14.3%)	-	-	-	-	-
■ KPI Almost Met	-	2 (28.6%)	1 (33.3%)	2 (40%)	-	1 (20%)	-
■ KPI Met	2 (100%)	2 (28.6%)	1 (33.3%)	3 (60%)	-	2 (40%)	3 (30%)
■ KPI Well Met	-	-	1 (33.3%)	-	2 (100%)	1 (20%)	1 (10%)
■ KPI Extremely Well Met	-	2 (28.6%)	-	-	-	1 (20%)	6 (60%)
Total:	2	7	3	5	2	5	10



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

	Strategic Objective
	To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures
KPI Not Met	0
KPI Almost Met	0
KPI Met	2 (100%)
KPI Well Met	0
KPI Extremely Well Met	0
Total	2

Graph 2: Overall Strategic Performance (Top Layer SDBIP)

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

i) Create an enabling environment to attract investment & support local economy

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards	1st Phase implemented	All	Implementation plan was completed during 2013/14	0	0	0	1	1	1		
TL36	Compile & Implementation of LED Strategy	Approved LED Strategy	All	New performance indicator for 2014/15. No comparative audited results available	0	0	0	1	1	1		

Table 81: Create an enabling environment to attract investment & support local economy

ii) Ensure financial viability

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	All	24.7	0	0	16	16	16	27		
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	All	1.53	0	0	1.6	1.6	1.6	2.5		
TL20	Financial viability expressed outstanding service debtors	Ratio	All	62%	0%	0%	46%	46%	46%	70%		Pre-paid water meters to be installed in 2015/16 in areas where revenue collection are very low
TL21	Opinion of the Auditor-General on annual financial statements of the previous year	Opinion of AG	All	1	0	0	1	0	1	1		

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL22	Increased revenue collection	Percentage revenue collected	All	New performance indicator for 2014/15. No comparative audited results available	0%	96%	0%	96%	96%	94%		Pre-paid water meters to be installed in 2015/16 in areas where revenue collection are very low
TL23	Percentage of budget spent on repairs & maintenance	Percentage of budget spent	All	99%	25%	50%	75%	99%	99%	99%		
TL24	Percentage spend of capital budget	Percentage of budget spent	All	96%	10%	40%	60%	96%	96%	95%		Monthly monitoring to be implemented at Director meetings

Table 82: Ensure financial viability

iii) Provide and maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL27	Customer satisfaction survey (Score 1-5) - community facilities	Score of survey	All	3	0	0	0	3	3	2.3		Results to be analysed with IDP process.
TL28	% Expenditure on Operational Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	25%	50%	75%	99%	99%	99%		
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	10%	40%	60%	96%	96%	97%		

Table 83: Provide and maintain facilities that make citizens feel at home

iv) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL11	Number of subsidised serviced sites developed.	Number of serviced plots	All	New performance indicator for 2014/15. No comparative audited results available	100	150	235	0	485	470		Shortfall of 15 plots due to the late funding approval for Vredebes development. Site handover took place in June 2015
TL12	Provide basic services - number of informal areas with sufficient	Number of informal areas	All	2	0	0	2	2	2	2		



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15			
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions	
	communal water services points (taps).												
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas	All	2	0	0	2	2	2	2	2		
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas	All	2	0	0	2	2	2	2	2		
TL15	Number of subsidised electricity connections installed.	Number of connections	All	60	0	0	40	50	50	43			Number of transfers of connections did not occur due to delay in Tulbagh housing project..

Table 84: Provide for the needs of informal settlements through improved services

v) *Support institutional transformation and development*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15			
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions	
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent	All	99%	0%	0%	80%	99%	99%	100%			
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	74%	0%	0%	70%	70%	70%	71%			

Table 85: Support institutional transformation and development

vi) *Support the poor and vulnerable through programmes and policy*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15			
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions	
TL30	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders	All	2 689	0	0	2 800	3 100	3 100	2 794			
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	367	0	180	0	200	380	421			
TL32	Number of social development programmes implemented	Number of programmes	All	15	4	4	4	5	17	17			



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL33	Number of housing opportunities provided per year	Number of top structures	All	439	0	0	30	42	42	42		
TL34	Number of Rental Stock transferred	Number of properties transferred	All	15	10	10	20	25	65	58		Attorneys are struggling to get hold of original title deeds. Attorney appointed in 2012 are still struggling to complete the transfers due to outstanding documents she struggles to get hold of. A new attorney were only appointed from 1 April 2015 due to none responsive replies to tender process. Fast tracking of transfers already handed to attorneys for registration.

Table 86: Support the poor and vulnerable through programmes and policy

vii) Sustainable provision and maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL1	% Expenditure on Operational Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	25%	50%	75%	99%	99%	99%		
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	10%	40%	60%	96%	96%	96%		
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance	All	100%	97%	97%	97%	97%	97%	100%		
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	0%	0%	2%	2%	2%	0%		
TL5	Number of outstanding valid applications for sewerage services expressed as a % of	Percentage of outstanding applications	All	0%	0%	0%	2%	2%	2%	0%		



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
	total number of billings for the service.											
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	0%	0%	2%	2%	2%	0%		
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	0%	0%	2%	2%	2%	0%		
TL8	Decrease unaccounted water losses.	Percentage water losses	All	27.50%	0%	26%	0%	26%	26%	21%		
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses	All	9.56%	0%	8%	9%	9%	9.00%	9.00%		
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	4.54	0	0.5	1	1.1	2.6	4.83		

Table 87: Sustainable provision and maintenance of basic infrastructure

viii) To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Target					Overall performance for 2014/15		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL25	Number of IDP community meetings held	Number of meetings held	All	14	0	7	0	7	14	14		
TL26	Number of meetings with inter-governmental partners	Number of meetings held	All	5 (SAPS) and 9 other state departments	3	2	3	2	10	10		

Table 88: To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures

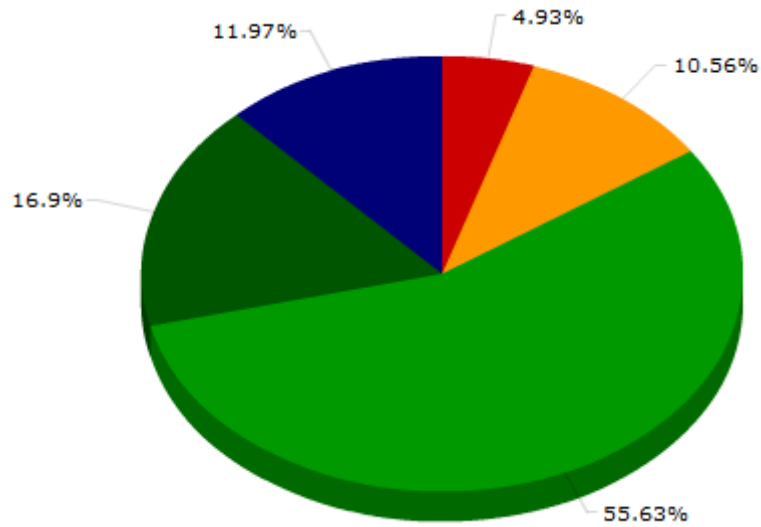
3.1.8 FUNCTIONAL PERFORMANCE (DEPARTMENTAL SDBIP)

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.

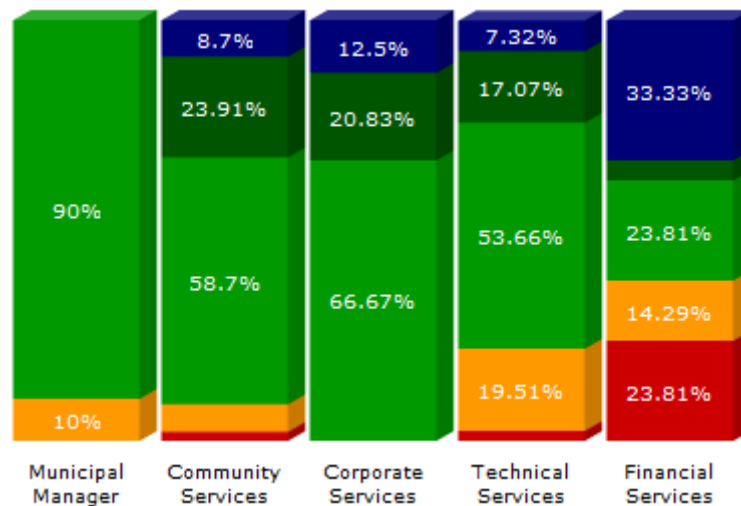


CHAPTER 3: SERVICE DELIVERY PERFORMANCE

a) Overall performance per Directorate



	Witzenberg Municipality
■ KPI Not Met	7 (4.9%)
■ KPI Almost Met	15 (10.6%)
■ KPI Met	79 (55.6%)
■ KPI Well Met	24 (16.9%)
■ KPI Extremely Well Met	17 (12%)
Total:	142



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

	Directorate				
	Municipal Manager	Community Services	Corporate Services	Technical Services	Financial Services
■ KPI Not Met	-	1 (2.2%)	-	1 (2.4%)	5 (23.8%)
■ KPI Almost Met	1 (10%)	3 (6.5%)	-	8 (19.5%)	3 (14.3%)
■ KPI Met	9 (90%)	27 (58.7%)	16 (66.7%)	22 (53.7%)	5 (23.8%)
■ KPI Well Met	-	11 (23.9%)	5 (20.8%)	7 (17.1%)	1 (4.8%)
■ KPI Extremely Well Met	-	4 (8.7%)	3 (12.5%)	3 (7.3%)	7 (33.3%)
Total:	10	46	24	41	21

Graph 3: Overall Functional Performance per Directorate (Departmental SDBIP)

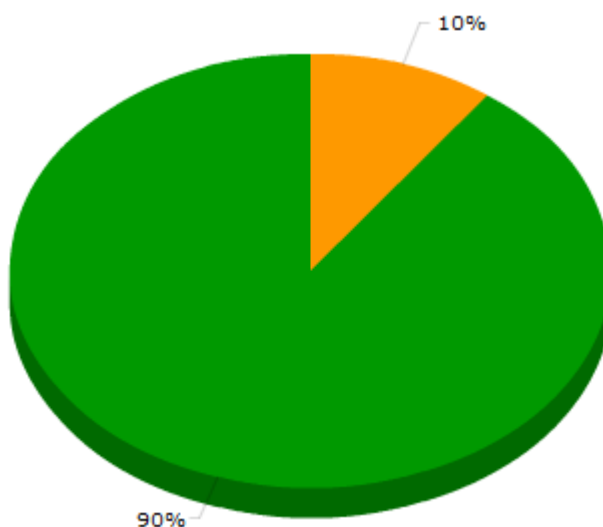
b) High level performance per department

i) Office of the Municipal Manager

Office of the Municipal Manager consists of the following divisions:

- Municipal Manager
- IDP

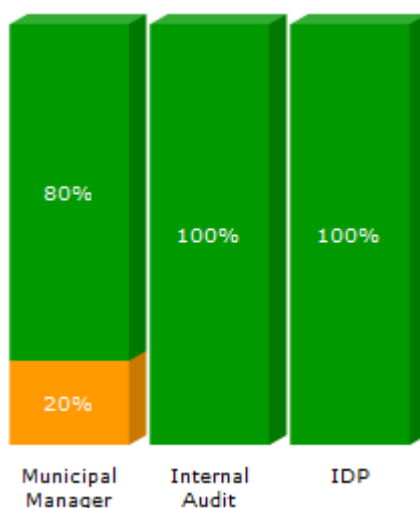
PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN OFFICE OF THE MUNICIPAL MANAGER



	Municipal Manager
■ KPI Not Met	-
■ KPI Almost Met	1 (10%)
■ KPI Met	9 (90%)
■ KPI Well Met	-
■ KPI Extremely Well Met	-
Total:	10



CHAPTER 3: SERVICE DELIVERY PERFORMANCE







	Sub-Directorate		
	Municipal Manager	Internal Audit	IDP
■ KPI Not Met	-	-	-
■ KPI Almost Met	1 (20%)	-	-
■ KPI Met	4 (80%)	4 (100%)	1 (100%)
■ KPI Well Met	-	-	-
■ KPI Extremely Well Met	-	-	-
Total:	5	4	1

Graph 4: Functional Performance – Office of the Municipal Manager

ii) Financial Services

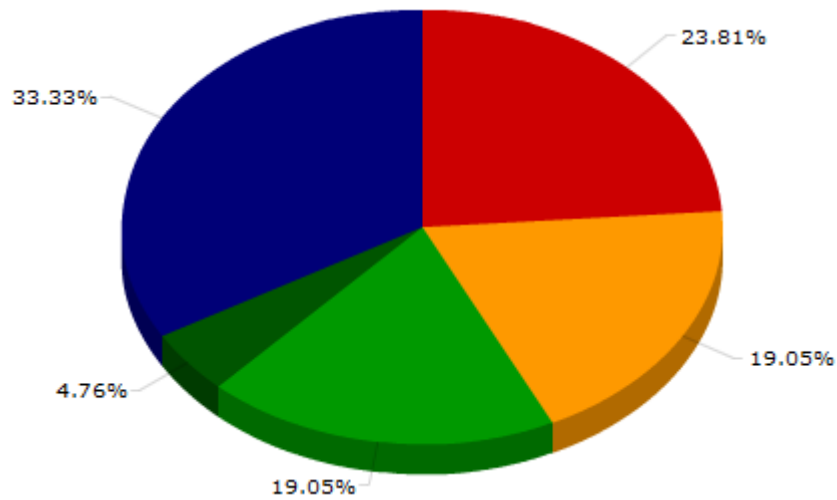
Financial Services consists of the following divisions:

-  Director: Financial Services
-  Financial Administration
-  Income
-  Supply Chain

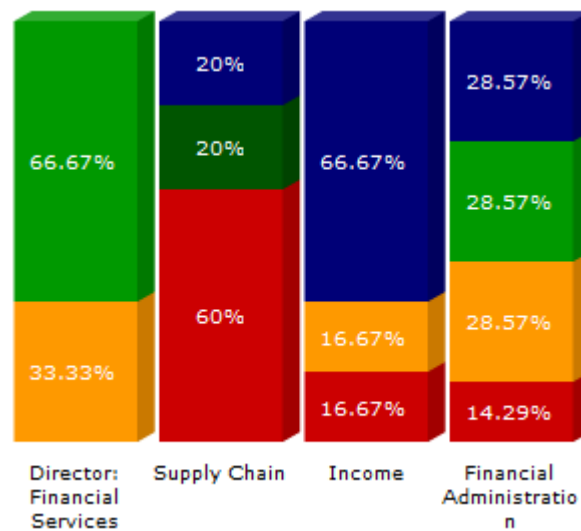


CHAPTER 3: SERVICE DELIVERY PERFORMANCE






PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN FINANCIAL SERVICES



	Financial Services
■ KPI Not Met	5 (23.8%)
■ KPI Almost Met	4 (19%)
■ KPI Met	4 (19%)
■ KPI Well Met	1 (4.8%)
■ KPI Extremely Well Met	7 (33.3%)
Total:	21



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

	Sub-Directorate			
	Director: Financial Services	Supply Chain	Income	Financial Administration
 KPI Not Met	-	3 (60%)	1 (16.7%)	1 (14.3%)
 KPI Almost Met	1 (33.3%)	-	1 (16.7%)	2 (28.6%)
 KPI Met	2 (66.7%)	-	-	2 (28.6%)
 KPI Well Met	-	1 (20%)	-	-
 KPI Extremely Well Met	-	1 (20%)	4 (66.7%)	2 (28.6%)
Total:	3	5	6	7

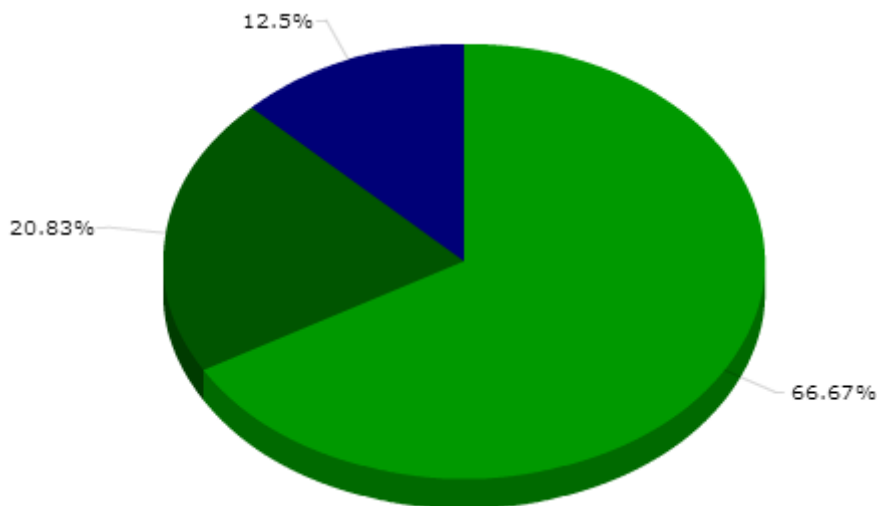
Graph 5: Functional Performance – Financial Services

iii) Corporate Services

Corporate Services consists of the following divisions:

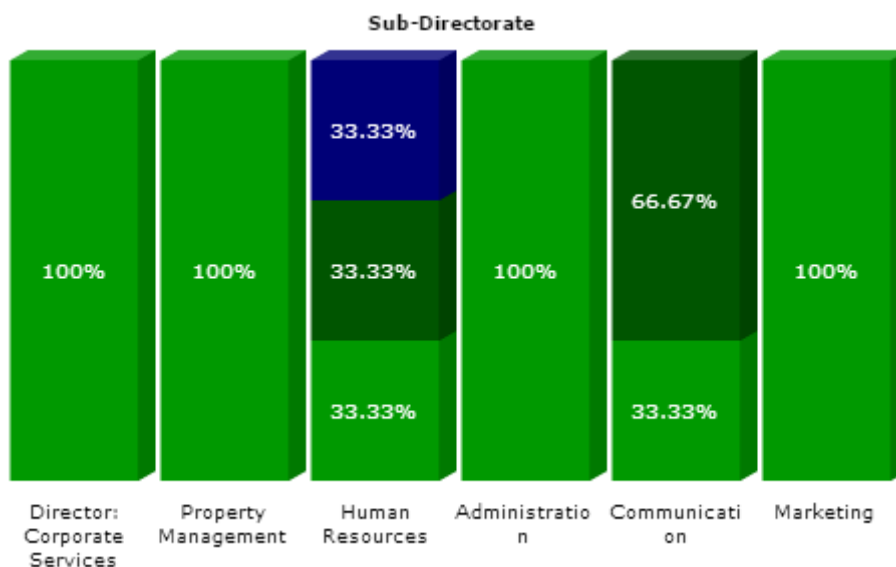
-  Director: Corporate Services
-  Administration
-  Communication
-  Human Resource
-  Marketing
-  Property Management

PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN CORPORATE SERVICES



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

	Corporate Services
■ KPI Not Met	-
■ KPI Almost Met	-
■ KPI Met	16 (66.7%)
■ KPI Well Met	5 (20.8%)
■ KPI Extremely Well Met	3 (12.5%)
Total:	24



	Sub-Directorate					
	Director: Corporate Services	Property Management	Human Resources	Administration	Communication	Marketing
■ KPI Not Met	-	-	-	-	-	-
■ KPI Almost Met	-	-	-	-	-	-
■ KPI Met	2 (100%)	2 (100%)	3 (33.3%)	5 (100%)	1 (33.3%)	3 (100%)
■ KPI Well Met	-	-	3 (33.3%)	-	2 (66.7%)	-
■ KPI Extremely Well Met	-	-	3 (33.3%)	-	-	-
Total:	2	2	9	5	3	3

Graph 6: Functional Performance – Corporate Services

iv) Community Services

Community Services consists of the following divisions:

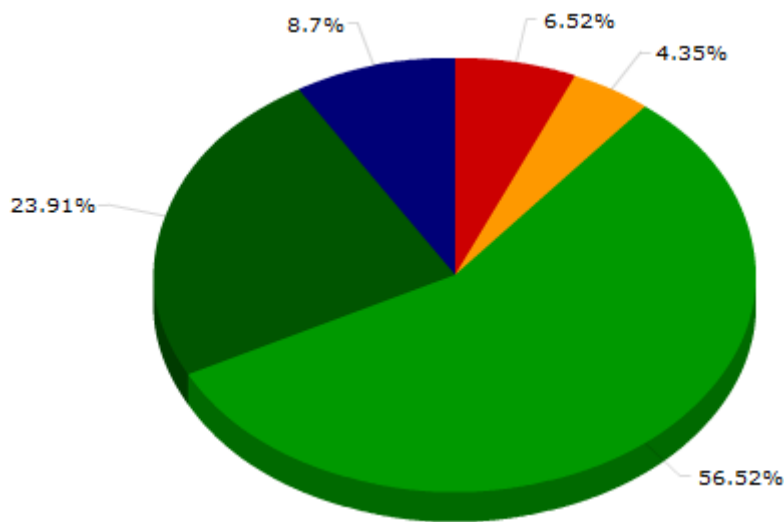
- Director: Community Services
- Cemeteries
- Community Halls
- Environmental Management
- Human Settlements
- Library Services



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- Local Economic Development
- Parks and Recreation
- Disaster Management and Fire Services
- Traffic
- Resorts
- Social & Welfare Services
- Business Licences
- Sport Facilities

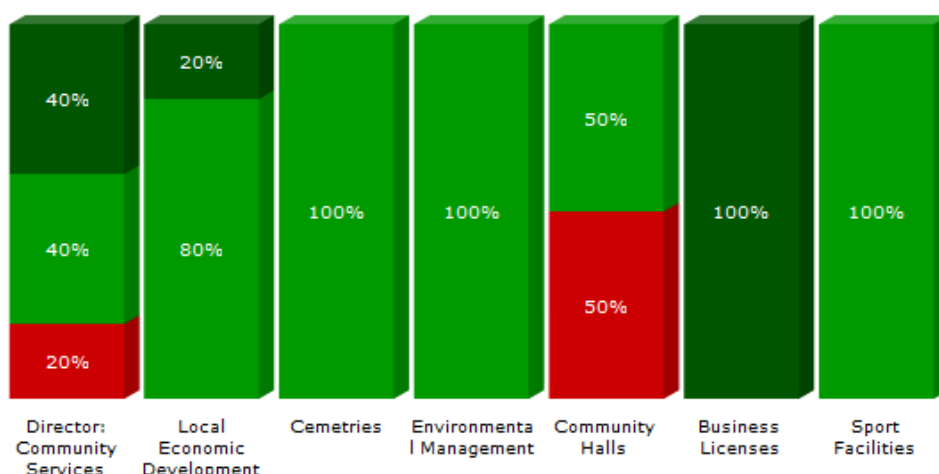
PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN COMMUNITY SERVICES



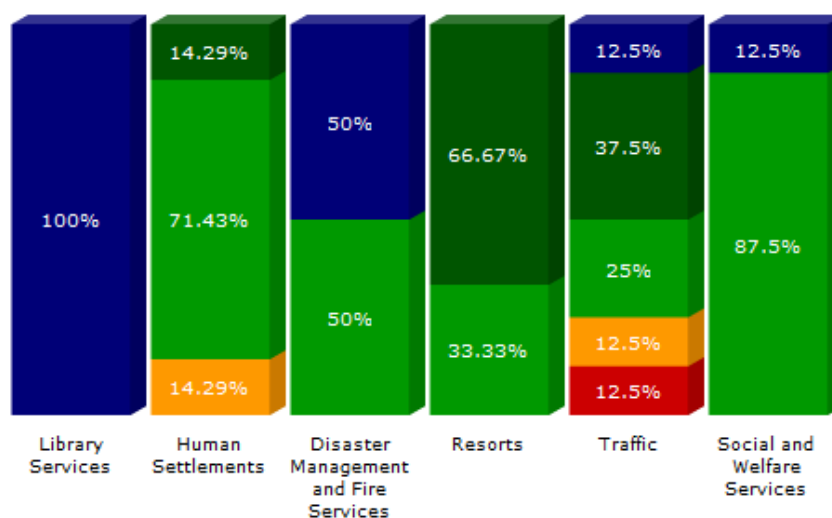
	Community Services
■ KPI Not Met	3 (6.5%)
■ KPI Almost Met	2 (4.3%)
■ KPI Met	26 (56.5%)
■ KPI Well Met	11 (23.9%)
■ KPI Extremely Well Met	4 (8.7%)
Total:	46



CHAPTER 3: SERVICE DELIVERY PERFORMANCE



	Sub-Directorate						
	Director: Community Services	Local Economic Development	Cemeteries	Environmental Management	Community Halls	Business Licenses	Sport Facilities
■ KPI Not Met	1 (20%)	-	-	-	1 (50%)	-	-
■ KPI Almost Met	-	-	-	-	-	-	-
■ KPI Met	2 (40%)	4 (80%)	1 (100%)	1 (100%)	1 (50%)	-	1 (100%)
■ KPI Well Met	2 (40%)	1 (20%)	-	-	-	2 (100%)	-
■ KPI Extremely Well Met	-	-	-	-	-	-	-
Total:	5	5	1	1	2	2	1



	Sub-Directorate					
	Library Services	Human Settlements	Disaster Management and Fire Services	Resorts	Traffic	Social and Welfare Services
■ KPI Not Met	-	-	-	-	1 (12.5%)	-
■ KPI Almost Met	-	1 (14.3%)	-	-	1 (12.5%)	-
■ KPI Met	-	5 (71.4%)	1 (50%)	1 (33.3%)	2 (25%)	7 (87.5%)
■ KPI Well Met	-	1 (14.3%)	-	2 (66.7%)	3 (37.5%)	-
■ KPI Extremely Well Met	1 (100%)	-	1 (50%)	-	1 (12.5%)	1 (12.5%)
Total:	1	7	2	3	8	8

Graph 7: Functional Performance – Community Services



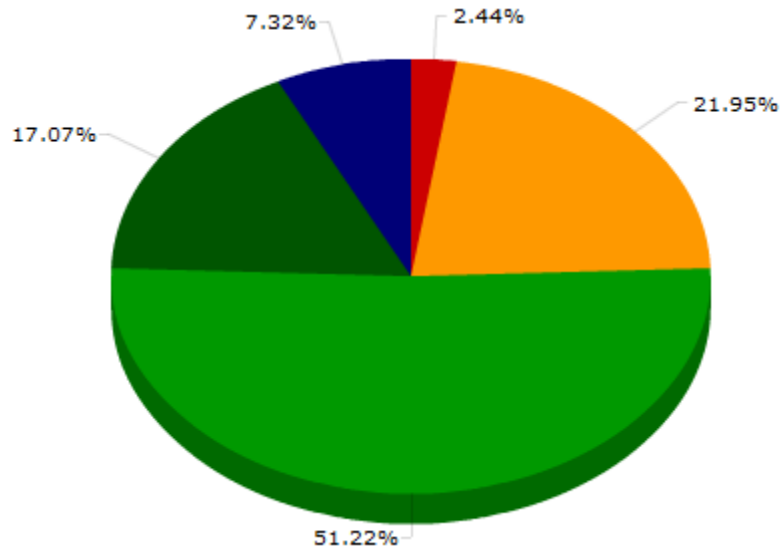
CHAPTER 3: SERVICE DELIVERY PERFORMANCE

v) Technical Services

Technical Services consists of the following divisions:

- Director: Technical Services
- Roads and Storm water
- Sanitation
- Solid waste & Cleansing
- Water
- Electricity
- Fleet Management
- Performance & Project Management
- Town Planning & Building Control

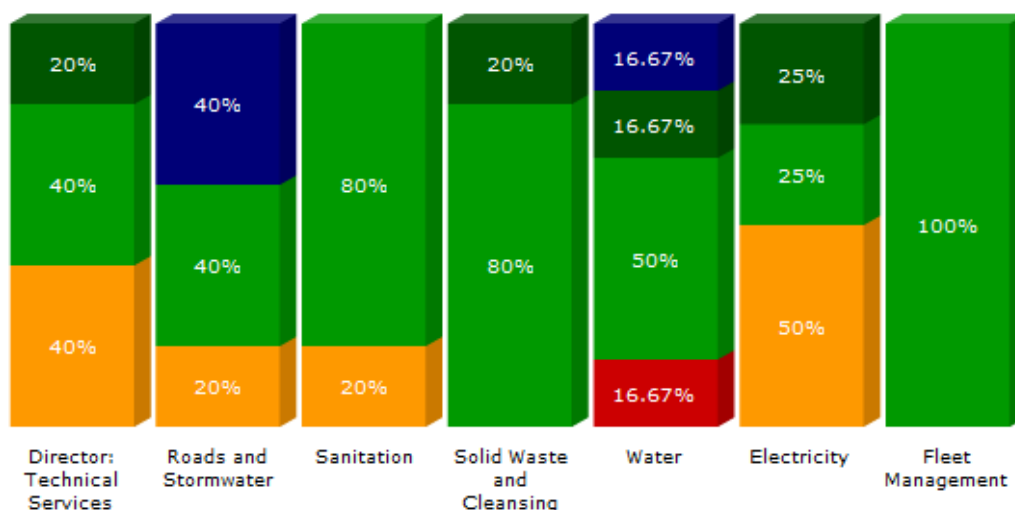
PERFORMANCE OF THE VARIOUS SUB-DIRECTORATES WITHIN TECHNICAL SERVICES



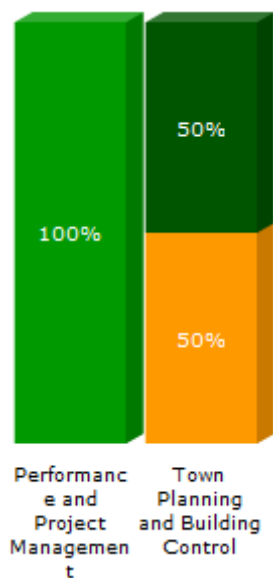
	Technical Services
■ KPI Not Met	1 (2.4%)
■ KPI Almost Met	9 (22%)
■ KPI Met	21 (51.2%)
■ KPI Well Met	7 (17.1%)
■ KPI Extremely Well Met	3 (7.3%)
Total:	41








CHAPTER 3: SERVICE DELIVERY PERFORMANCE



	Sub-Directorate						
	Director: Technical Services	Roads and Stormwater	Sanitation	Solid Waste and Cleansing	Water	Electricity	Fleet Management
KPI Not Met	-	-	-	-	1 (16.7%)	-	-
KPI Almost Met	2 (40%)	1 (20%)	1 (20%)	-	-	2 (50%)	-
KPI Met	2 (40%)	2 (40%)	4 (80%)	4 (80%)	3 (50%)	1 (25%)	3 (100%)
KPI Well Met	1 (20%)	-	-	1 (20%)	1 (16.7%)	1 (25%)	-
KPI Extremely Well Met	-	2 (40%)	-	-	1 (16.7%)	-	-
Total:	5	5	5	5	6	4	3



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

	Sub-Directorate	
	Performance and Project Management	Town Planning and Building Control
 KPI Not Met	-	-
 KPI Almost Met	-	3 (50%)
 KPI Met	2 (100%)	-
 KPI Well Met	-	3 (50%)
 KPI Extremely Well Met	-	-
Total:	2	6

Graph 8: Functional Performance – Technical Services

3.1.9 5 YEAR CORPORATE SCORECARD: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES

The main development and service delivery priorities for 2015/16 forms part of the Municipality's 5 Year Corporate Scorecard and are indicated in the table below:

Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2013/14 (2014/15 not available at time of tabling)	Adjusted Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Essential Services	Sustainable provision & maintenance of basic infrastructure	TL1	% Expenditure on Maintenance Budget by Technical Directorate	New	99%	98%	98%	99%	99%	99%
		TL2	% Expenditure on Capital Budget by Technical Directorate	New	96%	95%	95%	96%	96%	97%
		TL3	Percentage compliance with drinking water quality standards.	100%	97%	97%	97%	98%	98%	98%
		TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	0%	<2%	<1%	<1%	<1%	<1%	<1%
		TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	0%	<2%	<1%	<1%	<1%	<1%	<1%
		TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	0%	<2%	<1%	<1%	<1%	<1%	<1%



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2013/14 (2014/15 not available at time of tabling)	Adjusted Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	
	Provide for the needs of informal settlements through improved services	TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	0%	<2%	<1%	<1%	<1%	<1%	<1%	
		TL8	Decrease unaccounted water losses.	27.5%	26%	23%	21%	18%	16%	14%	
		TL9	Decrease unaccounted electricity losses.	9.6%	9%	9%	9%	8%	8%	8%	
		TL10	Kilometres of roads upgraded & rehabilitated	4.54	2.6	2.3	2	3	3	3	
		TL11	Number of subsidised serviced sites developed.	New	485	150	200	200	150	150	
		TL12	Provide basic services - number of informal areas with sufficient communal water services points (taps).	2	2	3	3	3	3	2	
		TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	2	2	3	3	3	3	2	
		TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	2	2	3	3	3	3	2	
		TL15	Number of subsidised electricity connections installed.	60	50	0	185	225	200	200	
		Governance	Support Institutional Transformation & Development	TL16	Percentage budget spent on implementation of Workplace Skills Plan.	99%	99%	99%	99%	99%	99%
	TL17			Percentage of people from employment equity target groups employed in the three highest levels of management in	74%	70%	82%	85%	85%	85%	85%
	Ensure financial viability.		TL18	Financial viability expressed as Debt-Coverage ratio	24.7	16	16	16	16	16	16
			TL19	Financial viability expressed as Cost-Coverage ratio	1.53	1.6	1.6	1.6	1.6	1.6	1.6
			TL20	Financial viability expressed	62%	46%	44%	44%	42%	42%	42%



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2013/14 (2014/15 not available at time of tabling)	Adjusted Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
			outstanding service debtors							
		TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
		TL22	Increased revenue collection	New	96%	96%	97%	97%	98%	98%
		TL23	Percentage of budget spent on maintenance.	98%	99%	98%	98%	99%	99%	99%
		TL24	Percentage spend of capital budget.	96%	96%	95%	95%	96%	96%	97%
		To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.	TL25	Number of IDP community meetings held.	14	14	14	14	14	14
		TL26	Number of meetings with inter-governmental partners.	9	10	10	12	12	12	12
Communal Services	Provide & maintain facilities that make citizens feel at home.	TL27	Customer satisfaction survey (Score 1-5) - community facilities.	3	3	4	4	4	4	4
		TL28	% Expenditure on Maintenance Budget by Community Directorate	New	99%	98%	98%	99%	99%	99%
		TL29	% Expenditure on Capital Budget by Community Directorate	New	96%	95%	95%	96%	96%	97%
Socio-Economic Support Services	Support the poor & vulnerable through programmes & policy	TL30	Number of account holders subsidised through the municipality's indigent Policy	2 689	3 100	2 750	2 600	2 500	2 400	2 200
		TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	367	380	380	390	390	400	400
		TL32	Number of social development programmes implemented	15	17	19	20	20	20	20
		TL33	Number of housing opportunities provided per year.	439	42	0	185	225	200	200
		TL34	Number of Rental Stock transferred	15	65	100	120	120	120	120
		Create an enabling environment to attract investment & support local economy.	TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Implementation Plan completed	Phase 1 implement	Phase 2 implement	Phase 3 implement	Phase 4 implement	Phase 5 implement



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Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2013/14 (2014/15 not available at time of tabling)	Adjusted Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
		TL36	Compile & Implementation of LED Strategy	New	Approved Strategy	Phase 1 implement	Phase 2 implement	Phase 3 implement	Phase 4 implement	Phase 4 implement

Table 89: Service Delivery Priorities for 2015/16

3.1.10 OVERVIEW OF PERFORMANCE PER WARD

a) Ward 1 and 12: N'Duli

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Upgrade Bulk water for Vredebes low-cost housing development.	October 2014	October 2015	3 000 000

The above analysis includes only the largest capital projects of the ward

Table 90: Capital projects of N'Duli, Wards 1 and 12

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	905	1 122	N/A	1 109	
Informal households	1 096	1 096	N/A	1 096	
Total Households*	2 001	2 218		2 205	
Houses completed in year					0
Shortfall in Housing units					1 465

**Formal households calculated based on accounts issued (excluding informal households which is actual households)*

Table 91: Basic Service Provision: N'Duli, Wards 1 and 12

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Stormwater network	Project implemented by the Department of Rural Development to address critical areas
2	Street/flood lights and electrical failure due to illegal connections	Illegal connections remain high priority to be addressed
3	Ablution facilities for informal areas	Periodically maintenance
4	Traffic control/speed calming	Routine traffic control

Table 92: Top four service delivery priorities for N'Duli, Wards 1 and 12



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b) Ward 3 and 5: Ceres

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Upgrade bulk sewer for Vredebes low-cost housing development	October 2014	March 2015	2 300 000
2	Upgrade bulk water for Vredebes low-cost housing development	October 2014	October 2015	5 909 000
<i>The above analysis includes only the largest capital projects of the ward</i>				

Table 93: Capital projects of Ceres, wards 3 and 5

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	2 311	2 663	N/A	2 669	
Informal Households	0	0	0	0	
Total Households*	2 311	2 663		2 669	
Houses completed in year					0
Shortfall in Housing units (Ceres and Bella Vista)					1 931
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Table 94: Basic Service Provision: Ceres, wards 3 and 5

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Maintenance and upgrade of stormwater network	Routine maintenance as per allocated budget
2	Poor quality street lights and maintenance thereof	Routine maintenance as per allocated budget
3	Upgrade of water network	Routine maintenance as per allocated budget
4	Sidewalks to be tarred/ upgraded and maintained	Routine maintenance as per allocated budget

Table 95: Top four service delivery priorities for Ceres, wards 3 and 5

c) Ward 4 and 6: Bella Vista

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Develop 312 serviced sites in Bella Vista	November 2014	August 2015	12 562 000
2	Upgrade bulk sewer network	April 2015	September 2015	3 500 000
3	Upgrade Skoonvlei bulk water network	February 2015	May 2015	992 558
<i>The above analysis includes only the largest capital projects of the ward</i>				

Table 96: Capital projects of Bella Vista, wards 4 and 6

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	2 189	2 286	N/A	2 264	
Informal Households	0	0	0	0	



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Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Total Households*	2 189	2 769	N/A	2 769	
Houses completed in year (Serviced sites)					312
Shortfall in Housing units (Ceres and Bella Vista)					1 931
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Table 97: Basic Service Provision: Bella Vista, wards 4 and 6

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Traffic control/speed calming	Routine traffic control
2	Maintenance of parks and open spaces (greening)	Routine maintenance as per allocated budget
3	High unemployment rate	Accommodate unemployed in local projects
4	Illegal shops and shebeens	Address with SAPS

Table 98: Top four service delivery priorities for Bella Vista, wards 4 and 6

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

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	New library	February 2014	November 2014	R 4 761 000
<i>The above analysis includes only the largest capital projects of the ward</i>				

Table 99: Capital projects of Prince Alfred's Hamlet, wards 4 and 10

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	1 152	1 157	Eskom	1 093	
Informal Households	0	0	Eskom	0	
Total Households*	1 152	1 157	Eskom	1 093	
Houses completed in year					0
Shortfall in Housing units					1 331
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Table 100: Basic Service Provision: Prince Alfred's Hamlet, wards 4 and 10

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Traffic control/speed calming	Routine traffic control
2	Unemployment	Accommodate unemployed in local projects
3	Streetlights and electrical failures	Eskom delivery area, complaints addressed to Eskom
4	Maintenance of parks and open spaces (greening)	Routine maintenance as per allocated budget

Table 101: Top four service delivery priorities for Prince Alfred's Hamlet, wards 4 and 10



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e) Ward 9: Op-die-Berg

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
No capital projects				

Table 102: Capital projects of Op-Die-Berg, ward 9

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	487	466	Eskom	487	
Informal Households	0	0	Eskom	0	
Total Households*	487	466	Eskom	487	
Houses completed in year					0
Shortfall in Housing units					802
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Table 103: 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 2014/15
1	Upgrade of roads and sidewalks	Routine maintenance as per allocated budget
2	Sports and recreational facilities	Routine maintenance as per allocated budget
3	Streetlights and electrical failures	Eskom delivery area, complaints addressed to Eskom

Table 104: Top three service delivery priorities for Op-Die-Berg, ward 9

f) Ward 7 and 11: Tulbagh

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Upgrade Waste Water Treatment Works	December 2013	June 2015	R 11 500 000
<i>The above analysis includes only the largest capital projects of the ward</i>				

Table 105: Capital projects of Tulbagh, wards 7 and 11

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	1 699	1 803	N/A	1 760	
Informal Households	534	534	N/A	534	
Total Households*	2 233	2 337		2 294	
Houses completed in year					41
Shortfall in Housing units					1 502
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Table 106: Basic Service Provision: Tulbagh, wards 7 and 11



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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Resealing and rehabilitation programme of roads	Routine maintenance as per allocated budget
2	Maintenance and upgrade of stormwater	Routine maintenance as per allocated budget
3	Traffic services	Routine traffic control
4	Sport and recreation facilities	Routine maintenance as per allocated budget

Table 107: Top four service delivery priorities for Tulbagh, wards 7 and 11

g) Ward 2 and 7: Wolseley

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Pine Valley hall	June 2014	March 2015	6 318 000
2	Pine Valley sport facility	February 2015	June 2015	1 301 000
3	Upgrade electrical network in Main Street & industrial area	August 2014	June 2015	481 759
4	Develop 158 serviced sites	May 2014	March 2015	9 369 000

The above analysis includes only the largest capital projects of the ward

Table 108: Capital projects of Wolseley, wards 2 and 7

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal Households	2 456	2 450	N/A	2 362	
Informal Households	469	469	N/A	469	
Total Households*	2 903	2 903	2 903	2 903	
Houses completed in year (Serviced sites)					158
Shortfall in Housing units					1 795

**Formal households calculated based on accounts issued (excluding informal households which is actual households)*

Table 109: Basic Service Provision: Wolseley, wards 2 and 7

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2014/15
1	Safety and security in all areas	Regular meetings with local Police Forum to address
2	Maintenance and upgrade of stormwater	Routine maintenance as per allocated budget
3	Traffic services and speed calming	Routine traffic control
4	Poor quality street lights	Routine maintenance as per allocated budget




Table 110: Top four service delivery priorities for Wolseley, wards 2 and 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:



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

During the year under review the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and 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
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



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

Table 111: 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 SERVICES

3.2.1 INTRODUCTION

All the towns in die Witzenberg Municipal area have independent water services with their own resources, distribution systems and treatment works.



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Ceres

The main resources for Ceres are the Koekedouw dam. Six boreholes serve as a backup source of supply. Water quality from Koekedouw is good and is only chlorinated before distribution. Two reservoirs (3 & 5 MI) serve as storage reservoir to the distribution network of 114 km with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone & Ceres central PRV zone). The network includes a 2 MI services reservoir, a booster pump station to the pressure tower at Bella Vista as well as a 750 kl service reservoir at N'Dulli. New storage reservoir will be constructed in N'Duli in the 2016/17 financial year to secure adequate storage and supply to Vredebes.

Tulbagh

Moordenaarskloof & Tierkloof are the main resources for the supply of water to Tulbagh at present. Construction has been completed to provide an additional 1.2 x106 m3/a from the Klein Berg river. The project will include a storage dam with a capacity of approximately 750 000 m3. Funding applications have been submitted to the Department of Water and Sanitation (DWS) for the construction of the dam. One borehole at Kruysvallei serves as a back-up emergency supply to the town of Tulbagh. Moordenaarskloof is evenly shared with two other users (SAPCO & Kruysvallei). During 2006 two additional resources, referred to as the Schalkenbosch tributaries and Skilpadrug, were also identified as possible future resources and infrastructure to partially linked Schalkenbosch with the water supply network was implemented in 2007 after an agreement of the management of this resource was reach with the property owner. Funding applications has been submitted to the DWS to complete these projects, but the agreement remains a major challenge. All the water is stored in a 570 MI raw water dam at present.

The purification plant consists of five slow gravity sand filters as well as a chlorination system. Funding was also secured to upgrade the existing purification plant to deal with the additional water expected from the Kleinberg River at the end of 2012. This project is complete and the filters and chlorination system is operational. Two reservoirs (800 kl & 1 MI) serve as clear water storage reservoir to the distribution network of 29 km with 2 pressure zones. The network includes a booster pump station to the pressure tower (500 kl). New reservoir for extra storage capacity is planned for 2016/17.

Wolseley

Wolseley receives its water supply from the Tierkloof weir. Purification consists out of pressure filters & chlorination. The Ceres road Reservoir (680 kl) and newly constructed 6 MI Wolseley reservoir serves as a storage reservoir to the distribution network of 44 km with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of –leill water during periods of low flow from the Artois canal to this reservoir. The project also allow for treatment at the reservoir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River weir, a fountain, 3 boreholes and a supply line from the Koekedouw Dam. These boreholes have been pump tested and it was recommend that one be abandoned, while the other two can effectively be used to supplement the water supply to Prince Alfred's Hamlet. One of these boreholes is connected, while the other, although all pipe and electrical works are in place, has not been commissioned yet due to vandalism of the pump equipment. Due to the quality of the raw water only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the distribution network of 32 km with only 1 pressure zone.

Op die Berg

Op die Berg has three water sources, a fountain and 2 boreholes. Due to the quality of the water only chlorination is required. 3 reservoirs as follows: 50kl, 60kl and 500kl serve as storage reservoirs to the distribution network of 6 km with only 1 pressure zone. New storage reservoir is planned for Op-die-Berg to ensure adequate storage capacity, as well as meeting the peak demands of the town.



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All the towns within Witzenberg has Blue Drop status and we also scored in the top ten nationally.

3.2.2 HIGHLIGHTS

Highlights	Description
PAH link pipeline	Completion of the PAH link pipeline with the Koekedouw Dam in order to secure adequate water supply to the town
Chosen as a case study for Win-SA magazine	Witzenberg Municipality was chosen by Win-SA magazine as a case study for best practices in terms of Blue and Green Drop achievements

Table 112: Water Services Highlights

3.2.3 CHALLENGES





Challenges	Description
Bulk storage facilities	 Bulk storage dam for Tulbagh  Storage reservoirs for Op-die-Berg, N'Duli and Tulbagh
Funding	 Funding for completion of bulk projects  Funding for network replacement programs

Table 113: 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	
2013/14	6 938 436	1 878 755
2014/15	7 079 144	1 463 304

Table 114: Total use of water by sector (cubic meters)

Water losses decreased from 1 878 755 (27.5%) in the 2013/14 financial year to 20.7% in the 2014/15 financial year and are within the target set for the financial year. Management processes are, however, on-going to achieve an even lower rate of losses.

Below is a table that specifies the different water service delivery levels per households for the financial years 2013/14 and 2014/15: Note that the 2014/15 "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	2013/14	2014/15
	Actual	Actual
Household		
Water: (above minimum level)		
Piped water inside dwelling (accounts)	11 958	11 960
Piped water inside yard (but not in dwelling) (accounts)	242	242
Using public tap (within 200m from dwelling) (households)	1 761	2 099
Other water supply (within 200m)	0	0

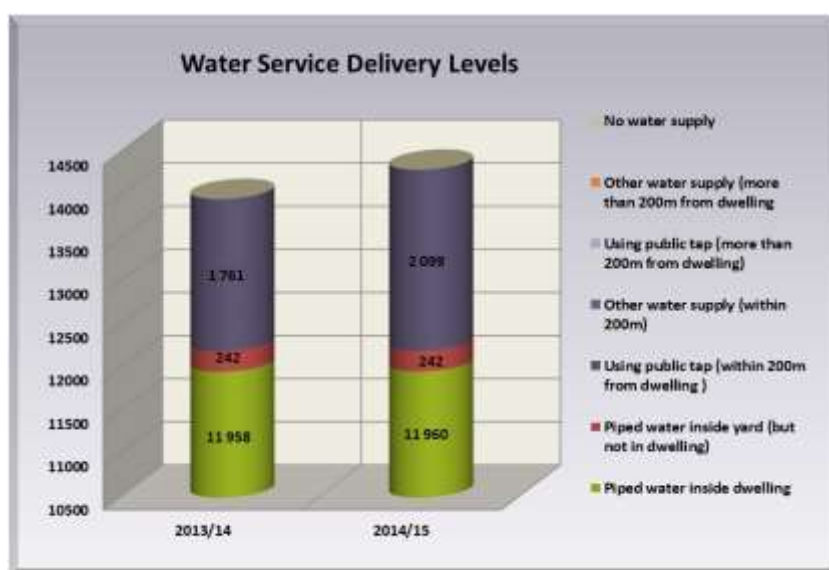


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Description	2013/14	2014/15
	Actual	Actual
Household		
Minimum Service Level and Above Sub-total	13 961	14 301
Minimum Service Level and Above Percentage	100	100
Water: (below minimum level)		
Using public tap (more than 200m from dwelling)	0	0
Other 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)	13 961	14 301
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>		

Table 115: Water service delivery levels

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



Graph 9: Water Service Delivery Levels

3.2.5 SERVICE DELIVERY INDICATORS: WATER SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL3	Sustainable provision and maintenance of basic infrastructure	Percentage compliance with drinking water quality standards.	Percentage compliance	All	100%	97%	100%	
TL4	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL8	Sustainable provision and maintenance of basic infrastructure	Decrease unaccounted water losses.	Percentage water losses	All	27.50%	26%	21%	
TL12	Provide for the needs of informal settlements through improved services	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas	All	2	2	2	

Table 116: Service delivery indicators: Water services

3.2.6 EMPLOYEES: WATER SERVICES

Employees: Water Services Services*				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	34	34	4	6
4 - 6	1	2	4	6
7 - 9	17	16	3	0
10 - 12	2	2	0	0
13 - 15	1	1	0	0
Total	55	55	11	12

Employees and Posts numbers are as at 30 June.

Table 117: Employees: Water Services

3.2.7 CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Vredebes bulk water provision	5 000 000	8 909 342	8 909 342	0	14 200 000
Pine Valley bulk water provision	2 498 623	1 682 025	1 682 025	0	5 051 000
Bulk water line for Prince Alfred's Hamlet	4 900 000	573 000	572 695	305	12 500 000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Table 118: Capital Expenditure 2014/15: Water services



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3.3 WASTE WATER (SANITATION) SERVICES

3.3.1 INTRODUCTION

Ceres

Sewage & industrial effluent is collected from consumers via a sewer system and treated at the Ceres Wastewater treatment plant. The plant services the areas of Ceres, N'Duli, Bella Vista and Prince Alfred's Hamlet. The sewer system includes 9 booster pump stations. A portion of the treated effluent is used for irrigation on communal land, sportfields and the golfcourse.

Tulbagh

Sewage is collected from consumers via a sewer system and treated at the Tulbagh Waste Water Treatment Plant. The sewer system includes 3 booster pump stations. Mechanical upgrades to the plant has been completed to ensure that the plant performs at optimum level and ensure compliance with national standards. Treated effluent is partially discharged to a river, under an existing licence and the rest used for irrigation in Church Street and sportfields.

Wolseley

Sewage is collected from consumers via a sewer system and treated at the Wolseley Waste Water Treatment Plant. The sewer system includes 6 booster pump stations. Upgrades to the WWTW has been completed in order to ensure adequate capacity and efficient and effective treatment of waste water.

PA Hamlet

A significant volume of sewage generated at PA Hamlet is pumped for treatment to the WWTW at Ceres. Two pump stations are used for this purpose. A number of ervens still use private septic tank systems to deal with the sewage. Septic tanks are emptied by the municipality on request.



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Op die Berg

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

All the towns within Witzenberg has Green Drop status. Nationally we also scored in the top ten.



3.3.2 HIGHLIGHTS

Highlights	Description
Green Drop status for all systems	Witzenberg Municipality achieved Green Drop certification for all our WWTW's and scored within the top ten Nationally

Table 119: Sanitation Services Highlights

3.3.3 CHALLENGES

Challenges	Description
Old infrastructure	Refurbishment of old infrastructure (pump stations, networks, etc.)
Funding	Funding for refurbishment and replacement programmes

Table 120: Sanitation Services Challenges

3.3.4 SANITATION SERVICE DELIVERY LEVELS

Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2013/14 and 2014/15: Note that the 2013/14 "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	2013/14	2014/15
	Actual	Actual
<u>Household</u>		
<u>Sanitation/sewerage: (above minimum level)</u>		

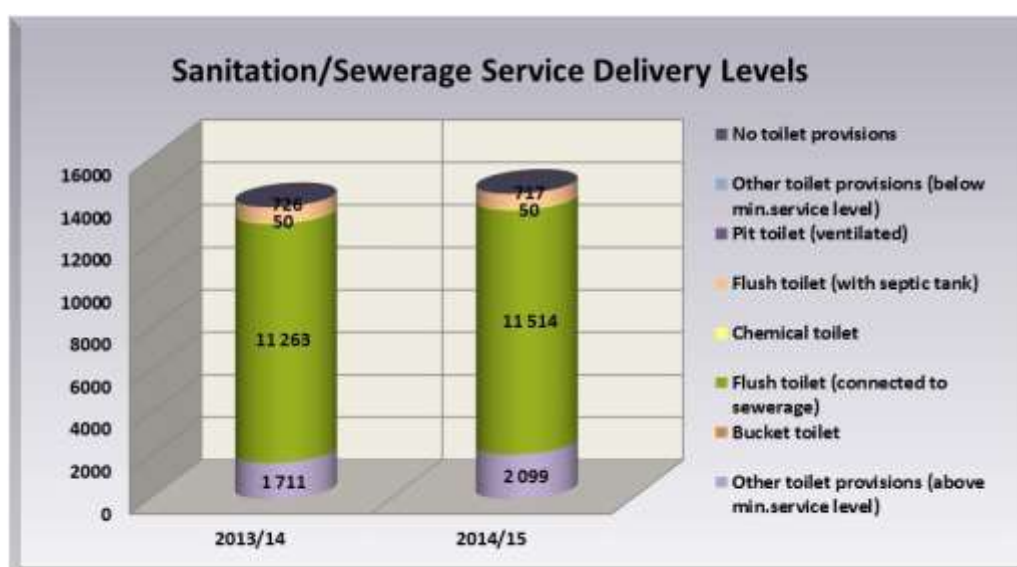


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Description	2013/14	2014/15
	Actual	Actual
Household		
Flush toilet (connected to sewerage) (accounts)	11 263	11 514
Flush toilet (with septic tank) (nr. of toilets)	726	717
Chemical toilet	50	50
Pit toilet (ventilated)	0	0
Other toilet provisions (above minimum service level) (households)	1 711	2 099 (informal areas)
Minimum Service Level and Above Sub-total	13 750	14 380
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)	13 750	14 380
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>		

Table 121: Sanitation service delivery levels

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



Graph 10: Sanitation/Sewerage Service Delivery Levels

3.3.5 SERVICE DELIVERY INDICATORS: SANITATION SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL13	Provide for the needs of informal settlements	Provide basic services - number of informal areas with sufficient communal	Number of informal areas	All	2	2	2	



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
	through improved services	sanitation services points (toilets).						
TL5	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	

Table 122: Service delivery indicators: Sanitation services

3.3.6 CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Upgrade Tulbagh Waste Water Treatment Works	5 800 000	5 498 000	5 498 000	0	12 500 000
Bella Vista bulk sewer network	2 373 139	1 687 876	1 687 876	0	3 065 000
Vredebes bulk sewer network	4 176 745	2 294 803	2 294 803	0	2 521 000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Table 123: Capital Expenditure 2014/15: Sanitation services

3.4 ELECTRICITY

3.4.1 INTRODUCTION

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

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

All erven within the boundaries of Witzenberg Municipality has access to electricity. ESKOM supplies electricity to Op-Die-Berg, Prince Alfred Hamlet and the rural areas inclusive of the 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 settlements with electricity is a never-ending struggle.

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
Completion of subsidized housing project in Tulbagh	40 Subsidized houses were connected to the distribution network



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Highlights	Description
One truck mounted hydraulic platform was replaced	An obsolete truck mounted aerial platform was replaced
Upgrade of MV distribution in Wolseley industrial area	Obsolete cables and overhead lines were replaced with upgraded cables and switchgear

Table 124: Electricity Highlights

3.4.3 CHALLENGES

Challenges	Description
Lack of capacity in the MV distribution system challenges service delivery, impedes economic growth and increases technical energy losses	The existing MV distribution system in certain areas is operating at a load level approaching maximum thermal limit due to natural load growth and lack of funds for upgrades
Insufficient resources to carry out planned maintenance increases the risk of equipment failure and poor service delivery	Obsolete equipment is prone to failure due to lack of maintenance and replacement parts. The effect of normal wear and tear needs to be addressed in a planned manner to mitigate the risk of failure. Resources such as equipment and personnel are required to carry out the necessary maintenance

Table 125: Electricity Challenges

Major towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Ceres	34.8	0.8	N/A
Wolseley	4.5	4.5	0
Tulbagh	3.5	3.5	0

Table 126: Electricity Notified Maximum Demand

The energy losses for the 2013/14 financial year was 9.56% whilst the losses in the 2014/15 financial year was **8.59%**. 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	2013/14	2014/15
	Actual	Actual
Household		
<i>Energy: (above minimum level)*</i>		
Electricity (at least minimum service level)	3 054	2 964
Electricity - prepaid (minimum service level)	9 640	9 766
Minimum Service Level and Above Sub-total	12 694	12 730
Minimum Service Level and Above Percentage	90.6	99.9
<i>Energy: (below minimum level)</i>		
Electricity (< minimum service level)	1 207	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	7	8
Below Minimum Service Level Sub-total	1 207	8



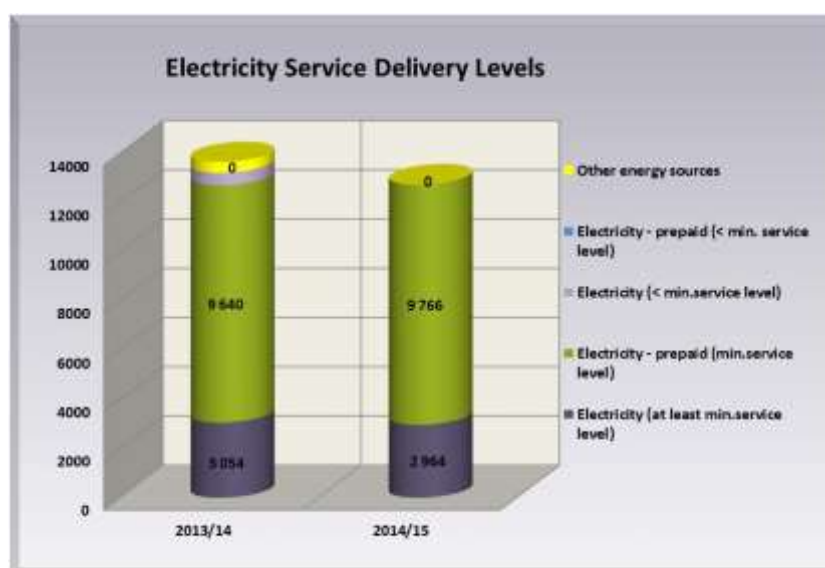
CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Description	2013/14	2014/15
	Actual	Actual
<u>Household</u>		
Below Minimum Service Level Percentage	9.42	0.1
Total number of households (formal and informal)	13 901	12 738

**The below minimum service level can not be determined as the number of pre-paid meters installed in informal areas is unknown. Therefore it can not be determined the number of households in informal areas without electricity. Dept. of Energy does not fund these connections if households are not on a formalised plot.*

Table 127: Electricity service delivery levels

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



Graph 11: Electricity Service Delivery Levels

3.4.5 SERVICE DELIVERY INDICATORS: ELECTRICITY

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL9	Sustainable provision and maintenance of basic infrastructure	Decrease unaccounted electricity losses.	Percentage electricity losses	All	9.56%	9%	9%	
TL15	Provide for the needs of informal settlements through improved services	Number of subsidised electricity connections installed.	Number of connections	All	60	50	43	
TL6	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	

Table 128: Service delivery indicators: Electricity



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3.4.6 EMPLOYEES: ELECTRICITY

Employees: Electricity				
Job Level	2013/14	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	28	19	1	2.9
4 - 6	3	3	2	5.9
7 - 9	2	1	0	0
10 - 12	6	7	0	0
13 - 15	1	0	1	2.9
Total	40	30	4	11.7

Employees and Posts numbers are as at 30 June.

Table 129: Employees: Electricity

3.4.7 CAPITAL EXPENDITURE – ELECTRICITY

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Internal electrical network for Pine Valley serviced sites	2 000 000	2 000 000	918 703	1 081 297	2 000 000
Procure new Cherry Picker	1 200 000	856 000	855 142	858	855 142
Upgrade electrical network in mainroad, Wolseley	1 000 000	1 000 000	200 782	799 218	1 000 000
11KV supply to industrial area, Wolseley	400 000	400 000	280 977	119 023	1 200 000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)

Table 130: Capital Expenditure 2014/15: Electricity

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





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.



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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 and skips (garden refuse)

The current waste management system in the municipality is fairly successful in the collection and disposal of municipal solid waste, however, no or very little effort is made to reduce the generation of waste within the municipal area

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

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

-  all formal urban residential erven are receiving a weekly door-to-door waste collection service
-  all collected municipal waste are disposed at the municipality's engineered and licensed waste disposal site near Wolseley
-  no significant waste recovery is done, except for private enterprises
-  no significant waste avoidance is done

Witzenberg Municipality currently operates two landfills. The Tulbagh landfill site is licenced as a GSB- site and receive waste from Tulbagh and Wolseley. The Prince Alfred Hamlet site is licenced as a GCB- operated by a private contractor appointed by the municipality.

3.5.2 HIGHLIGHTS

Highlights	Description
Assests from Department Environment Affairs- R1 052 200	Received 2000 Wheeli bins, site office, weigh pad with printer and portable toilet
Compliance with Goal 2 (Ensure the effective and efficient delivery of waste services) of the National Waste Management Strategy	Acquisition of a new Nissan Compactor
Monitoring of waste disposal sites	Testing of quality of boreholes and annual external landfill site audit
Compliance with Goal 3 (Grow the contribution of the waste sector to the green economy) of the National Waste Management Strategy	37 EPWP and 24 youth workers appointed for waste maangement

Table 131: Waste management (refuse collections, waste disposal, street cleaning and recycling) service highlights

3.5.3 CHALLENGES

Challenges	Description
Waste disposal at landfill sites	Airspace left 2 years
Provide measures to remediate contaminated land	Rehabilitation and closure of landfill sites – budget of R40 million required
Public drop-offs or transfer station/MRF	Recycle and seperation of waste – less trips to landfill sites
Regional landfill site in Worcester	Commencing in 3 years time

Table 132: Waste management (refuse collections, waste disposal, street cleaning and recycling) service challenges



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

SERVICE DELIVERY LEVELS

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

Description	2013/14	2014/15
	Outcome	Actual
Household		
<i>Refuse Removal: (Minimum level)</i>		
Removed at least once a week (accounts and informal households)	13 266	13 871
Minimum Service Level and Above Sub-total	13 266	13 871
Minimum Service Level and Above Percentage	100	100
<i>Refuse Removal: (Below minimum level)</i>		
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)	13 266	13 871
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>		

Table 133: Waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery levels

The graph below shows the different waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery levels per total households and the progress per year:



Graph 12: Waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery levels



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3.5.5 SERVICE DELIVERY INDICATORS: REFUSE REMOVAL SERVICE

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL14	Provide for the needs of informal settlements through improved services	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas	All	2	2	2	
TL7	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	

Table 134: Service delivery indicators: Waste management (refuse collections, waste disposal, street cleaning and recycling) service

3.5.6 EMPLOYEES: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) SERVICE

Employees: Waste management (refuse collections, waste disposal, street cleaning and recycling) service				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	8	0	0
0 - 3	73	63	5	5.2
4 - 6	3	3	1	1
7 - 9	13	13	2	1
10 - 12	1	1	0	0
13 - 15	0	0	0	0
Total	90	88	8	7.2

Employees and Posts numbers are as at 30 June.

Table 135: Employees: Waste management (refuse collections, waste disposal, street cleaning and recycling) 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.



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An amount of R2.5 million was 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 built instead of the additional water taps and toilets which has been successfully completed in May 2014.

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 2014/15 financial year we also experienced a setback in underspending, due to unrest in the Tulbagh Housing Project and could only built 97 houses due to people invading the plots. All of the 250 houses that had to be built for Op-die-Berg have been completed and handed over. The situation in Tulbagh resulted in a decrease of the annual target not being achieved and funding not being spend.

The project for the formalization of the informal settlement consisting out of 158 serviced sites in Zakhele, Wolseley were completed and will give privacy of water and sanitation to these residents. The Bella Vista Housing project was also implemented with 312 sites serviced. Construction of houses will start at a later stage when provision of bulk services is completed.

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 influx control into the informal areas and the unwillingness of communities to assist the municipality to address this problem by reporting the erection of illegal structures timeously.

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 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.

A service provider were appointed by DoHS for the completion of the "Block Project" transfer of RDP houses in Wolseley from September 2014 and will continue with the Tulbagh and N'Duli Block projects in 2015/16 and 2016/17 until completed.



3.6.2 HIGHLIGHTS

Highlights	Description
Completion and handing over of 41 houses as part of the Tulbagh project	Completion of the construction of an additional 41 houses as part of the current Tulbagh project
Rebuilding of a burnt house in N'Duli as per EHP subsidy	Insurance of RDP houses is still not being done and we are educating the new owners through the HCE training sessions about the importance of insurance
Formalization of 158 serviced sites in Zakhele, Wolseley	158 Formalized sites completed and planned to be transferred onto the beneficiaries names

Table 136: Housing Highlights



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3.6.3 CHALLENGES

Challenges	Description
Farm evictions and farmworker housing	A strategy still needs to be developed. The DoHS is planning a provincial indaba to discuss the whole issue around farmworker housing
Emergency housing	An emergency camp consisting of 100 plots are planned for the Vredebes Development, but still needs to be approved by DoHS
Inmigration control in informal settlements	Staff capacity and community co-operation together with a budget for the appointment of an effective response team
Transfer of rental stock	The unwillingness of local attorneys to participate in the bidding process. Outstanding debts of tenants to get rate-clearance are still a major problem
Selling and renting of new RDP houses	No definite control or guideline from the DoHS around ownership because pre-emptive right can only be enforced by the DoHS. Beneficiaries are in desperate need for money and that is why they allow tenants to use their houses for spaza shops

Table 137: Housing Challenges

3.6.4 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Financial year	Total households (including informal settlements)
2013/14	1 761 (informal)
2014/15	2 077 (informal)

Table 138: Households without access to Basic Housing

The following table shows the decrease (due to housing project for Tulbagh and Op-die-Berg) in the number of people on the housing waiting list. There are currently approximately 9 065 applicants on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase/(decrease)
2013/14	9 418	8.35
2014/15	9 065	(3.75)

Table 139: 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			
2013/14	37 962	39 151	97	198	242
2014/15 (Municipal Budget Capital)	34 885	34 885	100	0	470
2014/15 (Municipal Budget Operational)	15 017	15 017	100	42	0

Table 140: Number of houses built and cost of housing



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3.6.5 SERVICE DELIVERY INDICATORS: HOUSING

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL11	Provide for the needs of informal settlements through improved services	Number of subsidised serviced sites developed.	Number of serviced plots	All	New performance indicator for 2014/15. No comparative audited results available	485	470	
TL33	Support the poor and vulnerable through programmes and policy	Number of housing opportunities provided per year	Number of top structures	All	439	42	42	
TL34	Support the poor and vulnerable through programmes and policy	Number of Rental Stock transferred	Number of properties transferred	All	15	65	58	

Table 141: Service delivery indicators: Housing

3.6.6 EMPLOYEES: HOUSING

Employees: Housing				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	2	0	0
0 - 3	0	1	0	0
4 - 6	4	3	4	30
7 - 9	4	2	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
Total	10	9	4	30

Employees and Posts numbers are as at 30 June.

Table 142: Employees: Housing

3.6.7 CAPITAL EXPENDITURE – HOUSING

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Internal services for Pine Valley projects	7 300 000	9 369 915	9 369 915	0	9 369 915
Internal services for Bella Vista project	6 480 000	12 562 493	12 562 493	0	12 562 493

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)



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Table 143: Capital Expenditure 2014/15: 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

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's joint gross income may not exceed R3 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 R3 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 R15 000 of the market value on property. As additional subsidy the municipality will increase this level to R85 000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R85 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.



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Water

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

Sanitation

A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.

Refuse removal

A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.

House rental

A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month

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 service accounts as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit.

A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name, this 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.

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	Total no. of HH	Number of households							
		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	%
2013/14	13 850	4 450	32	4 450	32	3 891	28	4 450	32
2014/15	13 920	4 893	36	4 893	36	4 555	33	4 893	36

Table 144: Free basic services to low income households

Financial year	Rates					
	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			R'000
2013/14	4 450	85 000	536	9 652	15 000	928
2014/15	4 328	85 000	595	10 074	15 000	1 041



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Table 145: 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	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2013/14	2 951	50	1 446	9 743	0	0	940	50	497
2014/15	3 352	50	1 770	9 378	0	0	1 203	50	672

Table 146: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2013/14	4 450	6	5 401	9 269	0	0
2014/15	4 893	6	6 104	9 027	0	0

Table 147: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	4 450	158.15	8 445	9 300	0	0
2014/15	4 328	167.64	7 068	9 592	0	0

Table 148: 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	No of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	4 450	1	9 043	8 816	0	0
2014/15	4 328	1	9 499	9 592	0	0

Table 149: Free basic Refuse Removal services to indigent households

COMPONENT B: ROAD TRANSPORT

This component includes roads and stormwater.



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.8 ROAD SERVICES

3.8.1 INTRODUCTION

An Integrated Transport Plan (ITP) for Witzenberg Municipality was adopted by Council for the period 2011-2015. The ITP supports and forms part of the development of the Provincial Land Transport Framework (PLTF). The ITP considers all modes of transport and aims to identify the issues and concerns surrounding the various modes.

a) Transport register

Witzenberg Municipality covers an area of approximately 2 995 km² stretching from the Du Toitskloof Mountains in the south-west to the Kwadousberg Mountains in the south-east and includes the towns of Ceres, Tulbagh and Wolseley as well as the rural areas adjacent to and between these towns (Prince Alfred Hamlet, N'Duli, Bella Vista, Op-die Berg, Breede River valley).

Public transport accounts for approximately 6% of total work trips in the Witzenberg Municipality. From the NHTS 2007, 66% of passengers in the Witzenberg Municipality walk and 29% use private vehicles to reach their destinations. The minibus-taxi (MBT) is the dominant public transport mode in Witzenberg, providing both commuter and long-distance services. MBT services operate predominantly out of Ceres during weekdays. The highest demand for taxis are on Saturdays, especially at the end of the month, with the smaller towns of Wolseley and Tulbagh becoming significantly more active on weekends.

There are currently no commuter bus services for local commuters in the towns of Witzenberg Municipality. The only bus services are subsidised learner transport and private (staff) contract services. Metrorail operates the Cape Town-Worcester rail line, which stops at five rail stations in Witzenberg Municipality, before arriving at Worcester station. It has a single train in the morning and afternoon.

The long distance rail service currently operates on a daily including weekends. Shosholozha Meyl passes through the Witzenberg Municipality en-route to Johannesburg, Port Elizabeth and Durban. Long distance rail only stops at Worcester Station thus providing an opportunity for Witzenberg Municipality residents to commute to Worcester. There are no commercial bus services in Witzenberg Municipality; however there are long distance MBT services.

The maintenance and upgrade of public transport infrastructure is the responsibility of the LM.

There are a number of formal facilities provided by the LM but also a number of public areas that are used for parking or holding of vehicles.

Witzenberg Municipality include provision of shelters at a number of informal ranks and within the rural areas.

The main road system in the Witzenberg Municipality consists of the R303 from Ceres past Op-dieberg towards Citrusdal and the R46 and R43 linking the various towns with each other.

There is no formal NMT (Non Motorized Transport) infrastructure network in Witzenberg Municipality inhibiting NMT movement in the LM. Although, the distance from Ceres to Wolseley is approximately 14km; still within cycling distance, but the topography of the steep Mitchells Pass prohibits NMT movement. There is significant movement between Ceres and the residential area of N'Duli, which provides an NMT facility with guardrail and is separated from the roadway. There is also a high dependence on NMT from the Bella Vista community to Ceres; however during month end, due to shopping trips, the NMT users become MBT passengers for the return trip to Bella Vista. Prince Alfred's Hamlet requires NMT access to Ceres for tertiary health care as low affordability does not make public transport viable. Priority should be given to provide and maintain high quality cycle ways along the routes that link these areas as bicycles are cost effective.



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Records received from the Department of Education 2009 indicated that there were a total of 61 primary, secondary and combined schools in Witzenberg Municipality. The WCED confirmed that 22 schools in the Witzenberg Municipality are served by 63 learner contract routes and are all receiving subsidies from the WCED. Therefore 32.73% of schools in the LM are using learner contracts and of these, 55% of learners are using learner contracts. Koue Bokkeveld and Wolseley has the highest number of schools and primary schools using learner transport, namely 20 routes serving 12 schools and 16 routes serving five schools respectively.

The local situation with freight is exactly the same as in the past number of years with all growth being in road freight haulage. This is the largest contributor to the damage of road infrastructure.

The LM is assisted with road maintenance by receiving an 80% subsidy from PGWC for road maintenance on proclaimed municipal main roads.

Tourism serves as the second economy in Witzenberg Municipality, the primary attraction being the mountainous natural and scenic beauty of the area. Promotion of agriculture and tourism is therefore vital to the continued prosperity of the area. Attention should be paid to maintenance of scenic routes.

b) Road network and traffic

The road network in Witzenberg Municipality consists of provincial roads, owned and managed by the provincial road authority, which is the Provincial Government Western Cape (PGWC). Apart from the provincial roads, which are also known as the rural road network, the upgrade and maintenance of the local street network is the responsibility of the local authority, which is the Witzenberg Municipality.

Condition of the road surface indicated that 66% of the surfacing is in good or very good condition. The corresponding value for road structure is 79%. If road surface conditions deteriorate too much, road structure is adversely affected. Therefore, upkeep to protection of the structure through regular maintenance is very important. Fruit and vegetables are brought from various farms around Wolseley, from Op-die-berg and Tulbagh to the factory in Ceres to be packed. This creates an inflow of heavy vehicles to Ceres. From Wolseley and Tulbagh, heavy vehicles travel to Ceres via the Mitchell's pass.

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

A Pavement Management System (PMS) is used for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section. The priorities is divided into routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). This is supported by visual inspections which are 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
Pine Valley Phase 2B roads	New asphalt surfaced roads for low cost housing development, 1.08 km's with stormwater systems
Traffic calming	Constructed 14 new speed humps in Witzenberg
Bella Vista housing roads	New asphalt surfaced roads for low cost housing development, 1.849 km's with stormwater systems
Resealing of streets in Witzenberg municipal area	Resealed 3.257 km's road in Witzenberg



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Highlights	Description
New pedestrian walkway Schoonvlei	New asphalt surfaced walkway for connection between residential area of Bella Vista and Schoonvlei industrial area, 0.7 km's in length
The construction of pedestrian walkway and upgrading of roads in N'Duli (rural development)	Upgrading of gravel roads of existing residential area, 0.19 km's with new kerbing, stormwater systems and 80 mm interlocking paving. Also new pedestrian pathway in Chris Hani drive 0.22 km's
Update of the Intergrated Transport Plan (ITP) 2013/14	The process entailed the: <ul style="list-style-type: none"> 📄 update of the transport budgets and programmes and the linkages with the Provincial Strategic Objective 3 (PS03) outcomes; 📄 a revision of the categorisation of planning authorities; 📄 conduct institutional capacity building through information sessions for all municipal officials involved in the transport function outlining the public transport function of the municipalities as defined in legislation and the public transport functions of the other spheres of government of the ITP's for the Cape Winelands District Municipality

Table 150: Roads highlights

3.8.3 CHALLENGES

Challenges	Description
Funding backlogs on bituminous pavements	Pavement Management System 2010, all bituminous pavements, resealing and upgrading of roads backlogs amount to R52 m
Deteriorated Tulbagh roads	Structural condition, 36% poor and very poor Surfacing condition, 11% poor and very poor
Roads Master Plan	No roads masterplans
Burst water mains in roads	As a result of old water pipe networks huge amounts are being spent on re-instatement of road layers

Table 151: 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
2013/14	213.64	0	0.2	0.63	212.81
2014/15	216.76	3.119	2.377	0.88	213.64

Table 152: 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
2013/14	10.50	2.99	1.6	5.91
2014/15	10.31	0	0.19	10.50

Table 153: Graveled roads



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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
2013/14	13 160	934	2 357
2014/15	12 684	2 029	3 541

Table 154: Cost of construction/maintenance of roads

3.8.5 SERVICE DELIVERY INDICATORS: ROAD SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL10	Sustainable provision and maintenance of basic infrastructure	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	4.54	2.6	4.83	

Table 155: Service delivery indicators: Road services

3.8.6 EMPLOYEES: ROADS AND STORM WATER

Employees: Roads and stormwater				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	3	0	0
0 - 3	21	16	0	0
4 - 6	9	6	0	0
7 - 9	5	4	0	0
10 - 12	2	3	0	0
13 - 15	1	1	0	0
Total	38	33	0	0

Employees and Posts numbers are as at 30 June.

Table 156: Employees: Roads and storm water

3.9 WASTE WATER (STORM WATER DRAINAGE)

3.9.1 INTRODUCTION

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

The town of Wolseley experiences the most problems with stormwater due to the flat gradient of the lower portion of the town. Two major canals exist in Wolseley which sometimes overflows in winter. Other areas experiencing main problems are Tulbagh, especially Van der Stel Street and



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Prince Alfred's Hamlet. In N'Duli in the informal areas open canals and stormwater pits are used to dump sewerage from the households, this creates an enormous health risk.

3.9.2 HIGHLIGHTS

Highlights	Description
Upgrade insufficient stormwater networks, N'Duli	New stormwater drainage systems with pipes and catchpits in low lying area to prevent flooding of property (rural development)
Pine Valley Phase 2B stormwater	New stormwater drainage systems with pipes and catchpits for RDP housing
Bella Vista Housing Stormwater	New stormwater drainage systems with pipes and catchpits for RDP housing
New Stormwater Master Plan for Tulbagh	A Stormwater Master Plan for Tulbagh was compiled by Element Consulting Engineers, funded by the Cape Winelands District Municipality. This Stormwater Master Plan was for the establishment of a Stormwater Management System (SMS), consisting of as-built data capturing, processing and GIS linking, hydrological calculations for the as-built data with management scenarios and capabilities, condition assessment of the existing stormwater system and training

Table 157: Storm water highlights

3.9.3 CHALLENGES

Challenges	Description
Stormwater Master Plan	No stormwater masterplans, except for Tulbagh
Vandalism stormwater drainage	Covers being stolen for scrap
Trees damage stormwater pipes/sidewalks and roads	Trees with aggressive root systems
Stormwater blockages	Manholes/catchpits being used as dirt dumping places.

Table 158: Storm water challenges

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

a) Storm water infrastructure

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

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2013/14	138.03	1.75	0.45	135.83
2014/15	139.00	0.97	0	138.03

Table 159: Storm water infrastructure

b) Cost of construction/Maintenance

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



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Financial year	Stormwater measures	
	Capital	Maintained
	R'000	R'000
2013/14	7 530	750
2014/15	3 626	1 227

Table 160: Cost of construction/maintenance of storm water systems

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.

3.10 PLANNING

3.10.1 INTRODUCTION

In December 2012, the Witzenberg Spatial Development Framework (WSDF) was approved as part of the IDP in terms of section 34 of the Municipal Systems Act, Act 32 of 2000.

The WSDF will guide the spatial form and structure of Witzenberg (the way in which we use the space available for urban growth) in the future. This long-term plan, extending over 20 years or more, will enable Witzenberg to manage new growth and change in its area, to ensure sustainability and equitability. The plans and policies of the WSDF:

- 📌 indicate the areas best suited to development, the areas that should be protected, and the areas where development may occur if it sensitively managed;
- 📌 provide investors with a clear idea of where they should invest;
- 📌 guide public investment in infrastructure and social facilities; and
- 📌 will be used to assess applications submitted by property developers and to guide changes in land-use rights.

The SDF seeks to find a balance between restructuring the historically fragmented towns and demand from the higher-end property market. It has always been the opinion of the municipality that urban expansion would have to be directed in a manner that would promote integration between Ceres, N'Duli and Bella Vista. The procurement of Vredebes farm, located midway between Ceres and N'Duli, by the Council for housing purposes, underpins this notion.

The area of land located between these 3 towns is however vast and it is not at this stage considered realistic to include the entire area within the urban edge. In addition, by not including the entire area within the edge, possible leapfrog development or undesirable fringe land uses is restricted. It would also be appropriate to deal with the installation of engineering services systematically, as opposed to haphazardly allowing development anywhere in the area, without any regard to the budgetary constraints.

Instead, development of the area in an incremental or phased approach is considered more appropriate, based on real need rather than theoretical considerations. Suitable land is also included in the edge to the strong demand in Ceres for middle to high end housing and industrial sites.



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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	Rezoning's, subdivisions and new developments in terms of the Land Use Planning Ordinance

Table 161: Town planning and building control strategies

3.10.2 HIGHLIGHTS

Highlights	Description
New Land Use Planning By-Law completed and adopted by Council	Promulgation of the Spatial Planning and Land Use Management Act (SPLUMA) introduced a new planning regime and municipalities had to adopt by-laws to deal with town planning. Witzenberg Council developed and approved its by-law before the deadline

Table 162: Town planning and building control highlights

3.10.3 CHALLENGES

Challenges	Description
Resignation of the Building Control Officer (BCO) and Building Inspector	The BCO and one of the inspectors resigned. The section has to work with less staff while waiting for the recruitment process to be concluded

Table 163: Town planning and building control challenges

3.10.4 SERVICE DELIVERY STATISTICS

Type of service	2013/14	2014/15
Town Planning and Building Control		
Building plan applications processed	583*	298
Total surface (m ²)	66 923m ²	64 836.52m ²
Approximate value	R182 543 184	R193 463 993
New residential dwellings	407	25
Residential extensions	80	97
New Business buildings	0	1
Business extensions	6	4
Rural applications	58	55
Land use applications processed	44	30

Table 164: Town planning and building control service delivery statistics



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3.10.5 EMPLOYEES: PLANNING


















Employees: Town planning and building control				
Job Level	2013/14		2014/15	
	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	3	2	28.5
13 - 15	0	0	0	0
16 - 18	1	1	0	0
Total	7	5	2	28.5

Employees and Posts numbers are as at 30 June.

Table 165: 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 2014/15 financial year:

Achievement/Highlight	Description
Re-establishment of business forums	Five forums established and attended capacity building workshop
Witzenberg SMME Indaba	<ul style="list-style-type: none">  15 local SMME's exhibited their businesses  Ten government departments made presentations  The 3 winners of the Indaba were linked with FNB for further business support
LED/Youth Federal Program, Op die Berg	<ul style="list-style-type: none">  Linked 27 youth with the program  Research was completed at the local school and community, as well as 25 farms in the Koue Bokkeveld  More than 900 questionnaires were completed <p>Outcome of the research:</p> <ul style="list-style-type: none">  Financial literacy training provided by FNB – 27 November 2014  Career day was presented by Elsenberg College at Skurweberg School. 225 learners attended.  Career day presented by Boland College and Chryssilis Academy on 5 March 2015. 25 youth attended  Computer training for 17 unemployed youth
Skills Development Program	<ul style="list-style-type: none">  Supply Chain workshop in Ceres  NPO registration in Wolseley  Financial Literacy Training-Bella Vista  SARS workshop on 23 March 2015  Financial Literacy training in Wolseley and Tulbagh on 18 June 2015  SEDA Business Training on 23-26 June 2015  Supply Chain workshop in N'Duli on 26 June 2015
Witzenberg Kersmark	Created a business opportunity for local community. 97 stalls were rented at the Christmas market
Exceeded EPWP Full-Time Equivalent (FTE) target by 176%	EPWP FTE target is the amount of days worked created for beneficiaries, expressed as a person working for 230 working days (1 FTE)



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Achievement/Highlight	Description
Successful coordination of EPWP Conditional Grant project	Successful initiation, induction & implementation of 7 Conditional Grant projects, with 86 beneficiaries
Successful Witzenberg EPWP launch on 26 September 2014	Launched the EPWP in Witzenberg, informing the public of the commitment towards greening towns and the commitment towards service delivery
Trained 36 EPWP beneficiaries in basic budgeting & savings	Training showed beneficiaries to deal with debt and how to budget for daily living & how to save
9 EPWP workers trained linked with skilled training	4 were trained in a accredited landscaping project, 3 in accredited chain saw operating and 2 in accredited bush clearing
Provided opportunities for indigent households	Linked 27 people from indigent households with job opportunities

Table 166: Local Economic Development Achievements

The table below gives a brief description of all the challenges within Local Economic Development during the 2014/15 financial year:

Description	Actions to address
Insufficient funds	Provision in future budgets and partnership with other stakeholders
Poor attendance of community programs	Better marketing and involvement of relevant stakeholders in planning phase
Low work ethics of EPWP workers	Link with Life Skills Workshop

Table 167: LED 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
Identify bankable projects	Skills development & employment intensity

Table 168: LED objectives and strategies

3.11.1 ECONOMIC ACTIVITY

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

Sector	2013/14	2014/15
Agric, forestry and fishing	26.7%	22.4%
Mining and quarrying	0%	0.1%
Manufacturing	16.2%	23.5%
Wholesale and retail trade	16%	12.1%
Finance, property, etc.	18.8%	9.4%
Community and social services	17.6%	15.5%
Infrastructure services	5%	6.4%

Table 169: Economic activity by sector: Regional Global Explorer data for 2014/15



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Economic Employment by Sector		
Sector	2013/14	2014/15
Agriculture, forestry and fishing	18 945	13 416
Mining and quarrying	0	9
Manufacturing	2 827	7 968
Electricity	0	253
Construction	1 401	1 058
Wholesale and retail trade	4 127	7 680
Transport	441	1 648
Finance, property, etc.	1 240	4 798
Community and social services	4 495	8 914
Total	33 476	45 744






Table 170: Economic Employment by Sector: Source Stats SA 2011 (2013/14) & Regional Global Explorer (2014/15)

3.11.2 LED INITIATIVES





During 2014/15, **522** work opportunities were created via the Community Works Programme (CWP). 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



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Type of service	2013/14	2014/15
Small businesses assisted	102	98
SMME's trained	227	407
Community members trained for tourism	55	27
Local artisans and crafters assisted	65	6

Table 171: Additional Statistics on LED

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2013/14	438	367
2014/15	367	351

Table 172: Job creation through EPWP* projects

3.11.4 SERVICE DELIVERY INDICATORS: LOCAL ECONOMIC DEVELOPMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL31	Support the poor and vulnerable through programmes and policy	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	367	380	421	
TL36	Create an enabling environment to attract investment & support local economy	Compile & Implementation of LED Strategy	Approved LED Strategy	All	New performance indicator for 2014/15. No comparative audited results available	1	1	

Table 173: Service delivery indicators: Local Economic Development



Director: Corporate Services, Monwabisi Mpeluza (left) with the presenter of Morning Live, Leanne Manas (centre) and the Director: Community Services, Jo-Ann Krieger. Witzenberg Municipality extend their thanks to all stakeholders involved and Former Minister van Schalkwyk from the National Department of Tourism for making this broadcast possible.



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3.12 TOURISM

3.12.1 AIM AND FUNCTION OF TOURISM SECTION

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

3.12.2 TRAINING/DEVELOPMENT

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

3.12.3 DESTINATION MARKETING

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

3.12.4 TOURISM AWARENESS/EVENTS

Annual events in the Witzenberg Municipal Region:

Annual Event	Date
Wolseley MTB Challenge	26 July 2014
Tulbagh Spring Arts Festival	12 – 14 September 2014
Michell's Pass Half Marathon	27 September 2014
Tulbagh Horse and Wild Flower Show	1 – 4 October 2014
Sky Marathon	25 October 2014
Eselfontein Outdoor Festival	22 – 23 November 2014
Gydo Christmas Light Festival	28 – 29 November 2014
Witzenberg Christmas Market	12 – 14 December 2014
Tankwa MTB Trek	13 – 15 February 2015
Bestmed Tour de Boland	2 – 6 March 2015



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Annual Event	Date
Transkaroo MTB Challenge	25 April 2014
Ceres Chrysanthemum Show	9 May 2015
Christmas in Winter	27 – 28 June 2015

Table 174: Tourism Awareness/Events

3.12.5 CHALLENGES TO TOURISM

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

3.12.6 OPPORTUNITIES FOR TOURISM

Tourism has expanded their destination marketing to encompass business marketing for conferencing and team building exercises as well as marketing the area as a film and photoshoot location. Witzenberg Municipality has worked together with various stakeholders and the rail branch line from Wolseley to Ceres will be re-opened in 2015. The line will be used for commercial freight weekdays and used over weekends for recreational trips from Cape Town. This will expand our entrepreneurship, investment and tourism base within Witzenberg. Tourism will explore the areas of township tourism and trade by the formation of a planning committee and safety forum in the near future.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

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 **mini libraries** in Op-Die-Berg and Laastedrif.

3.13.1 SERVICE STATISTICS – LIBRARIES AND COMMUNITY FACILITIES

Type of service	2013/14	2014/15
Libraries		
Number of Libraries	8 libraries and 3 wheelie wagons	9 and 2 Mini Libraries
Library members	20 573	23 302
Books circulated	270 922	270 941
Exhibitions held	233	244



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Type of service	2013/14	2014/15
Internet access points	15 410	27 points
New library service points or Wheelie Wagons	0	1 (Library)
Children programmes	40	63
Visits by school groups	696	845
Community Facilities		
Number of Community Facilities – Community- and Town Halls	9	12

Table 175: Service Statistics: Libraries and Community Facilities

3.13.2 EMPLOYEES: LIBRARIES AND COMMUNITY FACILITIES

Employees: Libraries and Community Facilities				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	2	0	0
0 - 3	9	4	1	3.3
4 - 6	0	0	0	0
7 - 9	9	9	3	10
10 - 12	8	10	1	3.3
13 - 15	0	0	0	0
Total	26	25	5	16.6

Employees and Posts numbers are as at 30 June.

Table 176: Employees: Libraries and Community Facilities

3.13.3 CAPITAL EXPENDITURE – LIBRARIES

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
New library at Prince Alfred's Hamlet	800 000	1 650 000	1 648 145	1 855	4 761 000
Book detecting systems	300 000	300 000	220 340	79 660	220 340

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Table 177: Capital Expenditure 2014/15: Libraries



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3.14 CEMETERIES

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

3.14.1 SERVICE STATISTICS - CEMETERIES

Type of service	2013/14	2014/15
Number of Cemeteries	4 open 2 closed	4 open 2 closed
Number of private burials	0	0
Number of poor burials	3	3
Number of indigent burials	94#	454
<i>#Stats are for all towns</i>		

Table 178: Service Stats: Cemeteries






3.14.2 EMPLOYEES: CEMETERIES

Employees: Cemeteries				
Job Level	2011/12	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	26	26	0	0
4 - 6	8	7	1	2.6
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
Total	36	35	0	2.6
<i>Employees and Posts numbers are as at 30 June.</i>				

Table 179: 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



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 support HIV/AIDS awareness.

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

Type of service	2013/14	2014/15
Child Care; Aged Care; Social Programmes		
Soup kitchens established or supported	8 Soup kithchens was financialy supported	8 Soup kitchens was financially supported
Initiatives to increase awareness on child abuse	<ul style="list-style-type: none">  Breevier programme on Healthy Families and awareness regarding women and child abuse on 23 October 2013 (150 women and children)  Fire -Safety programmes at HM Beets and Vrolike Vinkies on 22 May 2014 more than 180 children and educators were reached  Koelfontein Primary School- Safety Programme for learners on 26 June 2014 for all the learners from Grade R to Grade 7. Children were taught basic self-defence techniques and were made aware of how to keep themselves safe  3 Fire Safety Programmes were presented to teachers and children at Early Childhood Development Centres on 23 and 24 April 2014 (Deon Adams Bewaarskool, Bhakeeta and Goldilocks Crèche) more than 200 kids were made aware of fire hazards at home and in school  Programme for children at the Bella Vista Play Park on 27 March 2013. More than 40 children were made aware of keeping the environment clean and were also taught life skills  Assessment of children placed in safety at Hope Place of Safety  Christmas Party for 200 children from an informal settlement in Tulbagh on 6 December 2013  Lifeskills programme presented by National Sea Rescue Institute/Waterwise for Britsum Primary School learners. 50 Learners were equipped with skills to prevent accidental drowning's 	<ul style="list-style-type: none">  11 x awareness program on water safety for children at ECD facilities  4 x fire safety programmes presented to teachers and children at ECD centres  1 x awareness program on child safety and prevention of abduction with parents of children at ECD centre  2 x awareness program on importance of parental involvement.  1 x awareness program on striving for more in Breërivier  Kluitjies Kraal (Wolseley) programme for more than 100 children. Focus was on fire and water safety. 100 toiletry sets were distributed to these needy children  School holiday programme for more than 200 children of Ward 6. Catering and gift bags were distributed amongst 200 needy children  Road safety programmes at Ceres Primary School; Morrisdale Primary School; N'Duli Primary School; Wanganella Primary School and St Marks Primary School for all Grade R; 1; 2 AND 3 learners  Children's day programme for more than 1 000 children from all registered and funded crèches in the Witzenberg municipal area  Britsum Primary School Life Skills Programme for more than 100 children. Children were educated about the prevention of child abuse and sexual abuse  Road safety programmes at the following ECD'S: - Vrolike Vinkies; HM Beets; Aviat Crèche and Wouter Kabouter Crèche  Vredebes prevention programme for all women and children  Establish a Witzenberg Women and Child Protection Forum  Die Bossie awareness and prevention programme. All parents and children were educated regarding child sexual abuse and women abuse  Establish a N'Duli Child Safety Network consisting of all Government Departments/Stakeholders that are responsible for services to children
Youngsters educated and empowered	<ul style="list-style-type: none">  Leadership Training in Tulbagh Youth Centre (12 Youth)  World of Work Training in Tulbagh Youth Centre (18 Youth)  Entrepreneurial Awareness Session in N'Duli (15 Youth) Holiday Programme in 	<ul style="list-style-type: none">  World of work programme (Op die Berg)  Basic administration training (Op die Berg)  Leadership training (N'Duli, Bella Vista, Tulbagh, Wolseley)  Youth day event (over 150 youth)



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	<ul style="list-style-type: none"> 📌 Bella Vista (between 120-170 youth attended) 📌 Safety Programme in Koelfontein (33 children) 📌 Cleaning and awareness session (25 children) 📌 Youth day event (over 1000 youth) 	<ul style="list-style-type: none"> 📌 Entrepreneurial information session (Wolseley, N'Duli) 📌 Information session (Department Labour) 📌 Holiday programme (Tulbagh) 📌 Basic business training (Tulbagh) 📌 Holiday programme (Bella Vista) 📌 Train the trainer (Tulbagh) 📌 Water safety programme (Ceres, Tulbagh, Wolseley, N'Duli, PA Hamlet) 📌 Career days (Op die Berg) 📌 Arts and craft programme (Tulbagh) 📌 Communication skills 📌 Job preparation programmes 📌 Awareness: Peer pressure 📌 Educational fieldtrip
<p>Initiatives to increase awareness on disability</p>	<ul style="list-style-type: none"> 📌 Launch and introduction of the Parent Supporter Programme in Bella Vista for children and people with disabilities on 16 October 2013: 200 Disabled people and their caregivers were reached 📌 FARR-Take away Theatre about alcohol and drug abuse for children and disabled people from Prince Alfred Hamlet on 25 October 2013. 200 Children and disabled people were reached 📌 Heritage Day Programme for persons with disabilities on 20 March 2014. 200 Disabled people and their families were reached 📌 Awareness Programme about age related disabilities in elder people of Maple Park and assessment of older people for intake at an old age home 	<ul style="list-style-type: none"> 📌 Door to door programme in Bella Vista creating awareness regarding different type of disabilities and to minimise discrimination against people with disabilities (100 homes were targeted) 📌 Safety awareness program for all residents of Maple Park 📌 Workshop for 30 people with disabilities on 8 August 2014 📌 Witzenberg Disability Forum stakeholder meeting 📌 SALGA Disability Workshop with all stakeholders delivering services to people with disabilities 📌 Successful International Day for People with Disabilities were held in Prince Alfred Hamlet for more than 200 people with disabilities 📌 Information session for 15 people with disabilities
<p>Initiatives to increase awareness on women</p>	<ul style="list-style-type: none"> 📌 Compilation of a database of the community of Kluitjies Kraal in Wolseley in terms of gender, employment, income, education etc. during July 2013 📌 Municipal Women's Day Programme for 180 female employees of Witzenberg Municipality on 26 August 2013. Women were made aware of the impact of unhealthy life styles and were motivated to start living healthier 📌 Women's day with CWDM in Prince Alfred Hamlet in August 2013 with 150 women from farms in Agter Witzenberg and Phase 4 and 5 in Prince Alfred Hamlet- women were empowered with knowledge regarding gender based violence and how to protect themselves against it 📌 Awareness programme for the whole community of Vredebes done by Witzenberg Municipality, the Department of Justice, the Department of Education, LED Unit, Go Purple, SAPS, etc. 📌 Breërivier programme on Healthy Families and awareness regarding women and child abuse on 23 October 2013. 100 Women were empowered 📌 CWDM Women's Fair Share meeting on 8 October 2013 in Ceres City HALL to represent the Witzenberg Municipality at this district forum to represent women's 	<ul style="list-style-type: none"> 📌 Financial literacy training for more than 100 women and parents of Prince Alfred Hamlet 📌 Training programme for 15 female entrepreneurs presented by Gender Links 📌 Vredebes 16 days programme for the whole community of Vredebes- Prevention and awareness of women and child abuse 📌 Information session with 30 women regarding entrepreneurship training and opportunities 📌 Business Training for 30 female entrepreneurs by Gender Links 📌 Established a Women and Child Safety Network. All stakeholders/ Government Departments delivering services to women and children were part of this forum 📌 Women empowerment programme for Op die Berg women regarding domestic violence and the Indigent Policy. Stakeholders involved in this session was Witzenberg Municipality and the Department of Social Development 📌 Awareness and prevention programme regarding gender based violence 📌 Attend Intimate Partner Violence Stakeholder Forum meetings from April 2015 📌 Establish a Witzenberg Women and Children Safety Network Forum



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	<p>issues and to find joint solutions of how to address existing challenges women face</p> <ul style="list-style-type: none"> Witzenberg Safety Summit on 26 November 2013. The aim of the summit is to collectively address the issue of child and women abuse and to formulate a plan for the protection of women and children in the Witzenberg area. All stakeholders NGO's, FBO's, government departments rendering a service to women and children formed part of this summit Tulbagh Programme for women/focusing on HIV/STD'S and Gender Based Violence on 26 April 2014. More than 40 women were empowered 	
Women empowered	<ul style="list-style-type: none"> Tulbagh information session with unemployed women. 40 Women were empowered with information regarding business opportunities and were linked with the LED unit's current unemployment database and CWP programme Financial literacy training for women and organisations working with women on 9 April 2014 at Dennebos Conference Hall. More than 40 women and organisations working with women were empowered with financial skills and knowledge 	Meeting with Department of Local Government regarding gender mainstreaming process and support required in terms of gender mainstreaming
Initiatives to increase awareness on HIV/AIDS	10 awareness and prevention programmes were held in different areas in the Witzenberg region	<ul style="list-style-type: none"> 5 x awareness and prevention programmes held in Witzenberg 1 x HIV workshop facilitated
Initiatives to increase awareness on Early Childhood Development	<ul style="list-style-type: none"> 4 x quarterly meetings 4 x awareness programmes on fire prevention 2 x new crèches were established 	<ul style="list-style-type: none"> 4 x quarterly meeting 1 x awareness program on fire safety and emergency plan for crèche practitioners and children 1 x training for crèche practitioners on FAS 1 x training for crèche practitioners on milestone development 1 x first aid training for crèche practitioners 1 x training for crèche practitioners in preparing for Grade 1
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	9 x substance abuse programmes were held in different areas in the Witzenberg region	8 x substance abuse awareness programmes were held in different areas in Witzenberg
Special events hosted	940 elderly people attended an Age Day on 12 December 2014	900 elderly people attended Age Day on 11 December 2015

Table 180:

Service Statistics: Child Care; Aged Care; Social Programmes

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

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL30	Support the poor and vulnerable through programmes and policy	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders	All	2 689	3 100	2 799	
TL32	Support the poor and vulnerable through programmes and policy	Number of social development programmes implemented	Number of programmes	All	15	17	17	



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Table 181: Service delivery indicators: Child Care; Aged Care; Social Programmes

3.15.3 EMPLOYEES: SOCIO ECONOMIC

Employees: Socio Economic				
Job Level	2013/14		2014/15	
	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	1	0	0
10 - 12	4	4	0	0
13 - 15	1	1	0	0
Total	10	11	0	0

Employees and Posts numbers are as at 30 June.

Table 182: 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 Management Plan.

3.16 POLLUTION CONTROL

Environmental officers within the department are responsible for environmental and pollution control. The focus is mainly on pollution and illegal dumping and the protection of fauna and flora. 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. The section is focussed on prevention and compliance to legislation.

3.16.1 SERVICE STATISTICS – POLLUTION CONTROL

Type of service	2013/14	2014/15
Pollution Control		
Number of environmental education initiatives held	15	15
Number of baboon damage incidents	0	0

Table 183: Service Statistics: Pollution Control



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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 official parks and many more open spaces and areas that needs maintenance. Parks are cut at least once every 3 weeks. Rivers are managed to prevent pollution and regular alien clearings takes place.

3.17.1 EMPLOYEES: PARKS, PUBLIC OPEN SPACES AND RIVER MANAGEMENT

Employees: Parks, public open spaces and river management				
Job Level	2013/14	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	10	0	0
0 - 3	30	36	0	0
4 - 6	5	12	0	0
7 - 9	2	3	0	0
10 - 12	0	1	0	0
13 - 15	0	0	0	0
Total	37	62	0	0

Employees and Posts numbers are as at 30 June.

Table 184: 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 & VEHICLE LICENSING

Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority 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.



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3.18.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2013/14	2014/15
	Actual No.	Actual No.
Number of road traffic accidents during the year	765	849
Number of by-law infringements attended	53	103
Number of Traffic officers in the field on an average day	5	11
Number of Traffic officers on duty on an average day	8	14
Animals impounded	0	0
Motor vehicle licenses processed	27 838	28 201
Learner driver licenses processed	2 377	3 048
Driver licenses processed	3 379	2 417
Driver licenses issued	3 954	846
Fines issued for traffic offenses	18 614	15 501
R-value of fines collected	655 920	2 375 665
Operational call-outs	222	250
Roadblocks held	13	20
Complaints attended to by Traffic Officers	198	238
Special Functions – Escorts	39	18
Awareness initiatives on public safety	14	11

Table 185: Service Statistics: Traffic and Licensing Services

3.18.2 EMPLOYEES: TRAFFIC

Employees: Traffic				
Job Level	2013/14	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	7	7	0	0
7 - 9	16	18	2	6.8
10 - 12	0	2	0	0
13 - 15	0	0	0	0
Total	24	27	2	6.8

Employees and Posts numbers are as at 30 June.

Table 186: Employees: Traffic



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3.19 FIRE

Fire Services function is provided in conjunction with the Cape Winelands District Municipality. An agreement was reached 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 proper services but a satellite fire station was implemented in Tulbagh and N'Duli.

3.19.1 SERVICE STATISTICS – FIRE SERVICES

Details	2013/14	2014/15
	Actual	Actual
Total fires attended in the year	492	530
Average turnout time - urban areas	246	8 min 59 sec
Average turnout time - rural areas	246	14 min 30 sec
Fire fighters in post at year end	7	8
Total fire appliances at year end	6	3
Total Operational call-outs	592	621
Reservists and volunteers not trained	25 (certified)	0
Awareness Initiatives on Fire Safety	20	84
Working of Fire	12	15

Table 187: Service data for Fire Services

3.19.2 EMPLOYEES: FIRE AND DISASTER

Employees: Fire and Disaster				
Job Level	2013/14	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	3	0	0
7 - 9	3	3	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
Total	7	8	0	0

Employees and Posts numbers are as at 30 June.

Table 188: Employees: Fire and Disaster



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3.19.3 CAPITAL EXPENDITURE – FIRE SERVICES

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Fire fighting equipment	0	39 130	37 252	1 878	37 252
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 189: Capital Expenditure 2014/15: Fire Service

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 completed a Disaster Management Plan and Council approved the 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. Complaints on nuisances received are documented and reported on in the Traffic Monthly Report

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 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 2014/15 applicable to accommodation units and normal camping sites, amounted to R4 808 183.53 (49 913 bed nights).



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

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

According to ticket sales 1 629 adults and 41 980 kids visited the outside pools during 2014/15 (Revenue of R100 250 for the period November 2014 to April 2015).

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



N'Duli sports field

3.21 SPORT AND RECREATION

3.21.1 SERVICE DELIVERY INDICATORS: SPORT AND RECREATION

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL27	Provide and maintain facilities that make citizens feel at home	Customer satisfaction survey (Score 1-5) - community facilities	Score of survey	All	3	3	2.3	

Table 190: Service delivery indicators: Sport and Recreation



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3.21.2 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and recreation				
Job Level	2013/14	2014/15		
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	28	26	0	0
4 - 6	30	31	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
Total	59	58	0	0

Employees and Posts numbers are as at 30 June.

Table 191: 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.



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3.22.1 SERVICE STATISTICS – FINANCIAL SERVICES

Debt Recovery						
Details of the types of account raised and recovered	2013/14			2014/15		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
R'000						
Property Rates	47 650	44 203	92.8	50 328	48 575	96.5
Electricity	156 352	154 191	98.6	171 944	168 490	98.0
Water	33 737	19 730	58.5	35 721	27 800	77.8
Sanitation	16 984	13 661	80.4	24 033	19 542	81.3
Refuse	17 221	12 202	70.9	24 323	18 856	77.5
Other	85	85	100.0	3 363	2 865	85.2
Total	272 029	244 073	89.7	309 713	286 128	92.39

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 192: Service Standards for Financial Services

3.22.2 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services				
Job Level	2013/14		2014/15	
	Employees	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Contractual	0	26	0	0
0 - 3	0	0	0	0
4 - 6	34	19	4	6.5
7 - 9	14	5	0	0
10 - 12	6	2	1	1.6
13 - 15	0	2	0	0
16 – 18	5	2	0	0
Total	59	56	5	8.1

Employees and Posts numbers are as at 30 June.

Table 193: Employees: Financial Services



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3.22.3 SERVICE DELIVERY INDICATORS: FINANCIAL SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL1	Sustainable provision and maintenance of basic infrastructure	% Expenditure on Operational Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	99%	99%	
TL2	Sustainable provision and maintenance of basic infrastructure	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	96%	96%	
TL4	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	
TL5	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	
TL6	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	
TL7	Sustainable provision and maintenance of basic infrastructure	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	All	0%	2%	0%	
TL16	Support institutional transformation and development	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent	All	99%	99%	100%	
TL18	Ensure financial viability	Financial viability expressed as Debt-Coverage ratio	Ratio	All	24.7	16	27	
TL19	Ensure financial viability	Financial viability expressed as Cost-Coverage ratio	Ratio	All	1.53	1.6	2.5	
TL20	Ensure financial viability	Financial viability expressed outstanding service debtors	Ratio	All	62%	46%	70%	
TL21	Ensure financial viability	Opinion of the Auditor-General on annual financial statements of the previous year	Opinion of AG	All	1	1	1	
TL22	Ensure financial viability	Increased revenue collection	Percentage revenue collected	All	New performance indicator for 2014/15. No comparative audited results available	96%	94%	
TL23	Ensure financial viability	Percentage of budget spent on repairs & maintenance	Percentage of budget spent	All	99%	99%	99%	
TL24	Ensure financial viability	Percentage spend of capital budget	Percentage of budget spent	All	96%	96%	95%	
TL28	Provide and maintain facilities that make citizens feel at home	% Expenditure on Operational Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	99%	99%	
TL29	Provide and maintain facilities that make citizens feel at home	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent	All	New performance indicator for 2014/15. No comparative audited results available	96%	97%	








Table 194: Service delivery indicators: Financial Services



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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	2013/14	2014/15
Number of HR policies reviewed	0	0
Number of total permanent employees	513	482
Number of total temporary employees	48	65
Number of total injuries (injury on duty cases)	48	93
Number of total approved annual leave days taken	10 919	11 767.75
Number of family responsibility leave days taken	568	621.50
Number of total Health and Safety Representatives	20	20
Number of total First Aiders	17	17
Number of sick days leave taken	4 675.5	4 607.75
Number of termination	34	42
Number of new employees appointed	31	38
Number of total employees trained	129	182
Number of total female employees trained	25	34
Number of total male employees trained	104	148
Number of total learnerships enrolled	4	3
Number of total training courses rolled out	20	28
Total percentage budget spend on training	102.5%	100%

Table 195: Service Data for Human Resource Services

3.23.2 SERVICE DELIVERY INDICATORS – HUMAN RESOURCES

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual performance of 2013/14	Overall Performance		
						Target	Actual	R
TL17	Support institutional transformation and development	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	74%	70%	71%	

Table 196: Service delivery indicators – Human Resources



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.23.3 EMPLOYEES: HUMAN RESOURCES






Employees: Human Resources				
Job Level	2013/14	2014/15		
	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	3	3	0	0
10 - 12	4	4	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
Total	8	8	0	0

Employees and Posts numbers are as at 30 June.

Table 197: Employees: Human Resources

3.24 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The departments functions includes:

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

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

Details	2013/14	2014/15
	Actual	Actual
Desktop Support	225	247
Network Support	180	203
Network downtime experienced	0	2 hours
Server downtime experienced (total for 15 servers)	24 hours	24 hours
File Restores requested	53	47

Table 198: Service Data for Information and Communication Technology (ICT) Services



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.24.2 EMPLOYEES: ITC

Employees: ITC				
Job Level	2013/14	2014/15		
	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	0	0	0	0
10 - 12	0	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
Total	0	1	0	0

Employees and Posts numbers are as at 30 June.

Table 199: Employees: ITC

3.24.3 CAPITAL EXPENDITURE: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Replacement of computer hardware	300 000	303 000	254 432	48 568	254 432

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Table 200: Capital Expenditure 2014/15: Information and Communication Technology (ICT) Services

3.25 RISK MANAGEMENT AND INTERNAL AUDIT

Witzenberg Municipality does not have a Risk Management sub-directorate. The Accounting Officer is the Chief Risk Officer and the duties are delegated 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 implementation of action plans 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.



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.25.1 SERVICE STATISTICS –INTERNAL AUDIT

Details	2013/14	2014/15
	Actual	Actual
Compilation of the Risk Based Audit and 3 year strategic plans	1	1
Internal Audits	13	13

Table 201: Service statistics for Internal Audit

3.25.2 EMPLOYEES: INTERNAL AUDIT

Employees: Risk Management and Internal Audit					
Job Level	2013/14	2014/15			
	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	1	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	1	0	1	33.3
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
Total	2	3	2	1	0

Employees and Posts numbers are as at 30 June.

Table 202: 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

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMAMNCE

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Witzenberg Municipality currently employs **559** officials, (permanent + temporary employees) but excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 EMPLOYMENT EQUITY

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

c) Employment Equity targets/actual

African			Coloured			Indian			White		
Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
33.39%	25%	74.87%	49.58	68%	137.15%	1.06%	0.38%	35.84%	15.97%	6%	37.57%

Table 203: 2014/15 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
48.92%	64.58%	132%	51.07%	35.41%	69.33%	0	0	0

Table 204: 2014/15 EE targets/actual by gender classification

d) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	29300	76451	272	8944	114967
% Population	25.5	66.5	0.2	7.8	100
Number for positions filled	144	382	2	31	559
% for Positions filled	25.76	68.33	0.36	5.55	100

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

Table 205: EE population 2014/15



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e) Occupational Categories – Race

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

Occupational categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	18	0	7	1	7	2	1	40
Professionals	0	9	0	3	3	12	0	4	31
Technicians and associate professionals	1	15	0	0	1	2	0	0	19
Clerks	8	14	0	1	9	33	0	13	78
Service and sales workers	8	19	0	2	5	19	0	0	53
Craft and related trades workers	1	13	0	2	0	0	0	0	16
Plant and machine operators and assemblers	7	31	0	1	1	0	0	0	40
Elementary occupations	65	135	0	0	16	27	0	0	243
Total permanent	94	254	0	16	36	100	2	18	520
Non-permanent employees	12	30	0	1	9	11	0	0	62
Grand total	106	284	0	17	45	111	2	18	582

Table 206: Occupational Categories

f) Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	2	0	1	0	0	4
Professionally qualified and experienced specialists and mid- management	0	14	0	7	3	14	2	4	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	44	0	4	7	17	0	5	86
Semi-skilled and discretionary decision making	31	109	0	2	14	47	0	10	213
Unskilled and defined decision making	45	75	0	0	10	19	0	0	149
Total permanent	86	243	0	15	34	98	2	19	497
Non- permanent employees	12	30	0	0	9	11	0	0	62
Grand total	98	273	0	15	43	109	2	19	559

Table 207: Occupational Levels



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g) Departments - Race

The following table categorize 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	4	0	2	1	3	0	0	10
Corporate Services	2	13	0	0	5	19	1	2	42
Financial Services	2	19	0	2	4	23	0	6	56
Community Services	43	99	0	5	26	53	0	4	230
Technical Services	58	142	0	6	6	7	0	2	221
Total permanent	105	277	0	15	42	105	1	14	559

Table 208: Department – Race

4.1.2 VACANCY RATE

The approved organogram for the municipality has **865** posts for the **2014/15** financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were **62** vacant at the end of **2014/15**, resulting in a vacancy rate of **7%**.

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

PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
MM & MSA section 57 & 56	5	0
Middle management	17	5
Professionals	63	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	198	31
Unskilled and defined decision making	276	19
Total	559	62
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	10	1
Corporate Services	42	4
Financial Services	56	8
Community Services	230	22
Technical Services	221	27
Total	559	62

Table 209: Vacancy rate per post and functional level



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

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

Table 210: Vacancy rate per Section 57 and 56 posts

4.1.3 EMPLOYEE TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an **increase** from **6.62%** in **2013/14** to **7.51%** in **2014/15**

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

Financial year	Total no appointments at the end of each Financial Year	New appointments (Permanent Appointments)	No Terminations during the year	Turnover Rate
2013/14	513	31	34	6.62%
2014/15	559	38	42	7.51%

Table 211: Turnover Rate

4.2 MANAGING THE MUNICIPAL WORKFORCE

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

4.2.1 INJURIES ON DUTY

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

The injury rate shows an **increase** for the **2014/15** financial year from **93** employees compared to **48** employees in the 2013/14 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	2013/14	2014/15
Office of the Municipal Manager	0	1



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Directorates	2013/14	2014/15
Corporate Services	1	0
Financial Services	3	4
Community Services	26	42
Technical Services	18	46
Total	48	93

Table 212: Injuries on duty

4.2.2 SICK LEAVE

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

The total number of sick leave days that have been taken during the 2014/15 financial year shows an **decrease** when compared with the **2013/14** financial year.

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

Department	2013/14	2014/15
Office of the Municipal Manager	35	37.5
Corporate Services	413	450.75
Financial Services	393	414.5
Community Services	1 582	1 578
Technical Services	2 252.5	2 127
Total	4 675.5	4 607.75

Table 213: 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 management of staff.

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

Approved policies	
Name of policy	Date approved
Attendance and Punctuality	4 August 2010
Employment Practice	4 August 2010
Employment Equity	4 August 2010
Employees under the Influence of Intoxicating Substances	4 August 2010
Legal Aid Policy	4 August 2010
Relocation Policy	4 August 2010
HIV/Aids Policy	4 August 2010
Internal Bursary	4 August 2010



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Approved policies	
Name of policy	Date approved
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 Scars Skills Policy	31 May 2012
Employee Assistance Policy	31 May 2012
Employment Policy	29 February 2012

Table 214: 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	2	2
Legislators, senior officials and managers	Female	4	4
	Male	7	7
Professionals	Female	8	12
	Male	11	4
Associate professionals and Technicians	Female	2	2
	Male	8	8
Clerks	Female	36	20
	Male	21	12
Service and sales workers	Female	5	3
	Male	21	19
Craft and related trade workers	Female	0	0



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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
	Male	15	10
Plant and machine operators and assemblers	Female	1	0
	Male	14	13
Elementary occupations	Female	14	7
	Male	92	71
Sub total	Female	70	48
	Male	191	146
Total		261	194

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

Table 215: Skills Matrix

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	1	0	0	0	0	0	0	0	100
	Male	4	0	0	2	2	2	2	2	100
Legislators, senior officials and managers	Female	10	0	0	4	4	4	4	4	100
	Male	32	1	1	6	6	7	7	7	100
Professionals	Female	16	1	1	11	7	12	8	150	
	Male	15	1	1	3	10	4	11	37	
Technicians and associate professionals	Female	3	2	2	0	0	2	2	100	
	Male	16	0	0	8	8	8	8	100	
Clerks	Female	69	0	3	20	33	20	36	56	
	Male	36	0	0	12	21	12	21	58	
Service and sales workers	Female	18	0	0	3	5	3	5	60	
	Male	29	0	0	19	21	19	21	91	
Craft and related trade workers	Female	0	0	0	0	0	0	0	100	
	Male	16	4	4	6	15	10	15	67	
Plant and machine operators and assemblers	Female	1	0	0	0	1	0	1	0	
	Male	48	4	4	9	10	13	14	93	



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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
Elementary occupations	Female	58	0	5	7	9	7	14	50
	Male	241	18	38	53	54	71	92	78
Sub total	Female	175	3	11	45	59	48	70	69
	Male	437	28	48	118	147	146	191	77
Total		612	35	59	163	206	194	261	75

Table 216: Skills Development

4.3.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of R 975 000 were allocated to the workplace skills plan and that 100% of the total amount was spent in the 2014/15 financial year:

Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
975 000	975 000	974 999	100

Table 217: 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 employees that received performance rewards during the 2014/15 financial year

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



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Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
	Male	2	2	100%
Disability	Female	0	0	0%
	Male	0	0	0%
Total		5	5	100%

Table 218: 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 below the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2013/14	105 570	378 497	28
2014/15	114 914	408 354	28.1

Table 219: Total Personnel Expenditure

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

Financial year	2013/14		2014/15	
	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)				
Allowance	6 922	8 140	8 140	7 982
Pension Contributions	830	137	137	9
Medical Aid Contributions	36	64	64	66
Motor vehicle allowance	0	0	0	0
Cell phone allowance	7	23	23	8
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0



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Financial year	2013/14	2014/15		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
In-kind benefits	0	0	0	0
Sub Total - Councillors	7 796	8 364	8 364	8 065
% increase/ (decrease)	12.4			3.5
Senior Managers of the Municipality				
Salary	3 412	3 085	3 085	3 656
Pension Contributions	613	602	602	656
Medical Aid Contributions	0	63	63	42
Motor vehicle allowance	696	540	540	790
Cell phone allowance	0	0	0	0
Housing allowance	0	0	0	0
Performance Bonus	757	619	540	690
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total - Senior Managers of Municipality	5 479	4 909	4 830	5 835
% increase/ (decrease)	31.9			6.1
Other Municipal Staff				
Basic Salaries and Wages	65 025	77 101	73 787	72 961
Pension Contributions	10 563	11 783	11 816	10 678
Medical Aid Contributions	4 871	5 751	5 598	5 059
Motor vehicle allowance	3 014	3 606	3 579	3 145
Cell phone allowance	0	0	0	0
Housing allowance	812	885	893	773
Overtime	5 444	4 052	4 423	6 437
Other benefits or allowances	10 578	12 947	12 703	10 197
Sub Total - Other Municipal Staff	100 306	116 125	112 798	109 250
% increase/ (decrease)	7.7%			7.4%
Total Municipality	105 785	121 034	117 629	115 085
% increase/ (decrease)	8.7			7.3%

Table 220: Analysis of Personnel Expenditure



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.5 MFMA COMPETENCIES

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

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

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

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	3	3	3	3
Any other financial officials	55	8	0	8
Supply Chain Management Officials				
Heads of supply chain management units	1	1	0	1
Total	61	14	5	14

Table 221: Financial Competency Development: Progress Report



CHAPTER 5

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 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Financial Performance						
Property rates	47 650	50 347	50 347	50 328	(0.04)	(0.04)
Service charges	224 379	248 755	248 755	240 269	(3.41)	(3.41)
Investment revenue	3 265	2 199	2 199	4 658	111.80	111.80
Transfers recognised - operational	89 101	72 045	87 955	84 008	16.61	(4.49)
Other own revenue	30 835	26 248	29 669	42 797	63.05	44.25
Total Revenue (excluding capital transfers and contributions)	395 230	399 594	418 926	422 060	5.62	0.75
Employee costs	107 116	121 034	117 629	117 169	(3.19)	(0.39)
Remuneration of councillors	7 789	8 364	8 364	8 065	(3.57)	(3.57)
Depreciation & asset impairment	17 874	17 000	16 996	26 305	54.73	54.77
Finance charges	10 672	11 603	11 513	12 814	10.44	11.30
Materials and bulk purchases	125 407	147 150	147 150	138 170	(6.10)	(6.10)
Transfers and grants	812	855	912	922	7.82	1.02
Other expenditure	122 956	88 059	108 463	95 753	8.74	(11.72)
Total Expenditure	392 626	394 065	411 027	399 198	1.30	(2.88)
Surplus/(Deficit)	2 604	5 529	7 898	22 862	313.46	189.46
Transfers recognised - capital	48 136	45 561	52 527	51 634	13.33	(1.70)
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	50 741	51 091	60 425	74 496	45.81	23.29
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	48 136	57 360	61 588	51 634	(9.98)	(16.16)
Borrowing	0	0	0	0	0	0
Internally generated funds	10 829	10 336	5 877	12 406	20.02	111.08
Total sources of capital funds	58 965	67 697	67 466	64 040	(5.40)	(5.08)
Financial position						
Total current assets	92 320	113 205	119 313	129 478	14.37	8.52



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Total non-current assets	651 278	699 587	699 587	737 515	5.42	5.42
Total current liabilities	79 697	78 565	78 565	74 220	(5.53)	(5.53)
Total non-current liabilities	105 295	111 188	110 666	159 671	43.60	44.28
Community wealth/Equity	558 607	623 039	629 668	633 103	1.62	0.55
Cash flows						
Net cash from (used) operating	69 105	74 940	79 901	98 351	31.24	23.09
Net cash from (used) investing	(59 491)	(62 922)	(72 177)	(61 188)	(2.75)	(15.22)
Net cash from (used) financing	(7 404)	(8 050)	(7 441)	(7 843)	(2.57)	5.40
Cash/cash equivalents at the year end	33 063	36 530	22 442	62 383	70.77	177.97
Cash backing/surplus reconciliation						
Cash and investments available	33 063	47 434	56 541	62 383	31.52	10.33
Application of cash and investments	110 500	111 558	114 899	156 462	40.25	36.17
Balance - surplus (shortfall)	(77 437)	(64 124)	(58 358)	(94 079)	46.72	61.21
Asset management						
Asset register summary (WDV)	598 370	644 292	648 840	648 819	0.70	(0.00)
Depreciation & asset impairment	17 874	17 000	16 996	26 305	54.73	54.77
Renewal of Existing Assets	4 011	4 548	4 327	3 981	(12.48)	(8.00)
Repairs and Maintenance	14 994	16 159	15 195	18 470	14.30	21.55
Free services						
Cost of Free Basic Services provided	12 241	15 895	15 925	14 127	(11.12)	(11.29)
Revenue cost of free services provided	15 175	21 185	21 185	17 795	(16.00)	(16.00)
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 222: Financial Performance 2014/15



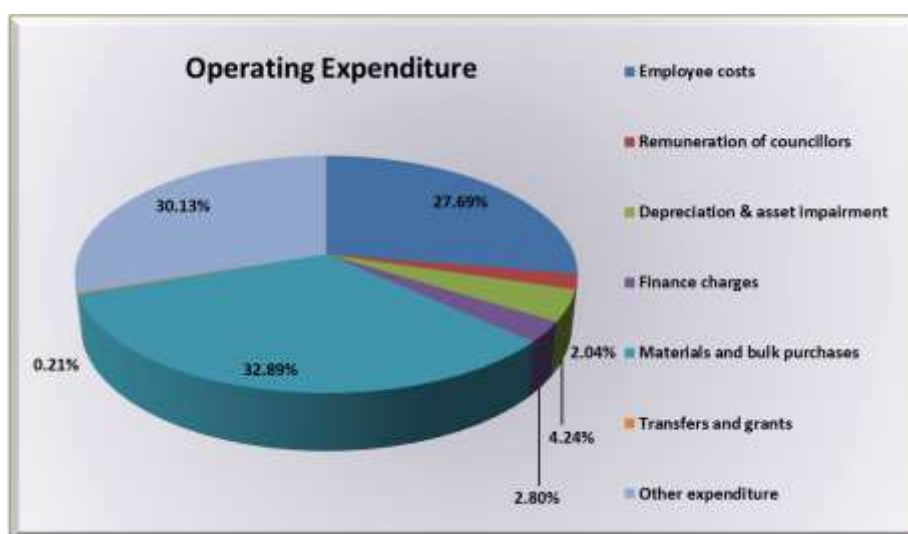
CHAPTER 5: FINANCIAL PERFORMANCE

The table below shows a summary of performance against budgets:

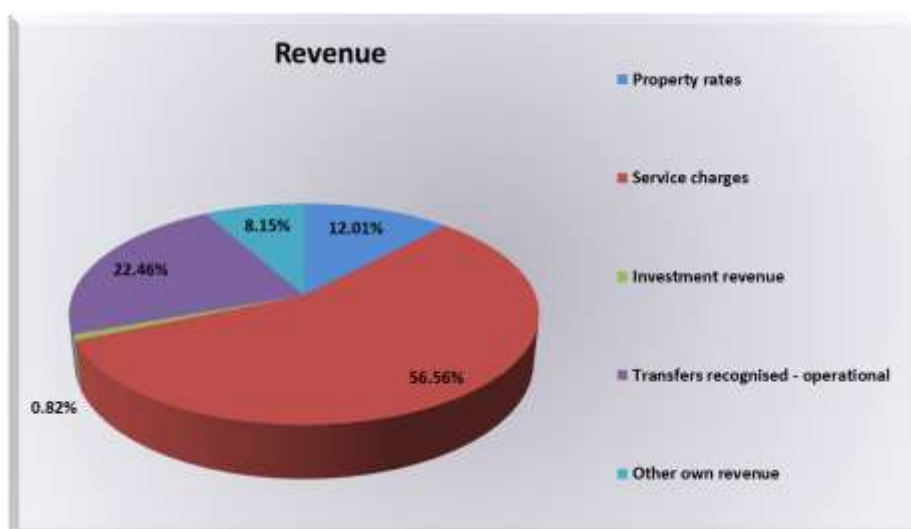
Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2013/14	401 812	395 230	(6 581)	(1.64)	402 536	392 626	9 910	2.46
2014/15	418 926	423 322	4 396	1.05	411 027	399 524	11 504	2.80

Table 223: Performance against budgets

The municipality received R423 322 million in revenue (excluding capital transfers and contributions) for the 2014/15 year of which R399 524 million was utilized for operating expenditure. The expenditure is below budget due to savings on salaries and bulk purchases.



Graph 13: High level overview of operating expenditure for 2014/15



Graph 14: High level overview of revenue for 2014/15

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote



CHAPTER 5: FINANCIAL PERFORMANCE

Vote Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Vote 1 - Executive and Council	3 309	3 994	4 070	4 139	3.64	1.72
Vote 2 - Budget and Treasury Office	59 523	63 024	64 141	64 350	2.10	0.33
Vote 3 - Corporate Services	880	2 475	2 475	11 915	381.39	381.39
Vote 4 - Planning and Development	1 011	1 308	1 165	2 275	73.97	95.25
Vote 5 - Public Safety	8 260	5 227	8 227	9 872	88.87	20.00
Vote 6 - Health	0	0	0	0	0	0
Vote 7 - Community and Social Services	58 005	64 885	65 812	59 294	(8.62)	(9.90)
Vote 8 - Sports and Recreation	24 456	6 545	8 247	20 130	207.56	144.09
Vote 9 - Housing	27 199	777	15 794	15 576	1 904.78	(1.38)
Vote 10 - Waste Management	18 749	18 733	18 733	20 710	10.55	10.55
Vote 11 - Road Transport	5 782	8 658	15 356	16 137	86.39	5.09
Vote 12 - Waste Water Management	31 700	37 205	33 899	38 645	3.87	14.00
Vote 13 - Water	44 308	47 946	49 155	38 057	(20.63)	(22.58)
Vote 14 - Electricity	158 940	183 917	183 917	172 336	(6.30)	(6.30)
Vote 15 - Environmental Management	1 246	461	461	257	(44.33)	(44.33)
Total Revenue by Vote	443 366	445 155	471 453	473 694	6.41	0.48

Table 224: Revenue by Vote

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Property rates	47 650	50 347	50 347	50 328	(0.04)	(0.04)
Property rates - penalties & collection charges	1 258	819	819	1 352	65.03	65.03
Service Charges - electricity revenue	156 352	183 430	183 430	170 034	(7.30)	(7.30)
Service Charges - water revenue	33 737	32 450	32 450	31 118	(4.10)	(4.10)
Service Charges - sanitation revenue	16 984	15 260	15 260	19 061	24.91	24.91
Service Charges - refuse revenue	17 306	18 009	18 009	20 056	11.37	11.37
Service Charges - other	0	0	0	0	0	0
Rentals of facilities and equipment	7 617	7 217	7 217	9 273	28.48	28.48
Interest earned - external investments	3 265	2 199	2 199	4 658	111.80	111.80
Interest earned - outstanding debtors	6 077	4 651	4 651	7 585	63.10	63.10
Dividends received	0	0	0	0	0	0
Fines	7 420	5 237	8 237	9 885	88.75	20.01



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Licences and permits	166	274	274	153	(44.29)	(44.29)
Agency services	3 326	3 218	3 218	3 849	19.61	19.61
Transfers recognised - operational	89 101	72 045	87 955	84 008	16.61	(4.49)
Other revenue	4 972	4 437	4 859	10 700	141.14	120.22
Gains on disposal of PPE	0	0	0	0	0	0
Total Revenue (excluding capital transfers and contributions)	395 230	399 594	418 926	422 060	5.62	0.75

Table 225: Revenue by Source

Actual revenue for the 2014/15 financial year exceeds the budgeted revenue.

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Water	18 470	18 064	17 798	17 547	2.86	1.41
Waste Water (Sanitation)	20 194	16 027	16 537	19 490	(21.60)	(17.86)
Electricity	144 803	168 187	166 828	156 492	6.95	6.20
Waste Management	25 238	23 724	23 318	25 896	(9.61)	(11.06)
Housing	29 694	3 645	18 507	17 739	(386.61)	4.15
Component A: sub-total	238 399	229 647	242 987	237 164	(3.27)	2.40
Waste Water (Storm Water Drainage)	3 889	4 291	4 390	4 224	1.56	3.80
Roads	10 517	12 026	13 301	14 282	(18.77)	(7.38)
Transport	0	0	0	0	0	0
Component B: sub-total	14 406	16 316	17 691	18 506	(13.42)	(4.61)
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)	1 186	1 286	1 281	1 254	2.44	2.06
Local Economic Development	2 555	3 251	3 120	2 921	10.13	6.38
Component C: sub-total	3 741	4 536	4 401	4 176	7.95	5.12
Community & Social Services	10 269	11 963	12 127	11 805	1.32	2.66
Environmental Protection	1 825	1 092	1 064	974	10.83	8.51
Health	0	0	0	0	0	0



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Security and Safety	12 731	13 242	15 344	17 076	(28.95)	(11.29)
Sport and Recreation	14 504	16 936	16 873	16 341	3.51	3.15
Corporate Policy Offices and Other	96 752	100 332	100 540	93 157	7.15	7.34
Component D: sub-total	136 080	143 565	145 948	139 352	2.93	4.52
Total Expenditure for the year	392 626	394 065	411 027	399 198	(1.30)	2.88

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 226: 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	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	3 309	3 994	4 070	4 139	(3.64)
Expenditure:					
Employees	(7 955)	(8 708)	(8 708)	(8 655)	0.60
Repairs and Maintenance	(25)	(46)	(48)	(28)	37.59
Other	(12 023)	(13 046)	(13 295)	(11 645)	10.74
Total Operational Expenditure	(20 003)	(21 799)	(22 050)	(20 329)	6.74
Net Operational (Service) Expenditure	(16 693)	(17 805)	(17 980)	(16 189)	9.07

Table 227: Financial Performance: Executive and Council

5.2.2 BUDGET AND TREASURY OFFICE

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	58 248	58 107	60 796	59 523	(2.44)
Expenditure:					
Employees	(12 416)	(14 274)	(13 552)	(13 705)	3.98



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Repairs and Maintenance	(58)	(44)	(54)	(24)	46.71
Other	(16 540)	(19 695)	(20 790)	(20 307)	(3.11)
Total Operational Expenditure	(29 014)	(34 013)	(34 396)	(34 036)	(0.07)
Net Operational (Service) Expenditure	30 509	29 010	29 745	30 313	(4.49)

Table 228: Financial Performance: Budget and Treasury Office

5.2.3 CORPORATE SERVICES

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	880	2 475	2 475	11 915	(381.39)
Expenditure:					
Employees	(13 512)	(15 722)	(15 270)	(16 672)	(6.04)
Repairs and Maintenance	(1 024)	(1 027)	(1 137)	(1 055)	(2.69)
Other	(23 239)	(14 331)	(14 185)	(8 300)	42.08
Total Operational Expenditure	(37 775)	(31 080)	(30 592)	(26 027)	16.26
Net Operational (Service) Expenditure	(36 895)	(28 605)	(28 117)	(14 112)	50.66

Table 229: Financial Performance: Corporate Services

5.2.4 COMMUNITY AND SOCIAL SERVICES

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	58 005	64 885	65 812	59 294	8.62
Expenditure:					
Employees	(10 783)	(12 219)	(12 340)	(12 161)	0.47
Repairs and Maintenance	(166)	(479)	(452)	(340)	28.92
Other	(1 595)	(3 331)	(3 842)	(3 759)	(12.84)
Total Operational Expenditure	(12 544)	(16 029)	(16 634)	(16 260)	(1.45)
Net Operational (Service) Expenditure	45 460	48 856	49 179	43 034	11.92

Table 230: Financial Performance: Community and Social Services



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5.2.5 SPORT AND RECREATION

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	24 456	6 545	8 247	20 130	(207.56)
Expenditure:					
Employees	(10 701)	(12 088)	(11 878)	(11 659)	3.55
Repairs and Maintenance	(1 082)	(1 214)	(1 561)	(1 218)	(0.32)
Other	(4 980)	(6 183)	(6 009)	(5 914)	4.36
Total Operational Expenditure	(16 764)	(19 486)	(19 448)	(18 791)	3.56
Net Operational (Service) Expenditure	7 693	(12 941)	(11 201)	1 339	110.35

Table 231: Financial Performance: Sport and Recreation

5.2.6 PUBLIC SAFETY

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	8 260	5 227	8 227	9 872	(88.87)
Expenditure:					
Employees	(5 060)	(7 821)	(6 667)	(6 714)	14.15
Repairs and Maintenance	(206)	(193)	(395)	(371)	(91.97)
Other	(7 465)	(5 228)	(8 282)	(9 991)	(91.09)
Total Operational Expenditure	(12 731)	(13 242)	(15 344)	(17 076)	(28.95)
Net Operational (Service) Expenditure	(4 471)	(8 015)	(7 117)	(7 203)	10.13

Table 232: Financial Performance: Public Safety

5.2.7 HOUSING

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	27 199	777	15 794	15 576	(1 904.78)
Expenditure:					
Employees	(2 207)	(2 669)	(2 434)	(1 883)	29.43
Repairs and Maintenance	(133)	(210)	(210)	(162)	22.82
Other	(27 354)	(766)	(15 863)	(15 693)	(1 947.59)
Total Operational Expenditure	(29 695)	(3 645)	(18 507)	(17 739)	(386.62)



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Net Operational (Service) Expenditure	(2 496)	(2 868)	(2 713)	(2 162)	24.61

Table 233: Financial Performance: Housing

5.2.9 PLANNING AND DEVELOPMENT

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	1 011	1 308	1 165	2 275	(73.97)
Expenditure:					
Employees	(5 054)	(5 618)	(5 618)	(5 499)	2.12
Repairs and Maintenance	(4)	(17)	(16)	(4)	78.22
Other	(1 870)	(2 615)	(2 250)	(1 772)	32.23
Total Operational Expenditure	(6 928)	(8 251)	(7 884)	(7 275)	11.82
Net Operational (Service) Expenditure	(5 918)	(6 943)	(6 719)	(5 000)	27.99

Table 234: Financial Performance: Planning and Development

5.2.10 ROAD TRANSPORT

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	5 782	8 658	15 356	16 137	(86.39)
Expenditure:					
Employees	(5 629)	(7 036)	(6 680)	(5 944)	15.53
Repairs and Maintenance	(3 769)	(4 797)	(5 713)	(6 360)	(32.59)
Other	(3 356)	(3 302)	(3 845)	(4 738)	(43.48)
Total Operational Expenditure	(12 753)	(15 136)	(16 238)	(17 042)	(12.60)
Net Operational (Service) Expenditure	(6 971)	(6 478)	(882)	(905)	86.03

Table 235: Financial Performance: Road Transport



CHAPTER 5: FINANCIAL PERFORMANCE

5.2.11 ENVIRONMENTAL PROTECTION

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	1 246	461	461	257	44.33
Expenditure:					
Employees	(1 594)	(694)	(694)	(697)	(0.31)
Repairs and Maintenance	0	0	0	0	0
Other	(231)	(398)	(370)	(277)	30.29
Total Operational Expenditure	(1 825)	(1 092)	(1 064)	(974)	10.83
Net Operational (Service) Expenditure	(579)	(631)	(603)	(717)	(13.68)

Table 236: Financial Performance: Environmental Protection

5.2.12 ELECTRICITY

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	158 940	183 917	183 917	172 336	6.30
Expenditure:					
Employees	(8 223)	(8 954)	(8 710)	(8 204)	8.38
Repairs and Maintenance	(3 826)	(4 685)	(4 012)	(3 044)	35.03
Other	(132 754)	(154 549)	(154 106)	(145 245)	6.02
Total Operational Expenditure	(144 803)	(168 187)	(166 828)	(156 492)	6.95
Net Operational (Service) Expenditure	14 137	15 730	17 089	15 844	(0.73)

Table 237: Financial Performance: Electricity

5.2.13 WATER

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	44 308	47 946	49 155	38 057	20.63
Expenditure:					
Employees	(4 834)	(4 969)	(4 945)	(5 148)	(3.60)
Repairs and Maintenance	(1 469)	(1 535)	(1 658)	(1 706)	(11.14)
Other	(12 167)	(11 559)	(11 196)	(10 693)	7.49
Total Operational Expenditure	(18 470)	(18 064)	(17 798)	(17 547)	2.86



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Net Operational (Service) Expenditure	25 838	29 882	31 357	20 510	31.36

Table 238: Financial Performance: Water

5.2.14 WASTE WATER MANAGEMENT

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	31 700	37 205	33 899	38 645	(3.87)
Expenditure:					
Employees	(9 062)	(9 275)	(9 436)	(9 613)	(3.64)
Repairs and Maintenance	(2 714)	(3 218)	(3 739)	(3 672)	(14.11)
Other	(12 307)	(7 825)	(7 751)	(10 429)	(33.28)
Total Operational Expenditure	(24 083)	(20 318)	(20 927)	(23 713)	(16.71)
Net Operational (Service) Expenditure	7 616	16 888	12 972	14 931	11.59

Table 239: Financial Performance: Waste Water Management

5.2.15 WASTE MANAGEMENT

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	18 749	18 733	18 733	20 710	(10.55)
Expenditure:					
Employees	(10 085)	(10 986)	(10 696)	(10 614)	3.38
Repairs and Maintenance	(519)	(685)	(728)	(486)	29.07
Other	(14 634)	(12 053)	(11 893)	(14 796)	(22.76)
Total Operational Expenditure	(25 238)	(23 724)	(23 318)	(25 896)	(9.16)
Net Operational (Service) Expenditure	(6 489)	(4 990)	(4 584)	(5 186)	(3.93)

Table 240: Financial Performance: Waste Management



CHAPTER 5: FINANCIAL PERFORMANCE

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the grant performance for the 2014/15 financial year:

The municipality had a total amount of R79 million for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2014/15 financial year. The performance in the spending of these grants including operating grants is summarised as follows:

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating and Capital Transfers and Grants						
National Government:	55 669	57 024	56 868	56 496	0.93	0.65
Equitable share	49 553	54 124	54 124	54 124	0	0
Municipal Systems Improvement	230	364	364	0	100.00	100.00
Department of Water Affairs	0	0	0	0	0	0
Levy replacement	0	0	0	0	0	0
Other transfers/grants [insert description]	0	0	0	0	0	0
Finance Management Grant	1 075	1 336	1 298	1 259	5.76	3.03
Transformation Funds	0	0	0	0	0	0
Municipal Infrastructure Grant	60	200	82	82	59.04	(0.29)
Housing	0	0	0	0	0	0
INEP	955	1 000	1 000	1 031	(3.14)	(3.14)
Rural Development	3 176	0	0	0	0	0
Neighbourhood Development Plan	621	0	0	0	0	0
Provincial Government:	32 360	8 642	23 586	22 089		
Health subsidy	0	0	0	0	0	0
Housing	26 664	0	15 017	15 017	0	(0.00)
Ambulance subsidy	0	0	0	0	0	0
Sports and Recreation	0	0	0	0	0	0
Other transfers/grants [insert description]	0	0	0	0	0	0
Library Services	5 551	8 418	8 345	6 979	17.10	16.37
CDW	73	140	140	94	33.21	33.21
Mainroads	71	84	84	0	100.00	100.00
Planning	0	0	0	0	0	0
PTIG	0	0	0	0	0	0
Multipurpose Centre	0	0	0	0	0	0
District Municipality:	0	0	0	0	0	0
Water & Sanitation Informal Area	0	0	0	0	0	0



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Housing Consumer Education Training	0	0	0	0	0	0
Upgrading of Streets & Sidewalks	0	0	0	0	0	0
Solid Waste	0	0	0	0	0	0
Other grant providers:	524	227	573	479		
Belgium	524	227	573	479	(111.43)	16.29
Total Operating Transfers and Grants	88 553	65 893	81 027	79 065	0	0

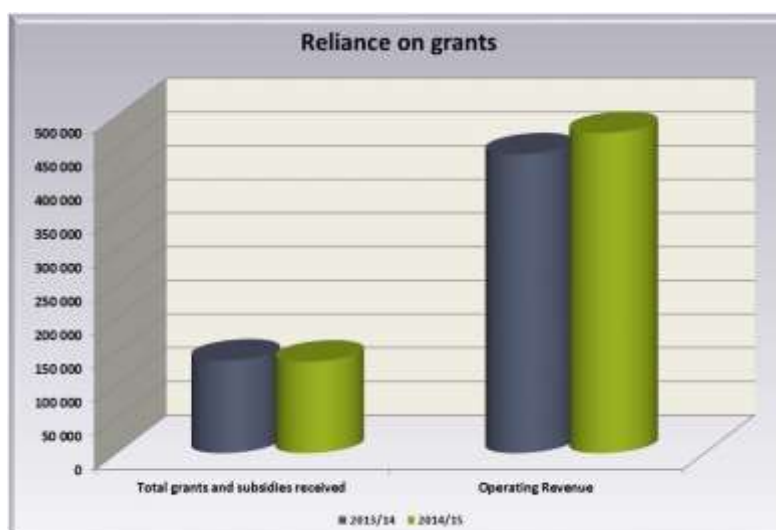
Table 241: Grant Performance for 2014/15

5.3.2 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2013/14	137 237	443 366	30.95
2014/15	135 642	473 694	28.64

Table 242: Reliance on grants

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



Graph 15: Reliance on grants

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



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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:	Vredebes Bulk Water Supply
Description:	Upgrade of water supply
Asset Type:	Infrastructure-Water
Key Staff Involved:	Relevant Line manager, Project Management, Budget Office & Supply Chain Management
Staff Responsibilities:	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.
Capital Implications:	R8 909 343
Future Purpose of Asset:	Upgrading of Water Infrastructure Service for new Housing Development in Vredebes
Describe Key Issues:	None
Policies in Place to Manage Asset:	Delegations & Asset Management Policy

Table 243: Summary of Largest Asset

Asset 2	
Name:	Bella Vista Housing Roads
Description:	Upgrade of roads
Asset Type:	Infrastructure-Roads
Key Staff Involved:	Relevant Line manager, Project Management, Budget Office & Supply Chain Management
Staff Responsibilities:	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.



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Asset 2	
Capital Implications:	R7 487 247
Future Purpose of Asset:	Upgrading of roads Infrastructure for new Housing Development in Bella Vista
Describe Key Issues:	None
Policies in Place to Manage Asset:	Delegations & Asset Management Policy

Table 244: Summary of 2nd Largest Asset

Asset 3	
Name:	Pine Valley Phase 2B Sanitation
Description:	Improved sewerage infrastructure
Asset Type:	Infrastructure-Sewerage
Key Staff Involved:	Relevant Line manager, Project Management, Budget Office & Supply Chain Management
Staff Responsibilities:	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager & Project Manager, draft the required Tender Document and see to it that the procurement procedures and regulations are complied with in obtaining the necessary goods and services.
Capital Implications:	R4 122 763
Future Purpose of Asset:	Improved Sewerage Infrastructure Services
Describe Key Issues:	None
Policies in Place to Manage Asset:	Delegations & Asset Management Policy

Table 245: 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	18 150	19 722	18 470	(1.76)

Table 246: 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.



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5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	1.16	1.76
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.97	1.69
Liquidity Ratio	Monetary Assets/Current Liabilities	0.41	0.84

Table 247: Liquidity Financial Ratio

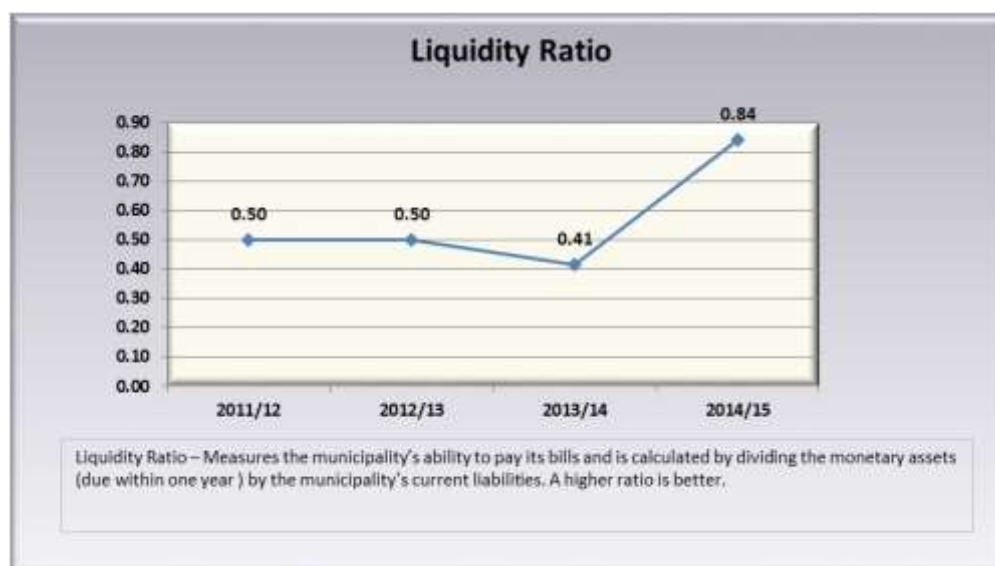
Financial year	Net current assets	Net current liabilities	Ratio
	R'000		
2013/14	92 320	79 697	1.16
2014/15	129 478	74 220	1.74

Table 248: 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 doubtful 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 2014/15:



Graph 16: Liquidity Ratio



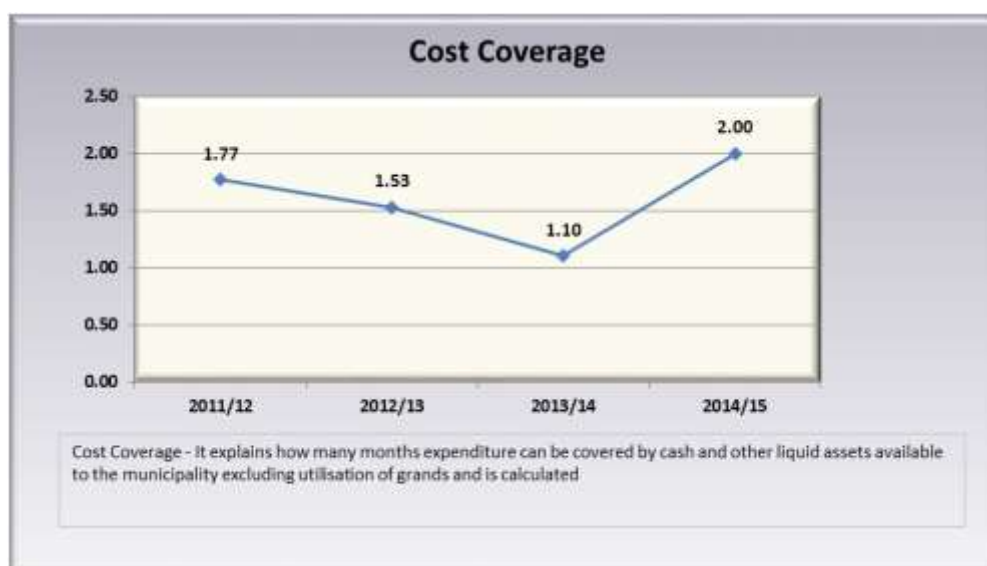
CHAPTER 5: FINANCIAL PERFORMANCE

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2013/14	2014/15
		Pre-audit outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.10	2.00
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	59%	67%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.77	27.88

Table 249: Financial Viability National KPAs

The following graph indicates the cost coverage financial viability indicator:



Graph 17: Cost Coverage



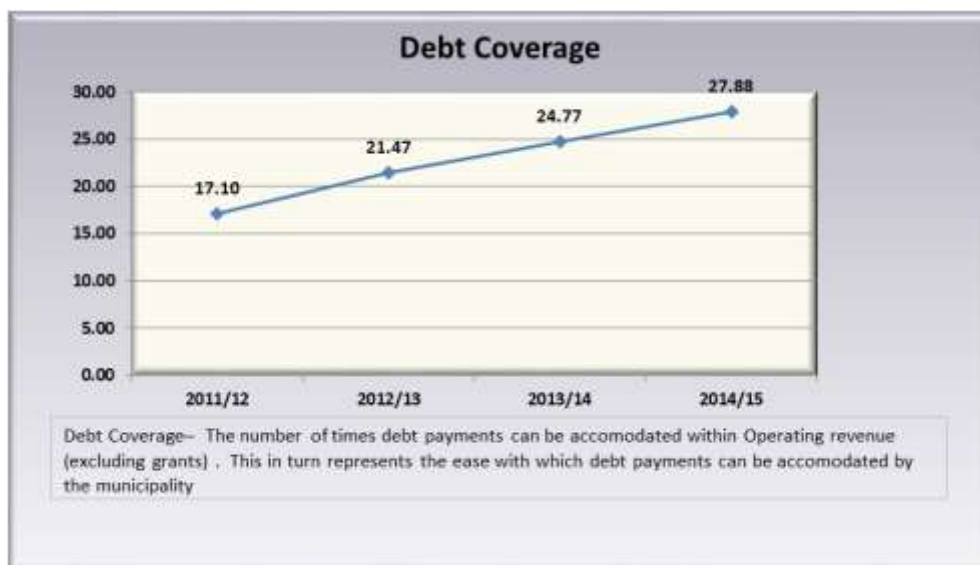
CHAPTER 5: FINANCIAL PERFORMANCE

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



Graph 18: Total Outstanding Service Debtors

The following graph indicates the debt coverage financial viability indicator:



Graph 19: Debt Coverage

5.5.3 CREDITORS MANAGEMENT

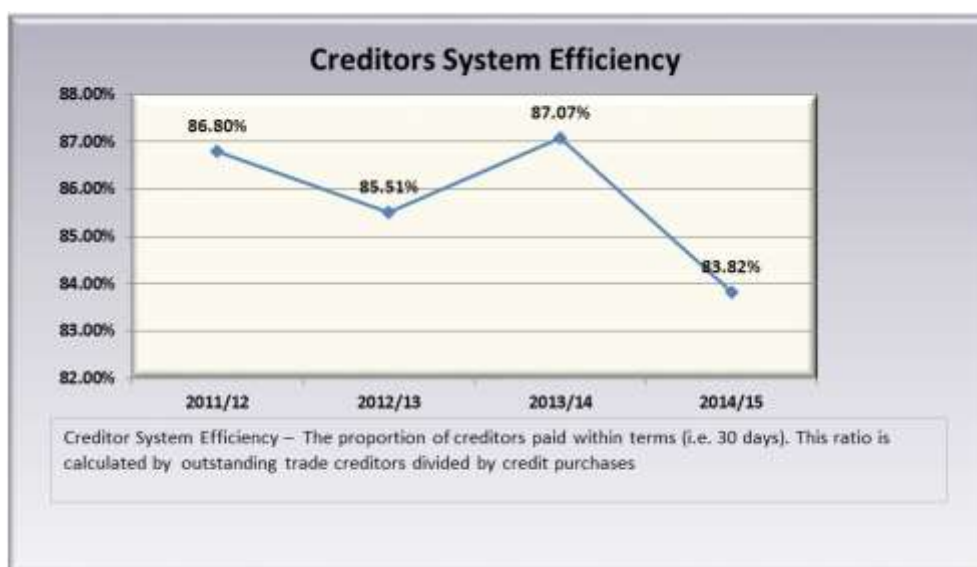
Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	87.07%	83.82%

Table 250: Creditors Management



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



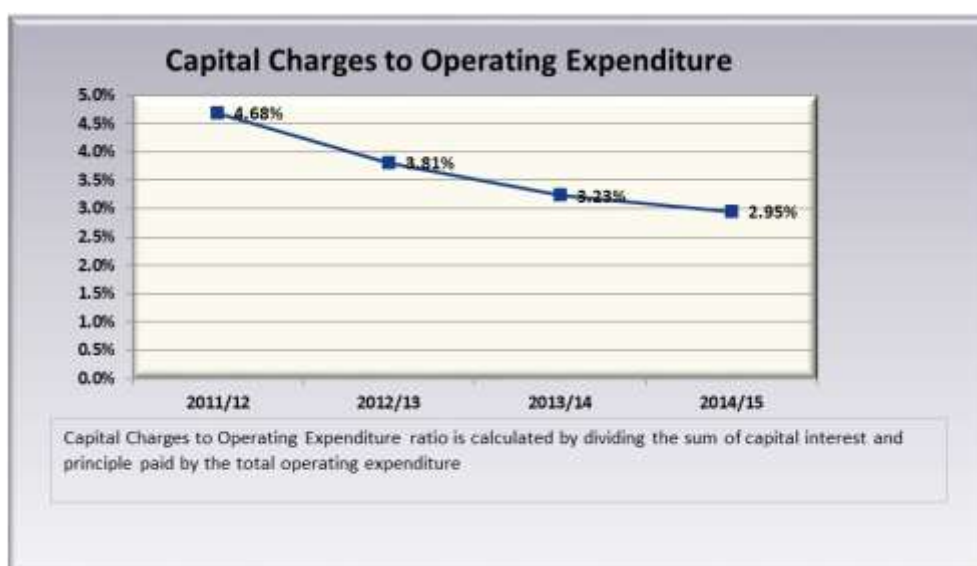
Graph 20: Creditors Ratio

5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.23%	2.95%

Table 251: Borrowing Management

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



Graph 21: Capital Charges to Operating Expenditure Ratio



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5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.09%	27.47%

Table 252: Employee Costs

The following graph indicates the employee costs ratio:



Graph 22: Employee Costs Ratio

5.5.6 REPAIRS & MAINTENANCE

Description	Basis of calculation	2013/14	2014/15
		Pre-audit outcome	Audited outcome
Repairs & Maintenance	Repairs & Maintenance/(Total Revenue excluding capital revenue)	3.79%	4.36%

Table 253: 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 important expense item.



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The following graph indicates the ratio of repairs and maintenance:



Graph 23: 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

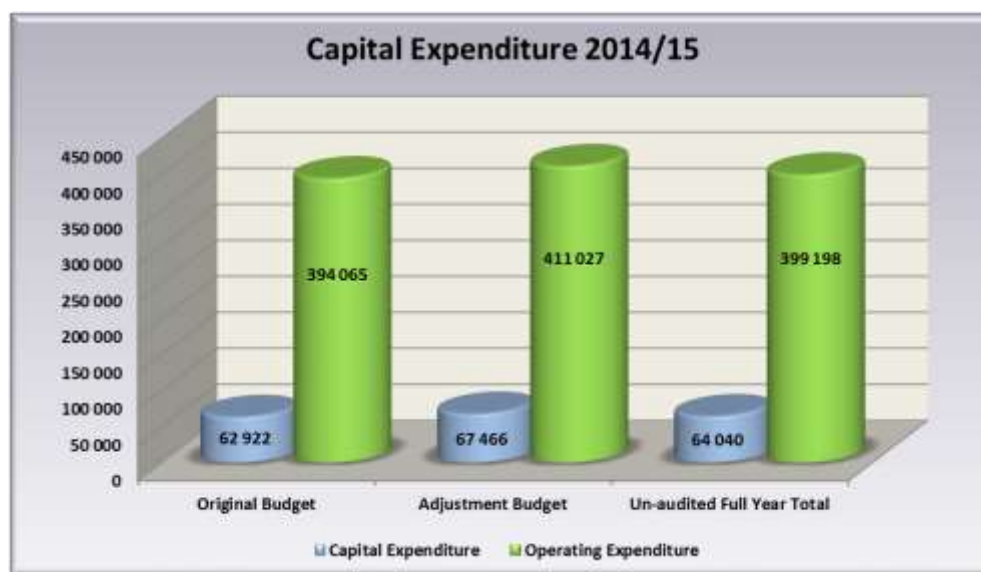
Description	Original Budget	Adjustment Budget	Unaudited Full Year Total	Original Budget variance	Adjusted Budget Variance
	R'000			%	
Capital Expenditure	62 922	67 466	64 040	(1.8)	5.1
Operating Expenditure	394 065	411 027	399 198	(1.3)	2.9
Total expenditure	456 986	478 493	463 238	(1.4)	3.2

Table 254: Capital Expenditure



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The following graph indicates the expenditure against the capital budget:



Graph 24: Capital Expenditure

5.6.1 CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
	R'000						
Capital expenditure by Asset Class							
Infrastructure - Total	37 060	51 016	55 081	53 051	39 594	83 176	65 903
Infrastructure: Road transport - Total	11 990	11 020	16 467	16 466	7 850	28 020	31 470
Roads, Pavements & Bridges	9 781	5 713	13 052	13 051	7 500	15 820	21 750
Storm water	2 210	5 308	3 415	3 415	350	12 200	9 720
Infrastructure: Electricity - Total	2 360	3 900	4 500	2 488	7 400	12 667	12 900
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	2 360	3 900	4 500	2 488	7 300	8 900	8 400
Street Lighting	0	0	0	0	100	3 767	4 500
Infrastructure: Water - Total	11 457	17 999	18 521	18 608	11 931	13 901	11 433
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	11 457	17 999	18 521	18 608	11 931	13 901	11 433
Infrastructure: Sanitation - Total	11 104	18 097	15 594	15 491	10 913	28 588	10 100
Reticulation	11 104	18 097	15 594	15 491	10 913	28 588	10 100
Sewerage purification	0	0	0	0	0	0	0
Infrastructure: Other - Total	148	0	0	0	1 500	0	0



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Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
	R'000						
Waste Management	148	0	0	0	1 500	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	17 462	6 325	8 065	6 990	875	900	0
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	2 392	5 525	5 101	4 029	625	400	0
Libraries	3 263	800	1 662	1 659	0	0	0
Recreational facilities	11 751	0	1 302	1 302	150	500	0
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	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	100	0	0
Social rental housing	56	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
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	4 327	5 581	4 319	3 998	12 099	3 800	9 407
General vehicles	1 689	1 200	856	855	950	1 950	1 600
Specialised vehicles	0	0	0	0	4 540	0	0
Plant & equipment	1 510	3 335	2 236	2 060	3 323	1 550	307
Computers & hardware/equipment	641	600	603	475	940	0	0
Furniture and other office equipment	160	446	624	608	346	300	0
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



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Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
	R'000						
Other Buildings	151	0	0	0	0	0	7 500
Other Land	0	0	0	0	2 000	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	175	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
List sub-class	0	0	0	0	0	0	0
Intangibles	116	0	0	0	200	300	300
Computers - software & programming	116	0	0	0	200	300	300
Other (list sub-class)	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	58 965	62 922	67 466	64 040	52 768	88 176	75 610
Specialised vehicles	0	0	0	0	4 540	0	0
Refuse	0	0	0	0	1 540	0	0
Fire	0	0	0	0	3 000	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

Table 255: Capital Expenditure 0 New Assets Programme

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2014/15 financial year:

Details	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R''000				%	
Source of finance						
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	48 136	57 360	61 588	51 634	9.98	16.16
Other	10 829	10 336	5 877	12 406	(20.02)	(111.08)
Total	58 965	67 697	67 466	64 040	5.40	5.08
Percentage of finance						
External loans	0.0	0.0	0.0	0.0		



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Details	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R"000				%	
Public contributions and donations	0.0	0.0	0.0	0.0		
Grants and subsidies	81.6	84.7	91.3	80.6		
Other	18.4	15.3	8.7	19.4		
Capital expenditure						
Water and sanitation	25 505	36 578	34 551	34 518	5.63	0.10
Electricity	2 813	5 100	5 606	3 583	29.75	36.09
Housing	25	0	0	0	0	0
Roads and storm water	9 781	5 713	13 052	13 051	-128.46	0.01
Other	20 842	20 306	14 256	12 888	36.53	9.59
Total	58 965	67 697	67 466	64 040	5.40	5.08
Percentage of expenditure						
Water and sanitation	43.3	54.0	51.2	53.9		
Electricity	4.8	7.5	8.3	5.6		
Housing	0.0	0.0	0.0	0.0		
Roads and storm water	16.6	8.4	19.3	20.4		
Other	35.3	30.0	21.1	20.1		

Table 256: Capital Expenditure by Funding Source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2014/15

Name of Project	2014/15			Variance Current Year: 2014/15	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
A - Vredebes Bulk Water Supply	5 000	8 909	8 909	-78%	-78%
B - Bella Vista Housing Roads	1 620	7 487	7 487	-362%	-362%
C - Pine Valley Phase 2b Sanitation	2 041	4 123	4 123	-102%	-102%
D - Pine Valley Hall	3 462	3 462	3 461	0%	0%
E - Pine Valley Phase 2b Roads	1 773	3 186	3 186	-80%	-80%

Table 257: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Vredebes Bulk Water Supply
Objective of Project	The Provision of Basic Water Services
Delays	None
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life



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Table 258: Summary of Project A

Name of Project - B	Bella Vista Housing Roads
Objective of Project	The Provision of Basic Road Services
Delays	None
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Table 259: Summary of Project B

Name of Project - C	Pine Valley Phase 2B Sanitation
Objective of Project	The Provision of Basic Sewerage Services
Delays	None
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Table 260: Summary of Project C

Name of Project - D	Pine Valley Hall
Objective of Project	The Provision of Community Services
Delays	None
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Community Services and Quality Of Life

Table 261: Summary of Project D

Name of Project - E	Pine Valley Phase 2B Roads
Objective of Project	The Provision of Basic Road Services
Delays	None
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

Table 262: Summary of Project E

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 0 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



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Households (HHs)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	Number of Households	% Households	Number of Households	% Households
Water	14 301	100	0	0
Sanitation	14 380	100	0	0
Electricity	12 738	100	0	0
Waste management	13 871	100	0	0
Housing	14 301	93	2 077	8

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*

Table 263: Service Backlogs

5.9.2 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R			%	
Infrastructure - Road transport	0	0	0	0	0
Roads, Pavements & Bridges	0	0	0	0	0
Storm water	0	0	0	0	0
Infrastructure - Electricity	0	0	0	0	0
Generation	0	0	0	0	0
Transmission & Reticulation	0	0	0	0	0
Street Lighting	0	0	0	0	0
Infrastructure - Water	8 030	10 352	10 352	22.43	0.00
Dams & Reservoirs	0	0	0	0	0
Water purification	0	0	0	0	0
Reticulation	8 030	10 352	10 352	22.43	0.00
Infrastructure - Sanitation	10 033	6 736	6 736	-48.94	0.00
Reticulation	10 033	6 736	6 736	-48.94	0.00
Sewerage purification	0	0	0	0	0
Infrastructure 0 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
Other	424	1 534	1 535	72.37	0.02
Sport Facilities Wolseley	0	1 302	1 302	100.00	0.00
Pine Valle Hall	332	137	137	(142.56)	0.00
Project Management Equipment	42	14	14	(200.76)	0.00
Operating Expenditure	50	82	82	38.96	0.29
Sport Facilities Wolseley	424	1 534	1 535	72.37	0.02



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Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R			%	
Total	18 487	18 623	18 623	0.73	0.00

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

Table 264: Municipal Infrastructure Grant (MIG)

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	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
R'000				
Receipts				
Ratepayers and other	250 862	307 740	307 740	286 567
Government 0 operating	89 101	72 271	88 529	84 008
Government 0 capital	49 292	45 561	52 760	53 661
Interest	10 600	6 850	6 850	13 595
Dividends	0	0	0	0
Payments				
Suppliers and employees	(319 266)	(352 347)	(370 919)	(325 744)
Finance charges	(10 672)	(4 282)	(4 267)	(12 814)
Transfers and Grants	(812)	(855)	(792)	(922)
Net cash from/(used) operating activities	69 105	74 940	79 901	98 351
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	278	0	0	3 006
Decrease (Increase) in non-current debtors	45	0	0	(155)
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(59 814)	(67 697)	(74 125)	(64 040)
Net cash from/(used) investing activities	(59 491)	(67 697)	(74 125)	(61 188)
Cash flows from financing activities				
Receipts				



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Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
R'000				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	178	0	0	434
Payments				
Repayment of borrowing	(7 582)	(8 050)	(7 441)	(8 277)
Net cash from/(used) financing activities	(7 404)	(8 050)	(7 441)	(7 843)
Net increase/ (decrease) in cash held	2 210	(807)	(1 665)	29 320
Cash/cash equivalents at the year begin:	30 853	32 562	22 159	33 063
Net increase on Cash/cash equivalents at the year-end:	33 063	31 755	20 494	62 383

Table 265: 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						
2013/14	18 422	86 536	52 152	2 042	1 983	161 136
2014/15	20 176	99 048	63 120	2 350	5 896	190 590
Difference	1 754	12 512	10 967	307	3 913	29 454
% growth year on year	10	14	21	15	197	18

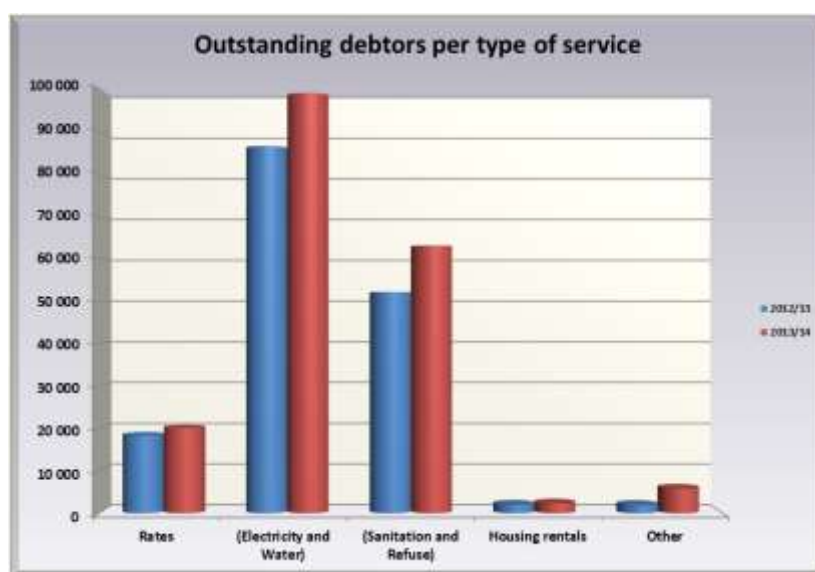
Note: Figures exclude provision for bad debt.

Table 266: Gross outstanding debtors per service



CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the total outstanding debt per type of service for 2014/15



Graph 25: 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				
2013/14	46 247	3 630	2 440	108 818	161 136
2014/15	45 424	4 488	6 081	134 597	190 590
Difference	(823)	858	3 641	25 779	29 454
% growth year on year	(2)	24	149	24	18

Note: Figures exclude provision for bad debt.

Table 267: Service debtor age analysis

As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2014 is set out below:

- the gross outstanding debtors increased with a staggering 29.4% in relation to the 2013/14 financial year;
- the leading contributors to the outstanding debt are water at 33% and sanitation and refuse at 30%; and
- debts older than 90 days constitutes 64% of total outstanding debt.

5.13 BORROWING AND INVESTMENTS

5.13.1 ACTUAL BORROWINGS

Instrument	2013/14	2014/15
	R'000	
Long-Term Loans (annuity/reducing balance)	33 999	27 208

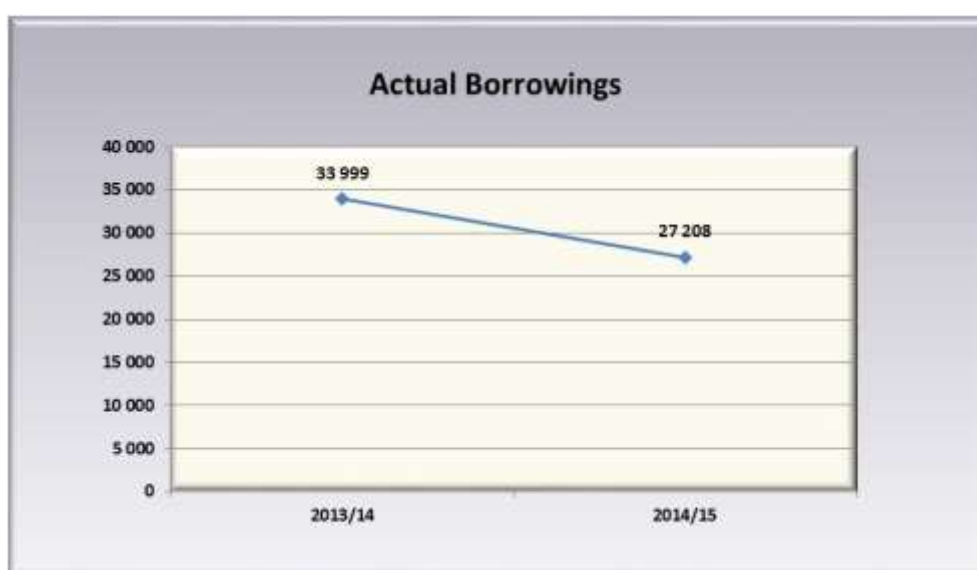


CHAPTER 5: FINANCIAL PERFORMANCE

Instrument	2013/14	2014/15
	R'000	
Long-Term Loans (non-annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non-Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
Municipality Total	33 999	27 208

Table 268: Actual Borrowings

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



Graph 26: Actual Borrowings

5.13.2 MUNICIPAL INVESTMENTS

Investment type	2013/14	2014/15
	R'000	
Securities - National Government	0	0
Listed Corporate Bonds	0	0
Deposits - Bank	33 063	62 383
Deposits - Public Investment Commissioners	0	0
Deposits - Corporation for Public Deposits	0	0



CHAPTER 5: FINANCIAL PERFORMANCE

Investment type	2013/14	2014/15
	R'000	R'000
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	105	105
Municipality Total	33 168	62 488

Table 269: Municipal Investments

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

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

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

5.15 GRAP COMPLIANCE

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

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

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION

6.1 AUDITOR-GENERAL REPORTS 2013/14

The following table provide the details on the audit outcomes for the 2013/14 financial year with the correctives steps implemented:

Auditor-General Report on Financial Performance 2013/14	
Status of the audit report:	Unqualified
2013/14	
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Significant uncertainties</u>	
As disclosed in note 3 and 4 to the financial statements, the municipality has provided for an impairment of R102 989 971 (2012-13: R80 738 125) on receivables from exchange transactions and an impairment of R20 882 096 (2012-13: R12 596 725) on receivables from non-exchange transactions. This represents 72.16% (2012-13: 70.58%) and 77.95% (2012-13: 75.17%) of receivables from exchange and non-exchange transactions respectively.	A report for the write-off of irrecoverable debt will be submitted to Council.

Table 1: 2013/14 Detail on audit outcomes

6.2 AUDITOR GENERAL REPORT 2014/15

The following table provide the details on the audit outcomes for the 2014/15 financial year with the correctives steps implemented:

Auditor-General Report on Financial Performance 2014/15	
Status of the audit report:	Unqualified
2014/15	
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 and 4 to the financial statements, the municipality has provided for an impairment of R121 824 204 (2013-14: R102 989 970) on receivables from exchange transactions and an impairment of R30 652 341 (2013-14: R20 882 096) on receivables from non-exchange transactions. This represents 71.49% (2013-14: 72.16%) and 81.49% (2013-14: 77.95%) of receivables from exchange and on exchange transactions respectively.	Council resolved that a workshop be held to discuss the write-off of irrecoverable debt.
<u>Significant uncertainties</u>	
With reference to note 51 to the financial statements, the municipality is at risk regarding the payment of claims relating to contractual disputes from third parties. The amounts in this regard were uncertain at year-end and no provision for any liability that may result has been made in the financial statements.	Management are aware of these issues and legal assistance is used when applicable.
<u>Restatement of corresponding figures</u>	
As disclosed in notes 39 to the financial statements, the corresponding figures for 30 June 2014 have been restated, as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.	None

Table 2: 2014/15 Detail on audit outcomes

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

ABBREVIATIONS

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
OPEX	Operating expenditure
PMS	Performance Management System

ABBREVIATIONS

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

2015



Annual Financial Statements

30 June 2015



WC022 – WITZENBERG MUNICIPALITY

AUDITED - Trim ref 05/03/1



WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Witzenberg Municipality includes the following areas:

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

MUNICIPAL MANAGER

D Nasson

CHIEF FINANCIAL OFFICER

HJ Kritzinger

REGISTERED OFFICE

50 Voortrekker Street, Ceres, 6835

AUDITORS

Auditor-General South Africa

PRINCIPAL BANKERS

Standard Bank, Ceres

RELEVANT LEGISLATION

The Constitution of the Republic of South Africa
Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal 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
Remuneration of Public Office Bearers Act
Workman's Compensation Act

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	Fredericks, JP	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	Daniels, 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	Smith, A	ANC	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.



D Nasson
Municipal Manager

6/11/2015

Date

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 R	2014 R
ASSETS			
Current Assets		129 478 305	92 320 430
Cash and Cash Equivalents	2	62 383 031	33 062 877
Receivables from exchange transactions	3	48 232 577	39 723 312
Receivables from non-exchange transactions	4	6 057 375	5 905 223
Inventory	5	7 324 084	7 552 227
Current Portion of Long-term Receivables	6	52 300	59 931
Unpaid Conditional Government Grants and Receipts	7	821 870	1 977 543
VAT Receivable (net)	8	4 607 068	4 039 317
Non-current assets held for sale	9	-	-
Non-Current Assets		737 515 236	651 278 318.79
Long-Term Receivables	6	113 693	114 767
Non-Current Investments	10	105 062	105 062
Property, Plant and Equipment	11	648 818 500	598 370 230
Intangible Assets	12	722 757	1 348 948
Investment Property	13	49 009 502	49 596 404
Heritage assets	14	550 000	550 000
Operating Lease Asset	15	21 535	25 448
Capitalised Restoration Cost	16	38 174 187	1 167 460
Total Assets		866 993 541	743 598 749
LIABILITIES			
Current Liabilities		74 219 581	79 696 860
Payables from exchange transactions	17	46 113 591	37 432 084
Consumer Deposits	18	2 474 778	2 040 705
Provisions	19	-	16 656 258
Current Employee benefits	20	12 991 960	12 980 380
Unspent Conditional Government Grants and Receipts	7	2 148 270	1 277 509
Unspent Public Contributions	21	1 631 250	1 019 460
Current Portion of Long-term Liabilities	22	8 859 732	8 290 463
Non-Current Liabilities		159 670 864	105 294 872
Long-term Liabilities	22	18 348 679	25 708 909
Non-Current Provisions	23	66 794 185	8 484 964
Employee benefits	24	74 528 000	71 101 000
Total Liabilities		233 890 445	184 991 732
Net Assets		633 103 096	558 607 017
Capital Replacement Reserve	25	9 430 377	9 218 922
Accumulated Surplus		623 672 719	549 388 095
Total Net Assets and Liabilities		866 993 541	743 598 749

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 (Actual) R	2014 (Restated) R	2014 Correction of error R	2014 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		204 553 707	194 935 609	-	194 935 609
Taxation Revenue		51 679 412	48 907 310	-	48 907 310
Property rates	26	50 327 630	47 649 701	-	47 649 701
Property Rates - penalties imposed and collection charges		1 351 782	1 257 609	-	1 257 609
Transfer Revenue		152 874 295	146 028 299	-	146 028 299
Fines		9 884 849	7 419 740	-	7 419 740
Government Grants and Subsidies - Capital	27	51 634 066	48 136 433	-	48 136 433
Government Grants and Subsidies - Operating	27	84 008 296	89 100 522	-	89 100 522
Public Contributions and Donations		7 347 084	1 371 604	-	1 371 604
Revenue from Exchange Transactions		269 140 377	248 430 873	-	248 430 873
Service Charges	28	240 269 470	224 378 974	-	224 378 974
Rental of Facilities and Equipment		9 272 786	7 616 617	-	7 616 617
Interest Earned - external investments		4 657 957	3 265 431	-	3 265 431
Interest Earned - outstanding debtors		7 585 300	6 076 841	-	6 076 841
Licences and Permits		152 857	166 042	-	166 042
Agency Services		3 849 268	3 326 448	-	3 326 448
Other Income	29	3 352 336	3 597 881	-	3 597 881
Unamortised Discount - Interest		403	2 639	-	2 639
Total Revenue		473 694 084	443 366 482	-	443 366 482
EXPENDITURE					
Employee related costs	30	115 935 927	107 051 074	-	107 051 074
Remuneration of Councillors	31	8 064 895	7 788 802	-	7 788 802
Debt Impairment	32	26 525 951	27 825 458	-	27 825 458
Collection Costs		518 789	155 152	-	155 152
Depreciation and Amortisation	33	26 304 625	17 873 964	1 705 235	16 168 729
Repairs and Maintenance		18 470 170	14 993 566	467 249	14 526 317
Unamortised Discount - Interest paid		1 485 916	1 701 071	-	1 701 071
Finance Charges	35	12 814 203	10 671 992	-	10 671 992
Bulk Purchases	36	138 170 284	125 406 539	-	125 406 539
Contracted services		29 221 334	37 122 419	205 557	36 916 862
Grants and Subsidies	37	921 770	812 208	-	812 208
General Expenses	38	33 528 838	31 571 136	(113 937)	31 685 073
Total Expenditure		411 962 702	382 973 381	2 264 104	380 709 277
Gain / (loss) on disposal of assets (Impairment loss)	34	4 145 450 (22 534)	(749 801) (278 483)	-	(749 801) (278 483)
Gain on Adjustment of Provision		4 581 861	-	-	-
Inventories: (Write-down) / Reversal of write-down		(1 302)	(98 526)	-	(98 526)
Gain / (loss) on Actuarial Valuations	24	4 061 222	(8 566 234)	(10 058 000)	1 491 766
NET SURPLUS FOR THE YEAR		74 496 079	50 700 057	(12 322 104)	63 022 161

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2013		8 565 886	506 731 018	515 296 904
Correction of error	39.16	-	(7 389 943)	(7 389 943)
Restated Balance at 1 JULY 2013		8 565 886	499 341 075	507 906 961
Contribution to Capital Replacement Reserve		13 309 519	(13 309 519)	-
Property, Plant and Equipment purchased		(12 656 483)	12 656 483	-
Net Surplus for the year		-	63 022 161	63 022 161
Correction of error			(12 322 104)	(12 322 104)
Balance at 30 JUNE 2014		9 218 922	549 388 095	558 607 017
Contribution to Capital Replacement Reserve		12 503 989	(12 503 989)	-
Property, Plant and Equipment purchased		(12 292 534)	12 292 534	-
Net Surplus for the year		-	74 496 079	74 496 079
Balance at 30 JUNE 2015		9 430 377	623 672 719	633 103 096

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 JUNE 2015 R	30 JUNE 2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Taxation	40	48 573 644	44 204 297
Sales of goods and services		237 993 841	206 657 729
Government Grants		137 668 796	138 392 645
Interest		13 595 039	10 599 881
Payments			
Employee costs		(108 436 126)	(101 216 041)
Suppliers		(217 308 150)	(218 049 743)
Finance charges	35	(12 814 203)	(10 671 992)
Transfers and Grants		(921 770)	(812 208)
Cash generated by operations	40	98 351 072	69 104 568
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	11	(64 026 341)	(59 697 400)
Purchase of Investment property		-	-
Purchase of Intangible Assets		(13 300)	(116 241)
Proceeds on Disposal of Fixed Assets		3 006 344	277 520
Increase/(Decrease) in Long-term Receivables	6	(154 816)	44 900
Net Cash from Investing Activities		(61 188 114)	(59 491 221)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(8 276 877)	(7 581 800)
Increase in Consumer Deposits		434 073	178 074
Net Cash from Financing Activities		(7 842 804)	(7 403 726)
NET INCREASE/(DECREASE IN CASH AND CASH EQUIVALENTS)		29 320 154	2 209 621
Cash and Cash Equivalents at the beginning of the year		33 062 877	30 853 256
Cash and Cash Equivalents at the end of the year	2	62 383 031	33 062 877
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		29 320 154	2 209 621

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2011

	Actual 2015 R	Approved budget 2015 R	Adjustments 2015 R	Final budget 2015 R	Difference between final budget and actual	Actual 2014 R
Operating Revenue						
Property rates	50 327 630	50 347 050	-	50 347 050	0.0%	47 649 701
Property Rates - penalties imposed and collection charges	1 351 782	819 110	-	819 110	65.0%	1 257 609
Fines	9 884 849	5 236 900	3 000 000	8 236 900	20.0%	7 419 740
Government Grants and Subsidies - Capital	51 634 066	45 561 411	6 965 626	52 527 037	-1.7%	48 136 433
Government Grants and Subsidies - Operating	84 008 296	72 044 637	15 910 120	87 954 757	-4.5%	89 100 522
Public Contributions and Donations	7 347 084	461 496	345 951	807 447	809.9%	1 371 604
Service Charges	240 269 470	248 755 395	-	248 755 395	-3.4%	224 378 974
Rental of Facilities and Equipment	9 272 786	7 217 450	-	7 217 450	28.5%	7 616 617
Interest Earned - external investments	4 657 957	2 199 230	-	2 199 230	111.8%	3 265 431
Interest Earned - outstanding debtors	7 585 300	4 650 710	-	4 650 710	63.1%	6 076 841
Licences and Permits	152 857	274 380	-	274 380	-44.3%	166 042
Agency Services	3 849 268	3 218 300	-	3 218 300	19.6%	3 326 448
Other Income	3 352 336	4 369 430	75 500	4 444 930	-24.6%	3 597 881
Unamortised Discount - Interest	403	-	-	-	-	2 639
Total revenue	473 694 084	445 155 499	26 297 197	471 452 696	-0.5%	443 366 482
Operating Expenditure						
Employee related costs	115 935 927	121 034 014	(3 405 346)	117 628 668	1.4%	107 051 074
Remuneration of Councillors	8 064 895	8 363 875	-	8 363 875	3.6%	7 788 802
Debt Impairment	26 525 951	15 000 000	3 000 000	18 000 000	-47.4%	27 825 458
Collection Costs	518 789	761 750	(140 000)	621 750	16.6%	155 152
Depreciation and Amortisation	26 304 625	17 000 000	(3 674)	16 996 326	-54.8%	17 873 964
Repairs and Maintenance	18 470 170	18 150 123	1 571 807	19 721 930	6.3%	14 993 566
Unamortised Discount - Interest paid	1 485 916	1 482 197	-	1 482 197	-0.3%	1 701 071
Finance Charges	12 814 203	11 602 542	(89 330)	11 513 212	-11.3%	10 671 992
Bulk Purchases	138 170 284	147 149 999	-	147 149 999	6.1%	125 406 539
Contracted services	29 221 334	11 972 710	17 809 267	29 781 977	1.9%	37 122 419
Grants and Subsidies	921 770	854 890	57 600	912 490	-1.0%	812 208
Operating Grant Expenditure	-	-	-	-	-	-
Other expenses	20 764 141	40 692 588	-1 837 544	38 855 044	46.6%	41 264 180
Total expenditure	399 198 005	394 064 688	16 962 780	411 027 468	2.9%	392 666 425
Surplus/(deficit) for the period	74 496 079	51 090 811	9 334 417	60 425 228	-23.3%	50 700 057
Operating expenditure by vote						
Budget & Treasury Office	34 036 390	34 013 203	382 988	34 396 191	1.0%	29 054 493
Civil Services	81 438 960	74 130 760	1 212 962	75 343 722	-8.1%	78 308 535
Community & Social Services	18 958 602	19 074 346	512 849	19 587 195	3.2%	15 942 068
Corporate Services	24 323 902	28 371 978	(38 497)	28 333 481	14.2%	35 846 539
Electro Technical Services	157 691 166	170 136 243	(1 782 131)	168 354 112	6.3%	146 018 369
Executive & Council	22 029 582	23 854 765	158 502	24 013 267	8.3%	21 697 658
Housing	17 738 684	3 645 321	14 861 764	18 507 085	4.2%	29 694 819
Planning	4 353 887	5 000 145	(236 386)	4 763 759	8.6%	4 373 343
Public Safety	19 835 801	16 352 325	1 928 234	18 280 559	-8.5%	14 967 089
Sport & Recreation	18 791 031	19 485 602	(37 505)	19 448 097	3.4%	16 763 515
Total operating expenditure by vote	399 198 005	394 064 688	16 962 780	411 027 468	2.88%	392 666 428
Capital expenditure by vote						
Budget & Treasury Office	118 232	100 000	19 000	119 000	0.6%	135 394
Civil Services	47 568 405	42 290 323	5 313 245	47 603 568	0.1%	36 821 530
Community & Social Services	6 064 452	6 923 581	416 427	7 340 008	17.4%	6 240 077
Corporate Services	547 864	500 000	101 800	601 800	9.0%	716 327
Electro Technical Services	3 952 399	5 100 000	878 000	5 978 000	33.9%	2 813 326
Executive & Council	-	-	-	-	-	-
Housing	-	-	-	-	-	24 511
Planning	3 351 041	5 207 613	(1 849 318)	3 358 295	0.2%	-
Public Safety	37 252	-	39 130	39 130	4.8%	358 010
Sport & Recreation	2 399 997	2 800 000	(374 135)	2 425 865	1.1%	11 856 135
Total capital expenditure	64 039 642	62 921 517	4 544 149	67 465 666	5.08%	58 965 310

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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 25	Employee Benefits
GRAP 26	Impairment of cash-generating assets
GRAP 100	Non-current Assets held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 31	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

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 20	Related Party Disclosures No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 32	Service Concession Arrangements: Grantor No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
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
GRAP 108	Statutory receivable 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

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- 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.

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). If the acquired item's fair value was not determinable, its 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:

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	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
		Other	3-30
Community		Other vehicles	5-67
Recreational Facilities	10-30	Plant and Equipment	5-32
Sport fields & Stadia	10-20	Specialist vehicles	7-38
Halls	5-97		
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.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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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.

<u>Investment Property</u>	<u>Years</u>
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 de-recognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.17. 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 when issued.

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

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

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

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

1.26. 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 measured 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

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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.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2	CASH AND CASH EQUIVALENTS	2015 R	2014 R
	Assets		
	Bank Accounts	62 374 606	33 054 452
	Cash Floats	8 425	8 425
	Total Cash and Cash Equivalents - Assets	62 383 031	33 062 877
	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	33 054 452	8 931 456
	Cash book balance at end of year	<u>62 374 606</u>	<u>33 054 452</u>
	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	40 465 237	12 855 343
	Bank statement balance at end of year	<u>66 875 631</u>	<u>40 465 237</u>
	ABSA Bank Limited - Account Number 350000011		
	Bank statement balance at beginning of year	758 562	164 567
	Bank statement balance at end of year	<u>33 194</u>	<u>758 562</u>
	3 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Electricity	36 181 668	30 797 719
	Water	62 866 645	55 738 272
	Housing Rentals	2 349 861	2 042 412
	Refuse	34 920 866	28 910 300
	Sewerage	28 198 798	23 241 967
	Other	2 538 818	1 982 612
	Land Sales	3 356 771	-
	Total Receivables from Exchange Transactions	170 413 427	142 713 282
	Less: Provision for Impairment	(122 180 850)	(102 989 970)
	Total Net Receivables from Exchange Transactions	48 232 577	39 723 312
	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	14 887 959	13 396 576
	Accrued Income Water	3 871 165	5 383 419
	Ageing of Receivables from Exchange Transactions:		
	(Electricity): Ageing		
	Accrued Income Electricity	14 887 959	13 396 576
	Current (0 - 30 days)	13 118 193	12 083 988
	31 - 60 Days	1 304 655	575 786
	61 - 90 Days	677 452	312 558
	+ 90 Days	6 193 408	4 428 810
	Total	36 181 668	30 797 719

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RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2015 R	2014 R
<u>(Water): Ageing</u>		
Accrued Income Water	3 871 165	5 383 419
Current (0 - 30 days)	8 283 975	9 875 827
31 - 60 Days	1 383 071	1 347 670
61 - 90 Days	1 087 458	1 084 357
+ 90 Days	48 240 977	38 047 073
Total	62 866 645	55 738 346
<u>(Housing): Ageing</u>		
Current (0 - 30 days)	44 945	47 913
31 - 60 Days	30 646	30 845
61 - 90 Days	27 683	25 908
+ 90 Days	2 246 587	1 937 745
Total	2 349 861	2 042 412
<u>(Refuse): Ageing</u>		
Current (0 - 30 days)	1 768 731	1 570 356
31 - 60 Days	734 016	658 556
61 - 90 Days	535 993	473 220
+ 90 Days	31 882 125	26 208 167
Total	34 920 866	28 910 299
<u>(Sewerage): Ageing</u>		
Current (0 - 30 days)	1 615 272	1 662 932
31 - 60 Days	604 306	542 607
61 - 90 Days	475 777	396 762
+ 90 Days	25 503 442	20 639 666
Total	28 198 798	23 241 967
<u>(Other): Ageing</u>		
Current (0 - 30 days)	110 499	76 097
31 - 60 Days	155 294	26 882
61 - 90 Days	67 955	32 291
+ 90 Days	2 205 070	1 847 268
Total	2 538 818	1 982 537
<u>(Land Sales): Ageing</u>		
61 - 90 Days	3 100 000	-
+ 90 Days	256 771	-
Total	3 356 771	-
<u>(Total): Ageing</u>		
Accrued Income	18 759 124	18 779 995
Current (0 - 30 days)	24 941 615	25 317 113
31 - 60 Days	4 211 989	3 182 347
61 - 90 Days	5 972 318	2 325 097
+ 90 Days	116 528 380	93 108 729
Total	170 413 427	142 713 281
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	102 989 970	80 738 123
Contribution to provision	19 196 877	22 260 498
Bad Debts Written Off	(5 997)	(8 652)
Balance at end of year	122 180 850	102 989 970

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2015 R	2014 R
<p>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.</p>		
4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Rates	20 176 214	18 422 228
Other Receivables	16 176 856	8 365 091
Accrued Fines	14 386 760	6 581 114
Deposits	224 615	224 615
SARS	524 110	524 110
Prepaid Expenditure	1 035 252	1 035 252
Other receivables	6 119	-
Total Receivables from Non-Exchange Transactions	36 353 070	26 787 319
Less: Provision for Impairment	(30 295 695)	(20 882 096)
Total Net Receivables from Non-Exchange Transactions	6 057 375	5 905 223
<p>Ageing of Receivables from Non-Exchange Transactions:</p> <p><u>(Rates): Ageing</u></p>		
Current (0 - 30 days)	1 723 200	2 150 235
31 - 60 Days	275 762	447 767
61 - 90 Days	108 568	114 655
+ 90 Days	18 068 684	15 709 570
Total	20 176 214	18 422 228
<p>Reconciliation of Provision for Bad Debts</p>		
Balance at beginning of year	20 882 096	12 594 725
Contribution to provision	9 413 599	8 287 371
Balance at end of year	30 295 695	20 882 096
Included in the provision for bad debt are the following amounts in respect of traffic fines:	12 638 691	5 275 762
<p>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.</p>		
5 INVENTORY		
Consumable Stores - At cost	7 307 436	7 534 457
Water - At purification cost	16 648	17 770
Total Inventory	7 324 084	7 552 227
Consumable stores materials written down due to losses as identified during the annual stores counts.	1 302	98 526
Consumable stores materials surpluses identified during the annual stores counts.	-	37
Consumable stores inventory recognised as an expense during the year	7 752 636	7 747 251

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	R	R
6 LONG-TERM RECEIVABLES		
Housing Loans	268 717	282 988
Sport Club Loans	41 553	44 363
Town Development	24 300	31 126
	<u>334 570</u>	<u>358 477</u>
Less: Unamortised Discount on Loans	(4 653)	(5 056)
Balance 1 July	(5 056)	(7 260)
Adjustment for the period	403	2 204
	<u>329 917</u>	<u>353 421</u>
Less: Current portion transferred to current receivables	(52 300)	(59 931)
Housing Loans	(20 071)	(21 331)
Sport Club Loans	(7 929)	(7 474)
Town Development	(24 300)	(31 126)
	<u>277 617</u>	<u>293 490</u>
Less: Provision for Impairment	(163 924)	(178 723)
Total Long Term Receivables	<u><u>113 693</u></u>	<u><u>114 767</u></u>
 Reconciliation of Provision for Bad Debts		
Balance at beginning of year	178 723	168 450
Contribution to provision	(14 798)	10 273
Bad Debts Written Off	-	-
Balance at end of year	<u><u>163 925</u></u>	<u><u>178 723</u></u>
 7 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
Unspent Grants	2 148 270	1 277 509
National Government Grants	585 794	31 528
Provincial Government Grants	1 562 476	1 245 981
Less: Grants spend but not yet received	821 870	1 977 543
National Government Grants	755 085	1 807 974
Provincial Government Grants	66 785	169 569
Total Conditional Grants and Receipts	<u><u>1 326 400</u></u>	<u><u>(700 034)</u></u>
Please refer to Note 27 for more information on specific grants.		
 8 VAT		
VAT PAYABLE		
VAT output in suspense	2 841 524	545 785
Total Vat payable	<u>2 841 524</u>	<u>545 785</u>
VAT RECEIVABLE		
VAT input in suspense	7 448 592	4 585 102
Total VAT receivable	<u>7 448 592</u>	<u>4 585 102</u>
NET VAT RECEIVABLE/(PAYABLE)	<u>4 607 068</u>	<u>4 039 317</u>
VAT is receivable/payable on the cash basis.		

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	R	R
9 NON-CURRENT ASSETS HELD FOR SALE		
Erven	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
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	<u>105 062</u>	<u>105 062</u>
Managements valuations of the unlisted investments are as follows:		
Ceres Koekedouw Management Committee - Joint Venture with Koekedouw Irrigation Board	105 062	105 062
	<u>105 062</u>	<u>105 062</u>
	<u><u>105 062</u></u>	<u><u>105 062</u></u>
The financial statements of the joint venture is summarised as follow:		
Income	575 596	1 401 779
Expenditure	(1 115 112)	(2 026 852)
Non-current Assets	127 416	94 903
Current Assets	2 524 251	3 918 394
Non-current Liabilities	(4 300 494)	(4 273 073)
Current Liabilities	(562 167)	(237 160)

Please note that the 2015 figures are preliminary.

Please refer to note 39.14 for amendments of prior year figures.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11 PROPERTY, PLANT AND EQUIPMENT

11.1 30 JUNE 2015

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2014	71 833 145	96 580 605	341 883 187	64 698 200	298 006	23 077 087	598 370 229
Cost	71 833 145	102 709 501	432 694 418	67 308 611	691 343	46 435 708	721 672 726
Original Cost	71 833 145	102 709 501	432 694 418	67 308 611	691 343	46 435 708	721 672 726
Accumulated Impairments	-	-	-	-	-	(528 596)	(528 596)
Original Cost	-	-	-	-	-	(528 596)	(528 596)
Accumulated Depreciation	-	(6 128 896)	(90 811 230)	(2 610 411)	(393 337)	(22 830 025)	(122 773 900)
Original Cost	-	(6 128 896)	(90 811 230)	(2 610 411)	(393 337)	(22 830 025)	(122 773 900)
Acquisitions	6 550 826	306 307	53 051 857	6 959 770	-	3 995 408	70 864 167
Impairments	-	-	-	-	-	(22 534)	(22 534)
Impairment	-	-	-	-	-	(22 534)	(22 534)
Reversals	-	-	-	-	-	-	-
Depreciation	-	(1 115 518)	(11 270 895)	(1 246 894)	(230 443)	(4 583 685)	(18 447 434)
Normal Depreciation for the year	-	(1 115 518)	(11 270 895)	(1 246 894)	(230 443)	(4 583 685)	(18 447 434)
Carrying value of disposals	(180 000)	(1 765 929)	-	-	-	-	(1 945 929)
Cost	(180 000)	(1 886 000)	-	-	-	-	(2 066 000)
Accumulated Depreciation	-	120 071	-	-	-	-	120 071
Carrying value at 30 June 2015	78 203 971	94 005 465	383 664 149	70 411 076	67 562	22 466 275	648 818 499
Cost	78 203 971	101 129 809	485 746 274	74 268 381	691 343	50 431 115	790 470 893
Original Cost	78 203 971	101 129 809	485 746 274	74 268 381	691 343	50 431 115	790 470 893
Accumulated Impairments	-	-	-	-	-	(551 131)	(551 131)
Original Cost	-	-	-	-	-	(551 131)	(551 131)
Accumulated Depreciation	-	(7 124 343)	(102 082 125)	(3 857 305)	(623 781)	(27 413 710)	(141 101 263)
Original Cost	-	(7 124 343)	(102 082 125)	(3 857 305)	(623 781)	(27 413 710)	(141 101 263)

Land and Buildings donated by Provincial government to the value of R 6 837 826 are included in acquisitions.

PROPERTY, PLANT AND EQUIPMENT CONTINUED

11.2 30 JUNE 2014

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2013	71 833 145	98 091 457	313 913 577	48 054 124	528 451	23 118 446	555 539 200
Cost	71 833 145	103 230 127	395 593 838	49 771 967	691 343	41 845 778	662 966 198
Original Cost	71 833 145	103 230 127	395 593 838	49 771 967	691 343	41 845 778	662 966 198
Accumulated Impairments	-	-	-	-	-	(449 892)	(449 892)
Original Cost	-	-	-	-	-	(449 892)	(449 892)
Accumulated Depreciation	-	(5 138 671)	(81 680 261)	(1 717 843)	(162 892)	(18 277 439)	(106 977 107)
Original Cost	-	(5 138 671)	(81 680 261)	(1 717 843)	(162 892)	(18 277 439)	(106 977 107)
Acquisitions	-	55 374	37 316 953	17 543 847	-	4 781 225	59 697 400
Transfers	-	-	-	(7 203)	-	7 203	-
Cost	-	-	-	(7 203)	-	7 203	-
Impairments	-	-	-	-	-	(78 704)	(78 704)
Impairments	-	-	-	-	-	(78 704)	(78 704)
Depreciation	-	(1 019 025)	(9 250 051)	(892 568)	(230 445)	(4 648 596)	(16 040 687)
Normal Depreciation for the year	-	(1 019 025)	(9 250 051)	(892 568)	(230 445)	(4 648 596)	(16 040 687)
Carrying value of disposals	-	(547 200)	(97 291)	-	-	(102 488)	(746 979)
Cost	-	(576 000)	(216 374)	-	-	(198 499)	(990 872)
Accumulated Depreciation	-	28 800	119 082	-	-	96 010	243 893
Carrying value at 30 June 2014	71 833 145	96 580 605	341 883 187	64 698 200	298 006	23 077 087	598 370 229
Cost	71 833 145	102 709 501	432 694 418	67 308 611	691 343	46 435 708	721 672 726
Original Cost	71 833 145	102 709 501	432 694 418	67 308 611	691 343	46 435 708	721 672 726
Accumulated Impairments	-	-	-	-	-	(528 596)	(528 596)
Original Cost	-	-	-	-	-	(528 596)	(528 596)
Accumulated Depreciation	-	(6 128 896)	(90 811 230)	(2 610 411)	(393 337)	(22 830 025)	(122 773 900)
Original Cost	-	(6 128 896)	(90 811 230)	(2 610 411)	(393 337)	(22 830 025)	(122 773 900)

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12	INTANGIBLE ASSETS	2015	2014
		R	R
	Computer Software		
	Net Carrying amount at 1 July	1 348 949	1 854 341
	Cost	4 149 014	4 032 772
	Accumulated Amortisation	(2 800 065)	(2 178 431)
	Additions	13 300	116 241
	Amortisation for Year	(639 492)	(621 634)
	Net Carrying amount at 30 June	722 757	1 348 948
	Cost	4 162 314	4 149 014
	Accumulated Amortisation	(3 439 558)	(2 800 065)
13	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	49 596 404	50 373 251
	Cost	51 347 386	51 827 507
	Accumulated Depreciation	(1 750 982)	(1 454 256)
	Disposals	(271 736)	(480 121)
	Depreciation for the year	(315 166)	(296 726)
	Net Carrying amount at 30 June	49 009 502	49 596 404
	Cost	51 075 650	51 347 386
	Accumulated Depreciation	(2 066 148)	(1 750 982)
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		
15	OPERATING LEASE ARRANGEMENTS		
	The Municipality as Lessor (Asset)		
	Balance on 1 July	25 448	28 049
	Movement during the year	(3 913)	(2 601)
	Balance on 30 June	21 535	25 448
	 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	94 706	94 706
	1 to 5 Years	136 681	231 387
	Total Operating Lease Arrangements	231 387	326 092
	 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.		

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		R	R
16	CAPITALISED RESTORATION COST		
	Net Carrying amount at 1 July	1 167 460	1 685 617
	Cost	11 893 337	11 496 577
	Accumulated Depreciation	(10 725 877)	(9 810 960)
	Acquisitions	43 909 260	396 760
	Depreciation for the year	(6 902 533)	(914 917)
	Net Carrying amount at 30 June	38 174 187	1 167 460
	Cost	55 802 597	11 893 337
	Accumulated Depreciation	(17 628 410)	(10 725 877)
17	PAYABLES FROM EXCHANGE TRANSACTIONS		
	Trade Payables	36 122 362	24 536 438
	Deposits: Other	1 114 914	791 505
	Interest Accrued	694 140	918 795
	Other Creditors	810 106	679 310
	Library books	17 666	14 960
	Payments Received in Advance	2 554 348	4 581 862
	Pre-paid Electricity	637 202	640 981
	Retentions	4 162 853	5 268 233
	Total Trade Payables	46 113 591	37 432 084
	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	2 474 778	2 040 705
	Total Consumer Deposits	2 474 778	2 040 705
	Guarantees held in lieu of Electricity and Water Deposits	-	-
	The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.		
19	CURRENT PROVISIONS		
	Current Portion of Rehabilitation of Landfill-sites - Note 23	-	16 656 258
	Total Provisions	-	16 656 258

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

20	CURRENT EMPLOYEE BENEFITS	2015	2014
		R	R
	Current Portion of Post Retirement Benefits - Note 24	2 009 000	1 837 000
	Current Portion of Long-Service Provisions - Note 24	830 000	820 000
	Current Portion of Ex-gratia Pension Provisions - Note 24	51 000	54 000
	Staff Leave	6 311 508	6 673 194
	Performance Bonuses	730 369	690 395
	Staff Bonuses	3 060 083	2 905 791
	Total Current Employee Benefits	12 991 960	12 980 380

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	6 673 195	6 675 642
Contribution to current portion	536 489	634 133
Expenditure incurred	(898 176)	(636 580)
Balance at end of year	6 311 508	6 673 195

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.

CURRENT EMPLOYEE BENEFITS CONTINUED

Performance Bonuses

Balance at beginning of year	690 395	930 974
Contribution to current portion	730 368	516 750
Expenditure incurred	(690 394)	(757 329)
Balance at end of year	730 369	690 395

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	2 905 792	2 727 498
Contribution to current portion	5 257 225	5 092 511
Expenditure incurred	(5 102 933)	(4 914 217)
Balance at end of year	3 060 084	2 905 792

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
21 UNSPENT PUBLIC CONTRIBUTIONS		
China - Water meters	118 962	168 362
Essen Belgium	1 512 288	851 098
Total Unspent Public Contributions	<u>1 631 250</u>	<u>1 019 460</u>
Reconciliation of public contributions		
<u>China - Water meters</u>		
Opening balance	168 362	222 677
Conditions met - Transferred to revenue	(49 400)	(54 315)
Closing balance	<u>118 962</u>	<u>168 362</u>
3580 Water meters were donated by the Chinese Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.		
<u>Essen Belgium</u>		
Opening balance	851 098	401 987
Contributions received	1 091 148	754 540
Conditions met - Transferred to revenue	(429 958)	(305 429)
Closing balance	<u>1 512 288</u>	<u>851 098</u>
A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.		
22 LONG-TERM LIABILITIES		
Annuity Loans - At amortised cost	28 986 449	37 019 215
Capitalised Lease Liability - At amortised cost	53 541	297 651
	<u>29 039 990</u>	<u>37 316 866</u>
Current Portion transferred to Current Liabilities	<u>(8 859 732)</u>	<u>(8 290 463)</u>
Annuity Loans - At amortised cost	(8 806 191)	(8 046 353)
Capitalised Lease Liability - At amortised cost	(53 541)	(244 110)
	<u>20 180 258</u>	<u>29 026 403</u>
Unamortised charges on loans	<u>(1 831 579)</u>	<u>(3 317 494)</u>
Balance 1 July	(3 317 495)	(5 018 130)
Adjustment for the period	1 485 916	1 700 636
Total Long-term Liabilities - At amortised cost using the effective interest rate method	<u>18 348 679</u>	<u>25 708 909</u>
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	11 957 307	12 222 610
Payable within two to five years	20 671 357	30 844 208
Payable after five years	3 781 693	5 549 274
	<u>36 410 358</u>	<u>48 616 092</u>
Less: Future finance obligations	(7 423 909)	(11 596 877)
Present value of annuity obligations	<u>28 986 449</u>	<u>37 019 215</u>
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	54 149	260 046
Payable within two to five years	-	54 149
	<u>54 149</u>	<u>314 195</u>
Less: Future finance obligations	(608)	(16 543)
Present value of lease obligations	<u>53 541</u>	<u>297 652</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

23	NON-CURRENT PROVISIONS	2015 R	2014 R
	Provision for Rehabilitation of Landfill-sites	66 794 185	8 484 964
	Total Non-current Provisions	66 794 185	8 484 964
	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 Alfred's Hamlet - 2027 Op-die-Berg - 2019 Tulbagh - 2018 Wolseley - 2018		
	<u>Landfill Sites</u>		
	Balance 1 July	25 141 223	23 566 155
	Contribution for the year	39 327 399	396 759
	Unwinding of Interest	2 325 563	1 178 308
	Total provision 30 June	66 794 185	25 141 222
	Less: Transfer of Current Portion to Current Provisions - Note 19	-	(16 656 258)
	Balance 30 June	66 794 185	8 484 964
24	EMPLOYEE BENEFITS		
	Post Retirement Benefits	69 431 000	66 518 000
	Long Service Awards	4 818 000	4 319 000
	Ex-Gratia Pension Benefits	279 000	264 000
	Total Non-current Employee Benefit Liabilities	74 528 000	71 101 000
	<u>Post Retirement Benefits</u>		
	Balance 1 July	68 355 000	53 930 000
	Contribution for the year	2 926 000	2 719 000
	Interest Cost	6 162 000	4 304 000
	Expenditure for the year	(1 765 182)	(1 460 666)
	Actuarial Loss/(Gain)	(4 237 818)	8 862 666
	Total post retirement benefits 30 June	71 440 000	68 355 000
	Less: Transfer of Current Portion - Note 20	(2 009 000)	(1 837 000)
	Balance 30 June	69 431 000	66 518 000
	<u>Long Service Awards</u>		
	Balance 1 July	5 139 000	5 076 000
	Contribution for the year	419 000	424 000
	Interest Cost	407 000	377 000
	Expenditure for the year	(490 826)	(475 780)
	Actuarial Loss/(Gain)	173 826	(262 220)
	Total long service 30 June	5 648 000	5 139 000
	Less: Transfer of Current Portion - Note 20	(830 000)	(820 000)
	Balance 30 June	4 818 000	4 319 000
	<u>Ex-Gratia Pensions</u>		
	Balance 1 July	318 000	340 000
	Interest Cost	24 000	35 000
	Expenditure for the year	(14 770)	(22 788)
	Actuarial Loss/(Gain)	2 770	(34 212)
	Total Ex-Gratia 30 June	330 000	318 000
	Less: Transfer of Current Portion - Note 20	(51 000)	(54 000)
	Balance 30 June	279 000	264 000
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	73 812 000	59 346 000
	Contribution for the year	3 345 000	3 143 000
	Interest cost	6 593 000	4 716 000
	Expenditure for the year	(2 270 778)	(1 959 234)
	Actuarial Loss/(Gain)	(4 061 222)	8 566 234
	Total employee benefits 30 June	77 418 000	73 812 000
	Less: Transfer of Current Portion - Note 20	(2 890 000)	(2 711 000)
	Balance 30 June	74 528 000	71 101 000

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014	
EMPLOYEE BENEFITS CONTINUED			
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	239	257	
In-service (employee) non-members	252	239	
Continuation members (e.g. Retirees, widows, orphans)	62	56	
Total Members	553	552	
	2015	2014	
	R	R	
The liability in respect of past service has been estimated to be as follows			
In-service members	44 877 000	46 097 000	
Continuation members	26 563 000	22 258 000	
Total Liability	71 440 000	68 355 000	
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
	2013	2012	2011
	R	R	R
In-service members	35 087 000	38 525 020	32 437 101
Continuation members	18 843 000	18 322 792	18 578 573
Total Liability	53 930 000	56 847 812	51 015 674
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:	2015	2014	
i) Rate of interest			
Discount rate	8.94%	8.94%	
Health Care Cost Inflation Rate	8.05%	8.05%	
Net Effective Discount Rate	0.82%	0.82%	
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:	2015	2014	
	R	R	
Present value of fund obligations	71 440 000	68 355 000	
Net liability/(asset)	71 440 000	68 355 000	
The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).			

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

EMPLOYEE BENEFITS CONTINUED

	2015	2014
	R	R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	68 355 000	53 930 000
Total expenses	7 322 818	5 562 334
Current service cost	2 926 000	2 719 000
Interest Cost	6 162 000	4 304 000
Benefits Paid	(1 765 182)	(1 460 666)
Actuarial (gains)/losses	(4 237 818)	8 862 666
Present value of fund obligation at the end of the year	71 440 000	68 355 000
Less: Transfer of Current Portion - Note 20	(2 009 000)	(1 837 000)
Balance 30 June	69 431 000	66 518 000

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)
Central Assumptions	44 877	26 563	71 440

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		44 877	26 563	71 440	
Health care inflation	1%	52 567	31 115	83 682	17
Health care inflation	-1%	38 671	22 889	61 560	-14
Mortality rate	20%	31 454	18 618	50 072	-30
Mortality rate	-20%	41 656	24 657	66 313	-7

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.

496	496
-----	-----

i) Rate of interest

Discount rate	7.96%	7.96%
General Salary Inflation (long-term)	7.33%	7.33%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.59%	0.59%

2015	2014
R	R

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

Present value of fund obligations	5 648 000	5 139 000
Net liability	5 648 000	5 139 000

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

	2013	2012	2011
	R	R	R
Net liability	5 076 000	2 138 041	1 806 355

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

EMPLOYEE BENEFITS CONTINUED

	2015	2014
	R	R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	5 139 000	5 076 000
Total expenses	335 174	325 220
Current service cost	419 000	424 000
Interest Cost	407 000	377 000
Benefits Paid	(490 826)	(475 780)
Actuarial (gains)/losses	173 826	(262 220)
Present value of fund obligation at the end of the year	5 648 000	5 139 000
Less: Transfer of Current Portion - Note 20	(830 000)	(820 000)
Balance 30 June	4 818 000	4 319 000

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R'000)	% change
Central assumptions		5 648	
General salary inflation	1.00%	6 024	7%
General salary inflation	-1.00%	5 305	-6%
Withdrawal rates	20%	5 354	-5%
Withdrawal rates	-20%	5 977	6%

24.3 Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefits plans are defined benefit plans.

As at year end, the following number of employees were eligible for Ex-Gratia Pension Benefits.

	2015	2014
	38	38

i) Rate of interest

Discount rate	7.89%	7.96%
General Pension Inflation (long-term)	7.88%	7.58%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.01%	0.35%

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

	2015	2014
	R	R
Present value of fund obligations	330 000	318 000
Net liability	330 000	318 000

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

	2013	2012	2011
	R	R	R
Net liability	340 000	337 065	327 352

	2015	2014
	R	R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	318 000	340 000
Total expenses	9 230	12 212
Current service cost	-	-
Interest Cost	24 000	35 000
Benefits Paid	(14 770)	(22 788)
Actuarial (gains)/losses	2 770	(34 212)
Present value of fund obligation at the end of the year	330 000	318 000
Less: Transfer of Current Portion - Note	(51 000)	(54 000)
Balance 30 June	279 000	264 000

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

EMPLOYEE BENEFITS CONTINUED

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Total liability (R'000)	% change
Central assumptions		330	
General salary inflation	+1%	336	1.8%
General salary inflation	-1%	325	-1.5%
Withdrawal rates	+20%	329	-0.3%
Withdrawal rates	-20%	331	0.3%

24.4 Retirement funds

2015 **2014**
R **R**

CAPE JOINT PENSION FUND

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

Contributions paid recognised in the Statement of Financial Performance

477 822 346 565

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

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

Contributions paid recognised in the Statement of Financial Performance

386 124 268 669

DEFINED CONTRIBUTION FUNDS

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

Contributions paid recognised in the Statement of Financial Performance

Cape Joint Retirement Fund	12 018 628	8 145 699
Municipal Councillors Pension Fund	1 619 728	174 691
National Fund For Municipal Employees (IMATU)	132 390	92 426
SAMWU National Provident Fund	3 880 300	2 588 150
	<u>17 651 045</u>	<u>11 000 967</u>

25 NET ASSET RESERVES

Capital Replacement Reserve

9 430 377 9 218 922

Total Net Asset Reserves

9 430 377 **9 218 922**

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26	PROPERTY RATES	2015	2014
		R	R
	<u>Actual</u>		
	Rates Levied	50 961 825	48 188 638
	Business	8 650 716	8 146 910
	Building Clauses	93 802	87 916
	Rural	11 427 331	11 494 202
	Industrial	5 634 045	5 279 616
	Residential	18 121 053	16 672 881
	State	5 752 356	5 234 551
	Vacant Land	1 270 424	1 265 076
	Public Service Infrastructure	12 098	7 486
	Less: Revenue Forgone	(634 195)	(538 937)
	Total Assessment Rates	50 327 630	47 649 701
	<u>Valuations - 1 JULY</u>		
	Rateable Land and Buildings		
	Residential Property	2 588 803 500	2 573 428 670
	Commercial Property	630 110 000	635 405 000
	Industrial Property	405 495 000	408 034 000
	Informal Property	29 865 000	29 805 000
	Agricultural Purposes	5 168 699 700	5 164 284 500
	State - National/ Provincial Services	408 172 000	407 331 000
	Public Service Infrastructure	6 575 000	6 576 000
	Municipal Property		
	Vacant Property	132 493 900	123 502 400
	Total Valuation	9 370 214 100	9 348 366 570

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 2013. 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	0.734c/R	0.680c/R
Commercial	1.396c/R	1.292c/R
Industrial	1.396c/R	1.292c/R
Bona Fide Agricultural	0.184c/R	0.170c/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.

27	GOVERNMENT GRANTS AND SUBSIDIES	2015	2014
		R	R
	Unconditional Grants	54 124 000	49 553 000
	Equitable Share	54 124 000	49 553 000
	Conditional Grants	81 518 362	87 683 955
	Grants and donations	81 518 362	87 683 955
	Total Government Grants and Subsidies	135 642 362	137 236 955
	Government Grants and Subsidies - Capital	51 634 066	48 136 433
	Government Grants and Subsidies - Operating	84 008 296	89 100 522
		135 642 362	137 236 955

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

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GOVERNMENT GRANTS AND SUBSIDIES CONTINUED		2015	2014
		R	R
27.1	Equitable share		
	Opening balance	-	-
	Grants received	54 124 000	48 119 000
	Conditions met - Operating	(54 124 000)	(49 553 000)
	Write off / Transfers	-	1 434 000
	Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>-</u>
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
27.2	Local Government Financial Management Grant (FMG)		
	Opening balance	93	(60 285)
	Grants received	1 450 000	1 300 000
	Conditions met - Operating	(1 332 302)	(1 126 330)
	Conditions met - Capital	(118 232)	(113 292)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>(441)</u>	<u>93</u>
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
27.3	Municipal Systems Improvement Grant		
	Opening balance	1 155	-
	Grants received	934 000	890 000
	Conditions met - Operating	(114 844)	(296 989)
	Conditions met - Capital	(820 311)	(591 856)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>1 155</u>
	The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
27.4	Municipal Infrastructure Grant (MIG)		
	Opening balance	(650 590)	(757 665)
	Grants received	21 218 000	21 020 000
	Conditions met - Operating	(2 677 604)	(2 480 241)
	Conditions met - Capital	(18 540 637)	(18 432 684)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>(650 831)</u>	<u>(650 590)</u>
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
27.5	Housing Grants		
	Opening balance	724 435	4 565 539
	Grants received	45 873 613	34 589 068
	Conditions met - Operating	(16 815 095)	(27 132 065)
	Conditions met - Capital	(29 697 249)	(11 298 107)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>85 704</u>	<u>724 435</u>
	Housing grants was utilised for the development of erven and the erection of top structures.		
27.6	Integrated National Electrification Grant		
	Opening balance	29 959	(970 041)
	Grants received	-	3 000 000
	Conditions met - Capital	-	(2 000 000)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>29 959</u>	<u>29 959</u>
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GOVERNMENT GRANTS AND SUBSIDIES CONTINUED	2015 R	2014 R
27.7 Other Grants		
Opening balance	628 915	(4 628 951)
Grants received	14 069 183	29 474 577
Conditions met - Operating	(8 944 451)	(8 516 217)
Conditions met - Capital	(2 457 637)	(15 700 494)
Conditions still to be met/(Grant expenditure to be recovered)	3 296 010	628 915
 Various grants were received from other spheres of government (e.g. Library fund and Skills Development Grant)		
27.8 Total Grants		
Opening balance	733 967	(1 851 403)
Grants received	137 668 796	138 392 645
Conditions met - Operating	(84 008 296)	(89 104 842)
Conditions met - Capital	(51 634 066)	(48 136 433)
Write off / Transfers	-	1 434 000
Conditions still to be met/(Grant expenditure to be recovered)	2 760 401	733 967
 <u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	2 148 270	1 277 509
Unpaid Conditional Government Grants and Receipts	(821 870)	(1 977 543)
	1 326 400	(700 034)
 28 SERVICE CHARGES		
Electricity	173 256 510	158 961 479
Water	34 394 598	36 609 186
Refuse removal	24 323 464	21 877 236
Sewerage and Sanitation Charges	24 032 661	21 276 999
Bulk service levies	1 201 646	84 809
	257 208 879	238 809 709
Less: Revenue Forgone	(16 939 409)	(14 430 735)
Total Service Charges	240 269 470	224 378 974
 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.		
 29 OTHER INCOME		
Application fees - Town Planning	51 582	53 131
Building Plan Fees	922 869	674 523
Cemetery Fees	180 501	180 129
Clip Cards	123 893	145 076
Collection Fees	109 681	38 041
Damages Income	28 701	14 456
Housing	257 453	251 279
Industrial Effluent	24 907	838 618
Insurance Claims Received	266 675	427 355
Mayor's Golf Day	79 500	19 836
Re-connection fees	249 949	240 226
Refuse Bags	2 699	4 822
Skills Development Levies received	401 436	152 778
Special Projects	36 020	19 360
Sundry Income	616 470	538 251
Total Other Income	3 352 336	3 597 881

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 EMPLOYEE RELATED COSTS	2015 R	2014 R
Salaries and Wages	77 140 496	69 918 513
Bargaining Council Levy	45 221	43 523
Bonuses	5 599 841	5 595 228
Contributions For Pensions	11 333 127	11 175 573
Contributions For Medical Aids	5 101 544	4 870 724
Contributions For UIF	703 395	674 281
Group Life Insurance	1 155 608	1 245 062
Housing Benefits and Allowances	773 352	812 200
Leave Reserve	536 489	634 132
Long service awards	419 000	424 000
Overtime	6 437 202	5 443 704
Post Employment Health Care Benefits	2 926 000	2 719 000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	3 935 492	3 709 928
	<u>116 106 767</u>	<u>107 265 868</u>
Less: Employee Cost allocated elsewhere	(170 840)	(214 794)
Total Employee Related Costs	<u>115 935 927</u>	<u>107 051 074</u>

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on 5-year fixed contracts.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager

Annual Remuneration	934 813	869 950
Performance Bonuses	169 214	308 656
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	233 742	218 982
Travelling Expenses	22 718	-
Total	<u>1 468 487</u>	<u>1 505 588</u>

The performance bonus for the 2011/2012 financial year were paid during July 2013 and is included in the performance bonuses paid during the 2013 / 2014 financial year.

Remuneration of the Director Technical Services

Annual Remuneration	736 228	727 075
Performance Bonuses	130 295	112 359
Travelling Allowance	248 337	198 942
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3 569	3 722
Travelling Expenses	7 641	-
Total	<u>1 126 070</u>	<u>1 042 098</u>

Remuneration of the Director Corporate Services

Annual Remuneration	687 443	668 962
Performance Bonuses	130 295	229 444
Travelling Allowance	163 947	119 363
Contributions to UIF, Medical, Pension Funds and Bargaining Council	136 907	134 169
Travelling Expenses	31 966	-
Total	<u>1 150 558</u>	<u>1 151 937</u>

The performance bonus for the 2011/2012 financial year were paid during July 2013 and is included in the performance bonuses paid during the 2013 / 2014 financial year.

Remuneration of the Director Financial Services

Annual Remuneration	574 243	469 818
Performance Bonuses	130 295	106 871
Car Allowance	180 000	180 000
Housing Allowance	84 611	144 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	149 144	124 208
Travelling Expenses	23 813	-
Total	<u>1 142 107</u>	<u>1 024 897</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
EMPLOYEE RELATED COSTS CONTINUED		
<i>Remuneration of the Director Community Services</i>		
Annual Remuneration	723 523	676 227
Performance Bonuses	130 295	-
Car Allowance	90 000	90 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	174 323	131 864
Travelling Expenses	6 311	-
Total	1 124 452	898 091
31 REMUNERATION OF COUNCILLORS		
Executive Mayor	675 018	638 301
Deputy Mayor	551 961	519 208
Speaker	548 827	519 797
Mayoral Committee Members	1 975 391	1 895 498
Ordinary Councillors	3 409 035	3 349 530
Pension fund contributions	865 783	830 424
Medical aid contributions	38 880	36 044
Total Councillors' Remuneration	8 064 895	7 788 802
<i>In-kind Benefits</i>		
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	163 924	10 272
Receivables from exchange transactions - Note 3	11 728 586	19 527 814
Receivables from non-exchange transactions - Note 4	14 633 441	8 287 372
Total Contribution to Debt Impairment	26 525 951	27 825 458
33 DEPRECIATION AND AMORTISATION		
Property Plant and Equipment	18 447 434	16 040 687
Investment Property	315 166	296 726
Intangible Assets	639 492	621 634
Capitalised restoration cost	6 902 533	914 917
Total Depreciation and Amortisation	26 304 625	17 873 964
34 IMPAIRMENTS		
Property Plant & Equipment	22 534	278 483
Total Impairments	22 534	278 483
35 FINANCE CHARGES		
Long-term Liabilities	3 895 640	4 777 684
Ex-Gratia Pension	24 000	35 000
Post Employment Health Care Benefits	6 162 000	4 304 000
Long service awards	407 000	377 000
Capitalised restoration cost	2 325 563	1 178 308
Total finance charges	12 814 203	10 671 992
36 BULK PURCHASES		
Electricity	138 170 284	125 406 539
Total Bulk Purchases	138 170 284	125 406 539
37 GRANTS AND SUBSIDIES		
Council	293 200	219 218
Tourism	628 570	592 990
Total Grants and Subsidies	921 770	812 208

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

38	GENERAL EXPENSES	2015 R	2014 R
	Audit Fees	2 283 740	2 515 121
	Bank Charges	754 834	234 739
	Cell phone	393 738	475 662
	Chemicals	660 803	903 317
	Communication & Events	272 008	358 506
	Commission	1 532 162	1 459 675
	Connection Cost	617 673	200 300
	Consultant Fees	178 150	165 508
	Developing Projects	203 981	233 219
	Entertainment	364 000	431 586
	Eskom Electricity	1 461 121	1 482 817
	Expenditure against Public Donations	316 917	297 015
	Indigent costs	514 520	43 519
	Insurance	856 326	1 015 095
	Investigations	118 640	287 036
	Job Creation	1 185 804	-
	Membership Fees	245 011	938 251
	Printing and Stationary	1 934 934	1 853 654
	Projects	523 525	453 148
	Protective Clothing	659 197	618 927
	Professional Fees	328 153	201 699
	Refuse bags	1 741 102	1 510 530
	Rental of Offices	508 557	461 714
	Sewerage analysis	550 906	536 392
	Strategic Partnerships	289 093	334 239
	Telephone and Postage	2 178 017	1 938 257
	Training	1 480 583	945 679
	Travel and Accommodation	1 320 329	1 307 921
	TV Transponder	14 560	51 475
	Valuation Costs	71 066	392 809
	Vehicle Fleet Costs	5 387 177	5 594 649
	Veterinary Expenses	250 000	250 000
	Ward Committee Allowance	690 500	749 257
	Wards	161 033	197 661
	Water levies	705 339	251 949
	Other	2 775 339	2 879 810
	General Expenses	<u>33 528 838</u>	<u>31 571 136</u>
39	CORRECTION OF ERROR IN TERMS OF GRAP 3		
39.1	Property, Plant and Equipment		
	Balance previously reported		599 633 098
	Assets transferred from Non-current assets held for sale- Note 39.4		697 000
	Depreciation on new assets - Note 39.110 & Note 39.15		(1 681 047)
	Depreciation on new assets for 2012/2013 - Note 39.16		(278 821)
	Balance now reported		<u>598 370 230</u>
39.2	Intangible Assets		
	Balance previously reported		1 375 442
	Depreciation on intangible assets for 2013/2014 - Note 39.11		(22 333)
	Depreciation on intangible assets for 2012/2013 - Note 39.15		(4 161)
	Balance now reported		<u>1 348 948</u>
39.3	Investment property		
	Balance previously reported		45 184 991
	Assets transferred from Non-current assets held for sale- & Note 39.4		4 238 885
	Depreciation on investment property for 2013/2014 - Note 39.11		(1 855)
	Depreciation on investment property for 2012/2013 - Note 39.15		(1 855)
	Reversal of disposal - Note 39.16		176 238
	Balance now reported		<u>49 596 404</u>
39.4	Non-current assets held for sale		
	Balance previously reported		4 935 885
	Assets transferred to Property Plant and Equipment - Note 39.1		(697 000)
	Assets transferred to Investment Property - Note 39.3		(4 238 885)
	Balance now reported		<u>0</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED		R	R
39.5	Unpaid Conditional Government Grants and Receipts		
	Balance previously reported		9 258 887
	Change of financing source of capital expenditure - Note 39.16		<u>(7 281 344)</u>
	Balance now reported		<u>1 977 543</u>
39.6	Inventory		
	Balance previously reported		8 019 476
	Inventory used in repairs of sewerage network - Note 39.12 & Note 39.15		<u>(467 249)</u>
	Balance now reported		<u>7 552 227</u>
39.7	Current Employee benefits		
	Balance previously reported		12 901 380
	Correction of valuation of employee benefits - Note 39.8 & Note 39.1 & Note 39.15		<u>79 000</u>
	Balance now reported		<u>12 980 380</u>
39.8	Non Current Employee benefits		
	Balance previously reported		61 122 000
	Correction of valuation of employee benefits - Note 39.7 & Note 39.1 & Note 39.15		<u>9 979 000</u>
	Balance now reported		<u>71 101 000</u>
39.9	Payables from exchange transactions		
	Balance previously reported		37 340 464
	Recognition of creditor for cellular phone usage - Note 39.15		<u>91 620</u>
	Balance now reported		<u>37 432 084</u>
39.10	Gain / (loss) on Actuarial Valuations		
	Balance previously reported		1 491 766
	Correction of valuation of employee benefits - Note 39.7 & Note 39.8 & Note 39.15		<u>(10 058 000)</u>
	Balance now reported		<u>(8 566 234)</u>
39.11	Depreciation and Amortisation		
	Balance previously reported		16 168 729
	Depreciation on new assets - Note 39.15 & Note 39.1		1 681 047
	Depreciation on new intangible assets for 2013/2014 - Note 39.2		22 333
	Depreciation on investment property for 2012/2013 - Note 39.3		<u>1 855</u>
	Balance now reported		<u>17 873 964</u>
39.12	Repairs and Maintenance		
	Balance previously reported		14 526 317
	Inventory used in repairs of sewerage network - Note 39.6 & Note 39.15		<u>467 249</u>
	Balance now reported		<u>14 993 566</u>
39.13	Contracted services		
	Balance previously reported		36 916 862
	Security services previously included with General Expenses - Note 39.14		<u>205 557</u>
	Balance now reported		<u>37 122 419</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED		R	R
39.14	General Expenses		
	Balance previously reported		31 685 073
	Security services previously included with General Expenses - Note 39.13		(205 557)
	Recognition of creditor for cellular phone useage - Note 39.15		91 620
	Balance now reported		31 571 136
39.15	Net Surplus for the year		
	Balance previously reported		63 022 161
	Recognition of creditor for cellular phone useage - Note 39.9		(91 620)
	Inventory used in repairs of sewerage network - Note 39.12 & Note 39.6		(467 249)
	Correction of valuation of employee benefits - Note 39.7 & Note 39.8 & Note 39.10		(10 058 000)
	Depreciation on new assets - Note 39.1 & Note 39.11		(1 681 047)
	Depreciation on new intangible assets for 2013/2014 - Note 39.2		(22 333)
	Depreciation on investment property for 2013/2014 - Note 39.3		(1 855)
	Balance now reported		50 700 056
39.16	Accumulated Surplus		
	Balance previously reported		506 731 018
	Change of financing source of capital expenditure - Note 39.5		(7 281 344)
	Depreciation on new assets for 2012/2013 - Note 39.11		(278 821)
	Depreciation on new intangible assets for 2012/2013 - Note 39.2		(4 161)
	Depreciation on investment property for 2012/2013 - Note 39.3		(1 855)
	Reversal of disposal - Note 39.3		176 238
	Balance now reported		499 341 075
39.17	Ceres Koekedouw Management Committee		
	Balance previously reported: Income		17
	Financial statements for 2013/2014 received on 31 August 2015		1 401 762
	Balance now reported		1 401 779
	Balance previously reported: Expenditure		(1 906 744)
	Financial statements for 2013/2014 received on 31 August 2015		(120 108)
	Balance now reported		(2 026 852)
	Balance previously reported: Non-current Assets		103 826
	Financial statements for 2013/2014 received on 31 August 2015		(8 923)
	Balance now reported		94 903
	Balance previously reported: Current Assets		696 470
	Financial statements for 2013/2014 received on 31 August 2015		3 221 924
	Balance now reported		3 918 394
	Balance previously reported: Non-current Liabilities		(1 417 059)
	Financial statements for 2013/2014 received on 31 August 2015		(2 856 014)
	Balance now reported		(4 273 073)
	Balance previously reported: Current Liabilities		(1 289 963)
	Financial statements for 2013/2014 received on 31 August 2015		1 052 803
	Balance now reported		(237 160)

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

40	RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY	2015 R	2014 R
	Surplus/(Deficit) for the year	74 496 079	50 700 057
	Adjustments for:		
	Depreciation	25 665 134	17 252 330
	Amortisation of Intangible Assets	639 492	621 634
	Gain on disposal of property, plant and equipment	(4 145 450)	-
	Loss on disposal of property, plant and equipment	-	749 801
	Gain on Adjustment of Provision	(4 581 861)	-
	Unamortised Discount on Loans	1 485 513	1 698 432
	Debt Impairment	26 362 027	27 815 186
	Debt Impairment - Long term receivables	163 924	10 272
	Stock Adjustments	(1 302)	(98 526)
	Contribution from/to provisions	2 325 563	1 178 308
	Contribution from/to employee benefits	7 499 801	5 835 034
	Actuarial Loss	(4 061 222)	8 566 234
	Donated assets included in Public Contributions	(6 837 826)	-
	Impairment written off	22 534	278 483
	Operating lease income accrued	3 913	2 601
	Operating Surplus/(Deficit) before changes in working capital	119 036 319	114 609 846
	Changes in working capital	(20 685 248)	(45 505 273)
	Increase/(Decrease) in Trade and Other Payables	8 681 507	(7 695 453)
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	870 761	(5 351 173)
	Increase/(Decrease) in Unspent Public Contributions	611 790	394 795
	Increase/(Decrease) in Taxes	(567 751)	(1 645 023)
	(Increase)/Decrease in Inventory	229 445	(2 067 466)
	(Increase)/Decrease in Trade and other receivables	(31 666 673)	(35 643 497)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	1 155 673	6 502 544
	Cash generated/(absorbed) by operations	98 351 071	69 104 573
	41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
	Cash and Cash Equivalents - Note 2	62 383 031	33 062 877
	Investments - Note 10	105 062	105 062
		62 488 093	33 167 939
	Less:	2 148 270	1 277 509
	Unspent Committed Conditional Grants - Note 7	2 148 270	1 277 509
	Resources available for working capital requirements	60 339 823	31 890 430
	Allocated to:		
	Capital Replacement Reserve	9 430 377	9 218 922
	Employee Benefits Reserve	87 519 960	84 081 380
	Non-Current Provisions Reserve	66 794 185	8 484 964
	Shortfall in working capital requirements	(103 404 699)	(69 894 836)
	42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities - Note 22	29 039 990	37 316 866
	Used to finance property, plant and equipment - at cost	(29 039 990)	(37 316 866)
	Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

43	BUDGET COMPARISONS	2015	2014
		R	R

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

Net surplus/deficit per the statement of financial performance		74 496 079	
Adjusted for:			
Fair value adjustments	a)	4 061 222	
Depreciation and Amortisation recognised / reversed	b)	9 308 299	
Increases in debt impairment	c)	8 525 951	
Employee related cost	d)	(1 692 741)	
Finance Charges	e)	1 300 991	
Bulk Purchases	f)	(8 979 715)	
Other Expenditure	g)	1 175 924	
Rates & Service Charges	h)	7 972 673	
Grants & Donations	i)	(1 700 205)	
Other Income	j)	(1 866 286)	
 Net surplus/deficit per approved budget			 60 425 228

- a) Actuarial gains on Employee Benefits
- b) Depreciation less than expected due to slow capital spending
- c) Collection ratio less than expected. Collection of traffic fines to slow
- d) Employee cost less than budget due to vacancies not filled timeously
- e) Loans redeemed
- f) Bulk purchases less than expected.
- g) Other expenditure less than expected.
- h) Property rates increase due to the inclusion of the District Management Area .
- i) Improved spending of Grants received.
- j) 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:

Unauthorised expenditure current year - operating	7 757 172	-
Unauthorised expenditure awaiting authorisation	<u>7 757 172</u>	<u>-</u>

Unauthorised expenditure on operating votes are due to:
 - Increased depreciation on Capital Restoration cost and
 - Debt impairment of service and fines debtors..

44.2 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	-	430 556
Ratified by Accounting Officer	-	(430 556)
Irregular expenditure awaiting further action	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings
<i>Non-compliance with the supply chain management regulations.</i>	<i>Investigated report to Municipal Manager</i>

The Municipal Manager has 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.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

44.3 <u>Material Losses</u>	2015	2014
Water distribution losses		
- Kilolitres purified	7 079 144	6 938 436
- Kilolitres sold	5 615 840	5 059 681
- Kilolitres lost during distribution	1 463 304	1 878 755
- Percentage lost during distribution	20.67%	27.08%
- Value of kilolitres lost during distribution	836 035	1 028 474
- The value of kilolitres lost is based on the treatment cost of water.		
Electricity distribution losses		
- Units purchased (Kwh)	194 232 557	189 335 853
- Units sold (Kwh)	177 550 538	171 433 978
- Units lost during distribution (Kwh)	16 682 019	17 901 875
- Percentage lost during distribution	8.59%	9.46%
- Value of units lost during distribution (Kwh)	11 867 008	11 857 301
45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
45.1 <u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u>		
Opening balance	-	-
Council subscriptions	231 672	931 180
Amount paid - current year	(231 672)	(931 180)
Balance unpaid (included in Payables from exchange transactions)	-	-
45.2 <u>Audit fees - [MFMA 125 (1)(c)]</u>		
Opening balance	-	-
Current year audit fee	2 368 781	2 655 975
External Audit - Auditor-General	2 283 740	2 515 121
Internal Audit	-	(5 986)
Audit Committee	85 041	146 840
Amount paid - current year	2 368 781	2 655 975
Balance unpaid (included in Payables from exchange transactions)	-	-
45.3 <u>VAT - [MFMA 125 (1)(c)]</u>		
Opening balance	2 386 275	(1 997 217)
Amounts received - Output VAT - current year	(36 231 268)	(30 650 202)
Amounts claimed - Input VAT - current year	31 323 847	31 444 000
Amount paid - current year	3 502 345	1 592 477
Amount paid - previous year	(2 386 275)	1 997 217
Closing balance	(1 405 076)	2 386 275
Vat in suspense due to cash basis of accounting		
Input VAT	7 448 592	4 585 102
Output VAT	(2 841 524)	(545 785)
Receivable	4 607 068	4 039 317
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 <u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	13 031 218	12 810 858
Amount paid - current year	(13 031 218)	(12 810 858)
Balance unpaid (included in Payables from exchange transactions)	-	-
45.5 <u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	27 177 307	25 920 005
Amount paid - current year	(27 177 307)	(25 920 005)
Balance unpaid (included in Payables from exchange transactions)	-	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

No Councillors had arrear accounts for more than 90 days as at 30 June 2015:

During the year no Councillors had arrear accounts outstanding for more than 90 days

45.7 Discloser in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36 (2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 (1) (a)

	Amount	Single Supplier	Type of deviation		
			Impossible	Impractical	Emergency
July	449 877	3	-	26	8
August	310 137	7	1	16	12
September	323 399	5	-	12	11
October	1 769 026	7	-	15	6
November	1 463 035	6	-	33	1
December	937 343	8	-	28	10
January	292 346	9	-	8	3
February	1 967 341	14	-	27	13
March	559 621	4	-	15	5
April	813 974	7	-	15	7
May	471 177	4	-	17	4
June	3 041 203	17	-	44	11
	<u>12 398 477</u>	<u>91</u>	<u>1</u>	<u>256</u>	<u>91</u>

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

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Husband	R Williams	Dept. of Health: Nurse	R 55 760
L & E Blinds	AHE de Jongh	Husband	E de Jongh	Dept. Correctional services: Correctional officer	R 11 465
Queen's Cake	M Zimri	Wife	JJ Zimri	Department of Correctional Services; Correctional officer	R 88 657
		Mother	MM Zimri	Witzenberg Municipality: Supervisor meter readers	
SEW Plumbing	SE Williams	Wife	L Williams	Dept. of Health: Admin Officer	R 88 000
		Mother	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 109 232
		Brother	D Johnson	SAPS: Worcester	
O'neil & Visser Attorneys	CW O'neil	Husband	H O'neil	DOJ: Worcester	R 363 071
Well Earned Trading	J Schuurman	Husband	R Schuurman	WCED: Teacher	R 46 180
Vox Elektries	F Blom	Husband	M Blom	SAPS: Officer	R 105 932
Witzenberg Concrete	D Ontong	Wife	C Ontong	WCED: Teacher	R 15 602
Creative Minds	Johan Jordaan	Husband	WA Jordaan	WCED: Occupational therapist	R 4 400
J Wessels	J Wessels	Husband	M Wessels	Witzenberg Municipality: Social Worker	R 11 198
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 39 020
Freddie Opperman	Freddie Opperman	Wife	J Opperman	WCED: Teacher	R 15 620
Ivan A Pharo	I Pharo	Husband	D Pharo	WCED: Teacher	R 45 535

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

46	COMMITMENTS	2015 R	2014 R
	Commitments in respect of expenditure:		
	Approved and contracted for	34 862 077	35 485 602
	Infrastructure	14 190 064	10 667 392
	Community	748 000	8 555 278
	Other Capital	-	23 748
	Operational	19 924 013	16 239 184
	Total	34 862 077	35 485 602

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% Increase in interest rates	176 356	(4 199)
0.5% Decrease in interest rates	(176 356)	4 199

(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.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

FINANCIAL RISK MANAGEMENT CONTINUED

Balances past due not impaired:

	2015 %	2015 R	2014 %	2014 R
<u>Long Term Receivables</u>				
Rates & other	34.46%	113,693	32.47%	114,767
<u>Non-Exchange Receivables</u>				
Rates & other charges	16.66%	6,057,375	22.04%	5,905,223
<u>Exchange Receivables</u>				
Electricity	77.63%	28,086,265	80.98%	24,941,013
Water	14.34%	9,013,968	16.49%	9,192,454
Housing Rentals	5.66%	133,096	4.17%	85,117
Refuse	11.77%	4,108,468	9.01%	2,606,228
Sewerage	12.30%	3,467,962	11.33%	2,633,515
Other	16.65%	422,693	13.37%	264,984
Land Sales	100.00%	3,356,771		-
	28.51%	48,589,223	27.83%	39,723,311

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 follows:

	2015 %	2015 R	2014 %	2014 R
<u>Long Term Receivables</u>				
Rates & other	0.11%	163,924	0.14%	178,723
<u>Non-Exchange Receivables</u>				
Rates & other	19.89%	30,295,695	16.83%	20,882,096
<u>Exchange Receivables</u>				
Electricity	5.32%	8,095,403	4.72%	5,856,706
Water	35.36%	53,852,677	37.52%	46,545,818
Housing Rentals	1.46%	2,216,765	1.58%	1,957,295
Refuse	20.23%	30,812,398	21.20%	26,304,072
Sewerage	16.24%	24,730,836	16.61%	20,608,452
Other	1.39%	2,116,125	1.38%	1,717,628
	80.00%	121,824,204	83%	102,989,971

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

	2015 %	2015 R	2014 %	2014 R
Residential	86.85%	132,257,835	83.23%	103,247,043
Commercial	0.01%	22,047	0.00%	4
Business	6.77%	10,305,185	7.79%	9,660,018
Government	2.20%	3,344,205	0.80%	992,907
Other	4.17%	6,354,551	8.18%	10,150,819
	100.00%	152,283,823	100.00%	124,050,790

	2015 %	2015 R	2014 %	2014 R
<u>Exchange Receivables</u>				
Electricity	21.66%	1,273	21.58%	1,867
Water	37.63%	2,212	39.06%	3,379
Housing Rentals	1.41%	83	1.43%	124
Refuse	20.90%	1,229	20.26%	1,753
Sewerage	16.88%	992	16.29%	1,409
Other	1.52%	89	1.39%	120
	100.00%	5,879	100.00%	8,652

Bad debts written off per debtor class:

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

FINANCIAL RISK MANAGEMENT CONTINUED

**2015
R**

**2014
R**

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:

Long term receivables	165 993	227 666
Receivables from exchange transactions	48 232 577	33 639 420
Receivables from non-exchange transactions	6 057 375	1 778 704
Cash and Cash Equivalents	62 383 031	30 853 256
Non-Current Investments	105 062	105 062
Unpaid conditional grants and subsidies	821 870	15 678 100
	<u>117 765 908</u>	<u>82 282 208</u>

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2015				
Long Term liabilities	12 010 848	20 671 357	3 776 013	-
Capital repayments	8 859 732	16 769 605	3 404 972	-
Interest	3 151 116	3 901 752	371 041	-
Trade and Other Payables	44 170 905	-	-	-
Unspent conditional government grants and receipts	2 148 270	-	-	-
	<u>58 330 023</u>	<u>20 671 357</u>	<u>3 776 013</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2014				
Long Term liabilities	12 222 609	30 844 208	5 554 809	-
Capital repayments	8 046 353	24 148 824	4 824 037	-
Interest	4 176 256	6 695 384	730 772	-
Trade and Other Payables	35 854 689	-	-	-
Unspent conditional government grants and receipts	1 277 509	-	-	-
	<u>49 354 807</u>	<u>30 844 208</u>	<u>5 554 809</u>	<u>-</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

48	FINANCIAL INSTRUMENTS	2015	2014
		R	R
	In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows		
	The fair value of financial instruments approximates the amortised costs as reflected below		
48.1	<u>Financial Assets</u>		
	<u>Classification</u>		
	Investments		
	Fixed Deposits	-	-
	Long-term Receivables		
	Officials Housing Loans	268 717	282 988
	Rates (Re-negotiated terms)	41 553	44 363
	Councillor Allowances	24 300	31 126
	Receivables		
	Receivables from exchange transactions	48 232 577	39 723 312
	Receivables from non-exchange transactions	6 057 375	5 905 223
	Other Receivables		
	Government Subsidies and Grants	821 870	1 977 543
	Current Portion of Long-term Receivables		
	Officials Housing Loans	20 071	21 331
	Sport Club Loans	7 929	7 474
	Bank Balances and Cash		
	Bank Balances	62 374 606	33 054 452
	Cash Floats and Advances	8 425	8 425
		117 857 423	81 056 237
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	117 857 423	81 056 237
	At amortised cost	117 857 423	81 056 237
48.2	<u>Financial Liability</u>		
	<u>Classification</u>		
	Long-term Liabilities		
	Annuity Loans	37 792 640	45 065 568
	Capitalised Lease Liability	107 082	541 761
	Payables from exchange transactions		
	Trade creditors	36 122 362	24 536 438
	Arrear portion of long term liabilities		
	Retentions	2 554 348	4 581 862
	Deposits	637 202	640 981
	Other	4 856 993	6 187 028
	Other Payables		
	Government Subsidies and Grants	2 148 270	1 277 509
	Current Portion of Long-term Liabilities		
	Annuity Loans	(8 806 191)	(8 046 353)
	Capitalised Lease Liability	(53 541)	(244 110)
		75 359 165	74 540 684
	SUMMARY OF FINANCIAL LIABILITY		
	Financial instruments at amortised cost	75 359 165	74 540 684
49	IN-KIND DONATIONS AND ASSISTANCE		
	Fire Truck donated by Cape Winelands District Municipality		847 479
50	PRIVATE PUBLIC PARTNERSHIPS		
	Council has not entered into any private public partnerships during the financial year.		

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

51	CONTINGENT LIABILITY	2015	2014
		R	R
	Claims against Council	<u>4 243 631</u>	<u>3 955 193</u>
	Estimate legal Fees	<u>721 023</u>	<u>240 666</u>

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 narratives 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 behalf 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. Matter prescribed, plaintiff did not proceed with issuing of summons.	Matter prescribed	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.	1 000 000	
WB Koeries/SALGBC & two others	The applicant was employed in the traffic department. He was dismissed after an internal disciplinary hearing and is attempting to get an arbitration award against the municipality. Stale in terms of new labour court rules		299 000
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 on 5 August 2009 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 chance that any amount might be payable by the municipality is remote. Matter prescribed, plaintiff did not proceed with issuing of summons.	Matter prescribed	1 210 000
L Louw	A child was assaulted at the Pine Forest. The claimant alleged that the security measures at the Pine Forest were not sufficient to protect the child. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	1 427 600	1 427 600
F Viljoen	On 23 July 2011 at approximately 00h30 and along Retief Street, Ceres, the Plaintiff sustained serious injuries after colliding with a heap of gravel which the claimant alleged had been placed in the middle of the street by persons in the employment of the Municipality. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	251 672	
Telemasters	Witzenberg municipality cancelled the contract with Telemasters according to the stipulations of the contract. Telemasters alleges that the contract was not cancelled and sued the municipality for breach of contract. The chance that any amount might be payable by the municipality is remote.	133 421	133 421
Packaging Services PTY (Ltf)	Plaintiff alleges that the Witzenberg Municipality do not comply with the permit conditions for the Tulbagh landfill site. Plaintiff seek closure of, or improved management of the landfill site.		
Gunter	Plaintiff claims damages from the municipality after she fell on the sidewalk. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	585 766	
		<u>4 243 631</u>	<u>3 955 193</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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.

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 2015**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2014	Received during the period	Redeemed / written off during the period	Balance at 30 JUNE 2015
ANNUITY LOANS							
ABSA	10.21%	90-9200-8204	2015-12-30	18 430		12 003	6 427
ABSA	10.21%	20-9200-9990	2015-12-30	31 511		20 525	10 986
ABSA	10.21%	0-9205-8859	2015-12-30	8 654		5 639	3 015
NED BANK	8.00%	5032156 0001	2015-05-30	243 901		243 901	0
NED BANK	8.00%	5032113 0001	2018-05-30	821 682		173 806	647 876
NED BANK	8.00%	5032032 0001	2023-05-30	8 055 110		585 783	7 469 327
CERES GOLF CLUB	18.00%	49	2018-06-30	25 244		4 785	20 459
DBSA	12.00%	10478/102	2017-09-30	1 504 705		549 967	954 738
DBSA	12.00%	10525/104	2017-03-31	16 896 986		4 895 228	12 001 757
DBSA	15.25%	11188/101	2018-09-30	5 803 513		980 921	4 822 592
DBSA	15.50%	10772/101	2018-09-30	1 316 509		221 499	1 095 010
DBSA	9.50%	102040/1	2021-09-30	232 774		22 522	210 252
DBSA	10.75%	13161/101	2014-12-31	2 215		2 215	0
DBSA	15.25%	13164/101	2014-12-31	1 434		1 434	0
DBSA	8.59%	100605/1	2023-06-30	2 056 547		312 537	1 744 010
Total Annuity Loans				37 019 214	-	8 032 764	28 986 449
LEASE LIABILITY							
Office Equipment		Various	2012/02/29	297 651	-	244 110	53 541
Total Lease Liabilities				297 651	-	244 110	53 541
TOTAL EXTERNAL LOANS				37 316 865	-	8 276 874	29 039 990

**APPENDIX B - Unaudited
WITZENBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
MUNICIPAL VOTES CLASSIFICATION**

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
59 522 836	(29 054 493)	30 468 342	Budget & Treasury Office	64 349 868	(34 036 390)	30 313 478
97 114 431	(78 308 535)	18 805 897	Civil Services	109 599 719	(81 438 960)	28 160 759
59 250 489	(15 942 068)	43 308 421	Community & Social Services	59 551 132	(18 958 602)	40 592 530
880 124	(35 846 539)	(34 966 415)	Corporate Services	11 595 809	(24 323 902)	(12 728 093)
158 939 705	(146 018 369)	12 921 336	Electro Technical Services	172 655 333	(157 691 166)	14 964 167
3 309 306	(21 697 658)	(18 388 352)	Executive & Council	4 139 420	(22 029 582)	(17 890 162)
27 198 735	(29 694 819)	(2 496 084)	Housing	15 576 341	(17 738 684)	(2 162 342)
1 010 598	(4 373 343)	(3 362 745)	Planning	2 275 301	(4 353 887)	(2 078 586)
11 683 944	(14 967 089)	(3 283 145)	Public Safety	13 821 096	(19 835 801)	(6 014 704)
24 456 314	(16 763 515)	7 692 799	Sport & Recreation	20 130 062	(18 791 031)	1 339 031
443 366 483	(392 666 427)	50 700 055	Total	473 694 081	(399 198 004)	74 496 077

**APPENDIX C - Unaudited
WITZENBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
3 309 306	(20 002 739)	(16 693 434)	Executive and Council	4 139 420	(20 328 570)	(16 189 150)
110 246 537	(29 054 493)	81 192 044	Budget and Treasury Office	64 349 868	(34 036 390)	30 313 478
880 124	(37 774 834)	(36 894 710)	Corporate Services	11 914 745	(26 027 115)	(14 112 370)
1 010 598	(6 928 356)	(5 917 758)	Planning and Development	2 275 301	(7 275 069)	(4 999 768)
58 004 644	(12 544 377)	45 460 267	Community and Social Services	59 294 209	(16 260 281)	43 033 928
27 198 735	(29 694 819)	(2 496 084)	Housing	15 576 341	(17 738 684)	(2 162 342)
8 260 172	(12 730 815)	(4 470 643)	Public Safety	9 872 458	(17 075 783)	(7 203 326)
24 456 314	(16 763 515)	7 692 799	Sport and Recreation	20 130 062	(18 791 031)	1 339 031
1 245 845	(1 824 823)	(578 977)	Environmental Protection	256 923	(973 732)	(716 808)
18 749 086	(25 238 379)	(6 489 293)	Waste Management	20 709 592	(25 896 070)	(5 186 479)
31 699 660	(24 083 342)	7 616 318	Waste Water Management	38 644 505	(23 713 402)	14 931 103
5 781 603	(12 753 095)	(6 971 493)	Road Transport	16 137 212	(17 042 366)	(905 155)
44 307 856	(18 469 993)	25 837 863	Water	38 057 049	(17 547 139)	20 509 910
158 939 705	(144 802 848)	14 136 858	Electricity	172 336 396	(156 492 372)	15 844 024
-	-	-	Other	-	-	-
494 090 184	(392 666 427)	101 423 757	Total	473 694 081	(399 198 004)	74 496 077

**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 2014	Grants Received	Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2015	Unspent 2015 (Payable)	Unpaid 2015 (Receivable)
	R	R	R	R	R	R	R	R
<u>National Government Grants</u>								
Finance Management Grant	93	1 450 000	-	(1 332 302)	(118 232)	(441)	-	441
DWAF - Drought relief	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant	1 155	934 000	-	(114 844)	(820 312)	-	-	-
Municipal infrastructure Grant	(650 590)	21 218 000	-	(2 677 604)	(18 540 637)	(650 831)	-	650 831
Regional Bulk Infrastructure Grant (DWAF)	(889 000)	889 000	-	-	-	-	-	-
Housing - Kluitjieskraal	(85 704)	-	85 704	-	-	-	-	-
Integrated National Electricity Program	29 959	-	-	-	-	29 959	29 959	-
Equitable share	-	54 124 000	-	(54 124 000)	-	-	-	-
Department of Rural Development	(116 316)	671 831	-	-	-	555 515	555 515	-
ACIP funds (DWAF)	-	-	-	-	-	-	-	-
Expanded Public Works Programme	(66 363)	1 000 000	-	(1 037 449)	-	(103 813)	-	103 813
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
<u>Provincial Government Grants</u>								
Library services	(71 739)	4 286 000	-	(1 809 489)	(1 868 485)	536 287	536 287	-
Library services Replacement Funding	(26 830)	5 459 000	-	(5 436 988)	(61 967)	(66 785)	-	66 785
CDW	221 545	139 904	-	(100 527)	-	260 922	260 922	-
Main roads	(71 000)	71 000	-	-	-	-	-	-
Municipal Infrastructure Support Grant	-	730 000	-	(57 550)	(527 183)	145 266	145 266	-
Draught Relief	-	-	-	-	-	-	-	-
State Funeral	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-
Housing	724 436	45 873 613	(85 704)	(16 815 095)	(29 697 249)	-	-	-
Financial Management Training	300 000	822 449	-	(502 449)	-	620 000	620 000	-
	-	-	-	-	-	-	-	-
Total	(700 033)	137 668 796	-	(84 008 296)	(51 634 066)	1 326 402	2 148 271	821 870

ANNEXURE B:
AUDITOR-GENERAL REPORT

Report of the auditor-general to the Western Cape provincial legislature 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 56, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, 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 Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (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 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 municipality'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 municipality'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 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Material impairments

8. As disclosed in note 3 and 4 to the financial statements, the municipality has provided for an impairment of R121 824 204 (2013-14: R102 989 970) on receivables from exchange transactions and an impairment of R30 652 341 (2013-14: R20 882 096) on receivables from non-exchange transactions. This represents 71.49% (2013-14: 72.16%) and 81.49% (2013-14: 77.95%) of receivables from exchange and non-exchange transactions respectively.

Significant uncertainties

9. With reference to note 51 to the financial statements, the municipality is at risk regarding the payment of claims relating to contractual disputes from third parties. The amounts in this regard were uncertain at year-end and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

10. As disclosed in notes 39 to the financial statements, the corresponding figures for 30 June 2014 have been restated, as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Additional matters

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Unaudited supplementary schedules

13. The supplementary information set out on page 57 to 59 does not form part of the financial statements and are presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2015:
 - Strategic objective 1.1: Sustainable provision and maintenance of basic infrastructure on pages 25 and 26 of the draft annual report
 - Strategic objective 1.2: Provide for the needs of informal settlements through improved services on pages 23 and 24 of the draft annual report
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected objectives as stated in paragraph 15 of this report.

Additional matters

20. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

Achievement of planned targets

21. Refer to the annual performance report on pages 22 to 26 for information on the achievement of the planned targets for the year.

Unaudited supplementary information

22. The supplementary information set out on pages 97 to 107 does not form part of the annual performance report and is presented as additional information. We have not audited this information and, accordingly, we do not express a conclusion thereon.

Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

Investigations

25. The following cases of theft were investigated at the municipality during the current financial year:

- An independent consulting firm together with the municipality performed an investigation into the misappropriation of cash by staff. This investigation was initiated by senior management of the municipality. The investigation covered a specific incident where cash banked by the staff member was less than the cash received from customers. The investigation has been finalised and resulted in disciplinary actions. Two employees were dismissed after disciplinary actions were concluded.
- A disciplinary process was instituted against an employee in the technical services department who ordered motor vehicle parts for his private use through the municipality's procurement processes. The employee was dismissed after he was found guilty of theft at the disciplinary hearing.

Auditor General

Cape Town

1 December 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE C:
REPORT OF THE AUDIT, RISK AND PERFORMANCE
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 2015.

1. Performance, Risk and Audit Committee Members and attendance

The Performance, Risk and Audit Committee (PRAC) consist of four (five members during 2014/2015) independent members. 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 2015 and performed their duties in accordance with the MFMA and the PRAC Charter.

Performance, Risk and Audit Committee appointed for the period 1 June 2015-30 May 2018		
Name of representative	Capacity	Meeting dates
Ms B Daries (Re-appointed for a second term)	Chairperson	First meeting held after year end, on 31 July 2015.
Mr A Amod (Re-appointed for a second term)	Member	
Mr J Basson	New Member	
Mr T Lesihla	New Member	

Performance, Risk and Audit Committee appointed for the period 1 March 2012-to 28 February 2015		
Name of representative	Capacity	Meeting dates
Mr SA Redelinghuys (Second 3 year term ended 28 February 2015)	Chairperson	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015
Ms B Daries	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015

Performance, Risk and Audit Committee appointed for the period 1 March 2012-to 28 February 2015		
Name of representative	Capacity	Meeting dates
Mr A Amod	Member	24 November 2014 8 December 2014 20 February 2015
Mr J George (Second 3 year term ended 28 February 2015)	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015
Mr B Afrika (3 year term ended 28 February 2015)	Member	21 July 2014 18 August 2014 24 November 2014 8 December 2014 20 February 2015

Other invitees by the Performance, Risk and Audit Committee during the year under review include the Municipal Manager, Chief Finance Officer, Director Corporate Services, the Auditor-General of South Africa (AGSA), Internal Auditors, Manager Financial Administration: Finance, Manager Performance Management and a representation of Provincial Treasury.

The PRAC members participated in discussions with the AGSA in reviewing the 2015 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 2014 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 80% of their risk based audit plan for the 2014/2015 financial year due to resource constraints. Internal audit committed that they will complete their risk based audit plan for the 2014/2015 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
- Annual Performance Report
- 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

PRAC raised its concerns with regards to the effective usage of the Performance Management System by management to ensure the reliability of information; The PRAC also reviewed the quarterly Service Delivery and Budget Implementation Plan.

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

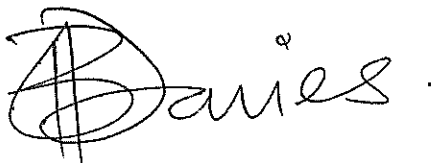
Although steps were taken the PRAC is still concerned about certain aspects:

- The collection of long outstanding debt remains a concern and has a serious negative affect on the cash flow and sustainability of the municipality;
- The effectiveness and efficiency of revenue management
- Unacceptable electricity and water losses
- The process of traffic fine collections and
- Lack of effective monitoring procedures over cash handling

9. Conclusion

The PRAC congratulates the municipality on achieving a Clean Audit Report with no other matters for the third consecutive year. 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.

A handwritten signature in black ink, appearing to read "Davies", with a stylized circular flourish to the left.

Chairperson

Performance Risk and Audit Committee