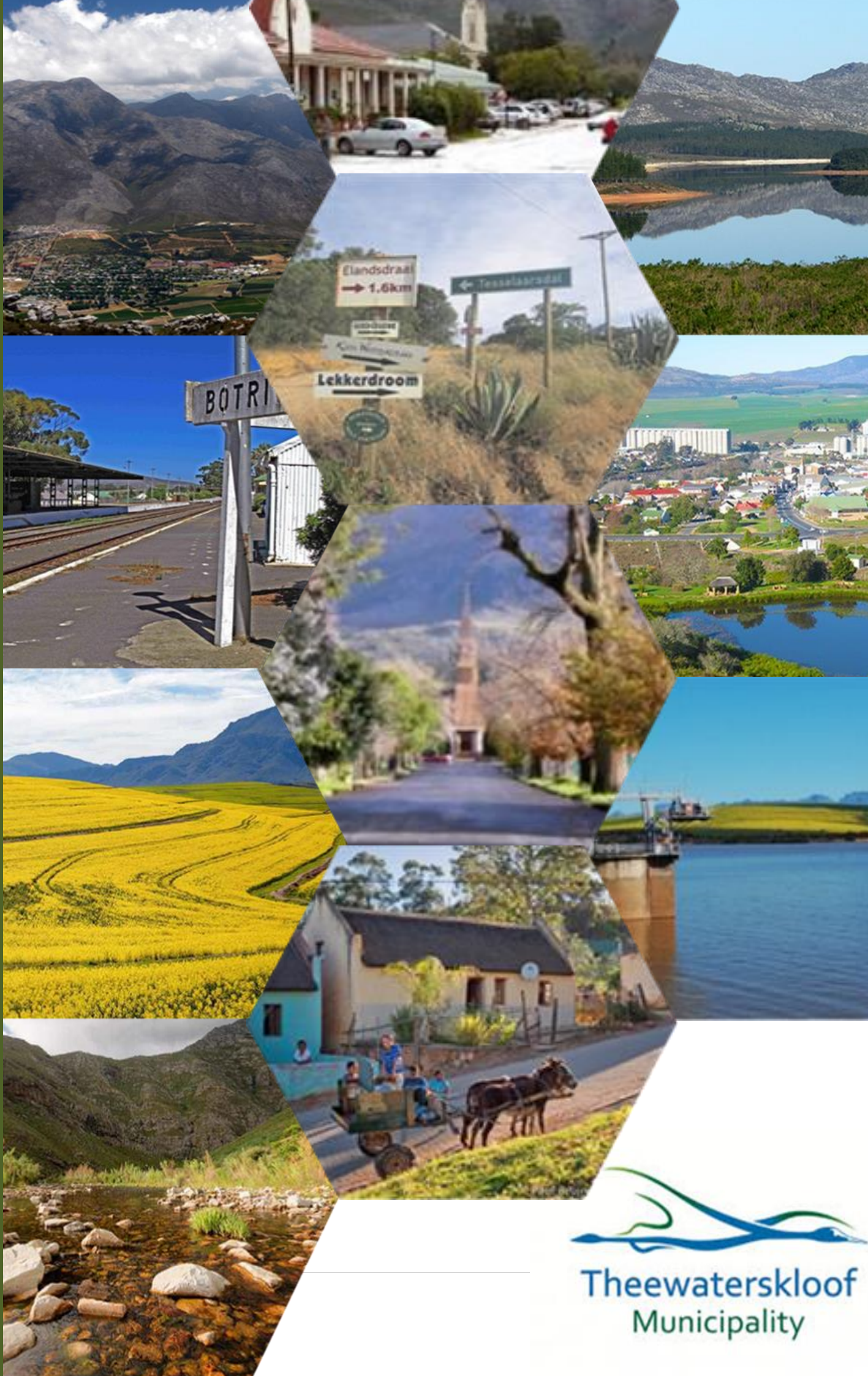


# Draft Annual Report 2018/19



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# Chapter 1 Mayor's Foreword and Executive Summary

## COMPONENT A: MAYOR'S FOREWORD



### A. VISION

In the second quarter of the financial year under review, 2018/2019, Council held a strategic session to determine the status of the implementation of the Municipal vision and goals for the fourth term of the municipality, 2017 - 2022.

Various levels of success with implementation were identified but a number of key goals and especially the timeline to develop, implement and finalize the restructuring of the Macro and Micro Corporate Structures were not reached.

Council developed an accelerated plan and timeline for the implementation of a number of strategic goals and most of these were reached by the end of the 2018/2019 year.

The municipal vision is to create "A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all."

By the end of the year under review the accelerated implementation of the vision, goals and a number of processes created a sustainable platform "to create and sustain an environment which shall enhance the socio- economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Municipal Vision."

The implementation of the Municipal Term Vision is in line with the Theewaterskloof Municipal 2030 Vision:

"In 2030 Theewaterskloof will be a desirable place to live, work and visit; a high quality sustainable country environment; and a connected and creative community."

### B. GAME CHANGERS TO ACHIEVE THE VISION

In 2018/2019 Council and the Municipal Administration identified and implemented solutions for several game changing challenges and opportunities. Progress made in the year under review laid a foundation to make the municipality a developmental organ of state. The municipality increased its ability and capacity to deal with various challenges:

- Community based discontent and subsequent actions such as protests.
- The massive impact of in migration to Theewaterskloof.
- Achieving an environment in which all people work together.
- Maintain municipal sustainability.
- Maintain service delivery sustainability.
- Develop sustainable municipal, community and local economic development and growth.

Progresses were made to create and develop key stimuli that will enable the municipality to make progress with the development of environments capable of achieve the following:

- All people live in dignity
- All people live in harmony, despite diversities.
- All people live in peace.
- Reduced gap between stakeholder expectations and municipal institutional capacities.
- Realistic public expectations.
- Effective stakeholder management.

Despite a rapidly changing environment in which municipalities must conduct their businesses, Theewaterskloof Municipality attained notable positive outcomes for a number of game changers:

- Financial, infrastructure and service delivery sustainability.
- Fast-tracking and supporting of municipal, community and economic growth and development.
- Maintaining political stability during elections.
- Maintain a sustainable municipal administration.
- Manage land invasions and the rapid development of informal human settlements.
- Reducing the gap between municipal capacities and public expectations.

## **C. RESTRUCTURING**

Restructuring of the organisation was implemented to achieve game changes; and the vision of institutional, community and local economic growth and development. The restructuring model was adopted by Council in the 2016/2017-year. Implementation occurred in the 2017/2018 and 2018/2019 years.

More or less 75% of the restructuring process was completed in the year under review and the process will be finalised in 2019/2020.

Unforeseen external influences which absorbed administrative and Council capacities and energies delayed the restructuring timelines:

- Land grabs and an escalation of informal settlement areas and an increase of these areas to 24.
- mSCOA compliance.
- Escalating levels of migration of people to TWK
- Escalating institutional capacity constraints and shortages in the towns.
- High levels of theft and vandalism of municipal assets.
- Shrinking income from national government.
- Ratio of the paying public versus indigent families – 60:40.
- Vacancies in top management.

## **D. KEY STRATEGIC OBJECTIVES**

The overall strategic objective is to succeed with the eleven elements of development and growth.

- Develop and grow municipal sustainability.



- Develop and grow constructive and value adding participation and cooperation of the entire municipality's people and its key stakeholders.
- Develop conditions in which all communities can live in dignity.
- Develop conditions that will create and sustain harmony in all communities.
- Develop conditions in which all people can live in peace.
- Develop solutions and conditions in terms of which the risks and impact of the migration phenomenon can be mitigated.
- Develop the financial sustainability of the municipality.
- Develop the sustainability of infrastructure and bulk services capacities in terms of maintenance, replacement, upgrading and expansion.
- Develop institutional capacities and stakeholder expectations which will narrow the gap between excessive expectation and insufficient capacity.
- Develop sustainable political and administrative stability.

## **E. KEY STRATEGIC OUTCOMES**

- Sustainable municipality.
- Developing and growing communities.
- Functional stakeholder relations and participation in a model of participative local governance.
- An environment conducive for growth and development.
- An environment of political stability and maturity.
- An effective municipal administration that provides excellent services in a milieu of growth, development and financial sustainability.
- Growing infrastructure that supports community and local economic growth and development.
- Synergy between municipal abilities and public expectations.

## **F. KEY POLICY DEVELOPMENTS**

During the report year the municipality adjusted existing policies and developed others to comply with various pieces of legislation and to ensure good municipal governance in Theewaterskloof.

The policies that were amended include the:

- Rates Policy
- Review and approval of the Risk Management Strategy, Policy and TMC's charter for 2019/2020.
- Risk based internal audit plan for 2019/2020.
- Tariff Policy.
- Credit Control and Debt Collection Policy.
- Indigent Policy.
- Short Term Insurance Policy.
- Asset Management Policy.
- SCM Policy.

During the report year the municipality amended a number of by-laws and developed others to uphold good governance practises in various municipal competencies.

Council also approved the budget for 2019/2020 and the two outer years; whilst it also approved the Delegation Register and the Rates By-Law.

In accordance with notice, number 1057 of the Government Gazette of 16 September 2016, issued by the Director General of the National Department of Water and Sanitation, water restrictions had been implemented in the entire area of Theewaterskloof Municipality; thus forcing Theewaterskloof to implement water restrictions and drought water tariffs, with effect from 1 November 2016. These restrictions continued right through the 2018/2019 financial year.

## **G. KEY SERVICE DELIVERY IMPROVEMENTS**

Service delivery is largely based on infrastructure and in this regard the municipality had to mitigate several challenges that relates to insufficient bulk services infrastructure.

The municipality identified a need to upgrade existing infrastructure which is on the verge of collapsing, to increase the capacities of existing infrastructure and to build new and additional infrastructure. Insufficient funding remains a challenge and the municipality could still not create a reserve funds from which infrastructure can be upgraded and built.

Infrastructure and bulk services capacities were maintained and in certain instances also upgraded in accordance with an infrastructure development plan and register and the budget for the 2018/2019 financial year.

The Capital Budget were primarily spent on maintenance and upgrades off sewerage, refuse, water, electricity, roads and storm water, housing and libraries.

Unfortunately the municipality, in this year, suffered from severe incidents of vandalism of infrastructure and the theft of municipal assets.

It is my assessment that the communities still do not regard these losses as their losses and that they also do not understand that the cost of theft and vandalism especially affects the poor.

Repair and replacements of vandalized assets are not budgeted for and are funded at the expense of other service delivery votes.

The municipality owns pieces of land that is utilized for sport disciplines like rugby, soccer, golf, tennis, squash, pigeon flying and bowls. These facilities are in Caledon, Botrivier, Villiersdorp, Grabouw, Greyton, Genadendal, Riviersonderend, Boschmanskloof, Berea and Voorstekraal.

In most cases these facilities are maintained by the municipality; whilst it is often upgraded or repaired.

## **H. PUBLIC PARTICIPATION**

The municipality adhered to various pieces of public participation legislation and policies to comply with legal requirements to make development plans and services more relevant to local needs and requirements, to take responsibility for services and to promote community actions and to empower local communities to have better control over their lives and livelihoods.

The municipal approach to public participation allows for compliance with the principles of inclusivity, diversity, building community participation, transparency, integration, flexibility, accessibility and accountability. This approach is especially relevant in the IDP

and Budget drafting processes. This year the normal public participation processes were extended to stakeholder meetings and local economic sector and development budgetary interventions.

The municipal focus on community development and growth includes interventions to broaden democracy by involving communities in third tier governance. The focus ensures that policy framework are in place for public participation and that mechanisms exists for the public to participate in local government.

Council upheld and monitored client care and community development strategies to create functional relations between the client; and the municipal administration and political authority.

## **I. FUTURE ACTIONS**

The future of sustainable municipal governance and service delivery in Theewaterskloof hinges on the successful implementation of the restructuring model; mitigating of the eleven key challenges and matters facing the municipality and achieving the anticipated and needed outcomes. In 2019/2020 further interventions will be implemented to accelerate organisational restructuring.

The municipality will focus on long term effective and sustainable governance in Theewaterskloof; i.e. institutional development, community growth and local economic enhancement.

The emphasis on future actions will be to contribute towards the establishment of happy communities who are socially developmental and in partnership with the local government. Interventions will be launched to involve role-players in local governance and to partner with these role-players in the development and growth of Theewaterskloof.

All future actions will aim to enhance the socio economic and welfare profiles of communities, local economic growth and development and a developmental third tier government.

Actions will be launched to manage financial sustainability, semigration, collapsing infrastructure, public expectations and communities who are socially and economically challenged.

The focus will by and large also be on the stabilization of basic services in the municipality's 24 informal human settlements.

## **J. CONCLUSION**

Local government is where the people and the leaders of the country meet on ground level; it is also the place where people articulate their most basic needs. In the past year the municipality created good relationships and communication tools with the people of Theewaterskloof.

There is understanding for the need to create an environment where the people can live and play with greater freedom.

To facilitate this, the municipality adopted, as primary driving forces, the challenge to become developmental as suggested by the National Development Plan and the Provincial Development Strategies.

As the Executive Mayor of Theewaterskloof Municipality I treasure the people of the municipal area who provide us an opportunity to serve them.

I treasure a committed Mayoral Committee, Council and administration.

I praise The Lord for guiding us in a robust municipal environment and for making it possible for us to not only pursue and achieve the improbable but often also the "impossible".

---

Alderman Christelle Vosloo  
Executive Mayor  
2018/2019

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW



In 2018/2019 Theewaterskloof Municipality, in the delivery of all its functions, complied with the Local Government: Municipal Systems Act 32 of 2000 and the Local Government: Municipal Structures Act 117 of 1998.

The 2017/18 report year was marked by unique challenges that posed threats to sustainable institutional management, service delivery and relations between the municipality and its clients.

#### Key influences on the municipality

The 6 most critical internal and external influences on the municipality were:

1. Reduced national government subsidies for indigent families who are now representing 60% of the Theewaterskloof population. Reduced contributions to the Indigent Funding Scheme; Municipal Infrastructure Grant (MIG); and Housing.
2. Public dissatisfaction and related community displeasures that manifested in protests and a relatively low debtor collection rate.
3. A rapidly deteriorating infrastructure and the lapses in service delivery that resulted from this.
4. Mass migration of people to Theewaterskloof.
5. Rapidly expanding informal settlements and land invasions – there are 24 informal human settlements in Theewaterskloof.
6. Adverse social behaviors, especially the vandalizing of municipal assets, as a result of escalating poverty.

Holistic sustainability challenges slowed processes to align the administration with Council's growth and development vision.

#### Audit outcome

After receiving clean audit outcomes for several years, the Auditor-General issued an unqualified audit outcome to Theewaterskloof Municipality for the 2017/2018 financial year. Moving from a clean to an unqualified audit has to do with a specific Supply Chain Management procedure. The municipality applied this procedure in a manner that earned the authority clean audit outcomes for the previous three years. **The municipality however regained its clean audit status in 2018/19.**

The AG was aware of the municipal application of the procedure and found nothing wrong with it for three years. In 2018/2019, the AG apparently changed its mind about the interpretation of the procedure and this resulted in an unqualified audit outcome.

The audit outcome does not hint towards inadequate financial management, non-compliance or maladministration. The way the municipality applied the procedure had a cost savings effect for the municipality.

## **IDP and SDBIP**

In the financial year under review the municipality developed an SDBIP that reflected the organizational Micro and Macro structure. The structure was implemented incrementally and only finalized in the first outer year of the report period. This made it difficult for the administration to be SDBIP compliant at all times. However, the municipality maintained its high compliancy percentages and bar a few insignificant exceptions all predetermined SDBIP outcomes were met.

The IDP reflects the inputs of communities, role-players and stakeholders, the organizational corporate administration, council, ward committees and town forums. In the planning, drafting and debriefing phases of the IDP the public had ample opportunities to make inputs and to express their desires and needs. Subsequently the IDP and its incorporation in the budgets captures the needs of the broader Theewaterskloof community.

The IDP process complied with high levels of integrity and transparency and the public was throughout alerted to the fact that only a small percentage of their needs would show in the budgets. In the debriefing sessions it was clear that the communities understood the financial constraints of the municipality and that the best intervention, to generate more opportunities, will result from the focus on institutional, community and local economic growth and development.

## **Internal audit and annual risk based audit plan**

The Municipality appointed a new Performance and Audit Committee (PAC) and given the high level experience of the committee members in the fields of internal audit, performances monitoring and holistic municipal governance the local government is pleased that the Committee is exceptionally fit for purpose.

The internal audit function conducted its tasks in terms of a risk based audit plan approved by the municipal management and the PAC. Twenty-five high level audits were done and resulted in 162 findings of which only 11 were marked, "significant". The categories were housekeeping (151), significant and major. No major findings were made.

All findings were communicated with the relevant municipal functions and all corrective measures have either been implemented or the implementation thereof is monitored by the internal audit function.

The AG uses internal audit outcomes to find high risk matters which they may have missed. In this sense the audit function is assisting the AG.

## **Service delivery and infrastructure**

The operational structures of the municipality maintained acceptable levels of service delivery and infrastructure development, upgrading and maintenance. Existing and new infrastructure enabled the municipality to support its bulk services capacities. The municipality spent its Municipal Infrastructure Grants sensibly.

## **Customer care**

In the year under review the municipality received less funds from national government sources and had to extend its reliance on taxes and tariff income. National government is responsible to pay for the services used by indigent families. Due to a reduced contribution to municipalities the state's subsidizing of services to the poor reduced.



The municipality had to use tax and tariff income to subsidize the poor and to add to the income from national support programs such as indigent subsidies. This resulted in relative high tax and tariff levels. The fact that the paying public does not receive services that reflect their contributions to municipal income caused deteriorating relationships between them and the municipality and between the paying and non-paying public. Indigent families also believe that the basic services they receive for free are not adhering to minimum norms and as a result there is constant tension between them and the municipality.

The municipality uses forums such as the Thusong Centre in Grabouw, help desks in all town offices, Ward Committee activities and Ward Council feedback meetings to explain the municipal predicament and to improve relationships. These interventions are effective. In terms of communication with the public the municipality extended its social media footprint.

The integration of Website, Facebook and sms-communication with more traditional means of communication such as newsletters improved municipal communications with the client.

### **Stakeholder relations**

At the end of 2016, the government adopted the vision of accelerated development and growth. The focus areas were growth and development of communities, the municipality and the economy. Subsequently the municipality also embarked on a route to develop stakeholder relationships. The focus on stakeholders adds another dimension to public participation in government interventions that will result in holistic growth and development.

In the year under review, the implementation of the vision gained momentum and laid the foundation to finalize municipal restructuring. A foundation was created to align the Municipality with the core focuses of the National Development Plan.

### **Financial sustainability**

Municipal sustainability is not necessarily an indication of secure income sources or that these sources are adequate but it does show good political and administrative governance. In the year under review the Municipality maintained and even increased its financial sustainability indicators.

An analysis done by the Auditor General shows that Theewaterskloof is one of 96 municipalities in South Africa that remains sustainable in the long and short-term. This is not a minor achievement considering that municipalities in South Africa are generally in distress: 9 are bankrupt, but cannot pay creditors; 8 has a negative liquidity ratio and 7 reported inadequately.

Since 2006, the Municipality developed a sustainable ability to work within the constraints of its revenue and budget. This was also the case in the year under review.

The budget was limited in all respects and did not keep pace with the drastic increase in the population, and the escalation of informal human settlements. The national government reduced its contributions to municipalities, but the Municipality was able to lower its overheads and to offer as much services as possible.

Despite limited income, the Municipality sustained its sustainable and effective service delivery. To the extent that it was within the Municipality's ability, all residents received something from the budget and basic services were provided to indigent families.

## **Conservation of water and electricity**

The municipality has a generic focus on and commitment to the responsible utilization of scarce resources. Theewaterskloof faced and dealt adequately with one of the fiercest droughts in its history. In the year under review the dam levels in Theewaterskloof increased substantially as a result of good winter rains.

The municipality reduced its Water Restrictions Level. The municipality is a limited distributor of electricity but is aware of the loss of large quantities of electricity due to theft. Illegal electricity connections in informal residential areas and those on land that had been invaded unlawfully is becoming endemic.

The municipality believes the electrification of human settlements is the only solution for electricity problems in communities and after the municipality cooperated with ESKOM, the latter adopted an electrification program for a number of Informal Settlements.

## **Future challenges**

The municipality identified several key matters to be dealt with in 2018/2019:

1. Support and facilitate community and economic growth and development.
2. Creating an environment in which people can live peacefully and in safety.
3. Support the development of political stability, especially as the country and Theewaterskloof is in a continuous cycle of national, provincial and municipal elections; as well as by-elections.
4. Deal effectively with the immigration of people from other provinces and districts to Theewaterskloof.
5. Deal effectively with ageing infrastructure as to ensure continued service delivery.
6. Down manage the gap between municipal abilities and capacities and public expectations from the authority.

## **Final remarks**

I thank the Executive Mayor, Alderman Councilor Christelle Vosloo and her Committee, for supporting administration.

I thank Council for its inputs and for the political stability they created.

I thank my management team and their employees who performed a great job under testing circumstances.

I thank the communities and stakeholders who worked with the municipality to grow and develop the organization; as well as communities and the economy.

I thank our Heavenly Father for his guidance.

---

Gerrit Matthyse  
Municipal Manager  
2019/08/16

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### LEGISLATIVE FRAMEWORK

The content of the Annual Report is legislated in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), which prescribed that a municipality must prepare an Annual Report for each year. While the report provides Theewaterskloof's stakeholders and interested parties with comprehensive information about the administration's financial, operational, social and environmental performance for the 12 months under review namely 01 July 2018 to 30 June 2019, it also focuses on progress made against the Integrated Development Plan objectives, a new version which is compiled every 5 years and thereafter annually reviewed.

Section 121(2) of the Municipal Finance Management Act (MFMA)

The purpose of the Annual Report is

- a) to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- b) to provide a report on performance in service delivery and budget implementation for the financial year;
- c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- d) to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The constitution schedule 4(B) and 5(B) outlines specific municipal functions, it is therefore important for a municipality to reflect within its annual report on the functions applicable to them.

| MUNICIPAL FUNCTIONS                                                                                                                                                                                                    | Function Applicable to Theewaterskloof (Yes / No)* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <b>Constitution Schedule 4, Part B functions:</b>                                                                                                                                                                      |                                                    |
| <b>Air pollution</b>                                                                                                                                                                                                   | Yes                                                |
| <b>Building regulations</b>                                                                                                                                                                                            | Yes                                                |
| <b>Child care facilities</b>                                                                                                                                                                                           | Yes                                                |
| <b>Electricity and gas reticulation</b>                                                                                                                                                                                | Yes                                                |
| <b>Firefighting services</b>                                                                                                                                                                                           | No                                                 |
| <b>Local tourism</b>                                                                                                                                                                                                   | Yes                                                |
| <b>Municipal airports</b>                                                                                                                                                                                              | No                                                 |
| <b>Municipal planning</b>                                                                                                                                                                                              | Yes                                                |
| <b>Municipal health services</b>                                                                                                                                                                                       | No                                                 |
| <b>Municipal public transport</b>                                                                                                                                                                                      | Yes                                                |
| <b>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</b> | Yes                                                |
| <b>Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto</b>                                                                     | No                                                 |

|                                                                                                                                   |     |
|-----------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Storm water management systems in built-up areas</b>                                                                           | Yes |
| <b>Trading regulations</b>                                                                                                        | Yes |
| <b>Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems</b> | Yes |
| <b><u>Constitution Schedule 5, Part B functions:</u></b>                                                                          |     |
| <b>Beaches and amusement facilities</b>                                                                                           | Yes |
| <b>Billboards and the display of advertisements in public places</b>                                                              | Yes |
| <b>Cemeteries, funeral parlours and crematoria</b>                                                                                | Yes |
| <b>Cleansing</b>                                                                                                                  | Yes |
| <b>Control of public nuisances</b>                                                                                                | Yes |
| <b>Control of undertakings that sell liquor to the public</b>                                                                     | Yes |
| <b>Facilities for the accommodation, care and burial of animals</b>                                                               | Yes |
| <b>Fencing and fences</b>                                                                                                         | Yes |
| <b>Licensing of dogs</b>                                                                                                          | Yes |
| <b>Licensing and control of undertakings that sell food to the public</b>                                                         | Yes |
| <b>Local amenities</b>                                                                                                            | Yes |
| <b>Local sport facilities</b>                                                                                                     | Yes |
| <b>Markets</b>                                                                                                                    | Yes |
| <b>Municipal abattoirs</b>                                                                                                        | Yes |
| <b>Municipal parks and recreation</b>                                                                                             | Yes |
| <b>Municipal roads</b>                                                                                                            | Yes |
| <b>Noise pollution</b>                                                                                                            | Yes |
| <b>Pounds</b>                                                                                                                     | Yes |
| <b>Public places</b>                                                                                                              | Yes |
| <b>Refuse removal, refuse dumps and solid waste disposal</b>                                                                      | Yes |
| <b>Street trading</b>                                                                                                             | Yes |
| <b>Street lighting</b>                                                                                                            | Yes |
| <b>Traffic and parking</b>                                                                                                        | Yes |

### 1.2.1 INTRODUCTION TO BACKGROUND DATA

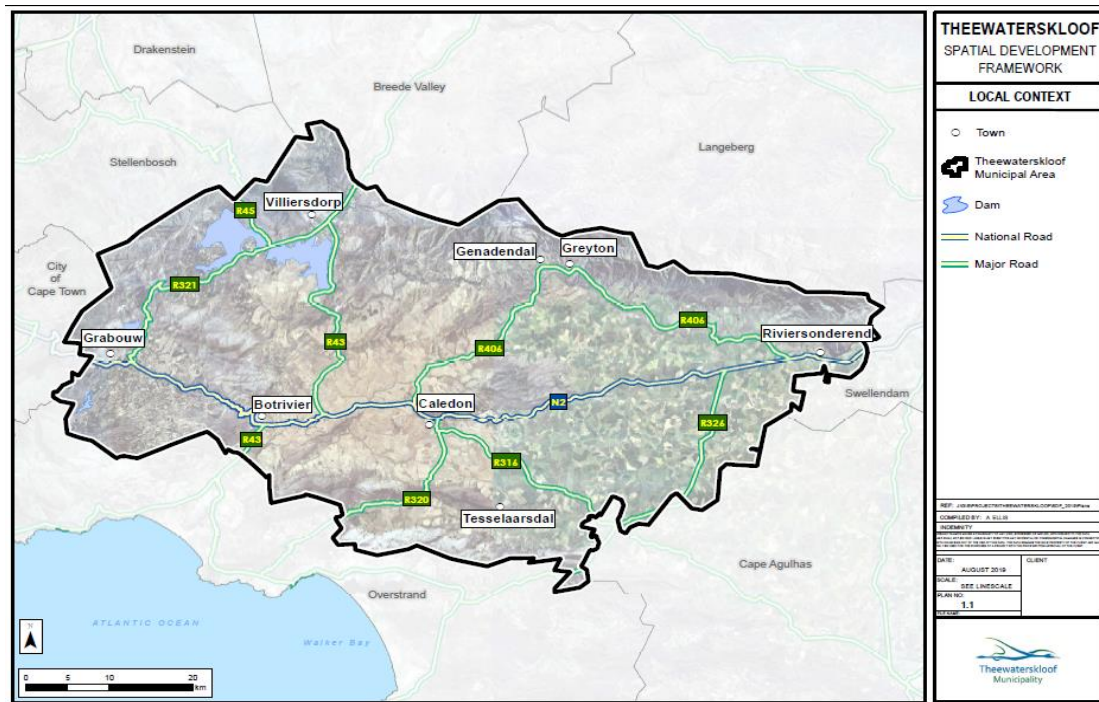
#### ANNUAL REPORT AND DATA SOURCES

The 2018/19 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2018 to 30 June 2019.

It should be noted that due to the fact that Census are conducted once every 10 years, with the last census conducted in 2011 and the next one only scheduled for 2021, the document will use various sources to ensure that we have the most updated, reliable and specific data sets for readers. The most common sources of information (used in the annual report) are sources such as Census 2011, Community Survey 2016 (The Community Survey 2016(CS) is a large-scale survey that happens in between Censuses 2011 and 2021), the Social Economic Profile 2018 (SEP 18) and The Municipal Economic Review Outlook 2019 (MERO).

The only data source that provide data at ward level is the 2011 Census, the subsequent Community survey 2016 only provide data at municipal level and in very limited categories provide data at town level.

The Theewaterskloof Local Municipality is a Category B municipality situated in the Overberg District in the Western Cape Province. It is one of four municipalities in the district, making up a third of its geographical area.



Theewaterskloof Municipality is the gateway to the Overberg and is surrounded by unique natural assets such as the Theewaterskloof Dam, Kogelberg Biosphere, illustrious vineyards, crop and fruit fields, fynbos, wild flowers and blue cranes. With its Local Economic Development Strategy (LED strategy), the municipality is constantly driving local economic development in primary economic sectors such as agriculture, tourism, agricultural product processing, and industries.

Despite a relatively poor community and a narrow capacity for tax and income generation, the municipality is constantly improving infrastructure for service and product delivery. The municipality's Integrated Development Programme was developed in partnership with local business, communities and individuals. The municipality was the first to implement Service Level Agreements in all its towns to narrow the gap between community services needs and municipal service delivery abilities. The municipality created capacities for holistic and quality developments, i.e. sewerage removal, quality water, housing, communication, waste removal and infrastructural maintenance.

In addition, the municipality participated in processes that led to a peaceful and safe environment where the welfare of everyone, and especially that of women and children, is highly valued and pursued. The municipality has a successful town management model that ensures that local government and democracy are extended to the people.

Towns: Botriver, Caledon/Myddleton, Genadendal, Grabouw, Greyton, Riviersonderend, Villiersdorp and Tessaarsdal.

Theewaterskloof jurisdiction area: 3 258km

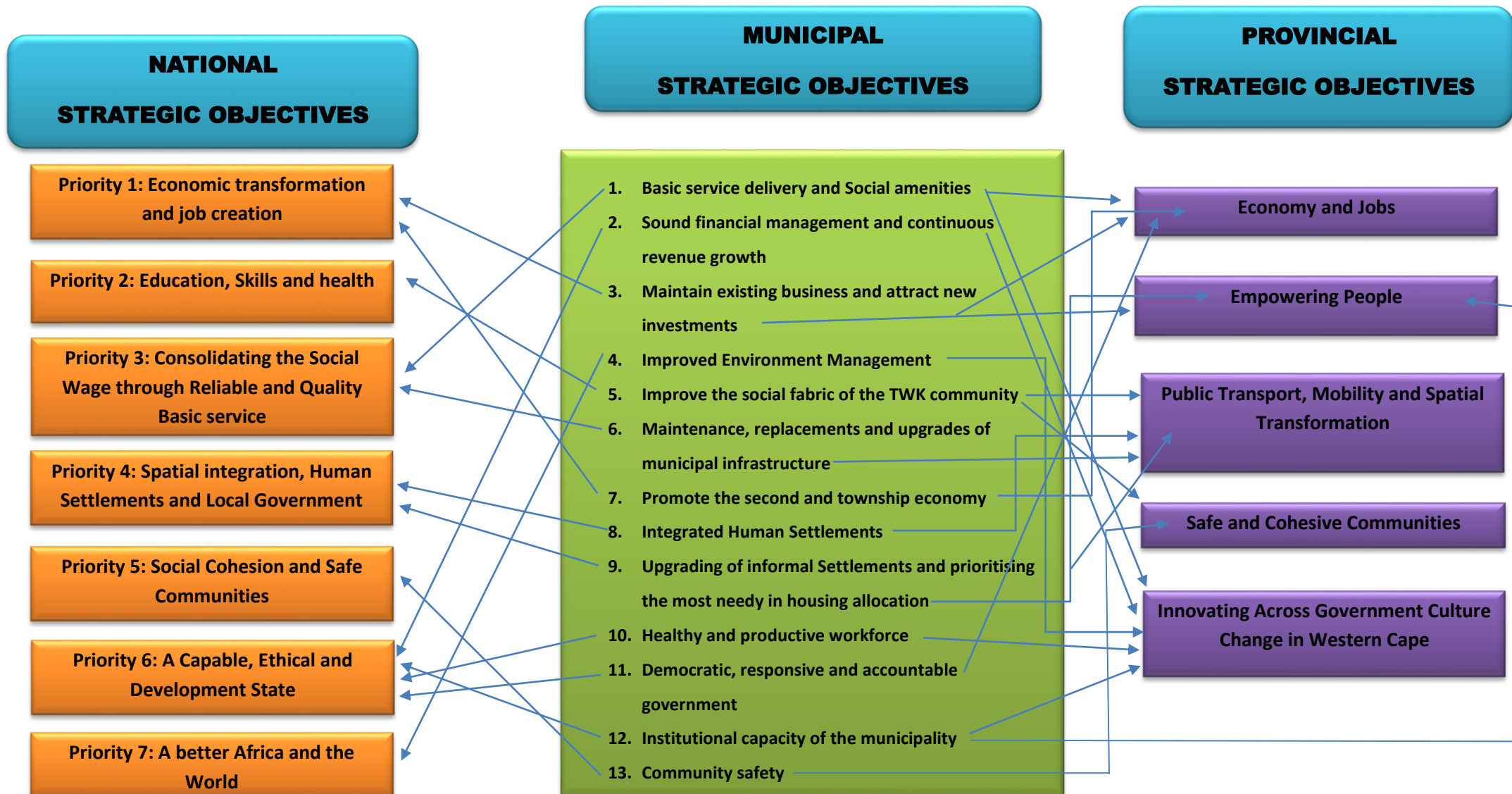


Theewaterskloof Municipality committed itself to the following vision:





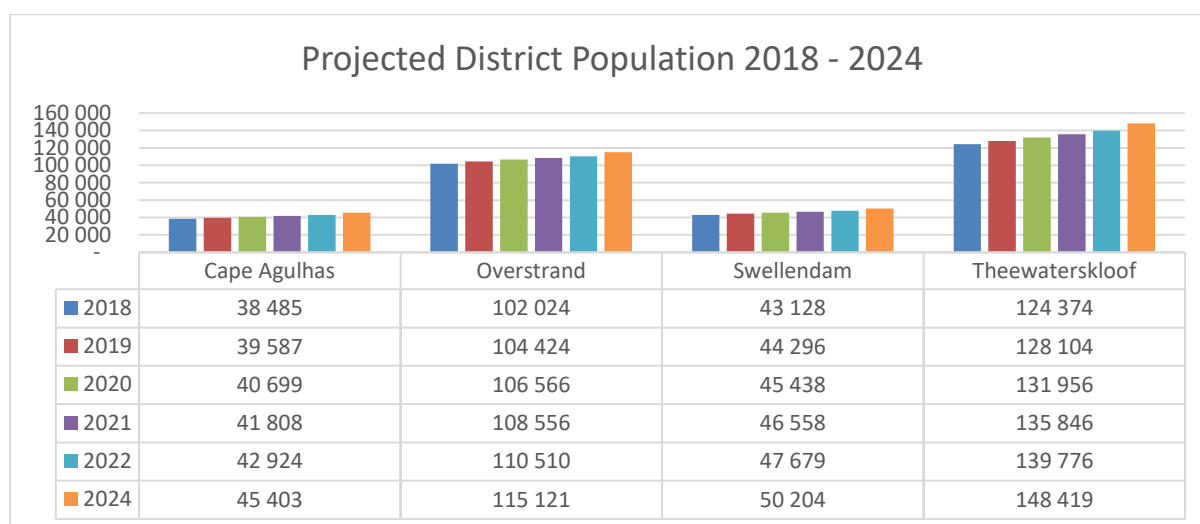
## THE WATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT



## 1.2.2 POPULATION

### Most Recent Population Data

Department of Social Development most recent estimates (as contained the SEP 2018) indicates that Theewaterskloof's population will grow from 124 374 in 2018 to 148 419 in 2024. This total equates to average annual growth of 3 percent and a 16.2 percent increase over the before mentioned period using 2018 as the base estimate. The Census 2011 estimates the population Growth of Theewaterskloof to be 1.54 percent, considerably lower than the estimate of other sources inclusive of the SEP 2018.



**\*\*SEP (Social Economic Profile)**

The table above indicates that Theewaterskloof has approximately 22 350 residents more than its neighbouring municipality, Overstrand, rendering it by far the largest population within the Overberg District. It is further estimated that Theewaterskloof will continue to host the largest part of the population, during the above mentioned term (2018 – 2024) continuously representing above 40% of the population in the region. Certain sources contradict the above mentioned data e.g. the Municipal Economic Review Outlook ((2019) MERO) indicating that Overstrand has a higher population growth than that of Theewaterskloof, however all sources and research indicate that TWK will continuously host the largest part of the district population.

All local intelligence indicates that even those of our sources that contain the highest estimates reflect an understatement of the population and population growth. A recent estimate by a local community organisation (Greyton Council) already estimate the TWK population to be above 140 000 and indicating that Grabouw Host about 41% of the total population. Though much higher than official sources, there are even local organisation that feel this too is an under estimate, certain local's feels that Grabouw alone account for more than 100 000 residents. This could be justifiable looking at the rapid expansion of "Siyanyanzela" where a new ward was established literally overnight.

This growth rates in Theewaterskloof poses huge challenges on the service delivery for Theewaterskloof, based on even the lowest average annual growth rates of 1.5% (Stats 2011), the population of Theewaterskloof will increase by more than 1800 residents per annum. Taking an average household size of four, this equates to about an additional 450 households that would require services. The problem is intensified due to the fact that most of the growth into the area is deemed to fall within the category of indigent households.

### 1.2.2.1 TOTAL POPULATION

Stats SA remains the only recognised organisation/source that supplies population data. Other data sources are used to make projection, cross tabulations and improve planning, however the statistics provided by Stats SA remains the only official set of population data. The significance of this to municipalities lies in the fact that National and Provincial Treasuries and Departments use official statistics when allocating resources.

| MUNICIPALITY    | CENSUS 2001 | COMMUNITY SURVEY 2007 | CENSUS 2011 | COMMUNITY SURVEY 2016 | % GROWTH |
|-----------------|-------------|-----------------------|-------------|-----------------------|----------|
| Theewaterskloof | 93 276      | 86 721                | 108 790     | 117 167               | 25.61%   |

The table above shows that the total population with the Theewaterskloof area grew by 25.61% (23 891) from 2011 to 2016 (5 years).

### 1.2.2.2 TOTAL POPULATION STATISTICS

The table below depict the 2011 census data in the various categories. Neither the 2016 nor the SEP 2018 provides data in the same format. 2011 Data was therefor used as a basis to do a calculation to illustrate the effect of the growth rate within the various categories post 2011. It should be noted that post 2011 Stats SA only classify four population groups:

- Black
- Coloured
- Indian/Asian
- White

"Other" has been omitted from future census and/or Surveys.

| Ward               | Black         | Coloured      | Indian or Asian | White         | Other      | Grand Total                |
|--------------------|---------------|---------------|-----------------|---------------|------------|----------------------------|
| 1                  | 1 395         | 6 222         | 38              | 1 535         | 65         | 9 256                      |
| 2                  | 312           | 7 246         | 41              | 697           | 148        | 8 443                      |
| 3                  | 1 402         | 9 277         | 24              | 398           | 74         | 11 174                     |
| 4                  | 1 180         | 3 348         | 29              | 2 487         | 59         | 7 102                      |
| 5                  | 4 188         | 5 369         | 101             | 1 868         | 101        | 11 627                     |
| 6                  | 2 711         | 3 846         | 18              | 85            | 146        | 6 805                      |
| 7                  | 1 685         | 5 806         | 28              | 620           | 83         | 8 223                      |
| 8                  | 2 603         | 2 450         | 0               | 7             | 6          | 5 066                      |
| 9                  | 2 018         | 5 581         | 22              | 373           | 2          | 7 995                      |
| 10                 | 1 409         | 3 874         | 10              | 553           | 58         | 5 904                      |
| 11                 | 2 072         | 2 814         | 21              | 363           | 23         | 5 293                      |
| 12                 | 3 070         | 4 318         | 14              | 161           | 14         | 7 576                      |
| 13                 | 4 713         | 8 326         | 42              | 1 025         | 218        | 14 325                     |
| <b>Grand Total</b> | <b>28 757</b> | <b>68 478</b> | <b>387</b>      | <b>10 173</b> | <b>995</b> | <b>108 790<sup>1</sup></b> |

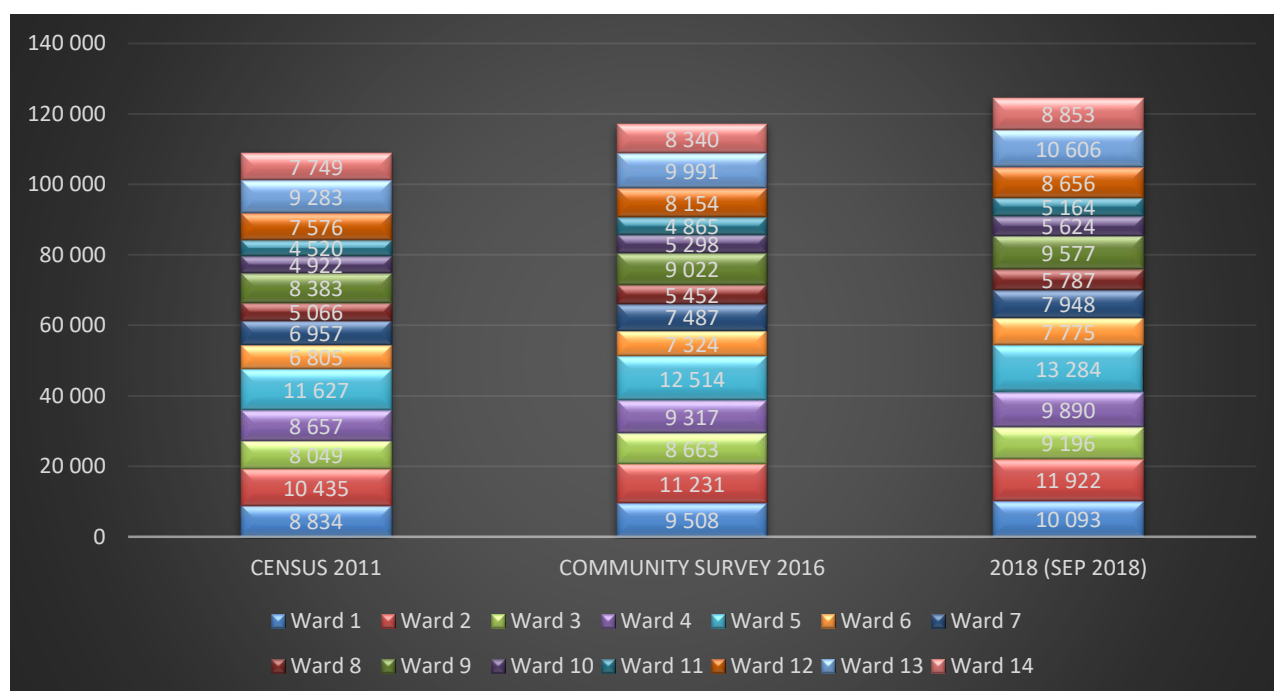
Using a tool provided by Stats SA, we were able to depict the 2011 census data within the 2016 boundaries. Using growth percentage between census 2011, community Survey 2016

<sup>1</sup> Note that the table above makes reference to 13 wards, Theewaterskloof currently has 14 wards. The 14th ward was added just prior to the 2016 elections. The statistical data for ward 14 does not exist in the 2011 census. On page 18 a tool provided by Stats SA was used to get population figures for Ward 14.

and SEP 2018 a calculation could be made to provide comparative figures throughout the years where we have data available.

It should however be noted that this is only for illustrated/comparative purposes and based on the assumption that growth for the total area are equal or similar in the individual wards.

| WARDS         | TOWNS              | CENSUS 2011    | COMMUNITY SURVEY 2016 | 2018 (SEP 2018) |
|---------------|--------------------|----------------|-----------------------|-----------------|
| Ward 1        | Riviersonderend    | 8 834          | 9 508                 | 10 093          |
| Ward 2        | Greyton/Genadendal | 10 435         | 11 231                | 11 922          |
| Ward 3        | Caledon            | 8 049          | 8 663                 | 9 196           |
| Ward 4        | Caledon            | 8 657          | 9 317                 | 9 890           |
| Ward 5        | Villiersdorp       | 11 627         | 12 514                | 13 284          |
| Ward 6        | Villiersdorp       | 6 805          | 7 324                 | 7 775           |
| Ward 7        | Botrivier          | 6 957          | 7 487                 | 7 948           |
| Ward 8        | Grabouw            | 5 066          | 5 452                 | 5 787           |
| Ward 9        | Villiersdorp       | 8 383          | 9 022                 | 9 577           |
| Ward 10       | Grabouw            | 4 922          | 5 298                 | 5 624           |
| Ward 11       | Grabouw            | 4 520          | 4 865                 | 5 164           |
| Ward 12       | Grabouw            | 7 576          | 8 154                 | 8 656           |
| Ward 13       | Grabouw            | 9 283          | 9 991                 | 10 606          |
| Ward 14       | Grabouw            | 7 749          | 8 340                 | 8 853           |
| <b>TOTALS</b> |                    | <b>108 864</b> | <b>117 167</b>        | <b>124 374</b>  |



### 1.2.2.3 POPULATION CHARACTERISTICS

Various sources indicate various projected growth rates for the Theewaterskloof area:

Census 2011: 1.54%

Community Survey 2016: 1.52% (2011 – 2016)

SEP 2018: 3% (2018 – 2024)

| POPULATION GROUP                 | 2001                       | 2011   | 2016    | %GROWTH | % OF 2016 TOTAL POPULATION |
|----------------------------------|----------------------------|--------|---------|---------|----------------------------|
| African                          | 21 204                     | 28 757 | 29 005  | 36.79%  | 24.76%                     |
| Coloured                         | 61370                      | 68 478 | 76 374  | 24.45%  | 65.18%                     |
| Indian/Asian                     | 165                        | 387    | 578     | 250.30% | 0.49%                      |
| White                            | 10 540                     | 10 173 | 11 210  | 6.36%   | 9.57%                      |
| Other                            |                            | 995    |         |         | 0                          |
| Total Growth %                   |                            |        | 117 167 | 25.61%  | 100.00%                    |
| Population Density Per Square Km | 35 persons km <sup>2</sup> |        |         |         |                            |

The Coloured racial group was the largest group within the municipality in both 2001(61 370) and 2016(76374), showing a 24.45 percent growth rate (2001 – 2016). The Indian/ Asian Population group has the largest growth rate in the municipal area at 250.3%, followed by the African population group at 36.79%. The Indian/Asian Population group remains the minority in the municipal area with only 578 residents or 0.49% of the total population group. Local intelligence (Greyton Council) indicate that based on past trends the coloured population is estimated to be in the region of 55% and the black population could currently stand at 35% of the total population.

#### Gender Distribution

| GENDER DISTRIBUTION   | 2001   | 2011   | 2016   | %Growth |
|-----------------------|--------|--------|--------|---------|
| MALE                  | 48 527 | 55 463 | 59 270 | 22%     |
| FEMALE                | 44 749 | 53 327 | 57 898 | 29%     |
| Males per 100 females | 102    |        |        |         |

Males remain the largest gender group within the municipal area (50.5%) despite females having a larger growth rate over the 15 year period. Assuming this trend continue, females could soon overtake the male population in the region.

#### Age Distribution and Cohorts

| AGE PROFILE | 2011 | 2016 | 2018 | 2019 |
|-------------|------|------|------|------|
| 0-14        | 25%  | 28%  | 25%  | 27%  |
| 15-64       | 69%  | 68%  | 68%  | 66%  |
| 65+         | 6%   | 5%   | 7%   | 8%   |

Theewaterskloof's age profile remained relatively consistent from 2011 through to 2018. The Statistics show that a large share of the population can be located amongst the younger population or in the working age category.



## Dependency Ratio

In Theewaterskloof, this ratio was 44.2 in 2011 and increased to an estimated 52.5 in 2019. This is estimated to further deteriorate to 54.7 in 2024. This ratio expresses the dependency of people who are part of the workforce (age 15 - 65) and those, who are depending on them (children and seniors). A higher dependency ratio means a higher pressure on social systems and the delivery of basic services.

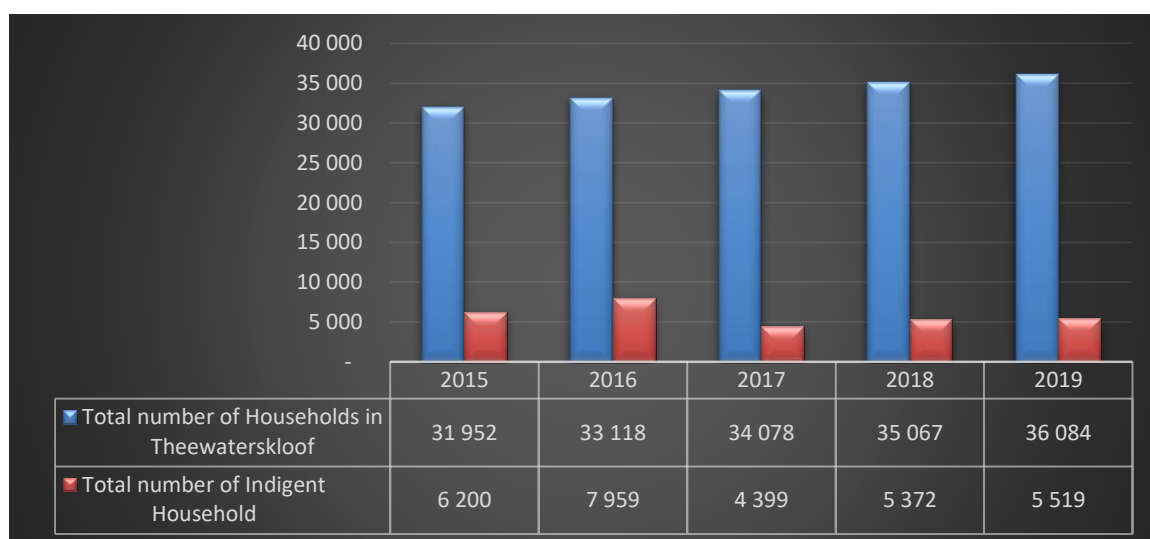
Considering the already diminishing number of paying residents within the Theewaterskloof area coupled within the influx of indigent people into the area, the dependency ratio are worth being noted and proactive mechanisms must be designed to address these issues in order to ensure that the municipality remains financially sustainable and avoid overburdening the social systems with the region.

### 1.2.3 HOUSEHOLDS

The total number of households within the municipal area increased from 31 952 households in 2014/15 financial year to a total of 36 084 in 2018/19 financial year<sup>2</sup>.

The table below indicate the number of households as contained in the SEP 2015 and community survey 2016. In order to calculate the number of households for 2019 the projected household growth rate was used as contained in Community survey 2016 (2.9% avg annual growth).

|                                                             | 2015   | 2016   | 2017   | 2018   | 2019   |
|-------------------------------------------------------------|--------|--------|--------|--------|--------|
| <b>Total number of Households in Theewaterskloof</b>        | 31 952 | 33 118 | 34 078 | 35 067 | 36 084 |
| <b>Total number of Indigent Household</b>                   | 6 200  | 7 959  | 4 399  | 5 372  | 5 519  |
| <b>Indigent household as percentage as total households</b> | 19%    | 24%    | 13%    | 15%    | 15%    |
| <b>Estimated Growth rate as per Community Survey 2016</b>   | 1.029  |        |        |        |        |



The MERO 2019 estimates the total number of households in the area to be in the region of 31 000 this is highly disputed as the community survey conducted by Stats SA already had TWK household in excess of 33 000 in 2016.

<sup>2</sup> Municipalities own calculation based on the household growth rate between census 2011 and Community survey 2016.

## 1.2.4 SOCIO ECONOMIC STATUS

In addition to the information already previously displayed the following social economic indicators are deemed important. The socio-economic information for the municipal area is as follows:

| SELECTED SOCIO-ECONOMIC INDICATORS IN THE, 2008 - 2017 |                                    |                                             |
|--------------------------------------------------------|------------------------------------|---------------------------------------------|
| Indicator                                              | Overberg                           | Theewaterskloof                             |
| GDPR growth (2008 -2017)                               | 2,6 %                              | 3,5 %                                       |
| Population 2018                                        | 308 011                            | 124 374                                     |
| Unemployment 2017                                      | 10,2 %                             | 8,8 %                                       |
| Population growth (2018 – 2024 )                       | 2,59 %                             | 2,9 %                                       |
| Real GDPR per capita (2017)                            | R 65 588                           | R 60 067                                    |
| Gini coefficient (2012 – 2018 )                        | Increase                           | Increase                                    |
| Household income                                       | R 13 700                           | R 12 647                                    |
| HDI (2018)                                             | 0 , 71                             | 0,67                                        |
| Matric pass rate                                       | 84,6 %                             | 79,2 %                                      |
| Grade 12 dropout rates (2017)                          | District Average %<br>44,9 %       | 38 %                                        |
| Informal dwelling                                      | 15 640<br>(MERO 2019 figures)      | 8 351<br>(TWK informal dwelling<br>figures) |
| Indigent households (2017)                             | 17 713                             | 5 372                                       |
| Free basic water households (2017)                     | 14 608                             | 2 391                                       |
| Free basic electricity households (2017)               | 14 293                             | 2 076                                       |
| Free basic refuse removal households (2017)            | 16 380                             | 4 163                                       |
| Free basic sanitation households (2017)                | 16 314                             | 4097                                        |
| Main causes of death (%)                               | Diseases of the circulatory system |                                             |
| Age group with highest death rate                      | 65+                                |                                             |

# Theewaterskloof: At a Glance



## POPULATION

124 374



## HOUSEHOLDS

33 097

## Education

2017



Matric pass Rate 86.8%  
Learner – Teacher Ratio 44.6  
Gr 12 Drop-out Rate 38.0%

## Poverty

2017



Gini Coefficient 0.59  
Human Development Index 0.67

## Health

2017/18



Primary Health  
Care Facilities

16

Immunisation  
Rate

72.5%

Maternal Mortality Ratio  
(per 100 000 live births)

0.1

Teenage Pregnancies –  
Delivery rate to women U18

12.8%

## Safety and Security

Actual number of reported cases, 2018



Residential  
Burglaries

968

DUI

296

Drug-related  
Crimes

2 640

Murder

86

Sexual Offences

147

## Access to Basic Service Delivery

Percentage of households with access to basic services, 2016



Water

98.4%

Refuse Removal

78.7%



Electricity

92.8%



Sanitation

90.1%



Housing

77.5%



## Road Safety

2017

Fatal Crashes 39  
Road User Fatalities 51

## Labour

2017

Unemployment Rate

10.3%



## Socio-economic Risks

Risk 1 Slow Economic Growth  
Risk 2 Increasing population & demand for services  
Risk 3 Rising unemployment

## Largest 3 Sectors

Contribution to GDP, 2016

Wholesale and retail trade, catering  
and accommodation

17.7%

Finance, insurance, real estate and  
business services

16.3%

Agriculture, forestry and fishing

15.5%



**2**  
Tertiary

**1** District  
Hospital

**5** EMS  
Centres

**8** ARV  
Treatment  
Sites

**38** Primary  
and Secondary  
Schools

**6** Police  
Stations

**7** Clinics, **2** Satellite  
and **9** Mobile Clinics,  
**1** Community Day  
Centre

**10** EMS  
ambulances



## 1.3 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY JURISDICTION<sup>3</sup>

### BOTRIVIER



The small village of Botrivier is situated en route to Hermanus and Caledon, at the eastern slopes of the Houw Hoek Mountains. The Botriver hotel is the landmark in the town. The area is known for its vineyards and wine farms, with the well-known Beaumont Farm situated in the town. There is a growing tourism market linked to agri-tourism and wine tasting.

In the Growth Potential of Small Towns Study, Botrivier is classified as an agricultural service centre with medium human needs and low to very low development potential. The Municipality, in its growth study, disagrees and has identified the town as an area with possibilities for light industrial development.

### CALEDON

Moving along the N2, 110km east of Cape Town is the town of Caledon. The town owes its situation to the presence of hot water springs which were the catalyst for the initial growth of the town which was later named after its Governor, the Earl of Caledon.



Caledon is a government service centre, as well as a significant agricultural service centre. The Municipal head offices are located in the town along with the regional offices for the Departments of Education, Social Development and Home Affairs.

Caledon is the centre of a broader agricultural region which produces barley, wheat and wool. Overberg-Agri, which provides services and support to the farming sector, has its head office located in Caledon. It is also home to the Anheuser-Busch InBev world's largest brewer which is the only malt producer for the South African lager beer industry and is the largest in the southern hemisphere.

While tourism in the town is limited, Caledon does have two large tourism attractions: the hot springs and Caledon Casino. The latter is one of five middle-sized casinos in South Africa. Most recently Caledon has also seen increase in Wedding Tourism, with two elegant wedding venues establishing in the town.

---

<sup>3</sup> Information taken from the Community Development Strategy

In the Growth Potential of Small Towns Study, Caledon is classified an agricultural service centre known for its casino and hot springs. It is regarded as a town with low human needs and medium development potential.



## GRABOUW

The Grabouw/Elgin district is the first town in the Municipal area when driving from Cape Town along the N2. It borders on the Kogelberg Biosphere reserve and the Hottentots Holland reserve. These provide excellent opportunities for adventure-based sports such as cycling. It has various conservation areas around it. The Eikenhof Dam is in the town.

The town is well known for its apples, open gardens and is increasingly becoming known as a tourist and wine

buying region. It has two popular farm stalls that attract passing visitors, Orchards and Peregrine. There are also several farm-based attractions in the surrounding areas. The Elgin tourism association is established and has a recognised brand. It is complemented by the emerging wine industry and established wine guild.

It is the largest apple growing area and produces about 60% of South Africa's export apple crop. It is also the third largest pear growing area. The valley is renowned for cultivating fresh chrysanthemums, roses and proteas. In addition to primary production, the area is also home to several agri-processing firms including Appletiser and Elgin Fruit Juices. It also has an established transport industry, with both Bosman's freight carriers and Gaffleys' busses located in the town.

In the Growth Potential of Small Towns Study, conducted by Van der Merwe in 2004, Grabouw is classified as an agricultural service centre and an apple town. It is regarded as a town with high human needs and medium development potential, using a scale of very low to very high. Residents and the DBSA both disagree with the medium potential ranking and believe the town has high growth potential.

The area has recently received a boost, being one of six pilot sustainable community sites initiated by the DBSA. The Sustainable Development Framework (SDF) for Elgin-Grabouw, developed as part of this initiative, provides a sustainable spatial vision and supporting strategies for the town.

The influx of people into the informal settlements is one of the biggest challenges for the town. The second economy operating in these informal settlement areas is survivalist in nature and often very alienated from the formal sector.



## GREYTON



On entering Greyton one is immediately reminded of an Old English Village. This beautiful small town is nestled at the foot of the Riviersonderend Mountains with the Riviersonderend River on its boundary and surrounded by mountains.

It is both a lifestyle and tourism destination, while the surrounding areas are farmlands. The hotels, lodges and B&B's, are all of an exceptionally high standard. Visitors can choose between a stay in the town or on a working farm. All this, together with

Greyton's coffee shops, restaurants, art galleries etc., invites you to stay with a difference.

In the Growth Potential of Small Towns Study Greyton is classified as a retirement and holiday home base known for its village character. It is regarded as a town with low human needs and low development potential. Residents and the Municipality disagree with the classification and feel the town has development potential, although within its current spatial limits.



## GENADENDAL

Genadendal, or 'Valley of Grace', was established by the Moravian Church in the mid-1700s and is the oldest mission station in South Africa. The economy of the town is dominated by 'development' projects, mostly driven by local development organizations, as well as small-scale agricultural production and subsistence gardening.

Much of the workforce relies on the surrounding fruit farms for employment, which contributes to the seasonality of the local economy. Genadendal is

located alongside Greyton, 32km off the N2 and 140km from Cape Town with the Riviersonderend Mountains to the north.

In the Growth Potential of Small Towns Study Genadendal is described as an historic mission station with residential and tourism opportunities. It is regarded as a town with medium human needs and low development potential.

## RIVIERSONDEREND

Riviersonderend is situated on the N2, approximately 160km from Cape Town. Riviersonderend offers beautiful mountain and river scenery, a nine-hole golf course and sightings of South Africa's national bird, the blue crane.

In the Growth Potential of Small Towns Study, Riviersonderend is classified as an agricultural service centre with medium human needs and low to very low development potential.



kilometres from Caledon and has much to offer.

Practically every person, every cottage and even walking, hiking and mountain biking trails have a story.

There are plenty of opportunities to explore the outdoors even until deep in the night where one will discover some of the clearest Milky Way viewings in South Africa.



## TESSELAARSDAL

Tesselaarsdal is the ideal getaway in which to experience unpolluted natural beauty and small-town community living at its best. Yes, the gravel road is long and a little inconvenient for urbanites but this is part of the town's tucked away charm. It compels you to slow down and immerse yourself in your surrounds; it certainly helps to authenticate Tesselaarsdal as one of those rare off-the-map experiences. Tesselaarsdal is a very convenient 21

## VILLIERSDORP

Villiersdorp is situated between the N1 and the N2. To the north-west of the town lies Franschhoek, a thriving tourist destination and to the south-east lies Grabouw, the economic hub of the Municipal area. To Villiersdorp's east lies Worcester, the gateway to the northern N1. The town is well known for its major landmark, the Theewaterskloof Dam, and its agricultural activity.

Villiersdorp is part of both the Theewaterskloof Dam and the Elands-kloof Dam catchment areas situated behind the Groenland and Hottentots Holland mountain ranges and at the foot of the Blokkop Peak.

In the Growth Potential of Small Towns Study, conducted by Van der Merwe in 2004, Villiersdorp is classified as an agricultural service centre known for its fruit and mountains. It is regarded as a town with high human needs and low development potential, using a scale of very low to very high.

The most well-known landmark in the area is the Theewaterskloof Dam. The Dam is surrounded by holiday homes, a golf estate and various farms. Visitors to the dam come largely to enjoy various forms of sport – largely boating and golf. Residents complained about the absence of an attractive accessible picnic site and recreational facilities for people without their own equipment.

Agriculture is the primary economic activity. This is reflected in the primary agricultural sector and in the wholesale trade sector where many of the pack houses and the co-op fall. The dominant products are deciduous fruits.

Tourism is characterised by art, sports and business visitors, with Mel Elliot's art studio and gallery attracts steady stream of budding artists to the area.

Villiersdorp has benefited from the VPUU Partnership, whereby community structures and organisations were supported through an intensive leadership and capacity building interventions over the last 3 years. The Partnership contributed to construction of 2 focal facilities, the Resource Centre, with a Youth Café and a Toy Library.

Comprehensive spatial planning exercise has been completed, resulting in Public Investment Framework, which will form part of the local Spatial Development Framework for Villiersdorp.



## 1.4 NATURAL RESOURCES

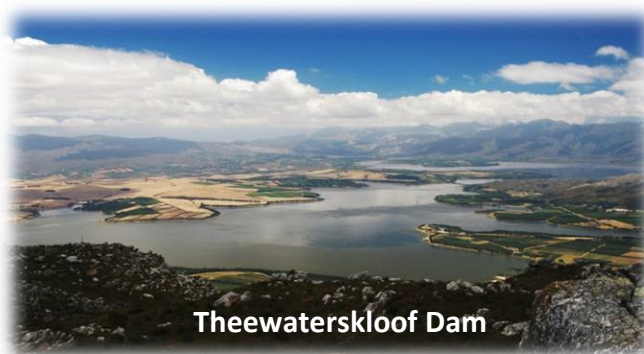
| Natural Resources                                  |                                                                                                                                                                                                               |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major Natural Resource                             | Relevance to Community                                                                                                                                                                                        |
| Kommieskraal rivier                                | This is the main water sources for Villiersdorp.                                                                                                                                                              |
| Elandskloof                                        | This is the main water sources for Villiersdorp.                                                                                                                                                              |
| Tesselaarsdam Mountain Stream                      | This is the main water sources for Tesselaarsdal.                                                                                                                                                             |
| Tesselaarsdam Borehole                             | This is the main water sources for Tesselaarsdal.                                                                                                                                                             |
| Bethoeskloof stream                                | This is the main water sources for Tesselaarsdal.                                                                                                                                                             |
| Voorstekraal Borehole                              | Additional Source for Voorstekraal.                                                                                                                                                                           |
| Bereaville borehole                                | Additional Source for Bereaville.                                                                                                                                                                             |
| Riviersonderend Borehole                           | Additional Source for Riviersonderend.                                                                                                                                                                        |
| Baronsbos borehole                                 | Additional Source for Caledon.                                                                                                                                                                                |
| Greyton Nature Reserve in the Mountains of Greyton | Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. Serve as Biodiversity hub for the community.                                               |
| Caledon Wild Flower garden and Nature Reserve      | Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. People can also visit the Botanical Gardens. Serves as Biodiversity hub for the community. |
| Kogelberg Biosphere Reserve                        | Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants.                                                                                            |
| Theewaterskloof Dam                                | Sports & Recreation serves the community with drinking water.                                                                                                                                                 |
| T1.2.7                                             |                                                                                                                                                                                                               |



Greyton Nature Reserve in the Mountains of Greyton



Kogelberg Biosphere Reserve



Theewaterskloof Dam

## 1.5 SERVICE DELIVERY OVERVIEW

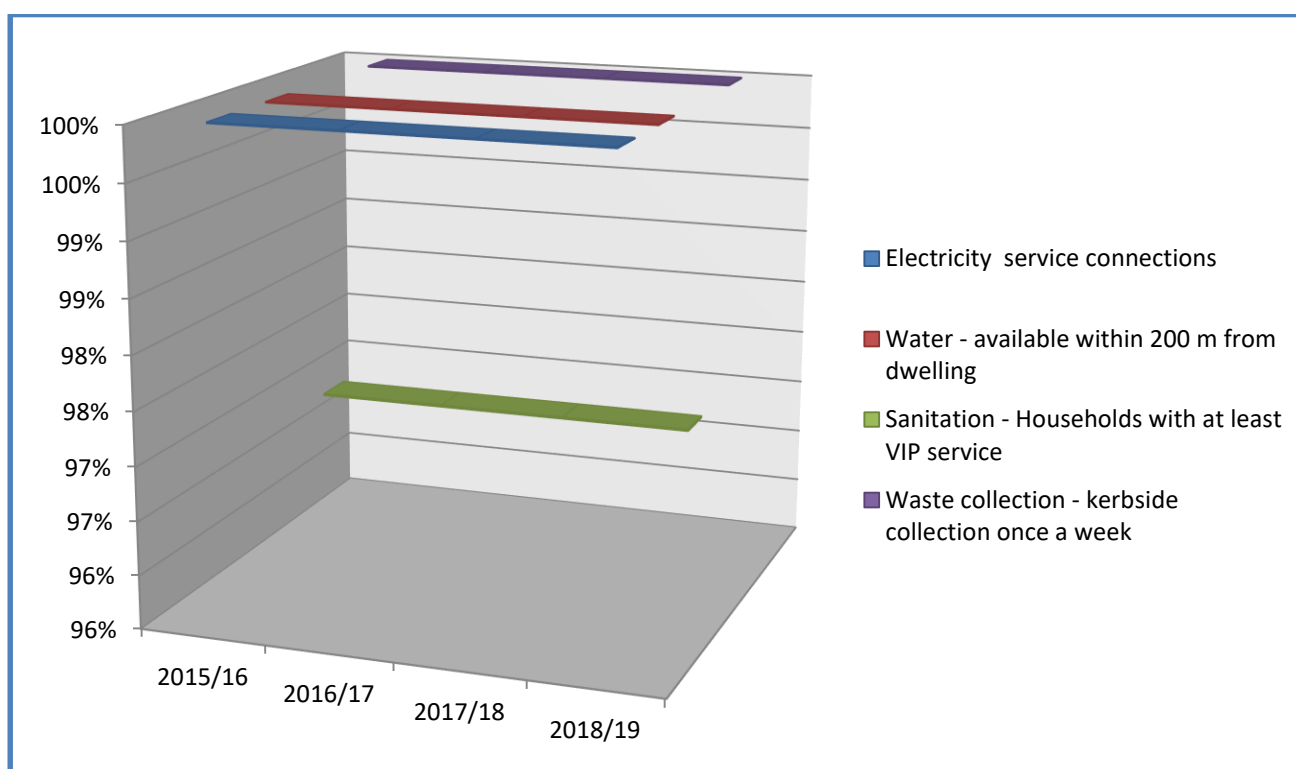
One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Theewaterskloof Municipality are water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library, cemeteries, community, sport and recreation, traffic as well as disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

### 1.5.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The table and graph below illustrates the proportion of households with minimum levels of basic services.

<sup>4</sup>Proportion of Households with minimum level of Basic services

|                                                           | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-----------------------------------------------------------|---------|---------|---------|---------|
| <b>Electricity service connections</b>                    | 100%    | 100%    | 100%    | 100%    |
| <b>Water - available within 200 m from dwelling</b>       | 100%    | 100%    | 100%    | 100%    |
| <b>Sanitation - Households with at least VIP service</b>  | 97%     | 97%     | 97%     | 97%     |
| <b>Waste collection - kerbside collection once a week</b> | 100%    | 100%    | 100%    | 100%    |



<sup>4</sup> Within Municipal area, excluding Farms , and electricity exclude households in Eskom serviced areas



## 1.6 FINANCIAL HEALTH OVERVIEW

### 1.6.1 FINANCIAL OVERVIEW

In a financial review conducted by an independent agency (Ratings Afrika) for the 2012/13 financial year, the Theewaterskloof Municipality was identified as the least financially sustainable municipality in the Western Cape. This was confirmed by the Western Cape Provincial Treasury benchmarking tool and the Municipality's own analysis of the financial position, operating results and cash flow.

The financial sustainability was subsequently at every strategic planning session of the Council considered to be one of the biggest challenges and a high priority focus area.

The table below indicates the financial viability score of the municipality over the last 7 financial years.

| Financial Sustainability Index | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------|------|------|------|------|------|------|------|
| Operating performance          | 12   | 18   | 20   | 17   | 58   | 58   | 68   |
| Liquidity management           | 22   | 46   | 41   | 35   | 67   | 71   | 74   |
| Debt governance                | 49   | 57   | 60   | 68   | 78   | 82   | 82   |
| Budget position                | 33   | 39   | 57   | 54   | 61   | 59   | 72   |
| Financial stability            | 27   | 41   | 43   | 41   | 66   | 68   | 74   |
| Affordability                  | 43   | 45   | 46   | 45   | 45   | 42   | 48   |
| Infrastructure development     | 51   | 40   | 49   | 36   | 38   | 47   | 39   |
| Sustainability Index score     | 34   | 41   | 45   | 41   | 58   | 60   | 64   |

\*\*\*\*\* Last updated October 2019 (Ratings Afrika)

The financial viability score has increased significantly from 27 in 2012/13 to 74 in 2018/19. In comparison to the prior year; the operating performance, liquidity management and budget position have shown an improvement and had a positive effect on the financial viability rating. The municipality's cash flow position has also improved during the 2018/19 financial year which has resulted in a better liquidity ratio to within the National Treasury norm of 1.5:1. The ratio is sitting at 1.67:1 compared to 1.45:1 in the previous financial year. The ratio of interest bearing debt to operating revenue is at 18% which is well within the norm but caution will have to be exercised to keep borrowing within prudential limits given the low economic growth and revenue collection.

Despite the improvement over the past 7 years, the long term financial plan indicates that significant challenges remain valid and strict fiscal discipline and management decisions must be maintained in order to ensure longer term overall sustainability to enable us to continue to execute our core mandate of basic service delivery including promoting social and economic development. Most of the challenges existed in previous financial years and was listed in previous annual reports, however due to the nature of these challenges and the environment (government) we operate in, finding solutions to these challenges and implementing them, takes time, effort and in certain instances additional resources. The most critical challenges to the financial sustainability of Theewaterskloof include but is not limited to:

-  Low debtors Collection Levels – Rate consistently below the national norm of 95% over the past seven years

- ✚ Electricity revenue supplies to the minority of towns and industrial consumers. This not only has a negative impact on the direct revenue from electricity sales but also impact negatively on debt collections revenue.
- ✚ Poor liquidity position
- ✚ Unfunded provisions such as provision for rehabilitation of landfill sites and post retirement employee benefits
- ✚ Lack of reserve funds
- ✚ Ageing infrastructure and the risk of infrastructure collapse
- ✚ Inadequate budget for repairs and maintenance of infrastructure assets
- ✚ Range of unfunded and under-funded mandates
- ✚ The effect of rapid urbanisation remains one of the largest challenges to the sustainability of the municipality. Errors in recent census results (contributing to the incorrect division of revenue from the national fiscus) It is estimated that the undercount could be in the region of 20% as the reality indicates that there are more likely to be 140 000 people in the area rather than the 117167 indicated by the Community Survey. Projected Growth percentages are also questionable, ranging from 1.5 to 1.9% from the various sources. One only have to look Grabouw where the influx of people overnight was enough to equal an entire ward.
- ✚ Narrow rates base and affordability of the municipal bill
- ✚ Water losses
- ✚ Revenue growth and the effect of climate change (drought conditions)

The municipality is constantly attempting to improve the low collection levels and is in the process of implementing a credit control and debt collection system as a tool to assist the administration with the daunting task against the backdrop of weak economic conditions, poverty and high unemployment. Another initiative which unfortunately requires additional funding is the installation of smart water meters especially in areas where Eskom electricity supply areas as a mechanism to enforce credit control. The collection rate has improved from 84% in 2017/18 to 85% in 2018/19 which is testimony to the fact that a more coherent and effective approach must be adopted to improve the low collection levels. The Municipality is also currently busy with an awareness campaign in order to encourage defaulting consumers to pay for rates and services. This campaign will also focus on consumer education, communication, customer care and the possibility of a customer loyalty programme. It is however imperative that the Genadendal Transformation issue be resolved as soon as possible to allow for data cleansing, credit control and debt collection to be implemented. The Municipality is currently negotiating with the Department of Rural Development and Land Affairs for the payment of outstanding property rates on properties registered and held in trust on behalf of the Minister.

TWK is continuing to lobby (through SALGA) for a review of the fiscal model. The municipality is also one of the major role players in the attempts to either take over electricity distribution in its area from ESKOM or alternatively receiving revenue in the form of a surcharge from ESKOM and introducing a Service Delivery Agreement with ESKOM. This will improve revenue and debt collection ratios considerably. The municipality will continue to explore innovative methods to address its financial sustainability challenge. In addition, the Municipality is also lobbying SALGA to engage with CoGTA to amend section 118 of the Municipal Systems Act to enable municipalities to recover historic debt before a rates clearance certificate is issued.

## 1.6.2 FINANCIAL OVERVIEW 2018/19

| Financial Overview -2018/19      |                  |                   |                  |
|----------------------------------|------------------|-------------------|------------------|
|                                  |                  |                   | R' 000           |
| Details                          | Original budget  | Adjustment Budget | Actual           |
| <b>Income</b>                    |                  |                   |                  |
| Grants                           | (193 391)        | (194 127)         | (150 456)        |
| Taxes, Levies and tariffs        | (325 632)        | (322 938)         | (325 404)        |
| Other                            | (60 999)         | (87 573)          | (114 238)        |
| <b>Sub Total</b>                 | <b>(580 022)</b> | <b>(604 637)</b>  | <b>(590 099)</b> |
| <b>Less Expenditure</b>          | 551,182          | 580,824           | 501,462          |
| <b>Net Total*</b>                | <b>(28 840)</b>  | <b>(23 814)</b>   | <b>(88 637)</b>  |
| <i>* Note: surplus/(deficit)</i> |                  |                   | T1.4.2           |

## 1.6.3 COMMENT ON OPERATING RATIOS

| Operating Ratios                          |        |
|-------------------------------------------|--------|
| Detail                                    | %      |
| <b>Employee Cost</b>                      | 38%    |
| <b>Repairs &amp; Maintenance</b>          | 5%     |
| <b>Finance Charges &amp; Depreciation</b> | 8%     |
|                                           | T1.4.3 |

The payroll report is required by section 66 of the MFMA. The active employees on the Payday system are 852, of which 162 are temporary workers, 26 council members and 664 permanent workers. The active employees include 14 new appointments, 5 retirement and 11 contracts which expired for the month of June 2019. The total Salary, allowances & benefits for managers and staff amounts to R 15,885 million for the month June 2019. Overtime for June 2019 amounts to R 564 000.

The norm for Employee Related Cost to the Total Operating Budget range between 25% and 40% depending on various factors and circumstances. The 38% attained is within the National Norm.

The municipality realizes the importance of expenditure on maintenance to ensure that assets are used optimally throughout their operational life. The municipality has made a conscious decision to increase its expenditure on repairs and maintenance gradually over the next few financial years. Optimally the municipality would eventually want to meet the national norm for expenditure on repairs and maintenance currently at 8%.

Repairs and Maintenance has shown positive movement from 4% in 2017/18 to 5% in 2018/19 illustrating the municipality's willingness to achieve the national benchmark. According to GRAP classification it seems like the municipalities Repairs and Maintenance have increased however when reporting in the mSCOA format the municipality has made huge improvements in its spending on Repairs and Maintenance.

The municipality was always of the view that we are spending much more on Repairs and Maintenance than the required benchmark, previous cost of own employees and certain materials purchased was excluded from this calculation, however with the introduction of mSCOA the municipality can now more accurately extract what it is spending on repairs and maintenance.

The ratio of finance charges and depreciation as a percentage of operating expenditure decreased from 9% in 2017/18 to 8% in 2018/19. The municipality has recently realised that it will in all probability need to take up loans if it wants to address its backlogs, however as can be seen from the finance charges ratio, it remained relatively consistent from the prior year.

#### 1.6.4 TOTAL CAPITAL EXPENDITURE

| Total Capital Expenditure: 2016 to 2019 |         |         |         |
|-----------------------------------------|---------|---------|---------|
|                                         |         |         | R'000   |
| Detail                                  | 2016/17 | 2017/18 | 2018/19 |
| Original Budget                         | 58,031  | 108,936 | 78,756  |
| Adjustment Budget                       | 71,646  | 130,284 | 88,460  |
| Actual                                  | 63,010  | 87,214  | 76,533  |
|                                         |         |         | T1.4.4  |

##### 1.6.4.1 CAPITAL EXPENDITURE COMMENT

In 2018/19 Theewaterskloof municipality approved a capital budget of R 78, 756m which was adjusted to R 88, 460m. The Total Capital Expenditure for the year ended 30 June 2019 amounts to R 76,533 million against the adjustment budget of R 88,460 million and the percentage spend is 87% when compared to the adjustment budget

The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan. The capital expenditure budget has been readjusted. Due to various reasons some projects could not be completed in the 2018/19 financial year and funds allocated must be rolled over.

The following additional projects were provided for in the adjustments budgets:

- Grabouw Cemetery - R 264 094.
- Villiersdorp Resource Centre – R 13 570 000
- Villiersdorp Toy Library – R 1 591 142
- Grabouw pick up and drop zone – R140 000
- Caledon Drought Relieve- R 233 450
- Riviersonderend Drought Relieve- R 373 044
- Drilling of Boreholes- R 248 016
- Refurbishment and upgrading of existing borehole – R 569 425
- Water source development Tesselaarsdal- R 267 225
- Upgrading of Bulk Electrical Infrastructure - R 792 611
- Upgrading 11 kV Network replace miniature substation – R 570 000

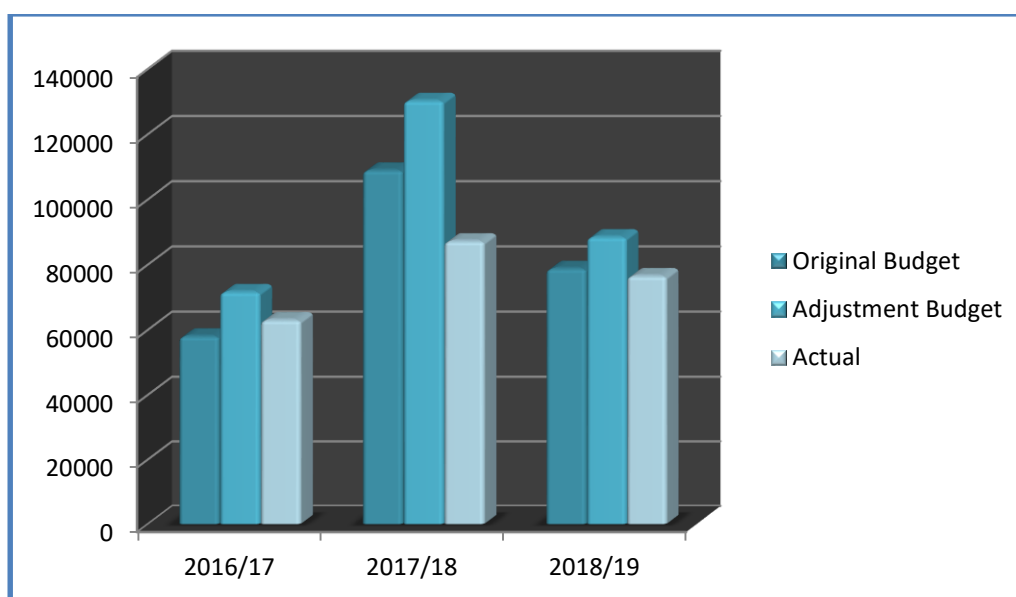
- Grabouw highmast lighting – R 195 581
- Caledon Waste Water Treatment works upgrade – R 3 270 593
- Pine View 266 Civils – R 927 436
- Low Cost Housing Project : Grabouw Waterworks : Beverly Hills – R20 000
- Low Cost Housing Project :Botrivier Community Hall – R 750 000
- Low Cost Housing Project :Botrivier Beaumont Land acquisition – R 4 200 000
- Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000
- Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000
- Transfer Station – R 1 368 688
- Vehicle Tracking System – R 672 000

The actual capital expenditure for the year 2018/19 amounted to R76, 533 m, effectively translating into an 87% capital budget spent.

The underspending was largely due to delays experienced with the following projects:

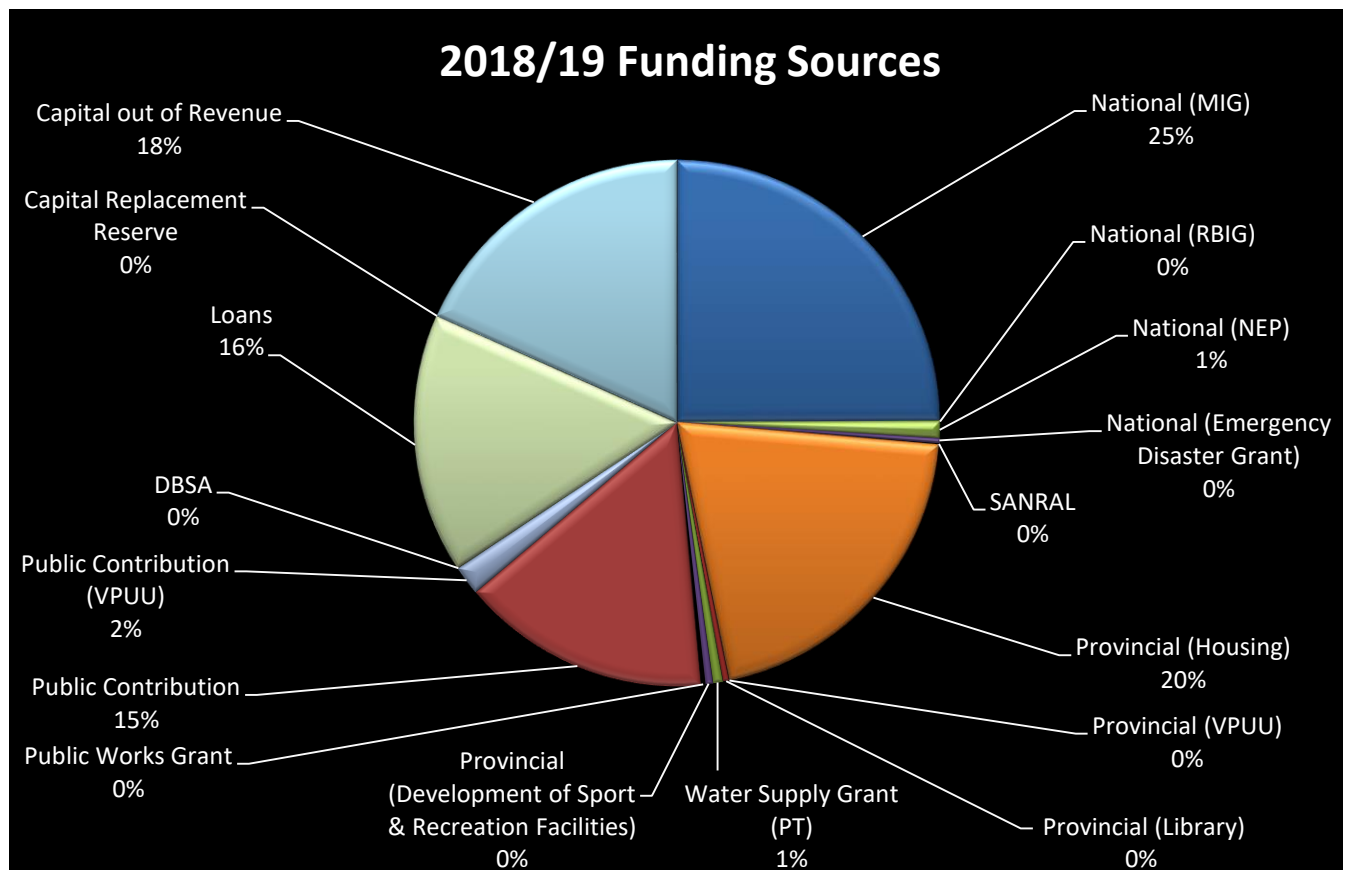
- Villiersdorp Resource Centre – R 13 570 000
- Caledon Waste Water Treatment works upgrade – R 3 270 593 (The work for the project is completed up to end of June 2019 as planned.)
- Low Cost Housing Project: Botrivier Beaumont Land acquisition – R 4 200 000 (The purchase is in the finalised process. Appointment of professionals to commence.)
- Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000 (Contractor on site and progressing on implementation schedule. First progress claims paid.)
- Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000 (This project as experienced many delays due to unavailability of bulk infrastructure. The implementing agent presented a full costing to Province on the 14th June 2019. Province to provide guidance on the feasibility and future of this project.)
- Transfer Station – R 1 368 688 (Funds transferred with adjustment budget.)

### 1.6.5 CAPITAL EXPENDITURE

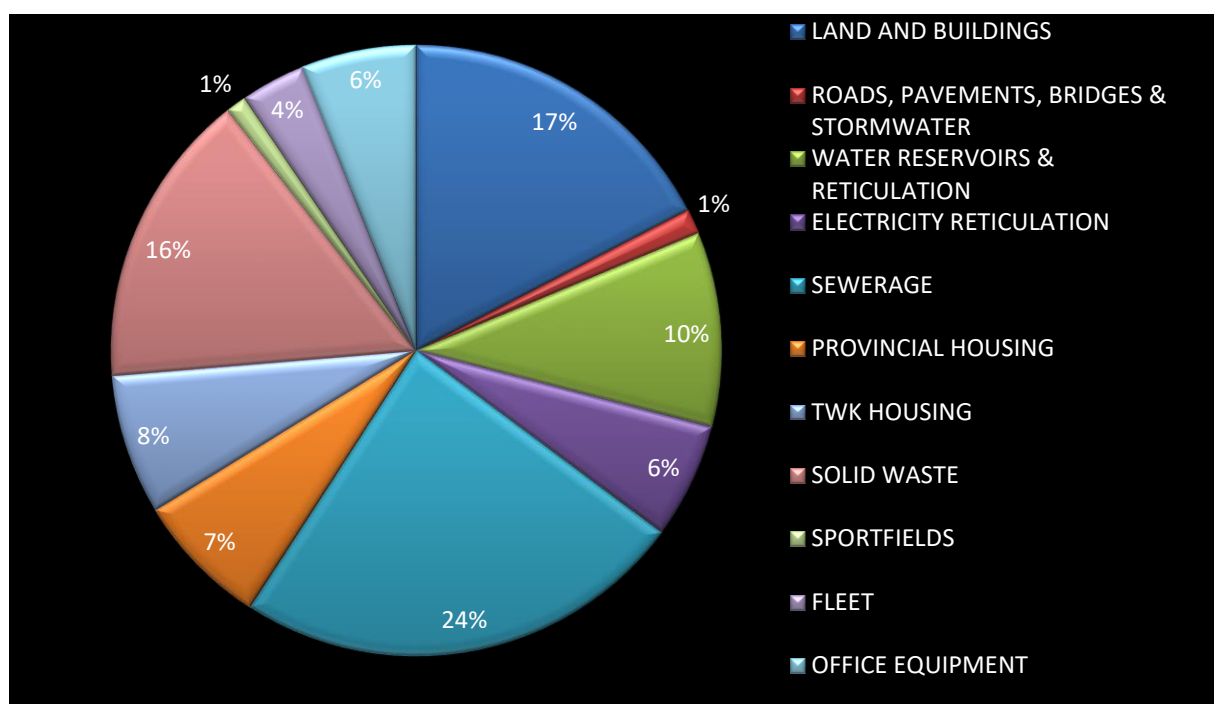




| Sources of Finance:                                       | Budget              | Adjustment Budget 2 | Expenditure         | Balance           | % Spent    |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|-------------------|------------|
| National (MIG)                                            | 22 053 912          | 22 053 912          | 22 023 712          | 30 200            | 100%       |
| National (RBIG)                                           | -                   | -                   | -                   | -                 | -          |
| National (NEP)                                            | 434 783             | 877 394             | 877 393             | 0                 | 100%       |
| National (Emergency Disaster Grant)                       | -                   | 248 016             | 239 567             | 8 449             | 97%        |
| SANRAL                                                    | -                   | 140 000             | 29 807              | 110 193           | 21%        |
| Provincial (Housing)                                      | 24 100 000          | 18 085 032          | 11 112 451          | 6 972 581         | 61%        |
| Provincial (VPUU)                                         | -                   | -                   | -                   | -                 | -          |
| Provincial (Library)                                      | 358 000             | 358 000             | 233 623             | 124 377           | 65%        |
| Water Supply Grant (PT)                                   | -                   | 569 425             | -                   | 569 425           | 0%         |
| Provincial (Development of Sport & Recreation Facilities) | 401 000             | 401 000             | 376 298             | 24 702            | 94%        |
| Public Works Grant                                        | -                   | 195 581             | -                   | 195 581           | 0%         |
| Public Contribution                                       | -                   | 13 570 000          | 11 800 000          | 1 770 000         | 87%        |
| Public Contribution (VPUU)                                | -                   | 1 591 142           | 1 383 602           | 207 540           | 87%        |
| DBSA                                                      | -                   | -                   | -                   | -                 | -          |
| Loans                                                     | 10 420 279          | 14 144 815          | 13 694 602          | 450 213           | 97%        |
| Capital Replacement Reserve                               | -                   | -                   | -                   | -                 | -          |
| Capital out of Revenue                                    | 20 987 692          | 16 225 694          | 14 761 281          | 1 464 413         | 91%        |
| <b>Grand Total</b>                                        | <b>R 78 755 666</b> | <b>R 88 460 011</b> | <b>R 76 532 335</b> | <b>11 927 676</b> | <b>87%</b> |



|                                        |            |
|----------------------------------------|------------|
| LAND AND BUILDINGS                     | 13 308 572 |
| ROADS, PAVEMENTS, BRIDGES & STORMWATER | 1 007 719  |
| WATER RESERVOIRS & RETICULATION        | 7 910 928  |
| ELECTRICITY RETICULATION               | 4 667 993  |
| SEWERAGE                               | 18 386 744 |
| PROVINCIAL HOUSING                     | 5 453 937  |
| TWK HOUSING                            | 5 658 514  |
| SOLID WASTE                            | 12 046 232 |
| SPORTFIELDS                            | 825 703    |
| FLEET                                  | 2 622 013  |
| OFFICE EQUIPMENT                       | 4 644 372  |
| GRAND TOTAL                            | 76 532 727 |



## 1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.7.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

On 31 May 2019 the Municipal Council adopted the reviewed organisational Micro and Macro structure. Additional posts were identified for current service delivery needs but also for the future growth of Theewaterskloof Municipality. Many posts will not be funded and will therefore only be filled when service delivery requirements change and the budget to fund the additional posts has been approved. These posts are not currently critical for service delivery. Critical vacancies will be identified within the budget envelope and filled during the 2019/20 and 2020/21 financial years. Chapter 4 provides detailed information on the Municipality's organisational development.

## 1.8 STATUTORY ANNUAL REPORT PROCESS

| PROCESS                                                                                                                                                                                                                                                                 | Timeframe                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>AR &amp; FS to AG</b> <ul style="list-style-type: none"> <li>• Submit 2018/2019 Draft Annual Performance Report and Financial statements to Auditor General.</li> <li>• Compile and submit Municipal Audit file to the Auditor General</li> </ul>                    | 31 August 2019                      |
| Submit 2018/19 Annual Report (as per agreement with AG) to Auditor General                                                                                                                                                                                              | 15 October 2019                     |
| <b>Audit Report</b><br>Receive audit report on annual financial statements from the Auditor General                                                                                                                                                                     | 29 November 2019                    |
| <b>Table Draft AR &amp; AFS</b><br>Mayor tables draft AR and AFS at council                                                                                                                                                                                             | 23 January 2020                     |
| Advertise draft AR & AFS for public input and place on municipal website                                                                                                                                                                                                | 23 January – 13 February 2020       |
| Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS                                                                                                                                                                      | 23 January 2020                     |
| <b>Portfolio Committee Meeting</b><br>Submit Draft Annual Report to Portfolio Committees for inputs                                                                                                                                                                     | 12 February 2020 – 27 February 2020 |
| <b>1<sup>st</sup> Oversight Committee Meeting</b><br>Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)                                                                   | 07 February 2020                    |
| <b>2<sup>nd</sup> Oversight Committee Meeting</b><br>Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)                                                                          | 04 March 2020                       |
| <b>3<sup>rd</sup> Oversight Committee Meeting</b><br>Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00) | 11 March 2020                       |
| <b>Oversight &amp; Annual Report</b><br>Adoption of Oversight report on AR & AFS by council                                                                                                                                                                             | 19 March 2020                       |
| Advertise approved Annual report- Place on Municipal Website                                                                                                                                                                                                            | 25 March 2020                       |
| Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier                                                                                                                                                                                | 29 March 2020                       |
| <b>Annual Report Guidelines</b><br>Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info                                                                                                                                        | 30 May 2020                         |

It is important to achieve the above deadlines, not only to achieve legislative compliance, but to ensure the smooth running of municipal planning, budgeting, service delivery implementation and reporting cycles which all feed and depend on one another. The Municipal Annual Report also informs the planning process of other spheres of government, thus influencing our equitable share of future government grants.

# CHAPTER 2 – GOVERNANCE

## WHAT IS GOVERNANCE?



### INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics namely:-

- participatory,
- consensus oriented,
- accountable,
- transparent,
- responsive,
- effective and efficient,
- equitable, and
- Inclusive which 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

The Constitution section 151 (3) states a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

### 2.1 POLITICAL GOVERNANCE

Note: Municipal Finance Management Act (MFMA) section 52 states:

The mayor of a municipality

- a. must provide general political guidance over the fiscal and financial affairs of the municipality.
- b. In providing such general political guidance, may monitor and, to extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities.
- c. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.

The Theewaterskloof Municipal Council comprises of 27 elected councillors, made up out of 14 ward councillors and 13 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties.

Below is a table that categorised the councillors within their specific political parties and demographic representation for the 2018/19 financial year:

| POLITICAL PARTY | ALLOCATION OF SEATS | GENDER |        |
|-----------------|---------------------|--------|--------|
|                 |                     | MALE   | FEMALE |
| DA              | 14                  | 8      | 6      |
| ANC             | 10                  | 5      | 5      |
| ICOSA           | 1                   | 1      | 0      |
| EFF             | 1                   | 0      | 1      |
| UFEC            | 1                   | 1      | 0      |

### EXECUTIVE MAYORAL COMMITTEE AND MEMBERS

The Executive Mayor of the Municipality Alderman, Christelle Vosloo assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. She has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Mayoral Committee, 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 Mayor operates in concert with the Mayoral Committee.



**Executive Mayor:**  
**Alderman Christelle Vosloo**

#### Function

- Is the Executive and Political Leader of the Municipality
- Is the Social and Ceremonial Head of Council
- Is the Chief Advisor of Council
- Responsible for identifying the needs of the Municipality
- Must monitor the Administrator
- Supervises the delivery of services
- Report to Council
- Budgetary responsibilities

**DEPUTY MAYOR:**  
**Cllr Isaac Sileku**(DA)Resigned 17/05/19  
**Cllr Karel Papier** (DA)

The Deputy Mayor acts in the absence of the Executive Mayor

**SPEAKER:**  
**Alderman: D Du Toit**

Is the chairperson of the Municipal Council and as such is authorized to dictate the proceedings during council meetings, though subject to the order rules, common law and constitutional prescripts. The Speaker is accountable to and reports to the Municipal Council. The Speaker must also ensure compliance with the Code of Conduct.

**WHIP:**  
Cllr R Brinkhuys (DA)  
Cllr D Appel (ANC)Resigned Oct 2018  
Cllr MR Nongxaza (ANC)

Leads the Caucus meetings before Council meetings.

#### **MAYORAL COMMITTEE:**

Cllr K Papier  
Cllr J Arendse  
Cllr M Koegelenberg  
Alderman P Stanfliet  
Cllr M Plato-Mentoor  
Cllr N Pieterse

The Mayoral Committee assist the Executive Mayor, serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers.



CHRISTELLE VOSLOO  
**MAYOR**



KAREL PAPIER  
**DEPUTY MAYOR**



DANIEL FRANCOIS DU TOIT  
**SPEAKER**

We have 6 Portfolio Committees which is chaired by the following Executive Mayoral Committee Members.



**MARTIE KOEGELENBERG**  
**FINANCIAL SERVICES**



**NICO PIETERSE**  
**TECHNICAL SERVICES**



**KAREL PAPIER**  
**HUMAN SETTLEMENTS**

| FINANCIAL SERVICES COMMITTEE         |           | TECHNICAL SERVICES COMMITTEE    |           | HUMAN SETTLEMENTS COMMITTEE     |           |
|--------------------------------------|-----------|---------------------------------|-----------|---------------------------------|-----------|
| <b>MM Koegelenberg – Chairperson</b> | <b>DA</b> | <b>N Pieterse – Chairperson</b> | <b>DA</b> | <b>KIJ Papier - Chairperson</b> | <b>DA</b> |
| <b>CM Lamprecht</b>                  | DA        | R Brinkhuys                     | DA        | M Plato-Mentoor                 | DA        |
| <b>S Fredericks</b>                  | DA        | CM Lamprecht                    | DA        | PU Stanfliet                    | DA        |
| <b>C November</b>                    | ANC       | UT Sipunzi                      | ANC       | UT Sipunzi                      | ANC       |
| <b>RL Mienies</b>                    | ANC       | MR Nongxaza                     | ANC       | SJ Potberg                      | ANC       |
| <b>T Mangcayi</b>                    | EFF       | TF Tshungwana                   | UFEC      | T Ndlebe                        | ANC       |



**JANE ARENDSE**  
**ORGANISATIONAL DEVELOPMENT**



**PEARL STANFLIET**  
**OPERATIONS**



**MEKIE PLATO-MENTOOR**  
**DEVELOPMENT SERVICES**

| ORGANISATIONAL DEVELOPMENT COMMITTEE |           | OPERATIONS COMMITTEE              |           | DEVELOPMENT SERVICES COMMITTEE       |           |
|--------------------------------------|-----------|-----------------------------------|-----------|--------------------------------------|-----------|
| <b>Jl Arendse - Chairperson</b>      | <b>DA</b> | <b>PU Stanfliet - Chairperson</b> | <b>DA</b> | <b>M Plato-Mentoor – Chairperson</b> | <b>DA</b> |
| <b>N Pieterse</b>                    | DA        | N Pieterse                        | DA        | D Jooste                             | DA        |
| <b>MB Tshabe</b>                     | DA        | R Brinkhuys                       | DA        | MB Tshabe                            | DA        |
| <b>AN Mentile</b>                    | ANC       | C Wood                            | ANC       | M le Roux                            | ANC       |
| <b>T Ndlebe</b>                      | ANC       | M Bhangazana                      | ANC       | C Wood                               | ANC       |
| <b>T Mangcayi</b>                    | EFF       | H Syster                          | ICOSA     | H Syster                             | ICOSA     |

## 2.1.1 COUNCILLOR PROFILE

| Councillors, Committees Allocated and Council Attendance |                             |                                                                                  |                                              |                                              |                                                   |
|----------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|
| Council Members                                          | Full Time<br>/ Part<br>Time | Committees<br>Allocated                                                          | Ward<br>Represented/<br>Party<br>Represented | Percentage<br>Council Meetings<br>Attendance | Percentage<br>Apologies<br>for non-<br>attendance |
|                                                          |                             |                                                                                  |                                              |                                              |                                                   |
|                                                          | FT/PT                       |                                                                                  |                                              | %                                            | %                                                 |
| D DU TOIT                                                | FT                          | None                                                                             | Ward<br>Represented                          | 85%                                          | 15%                                               |
| C VOSLOO                                                 | FT                          | Executive Mayoral<br>Committee                                                   | Party<br>Represented                         | 100%                                         | 0%                                                |
| D APPEL (Resigned on<br>28/09/18)                        | PT                          | Technical Services                                                               | Party<br>Represented                         | 95%                                          | 5%                                                |
| J ARENDSE                                                | FT                          | Organizational<br>Development<br>Committee                                       | Ward<br>Represented                          | 100%                                         | 0%                                                |
| M BHANGAZANA                                             | PT                          | Operations<br>Committee                                                          | Ward<br>Represented                          | 80%                                          | 20%                                               |
| R BRINKHUYS                                              | PT                          | Technical Services;<br>Operations<br>Committee                                   | Ward<br>Represented                          | 95%                                          | 5%                                                |
| S FREDERICKS                                             | PT                          | Finance Committee                                                                | Party<br>Represented                         | 85%                                          | 15%                                               |
| D JOOSTE                                                 | PT                          | Development<br>Services Committee                                                | Ward<br>Represented                          | 100%                                         | 0%                                                |
| M KOEGELENBERG                                           | FT                          | Finance Committee                                                                | Ward<br>Represented                          | 95%                                          | 5%                                                |
| C LAMPRECHT                                              | PT                          | Finance Committee;<br>Technical Services<br>Committee                            | Ward<br>Represented                          | 90%                                          | 10%                                               |
| M LE ROUX                                                | PT                          | Organizational<br>Development<br>Committee;<br>Development<br>Services Committee | Party<br>Represented                         | 80%                                          | 20%                                               |
| T MANGCAYI                                               | PT                          | Organizational<br>Development<br>Committee                                       | Party<br>Represented                         | 65%                                          | 35%                                               |
| A MENTILE                                                | PT                          | Organizational<br>Development<br>Committee                                       | Ward<br>Represented                          | 80%                                          | 20%                                               |
| R MIENIES                                                | PT                          | Financial Services<br>Committee                                                  | Party<br>Represented                         | 65%                                          | 35%                                               |
| T NDLEBE                                                 | PT                          | Human Settlements<br>Committee                                                   | Ward<br>Represented                          | 100%                                         | 0%                                                |
| C NOVEMBER                                               | PT                          | Financial Services<br>Committee; MPAC                                            | Party<br>Represented                         | 100%                                         | 0%                                                |

|                                                                                          |    |                                                                     |                   |      |     |
|------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------|-------------------|------|-----|
| K PAPIER                                                                                 | FT | Technical Services Committee                                        | Party Represented | 100% | 0%  |
| N PIETERSE                                                                               | PT | Organizational Development Services; Operations Committee           | Ward Represented  | 100% | 0%  |
| M PLATO-MENTOOR                                                                          | FT | Development Services Committee                                      | Ward Represented  | 95%  | 5%  |
| S POTBERG                                                                                | PT | Human Settlements Committee                                         | Ward Represented  | 85%  | 15% |
| I SILEKU (Resigned on 17/05/19)                                                          | FT | Human Settlements Committee                                         | Party Represented | 100% | 0%  |
| U SIPUNZI                                                                                | PT | Technical Services Committee; Human Settlements Committee           | Ward Represented  | 85%  | 15% |
| P STANFLIET                                                                              | FT | Operations Committee                                                | Ward Represented  | 85%  | 15% |
| H SYSTER                                                                                 | PT | Development Services Committee; Operations Committee                | Party Represented | 85%  | 15% |
| B TSHABE                                                                                 | PT | Organizational Development Services; Development Services Committee | Party Represented | 100% | 0%  |
| T TSHUNGWANA                                                                             | PT | Technical Services Committee                                        | Party Represented | 85%  | 15% |
| C WOOD                                                                                   | PT | Development Services Committee; Operations Committee                | Party Represented | 75%  | 25% |
| MR NONGXAZA                                                                              | PT | Technical Services Committee                                        | Party Represented | 95%  | 15% |
| N MGQWETO (started 12/06/2019)                                                           | PT | Not yet represented on Portfolio Committee at the time of Year end  | Party Represented | 100% | 0%  |
| Note: *Councillors appointed on a proportional basis do not have wards allocated to them |    |                                                                     |                   |      | T A |

## 2.1.2 POLITICAL DECISION-TAKING

11 Council Meetings and 10 Special Council Meetings were held during the 2018/2019 financial year.

Agenda-items submitted to Council are as follows:

|             |     |
|-------------|-----|
| 1st Quarter | =65 |
| 2nd Quarter | =61 |
| 3rd Quarter | =65 |
| 4th Quarter | =91 |

Total Agenda-items submitted = 282

Out of the 282 Resolutions taken at the Council Meetings from 01 July 2018 to 30 June 2019, 279 resolutions were implemented with 3 resolutions referred back to the Item Author.

## 2.2 ADMINISTRATIVE GOVERNANCE

### 2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

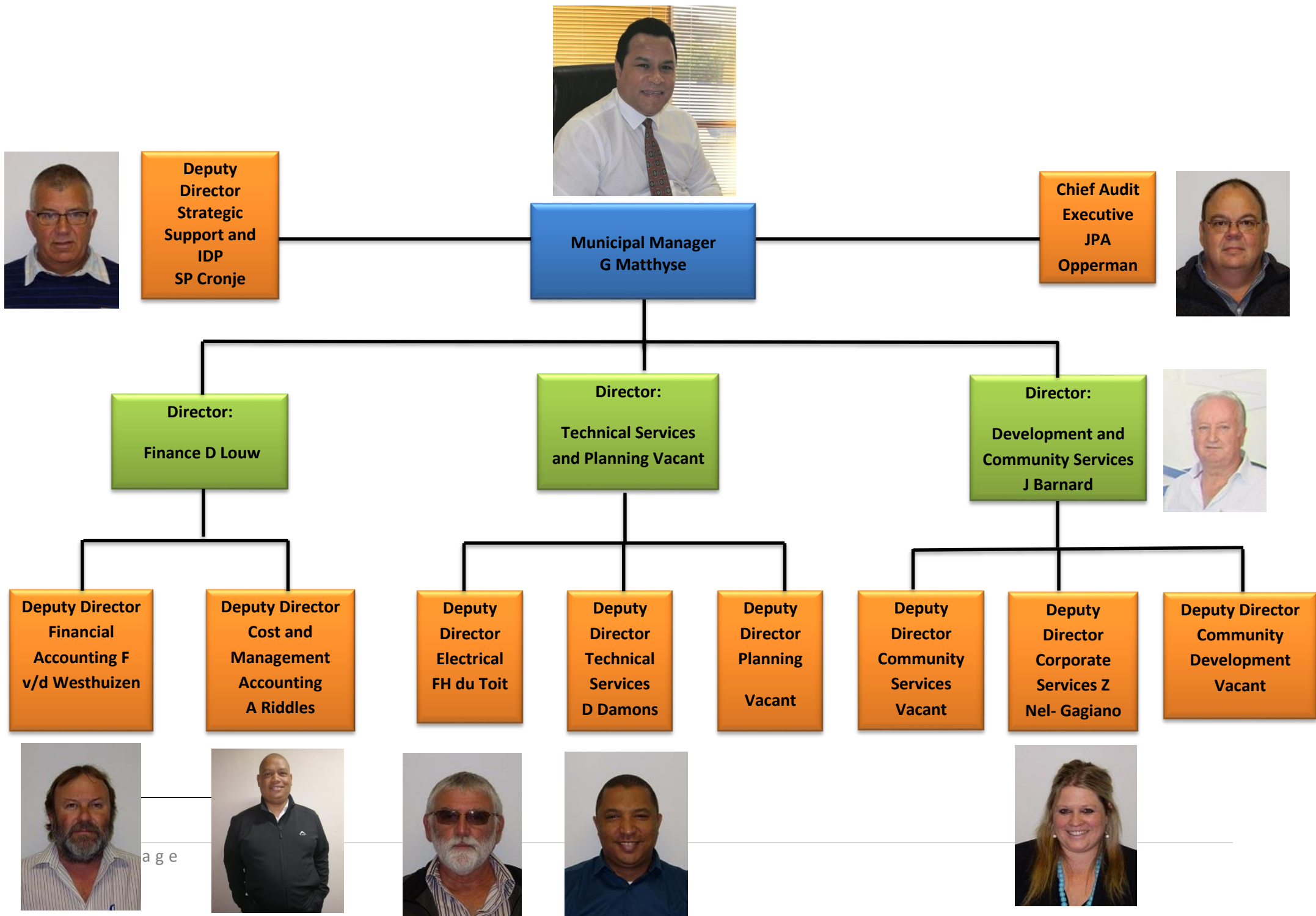
Municipal Finance Management Act MFMA section 60 states:

The municipal manager of a municipality is the accounting officer of the municipality for the purpose of this Act, and, as accounting officer must -

- a. Exercise the functions and powers assigned to an accounting officer in terms of the MFMA Act and
- b. Provide guidance and advice on compliance with this MFMA Act to-
  1. The political structures, political office – bearers and officials of the municipality; and

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily serves 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 structure **(as approved by council on 31 May 2019)** below:





## COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa Section 41, 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 INTERGOVERNMENTAL RELATIONS

Intergovernmental structures give effect and concrete expression to inter departmental communication. To adhere to the principles of the Constitution section 41 as mentioned above the Municipality participates in the following intergovernmental structures:

|            | IGR STRUCTURE                                                                                                                                                                                  | TYPE OF PARTICIPATION AND BENEFITS DERIVED                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NATIONAL   | Local Government ICT (LGICT) Network<br>(Please note that this is mainly an "open online forum", although there are special meetings, workshops and events being scheduled across the country) | The LGICT Network is a service hosted by SALGA that provides: <ul style="list-style-type: none"> <li>• a real-time platform for information exchange, networking and collaboration for ICT Managers in local government.</li> <li>• a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "husks from the grain".</li> </ul> |
|            | National Joint Operational And Intelligence Structure (NATJOINTS) Structure                                                                                                                    | Coordination of crime combating operations                                                                                                                                                                                                                                                                                                                                                                                  |
|            | National Road Traffic Management Coordinating Committee (NRTCC) / Law Enforcement And Transport Committee (LETCOM)                                                                             | Coordination of traffic operations                                                                                                                                                                                                                                                                                                                                                                                          |
| PROVINCIAL | IDP Managers Forum                                                                                                                                                                             | Reflect on IDP Indaba processes<br>Reflect on the impact of the IDP Analysis process;<br>Discuss processes and methodologies that should guide the annual IDP review;<br>Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified.                                                                       |
|            | Records Provincial Public Participation Forum                                                                                                                                                  | Record legislation applicable to the functions applicable to document management in the municipality.                                                                                                                                                                                                                                                                                                                       |
|            | Provincial Public Participation Forum                                                                                                                                                          | Public Participation processes in the district / upcoming ward committee elections in 2021 after the municipal elections and the preparations therefor.                                                                                                                                                                                                                                                                     |
|            | SALGA Provincial HR Development Working Group                                                                                                                                                  | <ul style="list-style-type: none"> <li>• A platform for Councillors within the Province to give input into collective bargaining as well as policy issues.</li> <li>• This forum also receives feedback from National and Provincial Bargaining Forums.</li> <li>• It is also a platform for information sharing and to discuss issues of mutual interest;</li> </ul>                                                       |
|            | HR Practitioners Forum                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• A forum used to draft policy, give input into various topics such as legislation, agreements etc.</li> <li>• This forum also serves as a platform for HR managers to network and share best practice</li> </ul>                                                                                                                                                                    |

|                                              |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              |                                                                                                                                   | <ul style="list-style-type: none"> <li>• Receive feedback from SALGA in respect of negotiations etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                              | Risk Management Forum                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                              | Skills Development Form                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                              | CFO Forum                                                                                                                         | Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | SCM Forum                                                                                                                         | Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | Municipal Accountants Forum                                                                                                       | Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | Property Rates Forum                                                                                                              | Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | Chief Audit Executive Forum                                                                                                       | Discuss methodologies, standards, challenges and serves as an information sharing platform.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                              | Western Cape Local Government ICT Managers Forum                                                                                  | <ul style="list-style-type: none"> <li>• To create a platform for ICT Managers to discuss ICT-specific issues</li> <li>• To create a space for information sharing, knowledge exchange and inter-provincial cross pollination</li> <li>• To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication</li> <li>• To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and</li> <li>• To achieve standardization for benchmarking and reporting purposes on critical activities.</li> </ul> |
| <b>DISTRICT INTERGOVERNMENTAL STRUCTURES</b> | District IDP Managers Forum                                                                                                       | <ul style="list-style-type: none"> <li>• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• co-ordinate the implementation of IDP initiatives and activities;</li> <li>• standardization of IDPs in the District; and</li> <li>• To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality</li> </ul>                                    |
|                                              | Provincial Joint Operational And Intelligence Structure (PROVJOINTS) Structure                                                    | Coordination of crime combating operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                              | Provincial road traffic management coordinating committee (PRTMCC) / provincial law enforcement and transport committee (PLETCOM) | Coordination of traffic operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | Department of Environmental Affairs MOP meetings                                                                                  | Feedback on all EIA and Basic assessment NEMA regs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Biodiversity management DEADP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Control meetings on Alien eradication management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Gerald Wright Thusong Stakeholders Forum consist of Local and District Representatives of government departments, non- profit organisations, Businesses, community members and faith based organisations.</li> <li>• Thusong District Meetings is held every quarter where all the district Thusong Managers and government departments on provincial level have a joined meeting to discuss Thusong Outreaches.</li> <li>• Thusong Programme Forum is held twice a year where the whole province Thusong centres get together with provincial and national departments</li> </ul> | <ul style="list-style-type: none"> <li>• The Thusong Stakeholders Forum is a consultative platform aimed at increasing co-ordination and communication through information sharing, dialogue, capacity building and consultation.</li> <li>• Social integration and inclusion in communities and society at large</li> <li>• Mutual solidarity finds expression among individuals and communities</li> <li>• Social Cohesion as a cohesive society that works toward the well - being of all its members</li> <li>• Fights exclusion and marginalization</li> <li>• Creates a sense of belonging</li> <li>• Promotes trust</li> </ul> |
| IDP Rep/PPCOM Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials</li> <li>• Share experiences</li> <li>• Joint Planning</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       |
| Overberg ICT (OICT) Managers Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• A platform for ICT Managers in the Overberg District to discuss ICT-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• standardization of ICT infrastructure in the district; and</li> <li>• To identify areas of shared-services</li> </ul>                                                                                                                                                                                                                                                               |
| District IDP Managers Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• co-ordinate the implementation of IDP initiatives and activities;</li> <li>• standardization of IDPs in the District; and</li> <li>• To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality</li> </ul>                         |
| IDP Rep/PPCOM Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials</li> <li>• Share experiences</li> <li>• Joint Planning</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       |
| Overberg ICT (OICT) Managers Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• A platform for ICT Managers in the Overberg District to discuss ICT-specific matters;</li> <li>• A platform for information sharing, knowledge exchange and inter-District cross pollination;</li> <li>• standardization of ICT infrastructure in the district; and</li> <li>• To identify areas of shared-services</li> </ul>                                                                                                                                                                                                                                                               |
| Overberg LED/Tourism Forum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Platform for LED/Tourism practitioners</li> <li>• Joint Planning</li> <li>• Share best practices</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                                                 |                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| District Joint Operational And Intelligence Structure (Clusterjoints) Structure | <ul style="list-style-type: none"> <li>• Coordination of crime combating operations</li> </ul>                                                                                                               |
| District Road Traffic Management Coordinating Committee (Drtmcc)                | <ul style="list-style-type: none"> <li>• Coordination of traffic operations</li> </ul>                                                                                                                       |
| District Disaster Safety Committee Meeting                                      | <ul style="list-style-type: none"> <li>• Discussion on all safety aspects in local and district Mun.</li> </ul>                                                                                              |
| Interdepartmental Steering Committee – Villiersdorp                             | <ul style="list-style-type: none"> <li>• Representing municipality as Town Manager on ISC to ensure that Government departments include Villiersdorp community action items on their IDP budgets.</li> </ul> |

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The main aim of public participation is to encourage the public to have meaningful input into the decision-making process. Public participation thus provides the opportunity for communication between the community and the municipality.

Legislation affecting public participation in the municipal sphere includes:

- ❖ Constitution of South Africa 1996, Section 151 (1): Municipalities are obliged to encourage the involvement of communities & community organisations in local government.
- ❖ The White Paper on Local Government of 1998: Municipal Councillors should promote the involvement of citizens and community groups in the design and delivery of municipal services.
- ❖ Municipal Structures Act 117 of 1998: Chapter 4 (Establishment of ward committees).
- ❖ Municipal Systems Act 32 of 2000 (Chapter 4): the legal nature of a municipality as including the local community within the municipal area, working in partnerships with the municipality's political & administrative structures to provide for community participation.
- ❖ Municipal Finance Management Act of 2003 The MFMA outlines ways in which the community can be informed of the financial situation of a municipality.
- ❖ Municipal Property Rates Act of 2004 stipulates the public decisions relating to municipal property rates.
- ❖ National Policy Framework on Public Participation provides guidelines for Public Participation in South Africa. It also guides municipalities with the practical implementation of a well-planned, resourced and structured participation program so that communities can actively contribute to the decision making process within the municipality



## **2.4 COMMUNICATION, PARTICIPATION AND FORUMS**

A Public Participation Plan has been approved by council during September 2018. The plan includes dates of the following meetings which require public participation:

- Quarterly Councillor Report back meetings which is used to inform the public by providing information to help them understand the issues, options and solutions in their wards. These quarterly meetings contain housing project information, what has been in the past 3 months and to give the community the opportunity to raise issues of concerns.
- Council meetings are published in the Local News Papers to inform the broader community that the meetings are open for Public attendance.
- IDP Public Meetings were held during September and October 2018 to give the community the opportunity to influence the IDP. These meetings were poorly attended in certain wards.
- Budget Public Meetings were conducted during April 2019 to present the Draft Budget for 2019/ 2020 to the communities before it is approved by Council
- Annual Report publications to give the communities and ward committee members the opportunity to comment on the Annual Report for 2017/ 2018
- Ward Committee Meeting Dates. In terms of our Ward Committee Policy, the ward committees need to meet on a bi-monthly basis
- Housing Demand Database Roadshow to allow new housing applicants the opportunity to register on the housing demand database and existing applicants can update their information in order to ensure a credible database.

### **2.4.1 WARD COMMITTEES**

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.

We regard the Ward committees as our official Public participation structure. Our Ward Committees meet bi-monthly and they are very much involved in the IDP and Budget process. We have also developed 14 Ward Operational Plans as prescribed by the Provincial Department: Local Government.

### **2.4.2 FUNCTIONALITY OF 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.
- To make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

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 administration. These committees play a very important role in the development and annual revision of the Integrated Development Plan of the area.

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

| Functionality of Ward Committees |                                                                  |                                        |                                                                       |                                                                               |                                                                       |
|----------------------------------|------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Ward Name<br>(Number)            | Name of Ward Councillor<br>and elected Ward<br>committee members | Committee<br>established<br>(Yes / No) | Number of<br>monthly<br>Committee<br>meetings held<br>during the year | Number of<br>monthly<br>reports<br>submitted to<br>Speakers<br>Office on time | Number of<br>quarterly<br>public ward<br>meetings held<br>during year |
| One (1)                          | COUNCILLOR S POTBERG                                             | Yes                                    | 9                                                                     | 22                                                                            | 2                                                                     |
|                                  | A Appel                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Sadenbergh                                                     |                                        |                                                                       |                                                                               |                                                                       |
|                                  | E Mouries                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Hermanus                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | P Stander                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A Mouton                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | T Hermanus                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Lottering                                                      |                                        |                                                                       |                                                                               |                                                                       |
|                                  | H Sauls                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | F Roux                                                           |                                        |                                                                       |                                                                               |                                                                       |
| Two (2)                          | ALDERMAN D DU TOIT                                               | Yes                                    | 9                                                                     | 25                                                                            | 7                                                                     |
|                                  | J Kroukamp                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Martin                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Rouillard                                                      |                                        |                                                                       |                                                                               |                                                                       |
|                                  | P Adams                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | V Jansen                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Barthus                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | W Beukman                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | G Juries                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A White                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | G Emslie                                                         |                                        |                                                                       |                                                                               |                                                                       |
| Three (3)                        | COUNCILLOR J ARENDSE                                             | Yes                                    | 4                                                                     | 0                                                                             | 3                                                                     |
|                                  | E Magerman                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | Y van Tonder                                                     |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A Davids                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | M Booysen                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | S Swartz                                                         |                                        |                                                                       |                                                                               |                                                                       |

|           |                           |     |    |    |   |
|-----------|---------------------------|-----|----|----|---|
|           | K Hoffman                 |     |    |    |   |
|           | C Benjamin                |     |    |    |   |
|           | L Freeman                 |     |    |    |   |
|           | J Paulsen                 |     |    |    |   |
|           |                           |     |    |    |   |
| Four (4)  | COUNCILLOR M KOEGELENBERG | Yes | 4  | 0  | 2 |
|           | J Brinkhys                |     |    |    |   |
|           | N Jende                   |     |    |    |   |
|           | J de Waal                 |     |    |    |   |
|           | J Norval                  |     |    |    |   |
|           | M Wessels                 |     |    |    |   |
|           | J de Witt                 |     |    |    |   |
|           | G Siza                    |     |    |    |   |
|           | D du Toit                 |     |    |    |   |
|           | J Hauman                  |     |    |    |   |
|           |                           |     |    |    |   |
| Five (5)  | COUNCILLOR C LAMPRECHT    | Yes | 10 | 11 | 3 |
|           | L Jonase                  |     |    |    |   |
|           | N Pali                    |     |    |    |   |
|           | J Smith                   |     |    |    |   |
|           | J Mckenzie                |     |    |    |   |
|           | C Nel                     |     |    |    |   |
|           | B Bester                  |     |    |    |   |
|           | F Matheone                |     |    |    |   |
|           | J Nicolls                 |     |    |    |   |
|           | R Jansen                  |     |    |    |   |
|           | H Schoeman                |     |    |    |   |
|           | M de Lange                |     |    |    |   |
|           |                           |     |    |    |   |
| Six (6)   | COUNCILLOR R BRINKHYS     | Yes | 10 | 0  | 3 |
|           | E Jansen                  |     |    |    |   |
|           | T Vali                    |     |    |    |   |
|           | R Antonie                 |     |    |    |   |
|           | G Engelbrecht             |     |    |    |   |
|           | H Blignaut                |     |    |    |   |
|           | J Nicolls                 |     |    |    |   |
|           | J Mckenzie                |     |    |    |   |
|           | V Hendricks               |     |    |    |   |
|           | H Schoeman                |     |    |    |   |
|           |                           |     |    |    |   |
| Seven (7) | ALDERMAN P STANFLIET      | Yes | 5  | 0  | 2 |
|           | M Goniwe                  |     |    |    |   |
|           | C Afrika                  |     |    |    |   |
|           | I Andries                 |     |    |    |   |

|             |                                |     |   |   |   |
|-------------|--------------------------------|-----|---|---|---|
|             | H Pitcher                      |     |   |   |   |
|             | M Ngakana                      |     |   |   |   |
|             | H Hendricks                    |     |   |   |   |
|             | J Faroa                        |     |   |   |   |
|             | E Herman                       |     |   |   |   |
|             |                                |     |   |   |   |
| Eight (8)   | COUNCILLOR A MENTILE           | Yes | 5 | 2 | 0 |
|             | L Khathatsho                   |     |   |   |   |
|             | J Kock                         |     |   |   |   |
|             | I Ludziya                      |     |   |   |   |
|             | A Bovungana                    |     |   |   |   |
|             | X Nonjiko                      |     |   |   |   |
|             | E Gertse                       |     |   |   |   |
|             | D Williams                     |     |   |   |   |
|             | T Xhego                        |     |   |   |   |
|             | N Klaasen                      |     |   |   |   |
|             | O Silimela                     |     |   |   |   |
|             |                                |     |   |   |   |
| Nine (9)    | COUNCILLOR D JOOSTE            | Yes | 5 | 0 | 3 |
|             | M Koelman                      |     |   |   |   |
|             | N Fortuin                      |     |   |   |   |
|             | E Wagenaar                     |     |   |   |   |
|             | B Engelbrecht                  |     |   |   |   |
|             | D Johannes                     |     |   |   |   |
|             | A Hanekom                      |     |   |   |   |
|             | J Jooste                       |     |   |   |   |
|             | I Kortje                       |     |   |   |   |
|             | H Botha                        |     |   |   |   |
|             | H Schoeman                     |     |   |   |   |
|             |                                |     |   |   |   |
| Ten (10)    | COUNCILLOR M PLATO-<br>MENTOOR | Yes | 5 | 0 | 2 |
|             | F Quinton                      |     |   |   |   |
|             | C Januarie                     |     |   |   |   |
|             | L Hendricks                    |     |   |   |   |
|             | E Koopman                      |     |   |   |   |
|             | B Snyders                      |     |   |   |   |
|             | J de Bruin                     |     |   |   |   |
|             | J Hutton-Squire                |     |   |   |   |
|             | E Williams                     |     |   |   |   |
|             | B Noble                        |     |   |   |   |
|             | J Delport                      |     |   |   |   |
|             |                                |     |   |   |   |
| Eleven (11) | COUNCILLOR T NDELEBE           | Yes | 5 | 0 | 1 |
|             | C Gertze                       |     |   |   |   |

|               |                          |     |   |   |   |
|---------------|--------------------------|-----|---|---|---|
|               | E Skey                   |     |   |   |   |
|               | S Mxhuma                 |     |   |   |   |
|               | Z Saziwa                 |     |   |   |   |
|               | P Mcetwa                 |     |   |   |   |
|               | A Matheone               |     |   |   |   |
|               | S Jonas                  |     |   |   |   |
|               | J Nganyatsi              |     |   |   |   |
|               | P Mzolisa                |     |   |   |   |
|               |                          |     |   |   |   |
| Twelve (12)   | COUNCILLOR U SIPUNZI     | Yes | 5 | 6 | 5 |
|               | W Nomxhanya              |     |   |   |   |
|               | C Absalom                |     |   |   |   |
|               | P Speelman               |     |   |   |   |
|               | L Madizeni               |     |   |   |   |
|               | L de Bruyn-Davids        |     |   |   |   |
|               | S Ninon                  |     |   |   |   |
|               | M Ritcher                |     |   |   |   |
|               | T Zacharia               |     |   |   |   |
|               |                          |     |   |   |   |
| Thirteen (13) | COUNCILLOR M BHANGANZANA | Yes | 5 | 6 | 1 |
|               | N Mchasa                 |     |   |   |   |
|               | M Thobiganya             |     |   |   |   |
|               | S Maziza                 |     |   |   |   |
|               | U Mtoko                  |     |   |   |   |
|               | J Fourie                 |     |   |   |   |
|               | D de Wee                 |     |   |   |   |
|               | G Pedro                  |     |   |   |   |
|               | A Julies                 |     |   |   |   |
|               | T Langa                  |     |   |   |   |
|               | T Nomshuva               |     |   |   |   |
|               |                          |     |   |   |   |
| Fourteen (14) | COUNCILLOR N PIETERSE    | No  | 3 | 0 | 1 |
|               | N Fredericks             |     |   |   |   |
|               | O Parnell                |     |   |   |   |
|               | J Fillies                |     |   |   |   |
|               | F Oppelt                 |     |   |   |   |
|               | I Kortje                 |     |   |   |   |
|               | I Kortje                 |     |   |   |   |

### 2.4.3 PUBLIC MEETINGS

Public Meetings were scheduled as follows and full details are provided under Appendix 2.4.3:

- Ward Councillor Report Back Meeting 23 July - 7 August 2018
- IDP Public Participation 2019/2020 17 - 27 September 2018
- Budget Stakeholder Engagement 28 February 2019
- Ward Councillor Report Back: 3rd Quarter 4 - 19 March 2019
- Draft IDP / Budget Ward Committee Engagements 1 April 2019
- Ward Councillor Report Back: 4th Quarter 3 - 20 June 2019

| Public Meetings                                         |                     |                                               |                                                  |                                       |                                                       |
|---------------------------------------------------------|---------------------|-----------------------------------------------|--------------------------------------------------|---------------------------------------|-------------------------------------------------------|
| Nature and purpose of meeting                           | Date of events      | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Dates and manner of feedback given to community       |
| <u>Ward Councillor Report Back Meeting: 1st Quarter</u> | 23-Jul 18- 7-Aug 18 |                                               |                                                  |                                       |                                                       |
| Ward 1                                                  | 31-Jul-18           | 1 Cllr                                        | 2 Officials                                      | 13 Com Members                        |                                                       |
| Ward 2: Greyton and Heuwelkroon                         | 23-Jul-18           | 1 Cllr                                        | 3 Officials                                      | 6 Com Members                         |                                                       |
| Ward 2: Beraville                                       | 31-Jul-18           | 1 Cllr                                        | 6 Officials                                      | 10 Com Members                        |                                                       |
| Ward 2: Voorstekraal                                    | 1-Aug-18            |                                               |                                                  |                                       | did not take place due to non-attendance of community |
| Ward 2: Genadendal                                      | 7-Aug-18            | 1 Cllr                                        | 3 Officials                                      | 0 Com Members                         |                                                       |
| Ward 3: Myddleton                                       | 24-Jul-18           | 1 Cllr                                        | 3 Officials                                      | 6 Com Members                         |                                                       |
| Ward 3: Tesselaarsdal                                   | 30-Jul-18           | 1 Cllr                                        | 2 Officials                                      | 9 Com Members                         |                                                       |
| Ward 3: Town                                            | 2-Aug-18            | 2 Cllrs                                       | 9 Officials                                      | 4 Com Members                         |                                                       |
| Ward 4                                                  | 6-Aug-18            | 2 Cllrs                                       | 6 Officials                                      | 9 Com Members                         |                                                       |
| Ward 5                                                  | 2-Aug-18            | 1 Cllr                                        | 2 Officials                                      | 10 Com Members                        |                                                       |
| Ward 6                                                  | 7-Aug-18            | 1 Cllr                                        | 2 Officials                                      | 9 Com Members                         |                                                       |
| Ward 7 Town                                             | 23-Jul-18           | 1 Cllr                                        | 3 Officials                                      | 105 Com members                       |                                                       |
| Ward 7 Lebanon                                          | 7-Aug-18            |                                               |                                                  |                                       | did not take place due to non-attendance of community |
| Ward 8                                                  | 6-Aug-18            |                                               |                                                  |                                       | did not take place due to non-attendance of community |
| Ward 9                                                  | 24-Jul-18           | 1 Cllr                                        | 2 Officials                                      | 10 Com Members                        |                                                       |
| Ward 10                                                 | 25-Jul-18           | 1 Cllr                                        | 2 Officials                                      | 11 Com Members                        |                                                       |



|                                                 |                          |         |              |                       |                                                       |
|-------------------------------------------------|--------------------------|---------|--------------|-----------------------|-------------------------------------------------------|
| Ward 11                                         | 1-Aug-18                 | 1 Cllr  | 2 Officials  | 11 Com Members        |                                                       |
| Ward 12                                         | 7-Aug-18                 | 1 Cllr  | 2 Officials  | 11 Com Members        |                                                       |
| Ward 13                                         | 24-Jul-18                | 1 Cllr  | 2 Officials  | 10 Com Members        |                                                       |
| Ward 14 Town                                    | 23-Jul-18                | 1 Cllr  | 1 Official   | 10 Com Members        |                                                       |
| Ward 14 Molteno Farm                            | 30-Jul-18                |         |              |                       | did not take place due to non-attendance of community |
|                                                 |                          |         |              |                       |                                                       |
| <b>IDP PUBLIC PARTICIPATION<br/>2019/2020</b>   | <b>17 - 27 SEPT 2018</b> |         |              |                       |                                                       |
| Ward 1                                          | 17-Sep-18                | 1 Cllr  | 4 Officials  | 12 Com Members        |                                                       |
| Ward 8                                          | 17-Sep-18                | 2 Cllrs | 2 Officials  | 13 Com members        |                                                       |
| Ward 2                                          | 18-Sep-18                | 4 Cllrs | 20 Officials | 134 Com Members       |                                                       |
| Ward 10                                         | 18-Sep-18                | 3 Cllrs | 6 Officials  | 29 Com Members        |                                                       |
| Ward 7                                          | 19-Sep-18                |         |              |                       |                                                       |
| Ward 9                                          | 19-Sep-18                | 2 Cllrs | 6 Officials  | 24 Com Members        |                                                       |
| Ward 3                                          | 20-Sep-18                |         |              |                       |                                                       |
| Ward 13                                         | 20-Sep-18                | 3 Cllrs | 11 Officials | 43 Com Members        |                                                       |
| Ward 4                                          | 25-Sep-18                |         |              |                       |                                                       |
| Ward 11                                         | 25-Sep-18                | 2 Cllrs | 7 Officials  | 9 Com Members         |                                                       |
| Ward 12                                         | 26-Sep-18                | 1 Cllr  | 6 Officials  | 16 Com members        |                                                       |
| Ward 6                                          | 26-Sep-18                | 1 Cllr  | 8 Officials  | 58 Com Members        |                                                       |
| Ward 14                                         | 27-Sep-18                | 1 Cllr  | 3 Officials  | 9 Com Members         |                                                       |
| Ward 5                                          | 27-Sep-18                | 1 Cllr  | 6 Officials  | 27 Com Members        |                                                       |
|                                                 |                          |         |              |                       |                                                       |
|                                                 |                          |         |              |                       |                                                       |
| Budget Stakeholder Engagement                   | 28-Feb-19                | 3 Cllrs | 13 Officials | 15 Members of Sectors |                                                       |
|                                                 |                          |         |              |                       |                                                       |
|                                                 |                          |         |              |                       |                                                       |
| <b>Ward Councillor Report Back: 3rd Quarter</b> | <b>4 - 19 March 2019</b> |         |              |                       |                                                       |
| Ward 1                                          | 12-Mar-19                | 1 Cllr  | 2 Official   | 117Com Members        |                                                       |
| Ward 2: Greyton and Heuwelkroon                 | 4-Mar-19                 | 1 Cllr  | 4 Officials  | 68 Com Members        |                                                       |
| Ward 2: Beraville                               | 11-Mar-19                | -       | -            | -                     | Did not take place due to non-attendance by community |

|                                                            |                 |         |              |                     |                                                       |
|------------------------------------------------------------|-----------------|---------|--------------|---------------------|-------------------------------------------------------|
| Ward 2: Voorstekraal                                       | 12-Mar-19       | 1 Cllr  | 2 Officials  | 35 Com Members      |                                                       |
| Ward 2: Genadendal                                         | 13-Mar-19       | -       | -            | -                   | Did not take place due to non-attendance by community |
| Ward 3: Myddleton                                          | 5-Mar-19        | -       | -            | -                   | Could not take place                                  |
| Ward 3: Tesselaarsdal                                      | 11-Mar-19       | -       | -            | -                   | Did not take place due to weather conditions          |
| Ward 3: Town                                               | 14-Mar-19       | 2 Cllrs | 4 Officials  | 23 Com Members      |                                                       |
| Ward 4                                                     | 6-Mar-19        | 1 Cllr  | 4 Officials  | 92 Com Members      |                                                       |
| Ward 5                                                     | 18-Mar-19       | 1 Cllr  | 2 Officials  | 28 Com Members      |                                                       |
| Ward 6                                                     | 5-Mar-19        | 2 Cllrs | 6 Officials  | 87 Com Members      |                                                       |
| Ward 8                                                     | 20-Mar-19       | -       | -            | -                   | Did not take place due to non-attendance by community |
| Ward 9                                                     | 6-Mar-19        | 1 Cllr  | 4 Officials  | 35 Com Members      |                                                       |
| Ward 10                                                    | 6-Mar-19        | 1 Cllr  | 3 Officials  | 30 Com Members      |                                                       |
| Ward 11                                                    | 13-Mar-19       | -       | -            | -                   | Did not take place due to non-attendance by community |
| Ward 11                                                    | 14-Mar-19       | 1 Cllr  | 1 Official   | 65 Com Members      |                                                       |
| Ward 12 Applethwaite                                       | 11-Mar-19       | 1 Cllr  | 1 Officials  | 17 Com Members      |                                                       |
| Ward 12 Oudebrug                                           | 12-Mar-19       | 1 Cllr  | 1 Official   | 16 Com Members      |                                                       |
| Ward 12 Town                                               | 19-Mar-19       | 1 Cllr  | 5 Officials  | 24 Com Members      |                                                       |
| Ward 13                                                    | 5-Mar-19        | -       | -            | -                   | Did not take place due to non-attendance by community |
| Ward 14 Town                                               | 4-Mar-19        | -       | -            | -                   | Did not take place due to protest action              |
| Ward 14 Molteno Farm                                       | 11-Mar-19       | -       | -            | -                   | Did not take place due to non-attendance by community |
|                                                            |                 |         |              |                     |                                                       |
| <b><u>DRAFT IDP/ BUDGET WARD COMMITTEE ENGAGEMENTS</u></b> | <b>1-Apr-19</b> |         |              |                     |                                                       |
| Ward 1                                                     | 19-Apr-19       | 1 Cllr  | 2 Officials  | 4 Ward Com Members  |                                                       |
| Ward 2                                                     | 11-Apr-19       | 1 Cllr  | 2 Officials  | 6 Ward Com Members  |                                                       |
| Caledon TAF (Wards 3 and 4)                                | 9-Apr-19        | 2 Cllrs | 2 Officials  | 11 Ward Com Members |                                                       |
| Villiersdorp TAF (Wards 5, 6 and 9)                        | 17-Apr-19       | 4 Cllrs | 11 Officials | 13 Ward Com Members |                                                       |

|                                                 |                         |         |             |                     |                                                           |
|-------------------------------------------------|-------------------------|---------|-------------|---------------------|-----------------------------------------------------------|
| WARD 7                                          | 23-Apr-19               | 1 Cllr  | 2 Officials | 4 Ward Com Members  |                                                           |
| GRABOUW TAF (Wards 8, 10, 11, 12, 13 and 14)    | 10-Apr-19               | 6 Cllrs | 2 Officials | 13 Ward Com Members |                                                           |
|                                                 |                         |         |             |                     |                                                           |
|                                                 |                         |         |             |                     |                                                           |
| <b>Ward Councillor Report Back: 4th Quarter</b> | <b>3 - 20 JUNE 2019</b> |         |             |                     |                                                           |
| Ward 1                                          | 12-Jun-19               | -       | -           | -                   | Did not take place due to unavailability of support staff |
| Ward 2: Greyton and Heuwelkroon                 | 5-Jun-19                | 1 Cllr  | 5 Officials | 14 Com Members      |                                                           |
| Ward 2: Beraville                               | 13-Jun-19               | -       | -           | -                   | Did not take place due to non-attendance                  |
| Ward 2: Voorstekraal                            | 12-Jun-19               | 1 Cllr  | 1 Official  | 12 Com Members      |                                                           |
| Ward 2: Genadendal                              | 11-Jun-19               | -       | -           | -                   | Did not take place due to non-attendance                  |
| Ward 3: Myddleton                               | 4-Jun-19                |         |             |                     | Did not take place due to non-attendance                  |
| Ward 3: Tesselaarsdal                           | 11-Jun-19               | 0 Cllrs | 6 Officials | 12 Com Members      |                                                           |
| Ward 3: Town                                    | 13-Jun-19               | -       | -           | -                   | Did not take place                                        |
| Ward 4                                          | 5-Jun-19                |         |             |                     | Did not take place due to weather conditions              |
| Ward 5                                          | 18-Jun-19               | 2 Cllrs | 4 Officials | 25 Com Members      |                                                           |
| Ward 6                                          | 4-Jun-19                | 2 Cllrs | 3 Officials | 26 Com Members      |                                                           |
| Ward 7 Town                                     | 18-Jun-19               |         |             |                     | Did not take place                                        |
| Ward 7 Lebanon                                  | 20-Jun-19               |         |             |                     | Did not take place                                        |
| Ward 8                                          | 17-Jun-19               |         |             |                     | Did not take place                                        |
| Ward 9                                          | 5-Jun-19                | 1 Cllr  | 3 Officials | 18 Com Members      |                                                           |
| Ward 10                                         | 6-Jun-19                |         |             |                     | Did not take place                                        |
| Ward 11                                         | 13-Jun-19               |         |             |                     | Did not take place                                        |
| Ward 12 Oudebrug                                | 12-Jun-19               |         |             |                     | Did not take place                                        |
| Ward 13                                         | 4-Jun-19                |         |             |                     | Did not take place                                        |
| Ward 14 Town                                    | 3-Jun-19                |         |             |                     | Did not take place                                        |
| Ward 14 Molteno Farm                            | 11-Jun-19               |         |             |                     | Did not take place                                        |

#### 2.4.3.1 COMMENT ON THE EFFECTIVENESS ON THE PUBLIC MEETINGS HELD

##### The Benefits of Public Participation includes:

- ❖ Increased Participation and it enables partnerships
- ❖ Encourage citizens to take ownership
- ❖ Encourages and strengthens internal accountability
- ❖ Increased communication between structures
- ❖ It alerts the Municipality of grassroots issues
- ❖ It builds ownership

Through the Public Meetings, the Theewaterskloof Municipality, informed, consulted and involved our Communities in the IDP and Budget Processes. We also use the Ward Councillor Report Back meetings, to give feedback on the status of Housing in the different wards. Some meetings were however not well attended and therefore all our communities are not informed.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

| <b>IDP Participation and Alignment Criteria*</b>                                      | <b>Yes/No</b>  |
|---------------------------------------------------------------------------------------|----------------|
| <b>Does the municipality have impact, outcome, input, output indicators?</b>          | <b>Yes</b>     |
| <b>Does the IDP have priorities, objectives, KPIs, development strategies?</b>        | <b>Yes</b>     |
| <b>Does the IDP have multi-year targets?</b>                                          | <b>Yes</b>     |
| <b>Are the above aligned and can they calculate into a score?</b>                     | <b>Yes</b>     |
| <b>Does the budget align directly to the KPIs in the strategic plan?</b>              | <b>Yes</b>     |
| <b>Do the IDP KPIs align to the Section 57 Managers</b>                               | <b>Yes</b>     |
| <b>Do the IDP KPIs lead to functional area KPIs as per the SDBIP?</b>                 | <b>Yes</b>     |
| <b>Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes</b>              | <b>Yes</b>     |
| <b>Were the indicators communicated to the public?</b>                                | <b>Yes</b>     |
| <b>Were the four quarter aligned reports submitted within stipulated time frames?</b> | <b>Yes</b>     |
| <b>* Section 26 Municipal Systems Act 2000</b>                                        | <b>T 2.5.1</b> |

## 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.

## 2.6 RISK MANAGEMENT

Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the "Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control" This legislative prescript coupled with the obligation to ensure that the resources of the municipality are used effectively, efficiently and economically underlie the implementation of risk management at Theewaterskloof Municipality.

Fraud and Risk management is managed as a shared service of the Overberg District Municipality (ODM) since 1 August 2015, when a Chief Risk Officer (CRO) was appointed. The shared service business model between the municipalities within the district is premised on the delivery of a uniform service under a shared cost model. This model brought about substantial cost-savings as it meant that in-house skills and resources were available with a corresponding reduction on the need for external service providers for the establishment and maintenance of fraud and risk management structures and processes. At local level, the Theewaterskloof Municipality has a local risk champion.

The initiatives and actions performed by the Fraud and Risk Management Unit during 2018/19 include:

- Comprehensive annual departmental risk assessments, involving the heads of department and line managers, which contributed to the compilation of the most detailed risk register to date;
- Started with a district fraud and corruption event library for use during fraud and corruption risk assessments;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Compilation and monitoring of a district fraud and risk management implementation plan;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the municipalities in the Overberg district;
- Reviewed the Fraud Prevention and Anti-Corruption Strategy, Policy and Plan and approved by Council. These documents replaced the outdated Anti-Corruption and Fraud Prevention Plan;
- Engaging and involving all levels of management with the fraud and risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Fraud and Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;
- Comprehensive review of the Fraud and Risk Management Strategy and Fraud and Risk Management Policy to incorporate the new COSO framework Enterprise Risk Management Integrating with Strategy and Performance and document the established fraud and risk management processes of Theewaterskloof Municipality.
- Annual review of the Combined Assurance Policy Framework;
- Performed a Fraud and Risk Management Maturity Assessment to determine the Municipality's maturity level;
- Improved co-operation between the RMU and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Auditor's independence;
- Fraud and Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of "best practice" developments to the Fraud and Risk Management Committee. Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Fraud and Risk Management Committee meetings.
- Fraud and Risk management is now a standing agenda item for Audit and Performance Audit Committee meetings, where the Chief Risk Officer provide feedback.
- KING IV informative presentation to the Fraud and Risk Management Committee and Council.
- Conducted a road show on Fraud and Risk Management throughout the Theewaterskloof Municipality.
- Performed a Business Continuity Framework session
- Developed a Fraud Risk Library with examples of fraud and corruption and one with examples of unethical behaviour.
- Organised an Anti-fraud and corruption training.

## RISK MANAGEMENT COMMITTEE

A Fraud and Risk Management Committee (FARMCO) was established by the Municipal Manager on 21 September 2015. The FARMCO is a high level advisory body that assists the Accounting Officer to fulfil his/her responsibilities for Fraud and Risk Management as set out in the MFMA, the Public Sector Risk Management Framework and corporate governance principles. The FARMCO operates within the parameters of a FARMCO Charter.

The FARMCO also oversees the effective implementation of the risk management processes, effective management of identified risks and provides timely and useful enterprise risk management reports to the Municipal Manager and the Audit Committee of the Municipality.

The table below indicates the membership and meeting dates.

**TABLE: RISK MANAGEMENT COMMITTEE (RMC)**

| CAPACITY                                                                                                                                                                                                            |  | MEETINGS                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------|
| Chairperson: Municipal Manager                                                                                                                                                                                      |  | 19 September 2018        |
| Administrator: OHS & Risk Official                                                                                                                                                                                  |  | 06 December 2018         |
| Director: Finance                                                                                                                                                                                                   |  | 14 March 2019            |
| Director: Operations                                                                                                                                                                                                |  | 13 June 2019             |
| Deputy Director: Technical                                                                                                                                                                                          |  |                          |
| Deputy Director: Corporate Services                                                                                                                                                                                 |  |                          |
| Deputy Director: Development Services                                                                                                                                                                               |  |                          |
| Manager: Human Resources                                                                                                                                                                                            |  | Specialised Contribution |
| Manager: Information Technology                                                                                                                                                                                     |  | Specialised Contribution |
| 3 Councillors as nominated by Council attend and act as observers at each Risk Management Committee                                                                                                                 |  |                          |
| The Chief Risk Officer of the Overberg District Municipality shared risk management service and Chief Audit Executive of Theewaterskloof Municipality are standing invitees in an advisory and observation capacity |  |                          |

## RISK ASSESSMENTS

The risk assessment process for 2018/19 commenced in February 2018. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the RMCO on 21 June 2018. The operational risks were recommended for approval by the Municipal Manager who subsequently signed them off and the strategic risks were recommended for approval by Council.



## STRATEGIC RISKS FOR THE MUNICIPALITY

| Risk Description                                                                                                                | Current Controls                                                                                                                                                                                                                                                                            | Residual Risk | Risk Actions                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sustainable institutional capacity</b>                                                                                       | <ul style="list-style-type: none"> <li>HR Policies</li> <li>Staff Structure</li> <li>Training opportunities (Work skills plan)</li> </ul>                                                                                                                                                   | Medium        | <ol style="list-style-type: none"> <li>Developing an appropriate and aligned organizational structure.</li> <li>Explore the possibility of launching a productivity assessment (Funding) and assess the optimal utilization of current capacity.</li> </ol>                                                                                                                                                                               |
| <b>Lack of understanding of Local Government's developmental mandate and unwillingness to cooperate by National Departments</b> | <ul style="list-style-type: none"> <li>Various provincial and national plat forums attended by senior managers, municipal manager and council.</li> <li>Various communication mediums and structures available for IGR related issues</li> </ul>                                            | Medium        | <ol style="list-style-type: none"> <li>Respond to any breach of significant and strategic intergovernmental relations issues between National, Provincial and the Municipality.</li> <li>Record audit trail of correspondence between government spheres.</li> </ol>                                                                                                                                                                      |
| <b>Limited Economic Growth and Over-reliance on the Agricultural sector</b>                                                     | <ul style="list-style-type: none"> <li>Outdated LED strategy</li> </ul>                                                                                                                                                                                                                     | High          | <ol style="list-style-type: none"> <li>Update LED Strategy</li> </ol>                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Management of Housing Demands</b>                                                                                            | <ul style="list-style-type: none"> <li>WC Housing Department - agent agreement.</li> <li>Housing Project Budget System</li> <li>Housing Application Process and Validation.</li> <li>Housing Committee and Public Participation.</li> <li>TWK housing unit - internal processes.</li> </ul> | High          | <ol style="list-style-type: none"> <li>Review of Housing Pipeline</li> <li>Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline</li> <li>Implementation of Housing Pipeline</li> </ol>                                                                                                                                                                                                                            |
| <b>Increase Demand for Basic Services within existing Informal Settlements</b>                                                  | <ul style="list-style-type: none"> <li>Municipal Capital and Operational Budget.</li> <li>Public Participation</li> <li>Operations Department's maintenance teams.</li> </ul>                                                                                                               | Medium        | <ol style="list-style-type: none"> <li>Draft an Informal Settlements Operational Plan and Submit to Council.</li> </ol>                                                                                                                                                                                                                                                                                                                   |
| <b>Inadequate Capital Funding to eradicate Infrastructure Backlog Timeously</b>                                                 | <ul style="list-style-type: none"> <li>Maintaining Status Quo (Make due with available resources)</li> </ul>                                                                                                                                                                                | High          | <ol style="list-style-type: none"> <li>Upgrade The Bulk Outfall Sewer In Caledon (Phase 3).</li> <li>Construct A New Waste Transfer Station In Caledon (Phase 2).</li> <li>Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1).</li> <li>Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp.</li> <li>Replace And Upgrade MV And LV Networks –RSE.</li> </ol> |
| <b>Bulk water provision / Water Sustainability</b>                                                                              | <ul style="list-style-type: none"> <li>Technical Drought Plan</li> <li>General communication - Printed media and radio</li> </ul>                                                                                                                                                           | High          | <ol style="list-style-type: none"> <li>Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp.</li> </ol>                                                                                                                                                                                                                                                                                          |

|                                                           |                                                                                                                                                                                                                      |      |                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           | <ul style="list-style-type: none"> <li>o Notifications (Possible Water restrictions )</li> <li>o Alternative provision through boreholes</li> <li>o Explore Water Source Alternatives on continuous basis</li> </ul> |      | 2. Upgrade The Waste Water Treatment Works At Caledon Phase 1 (Inlet Works).<br>3. Develop Bulk contribution policy and submit to council by end May 2019.                                                                                                                                |
| <b>Ageing and deterioration of fleet and small plant.</b> | <ul style="list-style-type: none"> <li>o Vehicle monitoring system in place to prevent abuse/misuse of vehicles._Repairs and Maintenance Budget .</li> <li>o Annual limited Capital Acquisitions</li> </ul>          | High | 1. Upgrade Of Fleet (Detailed budget linked to procurement of specific vehicles in 2018-2019).<br>2. Report on Procurement Plan (Acquisition of Vehicles).<br>3. Appoint Service Providers for maintenance and Repairs of fleet.                                                          |
| <b>Slow Recovery of Potential Revenue</b>                 | <ul style="list-style-type: none"> <li>o Data Cleansing Project.</li> <li>o Credit control and Debt Collection unit</li> </ul>                                                                                       | High | 1. Implementation of Revenue Enhancement Framework.<br>2. Report on Debt Collection Ratio and Credit Control Initiatives.                                                                                                                                                                 |
| <b>Non-Compliance with Permit Conditions</b>              | <ul style="list-style-type: none"> <li>o Existing Infrastructure _</li> <li>o Limited Supervision</li> </ul>                                                                                                         | High | 1. Manage the SLA's pertaining to Waste, Water and Sewerage<br>2. Report on Operations as so far as budgeting & supervision and maintenance / replacements / upgrades.<br>3. Explore better allocation of budget and resources to meet compliance requirements (Staff capacity and OPEX). |
| <b>Unlawful Land Invasion</b>                             | <ul style="list-style-type: none"> <li>o Squatter control policy</li> <li>o Land Invasion Unit</li> </ul>                                                                                                            | High | 1. Implementation of SOP for Land Invasions and Illegal Structures.                                                                                                                                                                                                                       |

## RISK POLICIES AND STRATEGIES

The Municipality has a Fraud and Risk Management Policy, Fraud and Risk Management Strategy and Fraud and Risk Management Charter in place that was reviewed by FARMCO on 20 March 2018, and Implementation Plan that was reviewed by FARMCO on 21 June 2018 see Council approval below:

**TABLE: RISK POLICIES AND STRATEGIES**

| NAME OF DOCUMENT                    | DEVELOPED | COUNCIL APPROVAL                            |
|-------------------------------------|-----------|---------------------------------------------|
|                                     | YES/NO    |                                             |
| RMC Charter                         | Yes       | 29 May 2018 (Council Resolution C78/2018)   |
| Risk Management Policy              | Yes       | 29 May 2018 (Council Resolution C78/2018)   |
| Risk Management Strategy            | Yes       | 29 May 2018 (Council Resolution C78/2018)   |
| Risk Management Implementation Plan | Yes       | 26 July 2018 (Council Resolution C109/2018) |

## 2.7 ANTI-CORRUPTION AND FRAUD



Section 6(2) (c) of the Municipal Systems Act (MSA) states that the municipality must take measures to prevent corruption, section 83(1) (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) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings regulates the reporting, investigation and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

Table: FRAUD PREVENTION AND ANTI-CORRUPTION DOCUMENTS

| NAME OF DOCUMENT                              | DEVELOPED<br>Yes/No | COUNCIL APPROVAL                               |
|-----------------------------------------------|---------------------|------------------------------------------------|
| Fraud Prevention and Anti-Corruption Strategy | Yes                 | 25 October 2018 (Council Resolution C185/2018) |
| Fraud Prevention and Anti-Corruption Policy   | Yes                 | 25 October 2018 (Council Resolution C185/2018) |
| Fraud Prevention and Anti-Corruption Plan     | Yes                 | 25 October 2018 (Council Resolution C185/2018) |

The following table provides an overview of the Municipality's implementation strategies:

**TABLE 56 IMPLEMENTATION STRATEGIES**

| KEY RISK AREAS                               | KEY MEASURES TO CURB CORRUPTION AND FRAUD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Policy</b>                                | <p>A Fraud Prevention and Anti-Corruption Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as:</p> <ul style="list-style-type: none"> <li>· What is fraud and corruption?</li> <li>· How do we deal with it when it arises?</li> <li>· What are the roles and responsibilities?</li> <li>· What are the sanctions?</li> </ul>                                                                                                                                                                |
| <b>Institutional arrangements</b>            | <p>The creation of specific structures (e.g. a fraud and risk committee) and the definition of roles and responsibilities facilitates coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees.</p>                                                                                                                                                                                                                                                                                                             |
| <b>Systems and control</b>                   | <p>With well-structured and documented systems and controls in place gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption</p>                                                  |
| <b>Fraud and corruption risk management</b>  | <p>All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption</p> |
| <b>Training, awareness and communication</b> | <p>Making managers, staff, suppliers and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution.</p>                      |

## 2.8 AUDIT COMMITTEE

Section 166 of the MFMA, requires every Municipality to establish and maintain an Audit Committee, as an independent appraisal function. Section 166:

(1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6).

(2) 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, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:

- i. Internal financial control and internal audits
- ii. Risk management
- iii. Accounting policies
- iv. The adequacy, reliability and accuracy of financial reporting and information
- v. Performance management
- vi. Effective governance
- vii. Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- viii. Performance evaluation
- ix. Any other issues referred to it by the municipality or municipal entity

Experience has shown that a properly constituted Audit Committee can make an effective and valuable contribution to the process by which an organization is directed and controlled.

The overall objectives of the Audit and Performance Audit Committee (APAC) are to ensure that management has created and maintained an effective control environment in the organization and that management demonstrates and stimulates the necessary respect for the Theewaterskloof Municipality's systems, policies and procedures and for the internal control structure.

The Theewaterskloof Audit Committee is well established and functioning as required.

| Date of Committee | Committee recommendations during Year 2018/19                                         | Recommendations adopted (enter Yes) If not adopted (provide explanation)  |
|-------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 31-Aug-18         | Audit work completed and planned                                                      | Yes                                                                       |
| 31-Aug-18         | Adequacy and alignment of insurance portfolio in relation to asset register audit     | Yes                                                                       |
| 31-Aug-18         | Solid Waste Fourth Quarter Audit                                                      | Yes                                                                       |
| 31-Aug-18         | Compliance Fourth Quarter Audit                                                       | Yes                                                                       |
| 31-Aug-18         | Performance Management Fourth Quarter Audit                                           | Yes                                                                       |
| 31-Aug-18         | In-migration leading to land invasions and the increase in informal settlements audit | No - Agenda item referred back for comments from the Director: Operations |
| 31-Aug-18         | AdHoc Traffic Security Investigation                                                  | Yes                                                                       |

|                  |                                                                                         |                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>31-Aug-18</b> | 2018/2019 Annual SDBIP report of the Office of the Chief Audit Executive                | Yes                                                                                                                           |
| <b>31-Aug-18</b> | Status of ICT in Theewaterskloof Municipality                                           | Yes                                                                                                                           |
| <b>31-Aug-18</b> | Quarterly Risk Management progress report from June 2018 to September 2018              | Yes                                                                                                                           |
| <b>31-Aug-18</b> | Quarterly Budget Statement for the fourth quarter ending 30 June 2018                   | Yes                                                                                                                           |
| <b>31-Aug-18</b> | Draft Financial Statements for the year ending 30 June 2018                             | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Audit work completed and planned                                                        | Yes                                                                                                                           |
| <b>23-Nov-18</b> | In-migration leading to land invasions and the increase in informal settlements audit   | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Compliance First Quarter Audit                                                          | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Risk Management Audit                                                                   | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Safeguarding of Assets Audit                                                            | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Internal Audit First Quarter Follow-up Report                                           | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Auditor General Report Follow-up                                                        | Yes                                                                                                                           |
| <b>23-Nov-18</b> | First Quarter 2018/2019 SDBIP Report of the Office of the Chief Audit Executive         | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Revised standard Operating Procedure: Internal Audit request for information / comments | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Quarterly Budget Statement for the first quarter ending 30 September 2018               | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Minutes of the Fraud & Risk Management Committee Meetings                               | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Progress report - Risk Management Implementation Plan                                   | Yes                                                                                                                           |
| <b>23-Nov-18</b> | Performance Management First Quarter Audit                                              | No - Agenda item referred back for management to review their comments on the findings.                                       |
| <b>18-Jan-19</b> | AdHoc Study Bursary Audit                                                               | No - Agenda item to stand over to next meeting for discussion.                                                                |
| <b>18-Jan-19</b> | Ad Hoc Property Rentals Audit                                                           | Yes                                                                                                                           |
| <b>18-Jan-19</b> | Inventory Audit November 2018                                                           | Yes                                                                                                                           |
| <b>18-Jan-19</b> | Supply Chain Management first quarter audit                                             | Yes                                                                                                                           |
| <b>18-Jan-19</b> | Municipal Animal Pound                                                                  | Yes                                                                                                                           |
| <b>18-Jan-19</b> | Revised annual risk based internal audit plan 2018/2019                                 | No - Agenda item referred back to be discussed with Management before submission to the Performance Audit and Audit Committee |
| <b>18-Jan-19</b> | 2017/2018 Annual Report                                                                 | Yes                                                                                                                           |
| <b>18-Jan-19</b> | Auditor General's report for the 2017/2018 financial year                               | Yes                                                                                                                           |
| <b>8-Mar-19</b>  | Performance- and Audit Committee Resolutions Followed-up                                | Yes                                                                                                                           |
| <b>8-Mar-19</b>  | Audit work completed and planned                                                        | Yes                                                                                                                           |
| <b>8-Mar-19</b>  | Performance Management First Quarter Audit                                              | Yes                                                                                                                           |
| <b>8-Mar-19</b>  | AdHoc Study Bursary Audit                                                               | Yes                                                                                                                           |



|                 |                                                                                 |     |
|-----------------|---------------------------------------------------------------------------------|-----|
| <b>8-Mar-19</b> | Solid Waste Second Quarter Audit                                                | Yes |
| <b>8-Mar-19</b> | Performance Management Second Quarter Audit                                     | Yes |
| <b>8-Mar-19</b> | Waste Water Treatment Audit                                                     | Yes |
| <b>8-Mar-19</b> | Internal Audit Second Quarter Follow-up Report                                  | Yes |
| <b>8-Mar-19</b> | Revised annual risk based internal audit plan 2018/2019                         | Yes |
| <b>8-Mar-19</b> | Internal Audit Methodology                                                      | Yes |
| <b>8-Mar-19</b> | Second Quarter Top Layer SDBIP Report                                           | Yes |
| <b>8-Mar-19</b> | Second Quarter SDBIP Office of the Chief Audit Executive                        | Yes |
| <b>8-Mar-19</b> | Minutes of the Fraud & Risk Management Committee Meetings                       | Yes |
| <b>8-Mar-19</b> | Progress report - Risk Management Implementation Plan                           | Yes |
| <b>8-Mar-19</b> | Quarterly Budget Statement for the second quarter ending 31 December 2018       | Yes |
| <b>8-Mar-19</b> | The Audit Committee's role in financial analysis in municipalities              | Yes |
| <b>8-Mar-19</b> | Status of ICT in Theewaterskloof Municipality                                   | Yes |
| <b>8-Mar-19</b> | Auditor General Report Follow-up                                                | Yes |
| <b>7-Jun-19</b> | Performance- and Audit Committee Resolutions Followed-up                        | Yes |
| <b>7-Jun-19</b> | Audit work completed and planned                                                | Yes |
| <b>7-Jun-19</b> | Compliance to Acts Second Quarter Audit                                         | Yes |
| <b>7-Jun-19</b> | Compliance to Acts Third Quarter Audit                                          | Yes |
| <b>7-Jun-19</b> | Performance Management Third Quarter 2018/2019 Audit                            | Yes |
| <b>7-Jun-19</b> | Maintenance on Proclaimed Roads Audit                                           | Yes |
| <b>7-Jun-19</b> | Supply Chain Management second quarter audit                                    | Yes |
| <b>7-Jun-19</b> | Internal Audit Third Quarter Follow-up reports                                  | Yes |
| <b>7-Jun-19</b> | Internal Audit Evaluations                                                      | Yes |
| <b>7-Jun-19</b> | Performance- and Audit Committee Evaluations                                    | Yes |
| <b>7-Jun-19</b> | Annual Internal Audit Plan 2019/2020                                            | Yes |
| <b>7-Jun-19</b> | Performance Management Third Quarter Top Layer Report                           | Yes |
| <b>7-Jun-19</b> | Third Quarter 2018/2019 SDBIP report of the Office of the Chief Audit Executive | Yes |
| <b>7-Jun-19</b> | Minutes of the Fraud & Risk Management Committee Meetings                       | Yes |
| <b>7-Jun-19</b> | Progress report - Risk Management Implementation Plan                           | Yes |
| <b>7-Jun-19</b> | Quarterly Budget Statement for the third quarter ending 31 March 2019           | Yes |
| <b>7-Jun-19</b> | Ration Analysis Report                                                          | Yes |
| <b>7-Jun-19</b> | Status of ICT in Theewaterskloof Municipality                                   | Yes |
| <b>7-Jun-19</b> | Auditor General Report Follow-up                                                | Yes |
| <b>7-Jun-19</b> | Audit Action Plan for the 2017/2018 financial year                              | Yes |
| <b>7-Jun-19</b> | Auditor General's powers                                                        | Yes |
| <b>7-Jun-19</b> | Performance- and Audit Committee Meeting Schedule                               | Yes |

## 2.8 .1 PERFORMANCE AND AUDIT COMMITTEE REPORT

### 2018/2019 ANNUAL REPORT OF THE PERFORMANCE AUDIT AND AUDIT COMMITTEE

Speaker, Madam Mayor, Members of Council, The Municipal Manager, Directors, Ladies and Gentleman, it is my duty to deliver the annual report of the Performance Audit and Audit Committee (PAC) to Council for the financial year ending 30 June 2019.

#### Performance Audit and Audit Committee

As a statutory, independent committee its duties and responsibilities are clearly articulated in the Municipal Finance Management Act, Act 56 of 2003 and the PAC Charter as approved by Council.

The current PAC was appointed on 1 November 2018.

The PAC consisted of four (4) independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The new PAC members attended an induction session on 16 November 2018.

The PAC conducted self-assessments during April 2019 in order to measure its performance. Input from Management was part of the assessment process. The results of the assessments were reviewed and discussed at the PAC Meeting of 7 June 2019. The outcome of the review was satisfactory.

The PAC went on a field trip on 17 May 2019 and visited the Villiersdorp Waste Water Treatment Works, Villiersdorp Transfer and Recycling Station, Villiersdorp Destiny Capital Projects, Grabouw Transfer Station & Waste Water Treatment Works and the Grabouw Steenbras Reservoir. The PAC felt that improvements have been made and appreciated the field trip.

The PAC held 6 (six) meetings during the financial year under review. These meetings were well attended by PAC Members, Directors, Members of the Audit Team and Representatives from the Auditor-General's Office, Chairperson of the Finance Portfolio Committee and Councillors nominated by Council to attend the meetings.

Dates of Performance Audit and Audit Committee meetings:

- 29 August 2018 – Old Committee
- 31 August 2018 – Old Committee
- 23 November 2018 – New Committee
- 18 January 2019 – New Committee
- 8 March 2019 – New Committee
- 7 June 2019 – New Committee

| <b>Name of Member – Old Committee</b> | <b>Number of Meetings Attended</b> |
|---------------------------------------|------------------------------------|
| E Lakey (Chairperson)                 | 2                                  |
| A Pienaar                             | 2                                  |
| GN Lawrence                           | 2                                  |

| <b>Name of Member – New Committee</b> | <b>Number of Meetings Attended</b> |
|---------------------------------------|------------------------------------|
| R Gani (Chairperson)                  | 4                                  |
| KE Montgomery                         | 4                                  |
| EP Lakey                              | 2                                  |
| W Zybrands                            | 4                                  |

Ms KE Montgomery tendered her resignation from the committee on 23 June 2019.

## **Internal Audit**

In terms of the IIA (Institute of Internal Auditors) standards, the Internal Audit unit must undergo an internal quality assessment. In April 2019 the PAC and the Management Team evaluated the Internal Audit unit. The results of the evaluations were discussed at the PAC meeting of 7 June 2019.

In general, the PAC is satisfied that the Internal Audit resources are adequate and the department is effective.

The PAC reviewed the functional and administrative reporting lines of the Internal Audit Department and sent an e-mail to the Mayor and the Municipal Manager on 10 June 2019 recommending that there should be a solid reporting line (functional) of the Chief Audit Executive to the PAC and a dotted line of the reporting (administrative) of the Chief Audit Executive to the Municipal Manager. The Organogram needs to indicate the Accounting Authority which is Council with a line showing the Council appointment of the independent PAC. The PAC noted that this has not been done yet.

In line with the MFMA, Internal Audit provides the PAC and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy of controls, mitigating the risks and the PAC monitoring implementation of corrective actions.

The Internal Audit Department conducted 25 planned internal audits during the year under review and completed 100% of the audits identified on the risk based internal audit plan for 2018/2019:

- 162 findings were made;
- 11 of these findings were regarded as significant (serious) and three of these findings were resolved and eight are still in progress.
- The remaining 151 findings were regarded as housekeeping (minor transgressions which could easily be rectified) and remain the responsibility of administration to address and the PAC to oversee.

The following internal audits were planned and completed during the year under review:

- Supply Chain Management 4th Quarter 2017/2018
- Performance Management 4th Quarter 2017/2018
- Compliance to Acts Assessment 4th Quarter 2017/2018
- Safeguarding of Assets Audit
- Solid Waste 1st Quarter 2018/2019
- Inventory First Review 2018/2019
- Supply Chain Management 1st Quarter 2018/2019
- Compliance to Acts Assessment 1st Quarter 2018/2019
- Solid Waste 2nd Quarter 2018/2019
- Waste Water Audit
- Performance Management 1st Quarter 2018/2019
- Risk Management Audit
- Supply Chain Management 2nd Quarter 2018/2019
- Performance Management 2nd Quarter 2018/2019
- Solid Waste 3rd Quarter 2018/2019
- Inventory Second Review 2018/2019
- Compliance to Acts Assessment 2nd Quarter 2018/2019
- Maintenance on Roads

- Supply Chain Management 3rd Quarter 2018/2019
- Performance Management 3rd Quarter 2018/2019
- Solid Waste 4th Quarter 2018/2019
- Compliance to Acts Assessment 3rd Quarter 2018/2019
- Land Invasions Audit
- Cash Management and Investment Audit
- Ad Hoc Property Rentals Audit

### **The Effectiveness of 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 fulfils its mandate, in compliance with all relevant statutory and governance duties and requirements.

The PAC reviewed all the Internal Audit reports. Other than the matters highlighted below, no material deficiencies in the system of internal control were noted.

During the year key control deficiencies were noted by Internal Audit in the following areas:

1. Safeguarding of assets against vandalism and theft (1 finding);
2. Inventory (1 finding);
3. Solid Waste (1 finding);
4. Land Invasions (6 finding); and
5. Property Rentals (2 finding).

### **Significant Findings made were:**

1. Safeguarding of assets against vandalism and theft:
  - Internal audit visited the municipal properties of all the towns to inspect the properties and check if it is safeguarded against vandalism and theft. It seems that there is a lack of control regarding the safeguarding of the following properties against vandalism and theft: Riviersonderend Workshop, Botrivier Library, Botrivier Reservoir / Waterworks, Botrivier Sewerage Plant, Botrivier Boorgat 6, Caledon Town Office, Caledon Victoria Hall, Caledon Workshop, Caledon Tennis Club, Caledon Badskop Pump station, Caledon Nature Garden, Caledon Baronsbos Boorgat, Grabouw Wesselsgat Pump station, Grabouw Worcester Pump station, Grabouw Upper Steenbras Reservoir, Grabouw Lower Steenbras Reservoir, Grabouw Uitkyk Reservoir, Greyton Offices & Genadendal Workshop.
2. Inventory:
  - According to the Inventory SOP: End Users must evaluate project and operational vote numbers to ensure that overspending on the relevant vote numbers does not occur. It seems that votes are not monitored for overspending as there was overspending at all the stores, except Genadendal Store, for the 2018/2019 financial year.
3. Solid Waste:
  - According to the Condition 6.12 of the Permit for the Villiersdorp Transfer Station: "Waste deposited at the Facility may not be allowed to burn and suitable measures shall be implemented to prevent fires at the Facility or extinguish fires which may occur." At the time of the audit, it was observed that the people reclaiming waste, made fire right next to the Transfer station

#### 4. Land Invasions:

- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 5.4: "Only one structure will be allowed on an allocated plot." According to the Manager: Human Settlement there are instances where there is more than 1 structure on an allocated plot.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 5.5: "Any half built and unoccupied structures that needs to be demolished, must be marked in an orange flurescent colour and be demolished after all processes have been followed. Any new unoccupied structures that occur within 24 hours must be immediately demolished with full photographic evidence." As per the Manager: Human Settlement it is difficult for the Squatter Control officer to mark the structures because the dwellers put paint over the marks or turn the sides around.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 11.2: "The Squatter Control Officer must perform daily visual inspection of informal settlements to detect unlawful squatting /invasions and the building of any illegal structures/buildings and report to Town Manager, Manager Human Settlements, Head Migration and Stakeholder Management and Regional Inspector Special Operations Unit." It seems like the Squatter Control Officer is not able to perform daily inspections as required by the SOP and only performs ad hoc inspections.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 15: "The Inspector Special Operations Unit must: Take pictures on a daily basis of illegal activities and keep records of each activity; Reporting illegally occupied sites to Principal Special Operations Officer; Compiling of detailed reports of any illegal structures or any illegal land invasions and reporting to Principal Special Operations Officer; Reporting of occupied structures which form part of an informal settlement, which give rise to complaints and cause problems to the Principal Land Management Officer; Written record keeping during land invasion operations; Ensure Photographical evidence for record keeping." Internal Audit could not confirm compliance to any of the above requirements as no supporting evidence / audit trail could be provided to Internal Audit.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 16: "The Principal Inspector Special Operations must: Compile a detailed report of all informal areas and submit to the Regional Inspector Special Operations on a weekly basis; Detailed occurrence book report at SAPS; Send a detailed daily report of all incidents reported to the Regional Inspector Special Operations unit who will distribute it to management." Internal Audit could not confirm compliance to any of the above requirements as no supporting evidence / audit trail could be provided to Internal Audit.
- The Informal Settlement Management & Prevention of Illegal Occupation of Land SOP states all the information that should be included in the occurrence books and daily reports. It seems that there are not occurrence books kept and daily reports are not compiled as these could not be provided to Internal Audit

#### 5. Property Rentals:

- Internal audit requested the rental and encroachment registers from the Property Management Department. Internal audit also requested a report from the revenue department that indicates all the properties that is charged for rental or

encroachment on Phoenix. There are 176 rentals and encroachments on the Property Management registers. It seems that 36 (20%) of those are not charged for rental or encroachment on Phoenix. There are 303 accounts on Phoenix where an amount is charged for rentals or encroachments. It seems that 171 (56%) of those are not on the Property Management registers.

- Internal audit requested the rental and encroachment registers from the Property Management Department for audit. There are 176 rentals and encroachments on the Property Management registers. It seems that 50 (28%) of the contracts have expired and new contracts have not been finalised.

Corrective actions have been agreed to by management and the Municipal Manager and are being monitored by the PAC.

### **Risk Management**

The PAC is well informed and satisfied with reports regarding the Status of Risk Management in TWK. The minutes of the Fraud and Risk Management Committee as well as the Risk Management Implementation Plan are presented to the PAC on a quarterly basis.

Based on the reports reviewed, the PAC makes recommendations on risk areas identified to be included in the risk registers.

The Risk Management Implementation Strategy along with the Risk Management Policy serves as induction documentation for new employees. Constant interaction with Departments in terms of risk contributes towards risk awareness.

The municipality has updated Strategic and Operational Risk Registers.

### **Performance Management**

The PAC have reviewed the 2017/2018 Annual Performance Report of the municipality as well as the quarterly SDBIP Performance Reports submitted to it by the Internal Audit Department. Based on the discussions and assurances obtained, the PAC is satisfied with the Performance Management System of the municipality.

The Chairperson of the PAC attended the annual performance evaluations of the section 56/57 appointments and was satisfied with the course of the event.

### **Compliance with Legislation**

The PAC is well informed and satisfied with reports regarding the Status of Compliance with Legislation in TWK. A compliance report is presented to the PAC on a quarterly basis containing the following legislation:

- Supply Chain Management Regulations;
- Municipal Finance Management Act;
- Planning and Performance Management Regulations;
- Investment Regulations;
- Budget and Reporting Regulations;
- Property Rates Act;
- Municipal Structures Act;
- Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers;
- Municipal Systems Act; and
- Disaster Management Act.



## **Evaluation of Financial Statements**

The PAC is satisfied that the financial information presented to them was adequate and reliable.

The PAC has:

- reviewed and discussed the budget statements (section 71 reports) on a quarterly basis;
- reviewed, discussed and provided input on the unaudited draft Annual Financial Statements on 30 August 2019 prior to submission to the Auditor-General. The draft AFS were methodically scrutinised with the CFO.
- reviewed the process followed in the preparation of the Annual Financial Statements
- reviewed the processes for compliance with legal and regulatory provisions.
- reviewed the Financial Ratio Report as prescribed by National Treasury Circular 71
- reviewed the skills and adequacy of staff in the Finance Department

## **Auditor-General**

The PAC discussed the following documents with the Auditor-General:

- The 2017/2018 audit strategy;
- The report of the Auditor-General for the 2017/2018 audit.

The PAC provided oversight over the quarterly reports regarding the status of the Audit Action Plan (Containing actions to be taken to resolve findings made by the Auditor-General in the 2017/2018 Management Report)

The amendments to the Public Audit Act was presented to the PAC and discussed in depth.

## **Information and Communication Technology**

The ICT Steering Committee chairperson (Municipal Manager) reports to the PAC on the status of Information and Communications Technology on a quarterly basis. This report includes the status of ICT Governance, ICT Risk Management and ICT Systems Performance. The PAC would like to highlight the ICT Security risk with respect to cyber-crimes and the administration has agreed to prioritise this risk and address it.

## **General**

The PAC is concerned regarding the funding for the rehabilitation of Solid Waste sites and have highlighted this as a risk for the Municipality. Management have indicated that they will address this and the PAC will provide oversight.

The PAC raised their concern over the vacancies of the Senior Managers (for the whole of the 2018/2019 financial year) and highlights the risk that Deputy Directors are taking responsibility for execution of the Senior Managers' KPI's.

## **Appreciation**

The PAC wishes to express its appreciation to the Management of the Municipality and the Internal Audit Department for the co-operation and information they have provided to enable us to compile this report.

The regular attendance of the PAC meetings by the Executive Mayor is appreciated.

**Ms R Gani**  
**Chairperson of the Performance- and Audit Committee**  
**October 2019**

## 2.9 SUPPLY CHAIN MANAGEMENT

The municipality's SCM policy states that "All user departments are required to submit their procurement plans by end of April, for the following financial year to the Manager Supply Chain Management to improve planning and management of resources".

SCM implemented a system in conjunction with Provincial Treasury and the Western Cape Supplier Database to ensure that prospective supplier ID numbers are run through the persal system to avoid non-compliance.

SCM assisted suppliers to register on E-filing at SARS to obtain valid Tax Clearance certificates in a quicker and more efficient way in order for them to register on our database and be compliant for any quotations and tenders advertised/awarded.

In order to supply goods or provide services to the municipality, the business needs to be registered on the Supplier Database. The business is then able to quote and bid for services and goods as advertised by the municipality.

### **What is a Quotation?**

A quotation is an informal offer to perform work, render a service or supply goods at a price. Request for Quotation (RFQ) is a form of procurement where processes and procedures have been relaxed in accordance with pre-determined transactional ceiling costs.

### **What is a Bid?**

A bid, previously called a tender, is a formal offer to perform, render a service or supply goods at a price. The bidding process is a detailed, document driven process, which requires the potential supplier to complete and submit a document within a predetermined timeframe.

### **Get registered**

In order to register, you will need the following:

- A valid Tax Clearance Certificate (TAC) obtainable from the Receiver of Revenue (SARS).
- A credible bank account.
- Registered with the appropriate Industry Regulatory body for your specific industry (e.g. attorney with the law society), where applicable.
- BEE Certificate, where applicable

Complete Supplier Registration forms available from municipal offices.

### **Access bids or quotations via:**

- Our website
- Notice boards
- Newspapers

### **Tips for Completing/Submitting Your Offer**

- Read documents carefully and provide all information requested.
- Attach all requested documentation (eg Tax Clearance Certificate).

- Ensure that you have provided the correct price and details for your office.
- Answer all questions truthfully, if you get caught it may disqualify your offer and lead to further action.
- When in doubt, enquire on the information requested.
- Ensure that you are able to meet all the requirements within the specified time and can thus honour the conditions of the contract.
- Ensure that your offer (quotation or bid) is deposited at the closing destination before the closing time.
- HDI supplier must ensure that they claim their preference points by completing the required documentation and attaching the necessary momentary proof.
- Ensure that your bid document is deposited in the correct bid (tender) box.
- Ensure that bid documents are signed on the indicated areas.
- Be aware of "fronting" scams ("fronting" - The utilisation of HDIs for the purpose of obtaining preference points when bidding for government bids or quotations without any real empowerment of the HDI).

## **2.10 BY-LAWS**

No bylaws were amended during the 2018/2019 financial year.

## **2.11 WEBSITE**

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the Municipal Finance Management Act (MFMA).

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation.

It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

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

| <b>Municipal Website : Content and Currency of Material</b>                                                                                                                                                                                                                                                               |                 |                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Documents published on the Municipality's / Entity's Website</b>                                                                                                                                                                                                                                                       | <b>Yes / No</b> | <b>Publishing Date</b>                                                                                                                       |
| <b>Current annual and adjustments budgets and all budget-related documents</b>                                                                                                                                                                                                                                            | Yes             | Draft Budget 18/19 - 29/03/2018<br>Final Budget 18/19 - 30/05/2018<br>Adjustment Budgets 18/19<br>- 29/08/2018<br>- 2/11/2018<br>- 27/2/2019 |
| <b>All current budget-related policies</b>                                                                                                                                                                                                                                                                                | Yes             | Final Budget 18/19 - 30/05/2018                                                                                                              |
| <b>The previous annual report (Year 2017/18)</b>                                                                                                                                                                                                                                                                          | Yes             | 30/01/2019                                                                                                                                   |
| <b>The annual report (Year 2018/19) published/to be published</b>                                                                                                                                                                                                                                                         | Yes             | 30/01/2020                                                                                                                                   |
| <b>All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2018/19) and resulting scorecards</b>                                                                                                                                                                      | Yes             | Director: Financial Services - 31/10/2018<br>Director: Operations - 10/07/2019<br>Municipal Manger : 10/07/2018                              |
| <b>All service delivery agreements (Year 2018/19)</b>                                                                                                                                                                                                                                                                     | Yes             | Monthly as per policy                                                                                                                        |
| <b>All long-term borrowing contracts (Year 2018/19)</b>                                                                                                                                                                                                                                                                   | Yes             | Monthly as per policy                                                                                                                        |
| <b>All supply chain management contracts above a prescribed value for Year 2018/19</b>                                                                                                                                                                                                                                    | Yes             | Monthly as per policy                                                                                                                        |
| <b>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 Year 2017/18</b>                                                                                                                                                      | No              |                                                                                                                                              |
| <b>Contracts agreed in Year 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section</b>                                                                                                                                                                                            | N/A             |                                                                                                                                              |
| <b>Public-private partnership agreements referred to in section 120 made in Year 2018/19</b>                                                                                                                                                                                                                              | N/A             |                                                                                                                                              |
| <b>All quarterly reports tabled in the council in terms of section 52 (d) during Year 2018/19</b>                                                                                                                                                                                                                         | Yes             | Quarter 1 - 29/10/2019<br>Quarter 2 - 15/01/2019<br>Quarter 3 - 29/07/2019<br>Quarter 4 - 27/07/2019                                         |
| <b>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</b> |                 |                                                                                                                                              |

**T2.10.1**

## 2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No surveys were conducted during the 2018/19 financial year due to the lack of funding. Various request for funding was submitted to potential donors; however by 30 June 2019 no positive response was received.

# CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)





## INTRODUCTION

The Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). The report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) for 2018/2019. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area as well as the performance per Municipal Directorate.

The Following are the Municipalities Key Performance Areas:

**Basic Service Delivery**  
**Financial Viability**  
**Good Governance**  
**Institutional Development**  
**Local Economic Development**

## LEGISLATIVE BACKGROUND

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

A municipality must prepare for each financial year a performance report reflecting—

- a) the performance of the Municipality and each external service provider during that financial year;
- b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- c) measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 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, organised and managed, including determining the roles of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance

## PERFORMANCE SUMMARY

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No.13 prescribes that:

The IDP and budget must be aligned;

The budget must address the strategic priorities;

The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes

The Top Layer SDBIP and its targets cannot be revised without notifying the council therefore all changes made in service delivery targets and performance indicators must be done with the approval of the council, following approval of an adjustments budget.

Council approval is necessary to ensure that the Mayor or Municipal Manager do not revise targets downwards in the event where there is poor performance.

The following elements necessitated the revision of the SDBIP:

The adjustment budget:

1. The adjustment budget was tabled and adopted by council on 21 February 2019.
2. Auditor general's recommendation on the 2017/18 Performance Audit.
3. The revision process was as follows:
4. One on one sessions were held with all the directors and their heads of departments where KPIs were drafted to ensure consistency with planned objectives, indicators, targets and also to ensure that the KPI's and targets set are based on the SMART principles.

The table below provides a summarised explanation of the performance measurement of Theewaterskloof Municipality

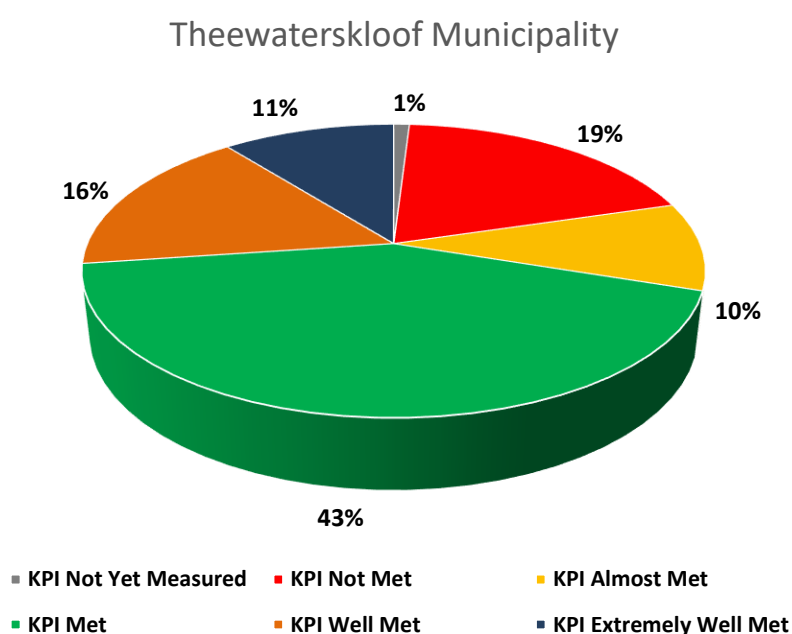
| Category                             | Colour | Explanation                                             |
|--------------------------------------|--------|---------------------------------------------------------|
| KPI Removed during Adjustment Budget |        | KPI's with no targets or actuals in the selected period |
| KPI Not Met                          |        | 0% >= Actual/Target < 75%                               |
| KPI Almost Met                       |        | 75% >= Actual/Target < 100%                             |
| KPI Met                              |        | Actual/Target = 100%                                    |
| KPI Well Met                         |        | 100% > Actual/Target < 150%                             |
| KPI Extremely Well Met               |        | Actual/Target >=150%                                    |

## 2018/2019 PERFORMANCE RESULTS

The following section will focus on the performance results achieved during the 2018/19 financial year.

### Summary of Results

|                        |            |
|------------------------|------------|
| KPI Not Yet Measured   | 1          |
| KPI Not Met            | 20         |
| KPI Almost Met         | 11         |
| KPI Met                | 43         |
| KPI Well Met           | 17         |
| KPI Extremely Well Met | 11         |
| <b>Total KPIs</b>      | <b>103</b> |

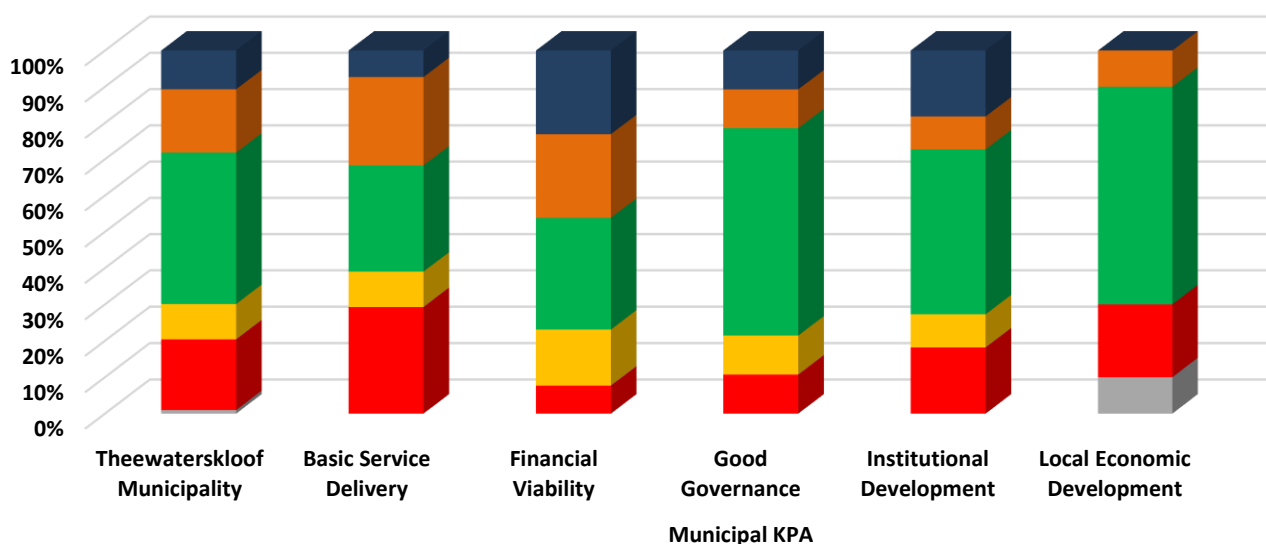


Theewaterskloof had a total of 103 Top layer KPI's that was measured during the 2018/19 financial year. 70% of all KPI's were either achieved or achieved above the expected target, 10% was almost achieved whilst 19% was not achieved. 1% of the Top Layer KPI's were not measured. This is a huge improvement on the performance of 2017/18 (60.56%) increasing achievement by approximately 10%.

## Results per Municipal KPA

|                        | Theewaterskloof Municipality | Municipal KPA          |                     |                 |                           |                            |
|------------------------|------------------------------|------------------------|---------------------|-----------------|---------------------------|----------------------------|
|                        |                              | Basic Service Delivery | Financial Viability | Good Governance | Institutional Development | Local Economic Development |
| KPI Not Yet Measured   | 1                            | 0                      | 0                   | 0               | 0                         | 1                          |
| KPI Not Met            | 20                           | 12                     | 1                   | 3               | 2                         | 2                          |
| KPI Almost Met         | 9                            | 4                      | 2                   | 3               | 1                         | 0                          |
| KPI Met                | 44                           | 12                     | 4                   | 16              | 5                         | 6                          |
| KPI Well Met           | 18                           | 10                     | 3                   | 3               | 1                         | 1                          |
| KPI Extremely Well Met | 11                           | 3                      | 3                   | 3               | 2                         | 0                          |
| <b>Total:</b>          | <b>103</b>                   | <b>41</b>              | <b>13</b>           | <b>28</b>       | <b>11</b>                 | <b>10</b>                  |

## Performance Per Municipal KPA

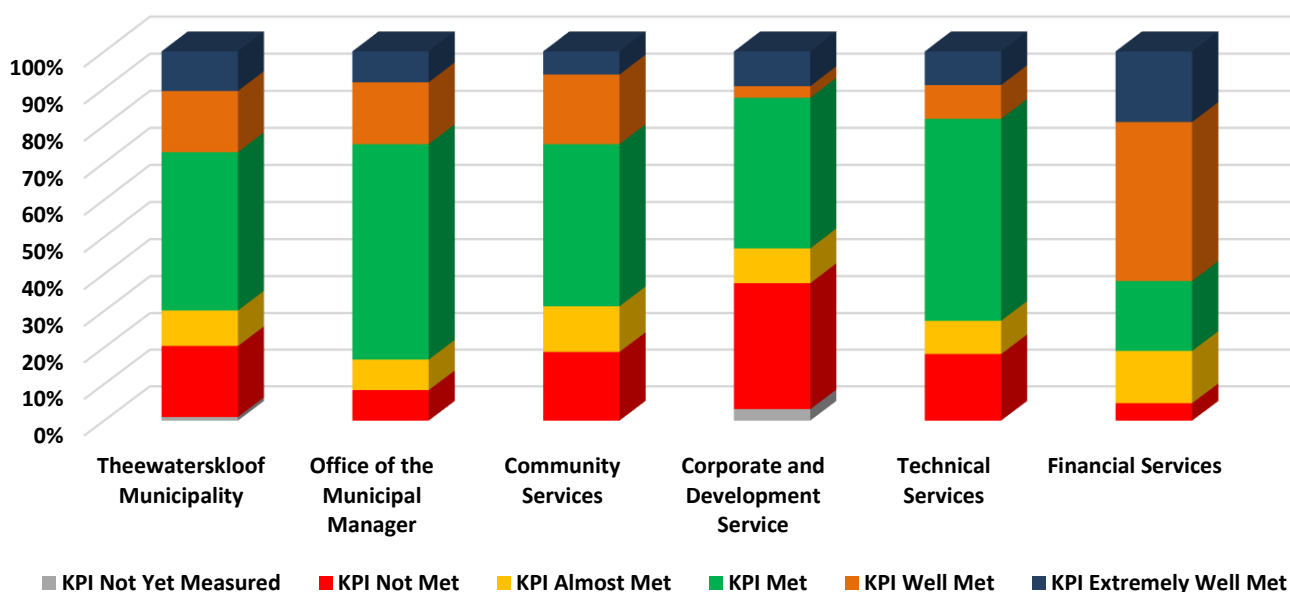


The Table above is indicative that during the target setting the municipality placed its largest focus on Basic Service and Delivery Governance with 41 and 28 targets set respectively. The municipality achieved more than 60% of the targets in all of its key performance areas. The lowest percentage achievement was in the Basic Service Delivery category, where the municipality only achieved 61% of the targets set.

## Performance per Municipal Directorate

|                        | Office of the<br>Municipal<br>Manager | Community<br>Services | Corporate<br>and<br>Development<br>Service | Technical<br>Services | Financial<br>Services |
|------------------------|---------------------------------------|-----------------------|--------------------------------------------|-----------------------|-----------------------|
| KPI Not Yet Measured   | 0                                     | 0                     | 1                                          | 0                     | 0                     |
| KPI Not Met            | 1                                     | 3                     | 11                                         | 4                     | 1                     |
| KPI Almost Met         | 1                                     | 2                     | 3                                          | 2                     | 3                     |
| KPI Met                | 7                                     | 7                     | 13                                         | 12                    | 4                     |
| KPI Well Met           | 2                                     | 3                     | 1                                          | 2                     | 9                     |
| KPI Extremely Well Met | 1                                     | 1                     | 3                                          | 2                     | 4                     |
|                        | 12                                    | 16                    | 32                                         | 22                    | 21                    |

## Performance Per Directorate



The Office of the Municipal Manager was the best performing department in terms of the SDBIP achieving 83% of their targets set, followed with the Financial Services Department, either achieving or exceeding 81% and Technical Services achieving 73% of the targets set by the Municipality.

The following table will reflect on the performance against specific individual KPI's:

## SDBIP 2018/2019: ANNUAL PERFORMANCE REPORT

| Ref | Strategic Objective                                                                    | Municipal KPA             | KPI                                                                                                                                                                                                                    | Unit of Measurement                     | Baseline | Previous Year Actual Performance | Source of Evidence                                    | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                     |
|-----|----------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------|----------------------------------|-------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                                        |                           |                                                                                                                                                                                                                        |                                         |          |                                  |                                                       |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                    |
| TL1 | To provide democratic, responsive and accountable government for the local communities | Institutional Development | Sign Performance Agreements Of All Sec 56/57 Employees By End July 2018                                                                                                                                                | Number Of Performance Agreements Signed | 2        | 2                                | Signed Agreements                                     | 4             | 3              | Accumulative         | 3                              | 3      | G |                                                                                                                                                                                                                                                     |
| TL2 | To provide democratic, responsive and accountable government for the local communities | Institutional Development | Bi-annual Formal Performance Appraisals Of All Sec 56/57 Employees For The Previous Financial Year To Be Completed By September 2018 And Current Financial Year July To December 2018 To Be Completed By February 2019 | Number Of Appraisals                    | 4        | 4                                | Notice Of Appraisals To Panel And Top Management Team | 10            | 6              | Accumulative         | 6                              | 0      | R | All 6 formal appraisals was done, it was however done in May 2019. This was done to save cost in convening twice. To prevent late evaluations the performance appraisals have been brought onto the time schedule for the 2019/2020 financial year. |



| Ref | Strategic Objective                                                                    | Municipal KPA   | KPI                                                                       | Unit of Measurement                                | Baseline | Previous Year Actual Performance | Source of Evidence              | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                  |
|-----|----------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------|----------------------------------------------------|----------|----------------------------------|---------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------|
|     |                                                                                        |                 |                                                                           |                                                    |          |                                  |                                 |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures |
| TL3 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Submit Annual Report And Oversight Report To Council Before 31 March 2019 | Final Annual Report And Oversight Report Completed | 1        | 1                                | Council Minutes                 | 2             | 2              | Accumulative         | 2                              | 2      | G |                                  |
| TL4 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Prepare The Final IDP For Submission To Council By End May Annually       | Final IDP Submitted                                | 1        | 1                                | Council Minutes                 | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |
| TL5 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Submit The Annual Performance Report To The AG By End August 2018         | Annual Performance Report Submitted                | 1        | 1                                | Confirmation Of Receipt From AG | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |
| TL6 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Submit The Final MTRF Budget To Council By The End Of May Annually        | Budget Submitted                                   | 1        | 1                                | Council Minutes                 | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |

| Ref  | Strategic Objective                                                                      | Municipal KPA             | KPI                                                                   | Unit of Measurement                                                                        | Baseline | Previous Year Actual Performance | Source of Evidence                                   | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |    |                                  |
|------|------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------|----------------------------------|------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|----|----------------------------------|
|      |                                                                                          |                           |                                                                       |                                                                                            |          |                                  |                                                      |               |                |                      | Target                         | Actual | R  | Departmental Corrective Measures |
| TL47 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Execute The Internal Audit Programme                                  | Number Of Audits Completed And Submitted To Audit Committee                                | 28       | 34                               | Minutes Of Audit Committee With Audit Reports        | 27            | 27             | Accumulative         | 27                             | 29     | G2 |                                  |
| TL48 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Audit The Progress Of The Action Plan To Address AG Findings Annually | Number Of Audits Completed                                                                 | 2        | 2                                | Minutes Of The Management Meeting With Audit Reports | 2             | 2              | Accumulative         | 2                              | 2      | G  |                                  |
| TL62 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Improve Staff Retention                                               | % Of Vacant Funded Post. (total Number Of Permanent Employees / Number Of Funded Post)*100 | New Kpi  |                                  | Report From Payday                                   | 85%           | 85%            | Stand-Alone          | 85%                            | 92.26% | G2 |                                  |
| TL63 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Improve The Functionality Of The MPAC Committee                       | Number Of MPAC Meetings Convened                                                           | New Kpi  |                                  | MPAC Minutes                                         | 4             | 3              | Accumulative         | 3                              | 3      | G  |                                  |

| Ref  | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                                                                                                                                                     | Unit of Measurement          | Baseline | Previous Year Actual Performance | Source of Evidence                  | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                     |
|------|---------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------|----------------------------------|-------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|---------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                         |                        |                                                                                                                                                                                                                                         |                              |          |                                  |                                     |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                    |
| TL73 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Percentage Of Municipality's Capital Budget Actually Spent On Capital Projects Identified For 2018/19 In Terms Of The Municipality's IDP{(actual Amount Spent On Capital + Commitments /total Amount Budgeted For Capital Projects)x100 | % Capital Spent              | New Kpi  |                                  | S71 Report And Financial Statements | 90%           | 90%            | Last Value           | 90%                            | 87%    | O | Procurement Plan to be strictly monitored to ensure that all projects start on time and improve capital expenditure |
| TL88 | To provide democratic, responsive and accountable government for the local communities                  | Good Governance        | Submit Funding For Client Satisfaction Survey To Potential Donors                                                                                                                                                                       | Application Letter Submitted | New Kpi  |                                  | Management Minutes                  | 1             | 1              | Last Value           | 1                              | 2      | B |                                                                                                                     |

|                   |                        |           |
|-------------------|------------------------|-----------|
|                   | KPI Not Yet Measured   | 0         |
|                   | KPI Not Met            | 1         |
|                   | KPI Almost Met         | 1         |
|                   | KPI Met                | 7         |
|                   | KPI Well Met           | 2         |
|                   | KPI Extremely Well Met | 1         |
| <b>Total KPIs</b> |                        | <b>12</b> |

## Technical Services

| Ref   | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                                | Unit of Measurement                      | Baseline | Previous Year Actual Performance | Source of Evidence                                       | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                            |
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|       |                                                                                                         |                        |                                                                                                                    |                                          |          |                                  |                                                          |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                           |
| TL 27 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Limit Distribution Losses For Electricity To Below 8.4% By 30 June 2019                                            | % Of Unaccounted For Electricity         | 8.4      | 4.15                             | Distribution Losses Report (electricity Bought And Sold) | 8.40 %        | 8.40%          | Reverse Last Value   | 8.40 %                         | 6.71 % |   |                                                                                                                                                                                                                                                            |
| TL 49 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Destiny: Bulk Sewer: Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp | Percentage Completed As Per Project Plan | New Kpi  |                                  | Completion Certificate                                   | 100 %         | 100%           | Last Value           | 100 %                          | 85%    | O | The initial intention was to measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 85% of the total project.  |
| TL 50 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Destiny: Bulk Water: Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp | Percentage Completed As Per Project Plan | New Kpi  |                                  | Completion Certificate                                   | 100 %         | 100%           | Last Value           | 100 %                          | 53%    | R | The initial intention was the measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 53% of the total project. |

| Ref   | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                       | Unit of Measurement                      | Baseline | Previous Year Actual Performance | Source of Evidence                           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                            |
|-------|---------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------|----------|----------------------------------|----------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                         |                        |                                                                                                           |                                          |          |                                  |                                              |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                           |
| TL 51 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Destiny Farm Access Road: Complete Access Road To Destiny Farm Low Cost Housing Development, Villiersdorp | Percentage Completed As Per Project Plan | New Kpi  |                                  | Completion Certificate                       | 100 %         | 100%           | Last Value           | 100 %                          | 18%    | R | The initial intention was the measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 53% of the total project. |
| TL 52 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Upgrade The Waste Water Treatment Works At Caledon Phase 1 (Inlet Works)                                  | Percentage Completed As Per Project Plan | New Kpi  |                                  | Site Meeting Minutes/ Completion Certificate | 100 %         | 100%           | Last Value           | 100 %                          | 100 %  | G |                                                                                                                                                                                                                                                            |

| Ref  | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                   | Unit of Measurement                      | Baseline | Previous Year Actual Performance | Source of Evidence                           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |             |     |                                                                                                                               |
|------|---------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------|----------|----------------------------------|----------------------------------------------|---------------|----------------|----------------------|--------------------------------|-------------|-----|-------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                         |                        |                                                                                                       |                                          |          |                                  |                                              |               |                |                      | Target                         | Actual      | R   | Departmental Corrective Measures                                                                                              |
| TL53 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Upgrade The Bulk Outfall Sewer In Caledon (Phase 3)                                                   | Percentage Completed As Per Project Plan | New Kpi  |                                  | Site Meeting Minutes/ Completion Certificate | 100 %         | 75%            | Last Value           | 75%                            | 0%          | R   | Designs Completed. Tendered advertised and contractor appointed. Project suspended for 2018/19 due to issues with land owner. |
| TL54 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Construct A New Waste Transfer Station In Caledon (Phase 2)                                           | Percentage Completed As Per Project Plan | New Kpi  |                                  | Completion Certificate (Phase 2)             | 25%           | 30%            | Last Value           | 30%                            | 100%        |     |                                                                                                                               |
| TL55 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1) | % Of Project Plan Implemented            | New Kpi  |                                  | Completion Certificate (Phase 1)             | 25%           | 25%            | Last Value           | 25%                            | 25%         | G   |                                                                                                                               |
| TL56 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Upgrade Of Fleet                                                                                      | R-value Of Budget Spent                  | New Kpi  |                                  | Delivery Notes Invoices                      | R 2,403,922   | R 2,403,922    | Carry Over           | R 2,403,922                    | R 2,461,590 | G 2 |                                                                                                                               |

| Ref  | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                               | Unit of Measurement                    | Baseline | Previous Year Actual Performance | Source of Evidence                             | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                  |
|------|---------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------|----------|----------------------------------|------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------|
|      |                                                                                                         |                        |                                                                                                   |                                        |          |                                  |                                                |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures |
| TL58 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp                      | % Of Project Completed                 | New Kpi  |                                  | Completion Certificate                         | 100%          | 100%           | Last Value           | 100%                           | 100%   | G |                                  |
| TL59 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Replace And Upgrade MV And LV Networks -RSE                                                       | % Of Project Completed                 | New Kpi  |                                  | site Meetings Minutes And Handover Certificate | 100%          | 100%           | Last Value           | 100%                           | 100%   | G |                                  |
| TL60 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Install Security Fencing Switching Stations Caledon And Villiersdorp                              | % Of Project Completed                 | New Kpi  |                                  | Completion Certificate                         | 100%          | 100%           | Last Value           | 100%                           | 100%   | G |                                  |
| TL61 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Planning For Upgrading Of Electricity Infrastructure For Informal Settlement Destiny Villiersdorp | Report (Plan) Received From Consultant | New Kpi  |                                  | Report From Consulting Engineer                | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |



| Ref  | Strategic Objective                                                                                               | Municipal KPA          | KPI                                                                          | Unit of Measurement                        | Baseline | Previous Year Actual Performance | Source of Evidence               | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                                                                                                                      |
|------|-------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------|--------------------------------------------|----------|----------------------------------|----------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                   |                        |                                                                              |                                            |          |                                  |                                  |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                     |
| TL67 | To provide democratic, responsive and accountable government for the local communities                            | Financial Viability    | Quarterly Report On Waterlosses To Management                                | Number Of Reports Submitted To Management  | 2        | 2                                | Management Minutes               | 4             | 4              | Accumulative         | 4                              | 4      | G |                                                                                                                                                                                                                                                                                                                                                      |
| TL68 | To maintain and improve basic service delivery and social amenities for the TWK community                         | Basic Service Delivery | Upgrade The Waste Water Treatment Works At Caledon Phase 2 (Bio Reactor)     | % Project Completed                        | New Kpi  |                                  | Completion Certificate           | 25%           | 35%            | Last Value           | 35%                            | 25%    | R | The department achieved the initial intended target of 25%. Only the date was to be changed.                                                                                                                                                                                                                                                         |
| TL69 | To maintain and improve basic service delivery and social amenities for the TWK community                         | Basic Service Delivery | 100% Municipal Infrastructure Grant Expenditure                              | % MIG Allocation Spent                     | 100      | 99%                              | MIG Monthly And Quarterly Report | 100%          | 100%           | Carry Over           | 100%                           | 99.90% | O | In the new financial year we will not put a target of 100% since not all project will attain a 100% expenditure, sometimes there will be savings equalling the notion that we did not achieve or target. These savings needs to be kept in mind when drafting the KPI of the SDBIP and should we rather aim to achieve 95% budget spent. (June 2019) |
| TL78 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery | Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline | Signed Letter Of Agreement By Both Parties | New Kpi  |                                  | Signed Letter                    | 1             | 1              | Carry Over           | 1                              | 1      | G |                                                                                                                                                                                                                                                                                                                                                      |

| Ref   | Strategic Objective                                                                                | Municipal KPA          | KPI                                                                                                                          | Unit of Measurement                               | Baseline | Previous Year Actual Performance | Source of Evidence                                    | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |        |                                  |
|-------|----------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------|----------------------------------|-------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|--------|----------------------------------|
|       |                                                                                                    |                        |                                                                                                                              |                                                   |          |                                  |                                                       |               |                |                      | Target                         | Actual | R      | Departmental Corrective Measures |
| TL95  | To provide democratic, responsive and accountable government for the local communities             | Good Governance        | Spent 95% Of Approved Capital Budget (excluding Fleet)                                                                       | 95% Of Approved Capital Budget Spent              | New Kpi  |                                  | S71 Report and Capital Report from Financial Services | 95%           | 95%            | Last Value           | 95%                            | 96%    | G<br>2 |                                  |
| TL99  | Improved Environment Management                                                                    | Basic Service Delivery | Report To Council On The Blue And Greendrop Status                                                                           | Report Submitted To Council                       | New Kpi  |                                  | Council Minutes With Report From DWS                  | 1             | 1              | Accumulative         | 1                              | 1      | G      |                                  |
| TL100 | Improved Environment Management                                                                    | Basic Service Delivery | Submit Application For Funding For Landfill Sites To Potential Donors                                                        | Funding Application Submitted To Potential Donors | New Kpi  |                                  | Funding Application Letter                            | 1             | 1              | Accumulative         | 1                              | 1      | G      |                                  |
| TL101 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability    | Submit Funding Application For Energy Saving Streetlights                                                                    | Funding Application Submitted To Potential Donors | New Kpi  |                                  | Funding Application Letter                            | 1             | 1              | Accumulative         | 1                              | 1      | G      |                                  |
| TL103 | To provide democratic, responsive and accountable government for the local communities             | Good Governance        | Compile A Feasibility Study Report On Fleet Replacement, Upgrade And Management To Executive Mayoral Committee By March 2019 | Feasibility Study Report Compiled By March 2019   | New Kpi  |                                  | EMC Minutes With Feasibility Study Report             | 1             | 1              | Stand-Alone          | 1                              | 1      | G      |                                  |

### Summary of Results: Technical Services

|                                                                                   |                        |           |
|-----------------------------------------------------------------------------------|------------------------|-----------|
|  | KPI Not Yet Measured   | 0         |
|  | KPI Not Met            | 4         |
|  | KPI Almost Met         | 2         |
|  | KPI Met                | 12        |
|  | KPI Well Met           | 2         |
|  | KPI Extremely Well Met | 2         |
| <b>Total KPIs</b>                                                                 |                        | <b>22</b> |

## Community Services

| Ref   | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                             | Unit of Measurement                          | Baseline | Previous Year Actual Performance | Source of Evidence                                                                              | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |         |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------|---------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------|----------------------------------|-------------------------------------------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|---------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                         |                        |                                                                                                                 |                                              |          |                                  |                                                                                                 |               |                |                      | Target                         | Actual  | R   | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| TL 20 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Quality Of Effluent Comply 65% With General Limits In Terms Of The Water Act (act 36 Of 1998) (7 WWTW)          | % Compliance With General Limits (quarterly) | 100%     | 57%                              | Independent Laboratory Test Results (IRIS System)                                               | 90%           | 65%            | Last Value           | 65%                            | 64.82 % | O   | Caledon WWTW with 11.1% and Greyton with 30.6% pull down the average of all 7 WWTW. Excluding Caledon and Botrivier, the average is 73.99%. Both WWTW are under capacitated and cannot deliver effluent within the prescribed limits. Caledon WWTW are currently been upgraded with MIG funding, and the Greyton WWTW will be upgraded during the 2019/2020 financial year. When these upgrading's will be completed, the final effluent of both WWTW's will comply with the minimum standards. (June 2019) |
| TL 21 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Quality Of Portable Water Comply 90% With SANS 241 (10 WTW)                                                     | % Compliance With SANS 241 (quarterly)       | 100      | 91%                              | Independent Laboratory Test Results (IRIS System)                                               | 90%           | 90%            | Last Value           | 90%                            | 97.85 % | G 2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| TL 23 | To provide democratic, responsive and accountable government for the local communities                  | Basic Service Delivery | Spend 100% Of The Project Budget Approved For The Upgrade Of The Grabouw Pineview Sport Grounds By 30 June 2019 | % Of Project Budget Spent                    | New Kpi  |                                  | Report To Portfolio With Completion Certificate And S71 Report and Report from Financial System | 100%          | 100%           | Last Value           | 100 %                          | 37%     | R   | Delays experienced as a result of funding not enough as per tender specifications. In order to ensure this funding is still available, Council agrees for the amounts of R400 000.00 and R200 000.00 to be carried over into the new budget (2019/2020) for upgrading of Dennekruin and Pineview Park respectively. Improved planning and funding estimates to be implemented in 2019/2020.                                                                                                                 |

| Ref   | Strategic Objective                                                                                | Municipal KPA              | KPI                                                                                                                                                    | Unit of Measurement                      | Baseline | Previous Year Actual Performance | Source of Evidence                                                        | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |         |   |                                                                                                                                                                                                                                                                                                                                                                                        |
|-------|----------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------|----------------------------------|---------------------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|---------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                    |                            |                                                                                                                                                        |                                          |          |                                  |                                                                           |               |                |                      | Target                         | Actual  | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                       |
| TL 24 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability        | Spend 98% Of The Library Grants By 30 June 2019                                                                                                        | % Of The Grant Spend                     | 100      | 100%                             | Expenditure Report On Libraries From Budget Office                        | 98%           | 98%            | Last Value           | 98%                            | 87%     | O | Arbitration with contract staff delayed appointments and filling of vacant positions resulting in saving.                                                                                                                                                                                                                                                                              |
| TL 25 | Improve the social fabric of the TWK community                                                     | Local Economic Development | The Implementation Of Initiatives In The Approved Community Development Strategy During The 2018/19 Financial Year And Reported To Portfolio Committee | Number Of Reports to Portfolio Committee | New Kpi  |                                  | Minutes Of Portfolio With Number Of Initiatives Implemented               | 4             | 4              | Accumulative         | 4                              | 4       |   |                                                                                                                                                                                                                                                                                                                                                                                        |
| TL 26 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability        | Limit Water Losses To Less Than 20% By 30 June 2019                                                                                                    | % Of Unaccounted For Water               | 24       | 18%                              | Report from Technical Services to Director Operational/Community services | 20%           | 20%            | Reverse Last Value   | 20%                            | 20.26 % | R | The main reasons for water losses occur due to aging water infrastructure, by-pass of meters (especially in Genadendal), water usage not metered to some informal settlements and vandalism of bulk meters. To correct, capital funds were budget in 2019/2010 for pipe replace, vandalized meters will be replaced and all water distributed to informal settlements will be metered) |

| Ref  | Strategic Objective                                                                                | Municipal KPA          | KPI                                                                                                                         | Unit of Measurement                                                  | Baseline | Previous Year Actual Performance | Source of Evidence                                                                                          | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |             |     |                                  |
|------|----------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------|----------------------------------|-------------------------------------------------------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|-------------|-----|----------------------------------|
|      |                                                                                                    |                        |                                                                                                                             |                                                                      |          |                                  |                                                                                                             |               |                |                      | Target                         | Actual      | R   | Departmental Corrective Measures |
| TL65 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability    | Revenue Collected From Traffic Related Fines                                                                                | R-value Of Traffic Fines Collected Less The Amount Of Fines Impaired | New Kpi  |                                  | Back Office Report for traffic fines (Contravention Management System Report (CMS) and Financial Statements | R 4,000,000   | R 6,000,000    | Accumulative         | R 6,000,000                    | R 8,240,105 | G 2 |                                  |
| TL66 | Improve the social fabric of the TWK community                                                     | Financial Viability    | Submit 3 Funding Application For Any 3 IDP Projects (to Potential External Donors) Related To Sport By The End Of June 2019 | Number Of Funding Application Submitted                              | New Kpi  |                                  | Confirmation Of Receipt From Potential Donor                                                                | 3             | 3              | Accumulative         | 3                              | 4           | G 2 |                                  |
| TL70 | Improve the social fabric of the TWK community                                                     | Basic Service Delivery | Upgrade Of Greyton Tennis Courts                                                                                            | % Project Plan Implemented                                           | New Kpi  |                                  | Completion Certificate, Quarterly Progress Report                                                           | 100%          | 100%           | Carry Over           | 100%                           | 100%        | G   |                                  |
| TL72 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability    | Installation Of Utility (SMART Meters)                                                                                      | Number Of Utility SMART Meters Installed                             | New Kpi  |                                  | Report From Financial System (Phoenix)                                                                      | 900           | 900            | Accumulative         | 900                            | 1,803       | B   |                                  |

| Ref   | Strategic Objective                                                                            | Municipal KPA   | KPI                                                                                                | Unit of Measurement                                     | Baseline | Previous Year Actual Performance | Source of Evidence                              | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------|------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------|----------------------------------|-------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                |                 |                                                                                                    |                                                         |          |                                  |                                                 |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                                        |
| TL86  | To provide democratic, responsive and accountable government for the local communities         | Good Governance | Develop An Integrated Security Plan For The Safeguarding Of Municipal Assets And Submit To Council | Plan Submitted To Council                               | New Kpi  |                                  | Council Minutes With Plan                       | 1             | 1              | Carry Over           | 1                              | 1      | G |                                                                                                                                                                                                                                                                                                                                                                                                         |
| TL96  | To provide democratic, responsive and accountable government for the local communities         | Good Governance | Spent 95% Of Approved Capital Budget                                                               | 95% Of Approved Capital Budget Spent                    | New Kpi  |                                  | S71 Report                                      | 95%           | 95%            | Last Value           | 95%                            | 66%    | R | Underspending due to SCM compliance issues. One tender where no functional service provider tendered and another where cost estimate was not enough for tender specification. To correct, some of the capital funds were rolled over to the 2019/2020 financial year for projects to be completed. Proper planning with the compilation of procurement plan to make provision for SCM stumbling blocks. |
| TL102 | Improved Environment Management                                                                | Good Governance | Submit Application To Contest In The Greenest Town Competition                                     | Application Letter Submitted                            | New Kpi  |                                  | Application Letter                              | 1             | 1              | Accumulative         | 1                              | 1      | G |                                                                                                                                                                                                                                                                                                                                                                                                         |
| TL107 | Increased community safety through traffic policing, bylaw enforcement and disaster management | Good Governance | Report To Council On The Successful Implementation Community Safety Turnaround Plan                | 100% Implementation Of The Community Safety Action Plan | New Kpi  |                                  | Report Submitted To Council And The Action Plan | 100%          | 100%           | Carry Over           | 100%                           | 100%   | G |                                                                                                                                                                                                                                                                                                                                                                                                         |



| Ref   | Strategic Objective                                                                            | Municipal KPA              | KPI                                                                     | Unit of Measurement        | Baseline | Previous Year Actual Performance | Source of Evidence         | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                  |
|-------|------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|----------------------------|----------|----------------------------------|----------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------|
|       |                                                                                                |                            |                                                                         |                            |          |                                  |                            |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures |
| TL108 | Increased community safety through traffic policing, bylaw enforcement and disaster management | Basic Service Delivery     | Obtain Council Approval to secure land for building new traffic station | Council Approval obtained  |          | 20%                              | Council Minutes            | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |
| TL109 | Increased community safety through traffic policing, bylaw enforcement and disaster management | Local Economic Development | Appointment of Project Manager for Grabouw Hop on and Drop off.         | Signed Employment Contract | New      |                                  | Signed employment contract | 1             | 0              | Carry Over           | 1                              | 1      | G |                                  |

### Summary of Results: Community Services

|                   |                        |           |
|-------------------|------------------------|-----------|
|                   | KPI Not Yet Measured   | 0         |
|                   | KPI Not Met            | 3         |
|                   | KPI Almost Met         | 2         |
|                   | KPI Met                | 7         |
|                   | KPI Well Met           | 3         |
|                   | KPI Extremely Well Met | 1         |
| <b>Total KPIs</b> |                        | <b>16</b> |

## Financial Services

| Ref   | Strategic Objective                                                                                | Municipal KPA       | KPI                                                                                                                                                                   | Unit of Measurement                        | Baseline | Previous Year Actual Performance | Source of Evidence                                           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |         |   |                                                                                                                                                                                   |
|-------|----------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------|----------------------------------|--------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|---------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                    |                     |                                                                                                                                                                       |                                            |          |                                  |                                                              |               |                |                      | Target                         | Actual  | R | Departmental Corrective Measures                                                                                                                                                  |
| TL 7  | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability | Compile An Audit Action Plan To Address AG Audit Findings In The Management Report And Submit To Management By 31 January 2019 For Approval                           | Plan Completed And Submitted To Management | 1        | 1                                | Minutes Of Management Meeting During Which Plan Was Approved | 1             | 1              | Carry Over           | 1                              | 1       | G |                                                                                                                                                                                   |
| TL 8  | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability | Achieve A Debt Collection Payment Percentage Of 88% By The End Of June 2019                                                                                           | % Debt Collection Payment                  | 88       | 83%                              | Section 71 Report/financial Statements                       | 88%           | 88%            | Last Value           | 88%                            | 85%     | O | Efficient management of debtor's credit control and debt collection. The debt collection module has been purchase and will be fully utilised in 2019/20 to improve deb collection |
| TL 9  | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability | Financial Viability Measured In Terms Of The Outstanding Service Debtors (total Outstanding Service Debtors/ Revenue Received For Services) (30% By End Of June 2022) | Ratio Achieved                             | 54       | 57%                              | Section 71 Report                                            | 60%           | 60%            | Carry Over           | 60%                            | 59.39 % | O | Efficient management of debtors credit control and debt collection                                                                                                                |
| TL 10 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability | Financial Viability Measured In Terms Of The Available Cash To Cover Fixed Operating Expenditure (available Cash+ Investments)/ Monthly Fixed Operating Expenditure)  | Ratio Achieved                             | 1        | 2.8                              | Section 71 Report                                            | 1.20%         | 1.20%          | Carry Over           | 1.20%                          | 3.90%   | B |                                                                                                                                                                                   |

| Ref  | Strategic Objective                                                                                | Municipal KPA          | KPI                                                                                                                                                                                                                                               | Unit of Measure ment                                                   | Baseli ne | Previous Year Actual Performance | Source of Evidence                                                   | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |    |                                  |
|------|----------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------|----------------------------------|----------------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|----|----------------------------------|
|      |                                                                                                    |                        |                                                                                                                                                                                                                                                   |                                                                        |           |                                  |                                                                      |               |                |                      | Target                         | Actual | R  | Departmental Corrective Measures |
| TL11 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability    | Financial Viability Measured In Terms Of The Municipality's Ability To Meet It's Service Debt Obligations (total Operating Revenue-operating Grants Received)/(debt Service Payments Due Within The Year)the Eventual Target For This Ratio Is 12 | Number Of Times Debt Service Payments Are Covered By Operating Revenue | 11        | 19%                              | Section 71 Report                                                    | 11            | 11             | Last Value           | 11                             | 19.4   | B  |                                  |
| TL12 | Work towards a sustainable future through sound financial management and continuous revenue growth | Financial Viability    | Financial Statements Submitted To The Auditor-General By 31 August 2018                                                                                                                                                                           | AFS Submitted To The AG                                                | 1         | 1                                | Acknowledgement Of Receipt By AG                                     | 1             | 1              | Carry Over           | 1                              | 1      | G  |                                  |
| TL13 | To maintain and improve basic service delivery and social amenities for the TWK community          | Basic Service Delivery | Provide 6kl Free Basic Water Per Month To All Indigent HH During The 2018/19 Financial Year                                                                                                                                                       | No Of Indigent HH Receiving Free Basic Water                           | 5000      | 4336                             | Report From The Financial System With Registered Indigent Households | 4,800         | 4,800          | Carry Over           | 4,800                          | 5,463  | G2 |                                  |
| TL14 | To maintain and improve basic service delivery and social amenities for the TWK community          | Basic Service Delivery | Provide 70kwh Of Free Basic Electricity Per Month To All Indigent HH During The 2018/19 Financial Year                                                                                                                                            | No Of Indigent HH Receiving Free Basic Electricity                     | 1700      | 2110                             | Report From The Financial System With Registered Indigent Households | 1,700         | 1,700          | Carry Over           | 1,700                          | 5,519  |    |                                  |

| Ref  | Strategic Objective                                                                       | Municipal KPA          | KPI                                                                                                                                                                                                                        | Unit of Measurement                                                                                              | Baseline | Previous Year Actual Performance | Source of Evidence                                                   | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |     |                                  |
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|      |                                                                                           |                        |                                                                                                                                                                                                                            |                                                                                                                  |          |                                  |                                                                      |               |                |                      | Target                         | Actual | R   | Departmental Corrective Measures |
| TL15 | To maintain and improve basic service delivery and social amenities for the TWK community | Basic Service Delivery | Provide Free Basic Refuse Removal To Indigent HH In Terms Of The Equitable Share Requirements During The 2018/19 Financial Year                                                                                            | No Of Indigent HH Receiving Free Basic Refuse Removal                                                            | 4300     | 4162                             | Report From The Financial System With Registered Indigent Households | 4,100         | 4,100          | Carry Over           | 4,100                          | 5,437  | G 2 |                                  |
| TL16 | To maintain and improve basic service delivery and social amenities for the TWK community | Basic Service Delivery | Provide Free Basic Sanitation To Indigent HH In Terms Of The Equitable Share Requirements During The 2018/19 financial Year                                                                                                | No Of Indigent HH Receiving Free Basic Sanitation                                                                | 4200     | 4096                             | Report From The Financial System With Registered Indigent Households | 4,000         | 4,000          | Carry Over           | 4,000                          | 5,449  | G 2 |                                  |
| TL17 | To maintain and improve basic service delivery and social amenities for the TWK community | Basic Service Delivery | Number Of Formal Residential Properties That Receive Piped Water (credit And Prepaid Water) That Is Connected To The Municipal Water Infrastructure Network And Billed For The Services During 2018/19 Financial Year      | Number Of Residential Properties Which Are Billed For Water Or Have Prepaid Meters                               | 14834    | 15951                            | Report From The Financial System Indicating Billed Debtors           | 14,834        | 14,834         | Carry Over           | 14,834                         | 15,991 | G 2 |                                  |
| TL18 | To maintain and improve basic service delivery and social amenities for the TWK community | Basic Service Delivery | Number Of Residential Property Connected To The Municipal Electrical Infrastructure Network (credit And Prepaid Electrical Metering) (excluding Eskom Areas) And Billed For The Services During The 2018/19 Financial Year | Number Of Residential Properties Which Are Billed For Electricity Or Have Prepaid Meters (excluding Eskom Areas) | 6515     | 7243                             | Report From The Financial System Indicating Billed Debtors           | 6,515         | 6,515          | Carry Over           | 6,515                          | 7,348  | G 2 |                                  |

| Ref  | Strategic Objective                                                                                     | Municipal KPA          | KPI                                                                                                                                                                                                                                                                         | Unit of Measurement                                                               | Baseline | Previous Year Actual Performance | Source of Evidence                                                                      | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |    |                                  |
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|      |                                                                                                         |                        |                                                                                                                                                                                                                                                                             |                                                                                   |          |                                  |                                                                                         |               |                |                      | Target                         | Actual | R  | Departmental Corrective Measures |
| TL19 | To maintain and improve basic service delivery and social amenities for the TWK community               | Basic Service Delivery | Number Of Formal Residential Properties For Which Refuse Is Removed Once Per Week And Billed For The Services During The 2018/19 Financial Year                                                                                                                             | Number Of Residential Properties Which Are Billed For Refuse Removal Once A Month | 15118    | 15589                            | Report From The Financial System Indicating Billed Debtors                              | 15,118        | 15,118         | Carry Over           | 15,118                         | 15,707 | G2 |                                  |
| TL57 | To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure | Basic Service Delivery | Purchase SMART (Utility) Water Meters                                                                                                                                                                                                                                       | % Of Allocated Budget Spent On Purchase Of SMART (Utility) Water Meters           | New Kpi  |                                  | Invoices                                                                                | 100%          | 90%            | Carry Over           | 90%                            | 93%    | G2 |                                  |
| TL64 | Work towards a sustainable future through sound financial management and continuous revenue growth      | Good Governance        | Successfully Awarded Tenders In Line With Supply Chain Management Policies And Regulations                                                                                                                                                                                  | Number Of Successful SCM Related Appeals                                          | New Kpi  |                                  | Register Of Appeals Referred And Written Response On Outcome Of Appeals                 | 1             | 1              | Reverse Last Value   | 1                              | 0      | B  |                                  |
| TL74 | To maintain and improve basic service delivery and social amenities for the TWK community               | Basic Service Delivery | Number Of Formal Residential Property Connected To The Municipal Waste Water Sanitation/sewer Network For Sewerage Services (inclusive Of Septic Tanks) Irrespective Of The Number Of Water Closets (toilets) And Billed For The Services During The 2018/19 Financial Year | Number Of Formal Residential Property Which Are Billed For Sewerage               | 13377    | 14717                            | Municipal Accounts Report Of Registered Debtors On The Financial System On 30 June 2019 | 14,000        | 14,000         | Carry Over           | 14,000                         | 15,026 | G2 |                                  |

| Ref  | Strategic Objective                                                                    | Municipal KPA   | KPI                                                            | Unit of Measurement                                                                                     | Baseline | Previous Year Actual Performance | Source of Evidence                                                          | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |    |                                                                                                                   |
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|      |                                                                                        |                 |                                                                |                                                                                                         |          |                                  |                                                                             |               |                |                      | Target                         | Actual | R  | Departmental Corrective Measures                                                                                  |
| TL87 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Achieve Clean Audit In 2017/18                                 | Clean Audit For 2017/18 Achieved                                                                        | New Kpi  |                                  | Signed Audit Report                                                         | 1             | 1              | Last Value           | 1                              | 0      | R  | Will follow AG recommendations and discuss at various AG meetings and will consider same in the Audit Action Plan |
| TL89 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Submit Final Procurement Plan To Council By End Of June 2019   | Procurement Plan Submitted To Council                                                                   | New Kpi  |                                  | Confirmation Email From SCM                                                 | 1             | 1              | Last Value           | 1                              | 1      | G  |                                                                                                                   |
| TL90 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Adjustment Budget Submitted To Council By End Of February 2019 | Adjustment Budget Submitted To Council                                                                  | New Kpi  |                                  | Council Minutes With Adjustment Budget                                      | 1             | 1              | Last Value           | 1                              | 1      | G  |                                                                                                                   |
| TL91 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Successful Implementation Of mSCOA (80% Compliance)            | Successful Uploading Of Data Strings (budget And In Year Monitoring) Onto National Treasury's Data Base | New Kpi  |                                  | Status Report From National Treasury Relating To Submission Of Data Strings | 80%           | 80%            | Last Value           | 80%                            | 100%   | G2 |                                                                                                                   |

| Ref  | Strategic Objective                                                                    | Municipal KPA   | KPI                                                           | Unit of Measurement                  | Baseline | Previous Year Actual Performance | Source of Evidence | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                    |
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|      |                                                                                        |                 |                                                               |                                      |          |                                  |                    |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                   |
| TL98 | To provide democratic, responsive and accountable government for the local communities | Good Governance | Spent 95% Of Approved Capital Budget (excluding SMART Meters) | 95% Of Approved Capital Budget Spent | New Kpi  |                                  | S71 Report         | 95%           | 95%            | Last Value           | 95%                            | 93%    | ○ | 93% spent. The 7% (under spending) difference equates to R1500 of the total budget not spent. It is always difficult to budget with 100% accuracy, however the department will strive to ensure that budget figures closely reflects actual needs. |

### Summary of Results: Financial Services

|                                                                                     |                        |           |
|-------------------------------------------------------------------------------------|------------------------|-----------|
|  | KPI Not Yet Measured   | 0         |
|  | KPI Not Met            | 1         |
|  | KPI Almost Met         | 3         |
|  | KPI Met                | 4         |
|  | KPI Well Met           | 9         |
|  | KPI Extremely Well Met | 4         |
| <b>Total KPIs</b>                                                                   |                        | <b>21</b> |



## Corporate and Development

| Ref   | Strategic Objective                                                                      | Municipal KPA             | KPI                                                                                                      | Unit of Measurement                 | Baseline  | Previous Year Actual Performance | Source of Evidence                                                   | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |           |   |                                                                                                                                                                                           |
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|       |                                                                                          |                           |                                                                                                          |                                     |           |                                  |                                                                      |               |                |                      | Target                         | Actual    | R | Departmental Corrective Measures                                                                                                                                                          |
| TL 28 | Refine and improve the institutional capacity of the municipality                        | Institutional Development | Spend R Value Of The Approved Budget For The Replacement Of Redundant Computers By 30 June 2019          | Rand Value Of Approved Budget Spent | R 350 000 | R183 418.73                      | Signed Off Invoices And Asset Register                               | R 155,000     | R 155,000      | Carry Over           | R 155,000                      | R 245,245 | B |                                                                                                                                                                                           |
| TL 29 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Complete The Annual Risk Assessment By 30 June 2019                                                      | Assessment Completed                | 1         | 1                                | Minutes Of Risk Management Committee With Assessment                 | 1             | 1              | Accumulative         | 1                              | 1         | G |                                                                                                                                                                                           |
| TL 30 | To ensure a healthy and productive workforce by creating a conducive working environment | Good Governance           | Train 60% Of The Personnel Identified For Training In Terms Of The Workplace Skills Plan By 30 June 2019 | % Of Identified Personnel Trained   | 60        | 60%                              | Training Stats Kept And Submitted To The SETA, Workplace Skills Plan | 60%           | 60%            | Last Value           | 60%                            | 124%      | B |                                                                                                                                                                                           |
| TL 31 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Spend 95% Of The Budget Allocated For Training Of Personnel By 30 June 2019                              | % Of The Budget Spent               | 95        | 58%                              | Budget Expenditure Report                                            | 95%           | 95%            | Last Value           | 95%                            | 80.04%    | O | The Supply Chain processes created a delay in the procurement process of Accredited Service Providers. The issue has since been resolved which should address the percentage of spending. |

| Ref   | Strategic Objective                                                                      | Municipal KPA             | KPI                                                                                                                                                                                                   | Unit of Measurement                     | Baseline | Previous Year Actual Performance | Source of Evidence                 | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                  |
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|       |                                                                                          |                           |                                                                                                                                                                                                       |                                         |          |                                  |                                    |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                 |
| TL 32 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Report On The Number Of People From Employment Equity Target Groups Employed In The Three Highest Levels Of Management In Compliance With The Municipality's Approved Employment Equity Plan          | Number Of Reports                       | 1        | 1                                | EE Numerical Targets Report To DOL | 1             | 1              | Accumulative         | 1                              | 1      | G |                                                                                                                                                                                                                                                  |
| TL 33 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Percentage Of People From Employment Equity Target Groups Employed In The Three Highest Levels Of Management In Compliance With The Municipality's Approved Employment Equity Plan As At 30 June 2019 | % People From EE Target Groups Employed | 100%     | 50%                              | EE Numerical Targets Report To DOL | 100%          | 100%           | Last Value           | 100%                           | 9%     | R | <p>The Shortlisting Committee are provided with a copy of the EE Targets to ensure that they shortlist candidates from the designated groups.</p> <p>The advertisement will also be more specific with regards to the EE target. (June 2019)</p> |
| TL 34 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Ward Councillor Feedback To Communities                                                                                                                                                               | Number Of Feedback Sessions             | 1        | 1                                | Attendance Registers               | 56            | 42             | Accumulative         | 42                             | 35     | O | All the cancelled meetings will proceed between 15 July and 8 August 2019. An email was forwarded to Town Managers in this regard.                                                                                                               |

| Ref   | Strategic Objective                                                                                                 | Municipal KPA              | KPI                                                                                                               | Unit of Measurement                                                      | Baseline | Previous Year Actual Performance | Source of Evidence                                  | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |     |                                  |
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|       |                                                                                                                     |                            |                                                                                                                   |                                                                          |          |                                  |                                                     |               |                |                      | Target                         | Actual | R   | Departmental Corrective Measures |
| TL 35 | To provide democratic, responsive and accountable government for the local communities                              | Good Governance            | Review And Update Delegations Annually And Submit To Council For Approval By 30 June 2019                         | Delegations Reviewed And Updated And Submitted For Approval              | 1        | 0                                | Minutes Of Council Meeting With Updated Delegations | 1             | 1              | Carry Over           | 1                              | 1      | G   |                                  |
| TL 36 | To provide democratic, responsive and accountable government for the local communities                              | Good Governance            | Review And Update Council's Role And Responsibilities Annually And Submit To Council For Approval By 30 June 2019 | Council's Roles And Responsibilities Reviewed And Submitted For Approval | 1        | 1                                | Minutes Of Council Meeting                          | 1             | 1              | Carry Over           | 1                              | 1      | G   |                                  |
| TL 37 | Create an enabling environment in order to maintain existing business and attract new investments into the TWK area | Local Economic Development | Successful Implementation Of IFSOP                                                                                | Number Of Investors Assisted                                             | New Kpi  | 0                                | Minutes Of Developer Support Task Team To Council   | 3             | 0              | Carry Over           | 0                              | 0      | N/A | KPI removed                      |

| Ref  | Strategic Objective                                                                                                 | Municipal KPA              | KPI                                                                                                                                                 | Unit of Measurement                                     | Baseline | Previous Year Actual Performance | Source of Evidence                                | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|      |                                                                                                                     |                            |                                                                                                                                                     |                                                         |          |                                  |                                                   |               |                |                      | Target                         | Actual | R  | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| TL38 | Create an enabling environment in order to maintain existing business and attract new investments into the TWK area | Local Economic Development | Compile A Development Strategy to allow for a ring-fenced account for municipal development fund And Submit To Council For Approval By 30 June 2019 | Strategy Compiled And Submitted To Council For Approval | New Kpi  |                                  | Minutes Of Council Meeting With Approved Strategy | 1             | 1              | Carry Over           | 1                              | 0      | R  | In order to derive at a development strategy to ring fence municipal fund for development, it is advised the above factors i.e. development charges or the lack thereof, investment donations, investment incentives and investment SCM Chapter are considered and incorporated as part of the strategy which will enable the Municipality to position itself in terms of investment promotion and facilitation. An item was tabled to Management and Council resolving that the IFSOP be revived in order to develop a practical development strategy. |
| TL39 | Improve the social fabric of the TWK community                                                                      | Local Economic Development | Create Work Opportunities Through LED Initiatives (EPWP) During The 2018/19 Financial Year                                                          | Number Of Work Opportunities                            | 428      | 664                              | Participants List                                 | 468           | 468            | Accumulative         | 468                            | 684    | G2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Ref  | Strategic Objective                                                                                               | Municipal KPA          | KPI                                                                                                                                                 | Unit of Measurement          | Baseline | Previous Year Actual Performance | Source of Evidence                                           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|      |                                                                                                                   |                        |                                                                                                                                                     |                              |          |                                  |                                                              |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| TL40 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery | Spend 100% Of The Budget Allocated By The Provincial Department Of Housing For The Implementation Of The Housing Pipeline By 30 June 2019 (capital) | % Of Budget Allocation Spent | 100%     | 39%                              | Section 71 Report and Capital Report From Financial Services | 100%          | 100%           | Carry Over           | 100%                           | 61%    | R | The contractor is on site in Riviersonderend and is to submit a claim for materials on site which will improve the spending. The tenders for Siyayanzela, Botrivier Community Hall and Beverly Hills is in the process of being evaluated for submission to the BEC and then for appointment to the BAC. Once these appointments are finalised contractors will be on site and expenditure will improve. Implement and strictly adhere to procurement plan to prevent delays in SCM processes and enable remedial factors |

| Ref  | Strategic Objective                                                                                               | Municipal KPA          | KPI                                               | Unit of Measurement                                               | Baseline | Previous Year Actual Performance | Source of Evidence                                           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                                                                                            |
|------|-------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------|-------------------------------------------------------------------|----------|----------------------------------|--------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                   |                        |                                                   |                                                                   |          |                                  |                                                              |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                           |
| TL41 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery | Implementation Of Housing Pipeline (operational ) | %of Budget( Operational) Spent In Line With Provincial Allocation | 100      | 55%                              | Section 71 Report and Capital Report From Financial Services | 100%          | 100%           | Carry Over           | 100%                           | 57%    | R | Riversondenend Joe slovo- 25 Houses at roof height and 3 units handed over to beneficiaries<br>Caledon Side Saviwa - 12 units handed over in June<br>Grabouw Rooidakke - 16 units handed over in June 2019. Once the contractors on the various projects submit invoices for the works completed expenditure will improve. |

| Ref  | Strategic Objective                                                                                               | Municipal KPA              | KPI                                                          | Unit of Measurement                                | Baseline | Previous Year Actual Performance | Source of Evidence                                                                                      | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|      |                                                                                                                   |                            |                                                              |                                                    |          |                                  |                                                                                                         |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| TL42 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery     | Transfer Of Subsidised Houses                                | Number Of Subsidized Houses Transferred            | 200      |                                  | Attorneys Confirmation Of Number Of Titles Successfully Transferred                                     | 500           | 500            | Accumulative         | 500                            | 348    | R | Although we have transferred 504 houses according to our records, the transferring attorneys could only give evidence for 348. In future we will put in place a system for better recording of transfer of houses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TL43 | To provide democratic, responsive and accountable government for the local communities                            | Good Governance            | Review Of Spatial Development Framework Submitted To Council | Spatial Development Framework Submitted To Council | 50%      | 0%                               | Council Minutes With SDF                                                                                | 1             | 1              | Carry Over           | 1                              | 0      | R | The project is currently proceeding in accordance with the revised project timeframe. No additional corrective measures are currently required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| TL44 | Promote the second and township economy (SMME Development)                                                        | Local Economic Development | Support of Tourism Transformation Projects                   | Number of LTO's supported                          | New Kpi  |                                  | Signed SLA's with successful LTO's ( local tourism offices) and proof of assistance as contained in SLA | 3             | 3              | Accumulative         | 3                              | 0      | R | <p>That due to non-compliance of the LTO's and the projects identified, it was resolved that non-financial support to emerging and established tourism enterprises in the be provided i.e. accredited customer care training which is scheduled for August 2019, as a collaborative effort between the Municipality and the Provincial Department of Economic Development and Tourism in support of smme's in the tourism industry.</p> <p>4.2. Access to marketing through the municipal tourism website is also offered as a non-financial support to these enterprises. Support to smme's to compile business plans, registration of their businesses etc., will be provided through the Small Enterprise Development Agency [SEDA] as part of the collaborative agreement between the Municipality and SEDA.</p> |



| Ref  | Strategic Objective                                                                      | Municipal KPA              | KPI                                                                                  | Unit of Measurement          | Baseline | Previous Year Actual Performance | Source of Evidence                       | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                  |
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|      |                                                                                          |                            |                                                                                      |                              |          |                                  |                                          |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures |
| TL46 | Promote the second and township economy (SMME Development)                               | Local Economic Development | Presentation To Council On The Feasibility Study Of Venster Property Erf 136 Caledon | Presentation done To Council | New Kpi  |                                  | Council Minutes With Outcomes            | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |
| TL75 | To provide democratic, responsive and accountable government for the local communities   | Good Governance            | Development Of Public Participation Plan And Submitt To Council By August 2018.      | Plan Submitted To Council    | 1        | 1                                | Minutes Of Council Meeting               | 1             | 1              | Last Value           | 1                              | 1      | G |                                  |
| TL76 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development  | Replace Of Redundand Photocopy Machines                                              | Number Of Machines Replaced  | New Kpi  |                                  | Signed Invoices                          | 6             | 6              | Accumulative         | 6                              | 6      | G |                                  |
| TL77 | Improve the social fabric of the TWK community                                           | Local Economic Development | Approval Of Zoning By-law                                                            | Approved By-law              | 1        |                                  | Council Minutes With Approved Bylaw      | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |
| TL79 | Upgrading of informal Settlements and Prioritising the most needy in housing allocation  | Basic Service Delivery     | Conduct Annual Roadshow To Update Housing Waiting List                               | Roadshow Conducted           | New Kpi  |                                  | Newspaper Advert And Attendance Register | 1             | 1              | Carry Over           | 1                              | 1      | G |                                  |

| Ref  | Strategic Objective                                                                                               | Municipal KPA              | KPI                                                             | Unit of Measurement                                           | Baseline | Previous Year Actual Performance | Source of Evidence                                      | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                        |
|------|-------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------|---------------------------------------------------------------|----------|----------------------------------|---------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                   |                            |                                                                 |                                                               |          |                                  |                                                         |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                       |
| TL80 | Upgrading of informal Settlements and Prioritising the most needy in housing allocation                           | Basic Service Delivery     | Review The 3 Year Housing Pipeline And Submit Report To Council | Report Submitted To Council On The Review Of Housing Pipeline | New Kpi  |                                  | Council Minutes With Reviewed Housing Pipeline          | 1             | 1              | Carry Over           | 1                              | 0      | R | The housing pipeline will be work shopped with TWK management on 10 July 2019, hereafter it will be presented for council endorsement. |
| TL81 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Local Economic Development | Submit Disposal Of Land For GAP Housing Plan To Council         | Plan Submitted To Council                                     | New Kpi  |                                  | Council Minutes With Land Disposal For GAP Housing Plan | 1             | 1              | Carry Over           | 1                              | 1      | G |                                                                                                                                        |
| TL83 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Local Economic Development | Review Land Disposal Strategy And Submit To Council             | Strategy Submitted To Council                                 | New Kpi  |                                  | Council Minutes With Strategy                           | 1             | 1              | Carry Over           | 1                              | 1      | G |                                                                                                                                        |

| Ref  | Strategic Objective                                                                      | Municipal KPA             | KPI                                                                                | Unit of Measurement                  | Baseline | Previous Year Actual Performance | Source of Evidence                                                        | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                          |
|------|------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------|--------------------------------------|----------|----------------------------------|---------------------------------------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                          |                           |                                                                                    |                                      |          |                                  |                                                                           |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                         |
| TL92 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Limit Vacancy Rate To 15% Budgeted Post By June 2019                               | % Vacancy Rate                       | New Kpi  |                                  | Reconciliation Between Budget And Salary Budget And Report From Payday    | 15%           | 15%            | Reverse Last Value   | 15%                            | 7.50%  | B |                                                                                                                                                          |
| TL93 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Submit 100% Of Post Received/Identified For Evaluation into TASK By June 2019      | Number Of Post Evaluated             | New Kpi  |                                  | Report From SALGA Audit Committee And Signed Job Evaluations              | 100%          | 100%           | Last Value           | 100%                           | 100%   | G |                                                                                                                                                          |
| TL94 | To ensure a healthy and productive workforce by creating a conducive working environment | Institutional Development | Review Organisational Structure Annually By End Of June 2019 And Report To Council | Organisational Structure Reviewed    | New Kpi  |                                  | Council Minutes With Report On The Review Of The Organisational Structure | 1             | 1              | Last Value           | 1                              | 1      | G |                                                                                                                                                          |
| TL97 | To provide democratic, responsive and accountable government for the local communities   | Good Governance           | Spent 95% Of Approved Capital Budget (excluding Housing)                           | 95% Of Approved Capital Budget Spent | New Kpi  |                                  | S71 Report                                                                | 95%           | 95%            | Last Value           | 95%                            | 91%    | O | More realistic cost calculation during budget process. The currency volatility in IT equipment however makes it extremely difficult to budget accurately |

| Ref   | Strategic Objective                                                                                               | Municipal KPA          | KPI                                                       | Unit of Measurement                                   | Baseline | Previous Year Actual Performance | Source of Evidence                          | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                 |
|-------|-------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------|-------------------------------------------------------|----------|----------------------------------|---------------------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                                   |                        |                                                           |                                                       |          |                                  |                                             |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                |
| TL104 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery | Provision Of Serviced Sites As Per Approved Business Plan | Number Of Sites Handed Over To Beneficiaries          | New Kpi  |                                  | Beneficiary List And Happy Letters          | 489           | 230            | Accumulative         | 230                            | 0      | R | Improve planning of delivery in respect of sites, by clarifying what is considered a complete site.                                                                                             |
| TL105 | Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects | Basic Service Delivery | Provision Of Top Structures As Per Approved Business Plan | Number Of Top Structures Handed Over To Beneficiaries | New Kpi  |                                  | Approved Beneficiary List And Happy Letters | 240           | 209            | Accumulative         | 209                            | 151    | R | Caledon 32 project completed.10 More units ready for handover but will only materialise in July. Contractors of Hillside and Rooidakke will only have units available for handover in July 2019 |

| Ref   | Strategic Objective                                                                     | Municipal KPA          | KPI                                                   | Unit of Measurement                                                              | Baseline | Previous Year Actual Performance | Source of Evidence           | Annual Target | Revised Target | KPI Calculation Type | Period-To-Date As At June 2019 |        |   |                                                                                                                                                                                                                   |
|-------|-----------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------|----------|----------------------------------|------------------------------|---------------|----------------|----------------------|--------------------------------|--------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                         |                        |                                                       |                                                                                  |          |                                  |                              |               |                |                      | Target                         | Actual | R | Departmental Corrective Measures                                                                                                                                                                                  |
| TL106 | Upgrading of informal Settlements and Prioritising the most needy in housing allocation | Basic Service Delivery | Provision Of Interim Services To Informal Settlements | Number Of Informal Settlements Provided With Interim Services (Toilets And Taps) | New Kpi  |                                  | Final Completion Certificate | 3             | 3              | Accumulative         | 3                              | 2      | R | The DoHS was approached for the shortfall and only committed to this on 04 June 2019 - the tender will now be adjudicated and then awarded. In Future to ensure that planning are in line with available funding. |

#### Summary of Results: Corporate and Development Services

|                        |           |
|------------------------|-----------|
| KPI Not Yet Measured   | 1         |
| KPI Not Met            | 11        |
| KPI Almost Met         | 3         |
| KPI Met                | 13        |
| KPI Well Met           | 1         |
| KPI Extremely Well Met | 3         |
| <b>Total KPIs</b>      | <b>32</b> |

The municipality hereby disclose that the annual performance report provides a complete and accurate overview of the municipality's performance against targets set for the 2018/19 financial year.

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Davy Louw (Acting Municipal Manager)

Date

## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Some of the challenges experienced are:

- Provision of basic services on a sustainable basis.
- Stimulating local economic development.
- Sound management of its financial affairs.
- Strengthening continued community participation in the affairs of Local Government.
- Provision of subsidised / low cost housing.
- Development of a social strategy.
- Growing population, unemployment and poverty.
- Continued reformation in local government.
- Backlog in infrastructure

### 3.1 WATER PROVISION

#### 3.1.2 INTRODUCTION TO WATER PROVISION

Theewaterskloof Municipality is the Water Service Authority for its service area. Theewaterskloof Municipality is located within the newly established Breede-Gouritz Water Management Area (WMA). The Municipality further falls within the Overberg Region of the Western Cape Province, in which the following Local Municipalities are also located:

- Overstrand Municipality;
- Cape Agulhas Municipality; and
- Swellendam Municipality.

Service Level Agreements are in place with Overberg Water Board, the Groenland WUA and the Elandskloof Irrigation Board for the provision of bulk raw water to some of the towns.

All residents in urban areas in the service area of the municipality have access to water services and free basic water is provided to all. It is however estimated that there might still be households on the farms in the rural areas with existing service levels below RDP standards. This estimate the service levels on the farms can only be verified through a detailed survey.

#### **Drought Alleviation**

As part of the drought alleviation initiative, the municipality successfully designed, installed and commissioned four water treatment package plants in Berea-ville, Voorstekaal and two in Caledon to improve purification processes as well as efficiently purifying newly drilled boreholes, high in iron.



**Hot Water Purifying Package Plant – Caledon**



**Package Plant at 4MI Reservoir – Caledon**



**New Borehole – Caledon**



**Voorstekraal Borehole**



**Voorstekraal Package Plant**



The Technical Department is now in the process of obtaining Water Use Licences for all raw water sources.

The following plans were developed to assist the Municipality in reducing water losses and implementing water saving initiatives:

- Drought Management Plan
- Water Loss Reduction Plan
- Drought Mitigation Plan
- Water Demand and Conservation Strategy
- Water Meter Replacement Programme

The table below indicates the different water services delivery levels per household in all formal areas for the financial years 2015/16 to 2018/19.

| Water Service Delivery Levels                     |               |               |               |               |
|---------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                   |               |               |               | Households    |
| Description                                       | Year -2015/16 | Year 2016/17  | Year 2017/18  | Year 2018/19  |
|                                                   | Actual        | Actual        | Actual        | Actual        |
|                                                   | No.           | No.           | No.           | No.           |
| <b><u>Water: (above min level)</u></b>            |               |               |               |               |
| Piped water inside dwelling                       | 17 815        | 29 745        | 29 745        | 29 745        |
| Piped water inside yard (but not in dwelling)     | –             | –             | –             | –             |
| Using public tap (within 200m from dwelling )     | 6514          | 1840          | 1840          | 1840          |
| Other water supply (within 200m)                  | 0             | 0             | 0             | 0             |
| <b>Minimum Service Level and Above sub-total</b>  | 24 329        | 31 585        | 31 585        | 31 585        |
| <b>Minimum Service Level and Above Percentage</b> | 100%          | 87%           | 87%           | 87%           |
| <b><u>Water: (below min level)</u></b>            |               |               |               |               |
| Using public tap (more than 200m from dwelling)   | 0             | 0             | 0             | 0             |
| Other water supply (more than 200m from dwelling) | 0             | 4 907         | 4 907         | 4 907         |
| No water supply                                   | 61            | 0             | 0             | 0             |
| <b>Below Minimum Service Level sub-total</b>      | 61            | 4 907         | 4 907         | 4 907         |
| <b>Below Minimum Service Level Percentage</b>     | 0%            | 13%           | 13%           | 13%           |
| <b>Total number of households*<sup>6</sup></b>    | <b>24 390</b> | <b>36 492</b> | <b>36 492</b> | <b>36 492</b> |
| <b>* - To include informal settlements</b>        |               |               |               | T3.1.3        |

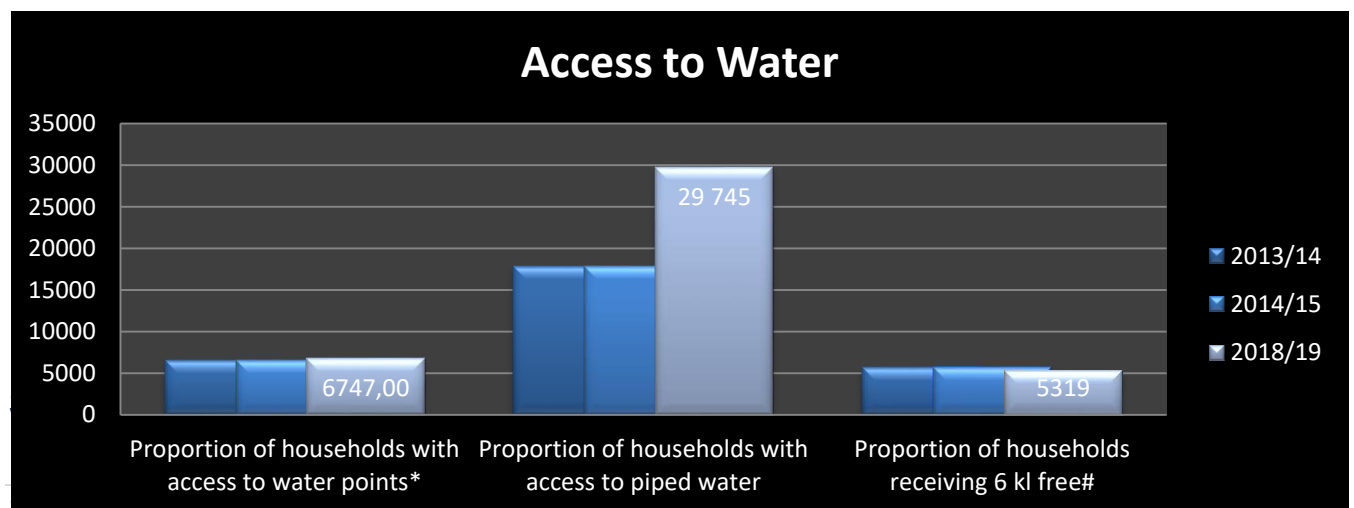
<sup>6</sup> Source: WSDP (Water Service Development Plans)

### 3.1.3 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

| Households - Water Service Delivery Levels below the minimum     |         |         |         |                 |                 |         |
|------------------------------------------------------------------|---------|---------|---------|-----------------|-----------------|---------|
| Households                                                       |         |         |         |                 |                 |         |
| Description                                                      | 2015/16 | 2016/17 | 2017/18 | 2018/19         |                 |         |
|                                                                  | Actual  | Actual  | Actual  | Original Budget | Adjusted Budget | Actual  |
|                                                                  | No.     | No.     | No.     | No.             | No.             | No.     |
| <b>Formal Settlements</b>                                        |         |         |         |                 |                 |         |
| Total households                                                 | 29 745  | 29 745  | 29 745  | 29 745          | 29 745          | 29 745  |
| Households below minimum service level                           | 0       | 0       | 0       | 0               | 0               | 0       |
| Proportion of households below minimum service level             | 0%      | 0%      | 0%      | 0%              | 0%              | 0%      |
| <b>Informal Settlements</b>                                      |         |         |         |                 |                 |         |
| Total households                                                 | 4740.00 | 6747.00 | 6747.00 | 6747.00         | 6747.00         | 6747.00 |
| Households ts below minimum service level                        | 0.00    | 5393.50 | 4907.00 | 4907.00         | 4907.00         | 4907.00 |
| Proportion of informal households ts below minimum service level | 0%      | 80%     | 73%     | 73%             | 73%             | 73%     |
|                                                                  |         |         |         |                 |                 | T3.1.4  |

### 3.1.4 ACCESS TO WATER

| Access to Water |                                                       |                                                     |                                               |
|-----------------|-------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------|
|                 | Proportion of households with access to water points* | Proportion of households with access to piped water | Proportion of households receiving 6 kl free# |
| <b>2013/14</b>  | 6 514                                                 | 17815                                               | 5 642                                         |
| <b>2014/15</b>  | 6 514                                                 | 17815                                               | 5 719                                         |
| <b>2015/16</b>  | 4 634                                                 | 21 000                                              | 3 972                                         |
| <b>2016/17</b>  | 6 212                                                 | 25 061                                              | 4 399                                         |
| <b>2017/18</b>  | 6 212                                                 | 15 950                                              | 4 335                                         |
| <b>2018/19</b>  | 6 747                                                 | 29 745                                              | 5 319                                         |
|                 |                                                       |                                                     | T3.1.1.3                                      |



| Employees: Water and Sewerage Networks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                |                |           |                                  |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Year 2017/2018 | Year 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Employees      | Posts Budgeted | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | No.            | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 15             | 26             | 26        | 0                                | 0%                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 17             | 8              | 8         | 0                                | 0%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 11             | 7              | 6         | 1                                | 14%                               |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2              | 1              | 1         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2              | 1              | 1         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0              | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0              | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 47             | 43             | 42        | 1                                | 2%                                |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.1.7</b></p> |                |                |           |                                  |                                   |

### 3.1.6 FINANCIAL PERFORMANCE: WATER SERVICES

| Financial Performance: Water Distribution                                                                                                                                                                                 |              |                 |                   |          |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|-------------------|----------|--------------------|
| R'000                                                                                                                                                                                                                     |              |                 |                   |          |                    |
| Details                                                                                                                                                                                                                   | Year 2017/18 | Year 2018/19    |                   |          |                    |
|                                                                                                                                                                                                                           | Actual       | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                          | (71,994)     | (79,970)        | (74,976)          | (77,670) | 4%                 |
| <b>Expenditure:</b>                                                                                                                                                                                                       |              |                 |                   |          |                    |
| Employees                                                                                                                                                                                                                 | 10,237       | 11,053          | 11,053            | 9,845    | -11%               |
| Repairs and Maintenance                                                                                                                                                                                                   | 2,836        | 4,728           | 4,583             | 3,874    | -15%               |
| Other                                                                                                                                                                                                                     | 36,010       | 39,215          | 29,260            | 40,632   | 39%                |
| <b>Total Operational Expenditure</b>                                                                                                                                                                                      | 49,083       | 54,996          | 44,897            | 54,351   | 21%                |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                        | (18,600)     | (24,974)        | (30,079)          | (23,319) | -22%               |
| <p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p> |              |                 |                   |          | <b>T3.1.8</b>      |

### 3.1.7 CAPITAL EXPENDITURE: WATER SERVICES

| Capital Expenditure Year: Water Distribution                                                                                                           |              |                   |                    |                               |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|--------------------|-------------------------------|---------------------|
| Water Distribution                                                                                                                                     |              |                   |                    |                               |                     |
| R' 000                                                                                                                                                 |              |                   |                    |                               |                     |
| Capital Projects                                                                                                                                       | 2018/2019    |                   |                    |                               |                     |
|                                                                                                                                                        | Budget       | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                       | <b>6,336</b> | <b>8,803</b>      | <b>7,911</b>       | <b>-10%</b>                   |                     |
|                                                                                                                                                        |              |                   |                    |                               |                     |
| Capital - Prepaid Water meters                                                                                                                         | 2,500        | 3,276             | 3,048              | -7%                           |                     |
| Capital - Drilling of Boreholes                                                                                                                        | –            | ,248              | ,240               | -3%                           |                     |
| Capital - Drought Relieve                                                                                                                              | –            | ,233              | ,224               | -4%                           |                     |
| Capital - Destiny: Bulk water                                                                                                                          | 2,131        | 2,131             | 2,101              | -1%                           |                     |
| Capital - Destiny: Bulk water                                                                                                                          | 1,706        | 1,706             | 1,655              | -3%                           |                     |
| Capital - Drought Relieve                                                                                                                              | –            | ,373              | ,383               | 3%                            |                     |
| Capital - Water Source Development - Tesselaarsdal                                                                                                     | –            | ,267              | ,261               | -3%                           |                     |
| Capital - Refurbishment and upgrading of the existing borehole                                                                                         | –            | ,569              | –                  | -100%                         |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i> |              |                   |                    |                               | T3.1.9              |

### 3.1.8 COMMENT ON WATER SERVICE PERFORMANCE OVERALL

#### Access to services

Overall the TWK Municipality is doing well in terms of providing access to basic services for all its residents in urban areas. However, it is the policy of the TWK Municipality to provide waterborne sanitation and on-site (house or yard) water connections to all its consumers through its subsidised housing programme. Although the TWK Municipality is doing well in terms of the provision of housing, it is a lengthy and costly process, which is being hampered by the continual influx of people to urban areas. Backlogs still exist in the rural areas, which must still be addressed.

#### Quality of services provided

##### Continuity of water supply

The continuity of water supply is considered to be good, except for certain of the smaller settlements, which experience water supply problems in the peak summer months due to inadequate water resources. The current yield of the water resources of the most settlements are unknown, which is of serious concern, as it makes it impossible to quantify and manage the risk of water shortages in the event of a drought.

## Free basic water and sanitation

All registered indigents have access to free basic water and sanitation, although a large number of residents are still not registered as indigents

## Adequacy of infrastructure and equipment

Although the TWK Municipality is doing well in terms of housing delivery to the poor, there is a significant backlog in the condition and capacity of existing infrastructure, especially in terms of bulk water supply and treatment, bulk sewage collection and treatment, as well as the condition of existing AC pipelines in water reticulation networks. The problems with the quality of specifically potable water and wastewater effluent are also to some extent evident of the inadequate condition of infrastructure. The lack of adequate funding in the budget report allocated to eradicate this infrastructure backlog, it is evident that the TWK Municipality is under immense financial pressure.

In order to affectively address the backlog as far as the capacity and condition of infrastructure is concerned, a substantial capital injection, possibly in the form of a once-off grant is required. The grant would be required to address the backlog in infrastructure capacity and rehabilitation and to replace infrastructure timeously before it impacts negatively on service delivery. An asset management plan would inform capital requirements in this regard.

Water can be purchased at all Municipal offices for the towns. Other stores or locations where water can be purchased are:

| Town            | Owner/Manager      | Vendor            | Address                   | Contact Details                   |
|-----------------|--------------------|-------------------|---------------------------|-----------------------------------|
| CALEDON         | IRENE CUPIDO       |                   | 7 9TH AVENUE, BERGSIG     | 028 212 3437                      |
| CALEDON         | SELWYN STEEDSMAN   | SMS MOBILE        | 22 BOSDUIF STREET, UITSIG | 028 212 3760                      |
| CALEDON         | MOHAMME GIAS UDDIN | BEEHIVE/SAVERITE  | 15 PLEIN STREET           | 028 212 2291                      |
| GENADENDAL      | RHODENE BRAAF      | RHODES TUCK-SHOP  | ERF 91 KOORLANDSKLOOF     | 074 282 5091                      |
| GENADENDAL      | JAHED HASSAN       | BUY-RITE          | MARVELD STREET            | 061 044 6453                      |
| BEREAVILLE      | PAM VAN WYK        |                   | LONGSTREET                | 061 212 0154<br>(Linda - Manager) |
| GRABOUW         | MOSTAFIZUR RAHMAN  | GRABOUW SUPERMARK | STEENBRASWEG              | 021 859 2711                      |
| GRABOUW         | SHUIPING HUANG     | ZH MINIMARK       | 32 MAIN ROAD              | 021 859 5112                      |
| GREYTON         | JAHED HASSAN       | SDS SUPERMARK     | ASTERAVENUE               | 061 044 6453                      |
| RIVIERSONDEREND | ABRHAM ANGHEBO     | ROBOTH SHOP       | 12 CARNATION STREET       | 084 758 7235                      |

## 3.2 WASTE WATER (SANITATION) PROVISION

### 3.2.1 INTRODUCTION TO SANITATION PROVISION

Sanitation provision comprise of conveyance of waste water from households via piped network (gravity and pumped) and vacuum tanker service to the waste treatment works. Sanitation service is provided throughout the whole service area of Theewaterskloof. Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. The municipality is currently busy upgrading Caledon WWTW and in the planning process for Greyton, Botrivier and RSE WWTW.

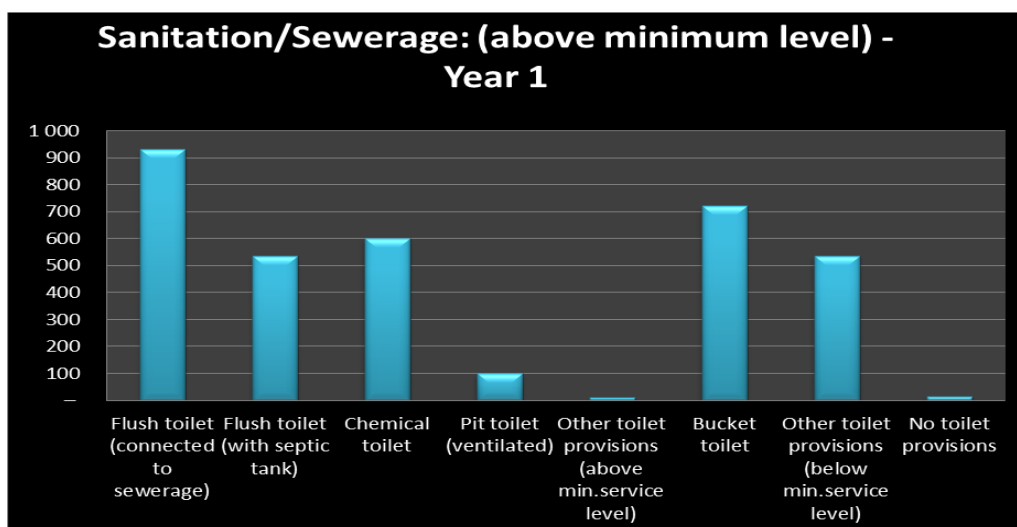
All the formal households in the urban areas are provided with full sanitation provision while informal areas are provided with basic sanitation facilities which comprise of communal ablution facilities.

### 3.2.2 SANITATION SERVICE DELIVERY LEVELS

| Sanitation Service Delivery Levels                                            |               |               |               |                   |
|-------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|
|                                                                               |               |               |               | *Households       |
| Description                                                                   | Year 2015/16  | Year 2016/17  | Year 2017/18  | Year 2018/19      |
|                                                                               | Outcome       | Outcome       | Outcome       | Actual            |
|                                                                               | No.           | No.           | No.           | No.               |
| <b><u>Sanitation/sewerage: (above minimum level)</u></b>                      |               |               |               |                   |
| Flush toilet (connected to sewerage)                                          | 22 820        | 29 745        | 29 745        | 29 745            |
| Flush toilet (with septic tank)                                               | 1 304         | 867           | 867           | 867               |
| Chemical toilet                                                               |               |               |               |                   |
| Pit toilet (ventilated)                                                       |               |               |               |                   |
| Other toilet provisions (above min.service level)                             |               |               |               |                   |
| <b>Minimum Service Level and Above sub-total</b>                              | 24 124        | 30 612        | 30 612        | 30 612            |
| <b>Minimum Service Level and Above Percentage</b>                             | 87.93%        | 87.7%         | 87.7%         | 87.7%             |
| <b><u>Sanitation/sewerage: (below minimum level)</u></b>                      |               |               |               |                   |
| Bucket toilet                                                                 |               |               |               |                   |
| Other toilet provisions (below min.service level)                             | 4634          | 4309          | 4309          | 4389 <sup>7</sup> |
| No toilet provisions                                                          | 0             |               |               |                   |
| <b>Below Minimum Service Level sub-total</b>                                  | 3 310         | 4 309         | 4 309         | 4 389             |
| <b>Below Minimum Service Level Percentage</b>                                 | 12.1%         | 12.3%         | 12.3%         | 12.3%             |
| <b>Total households</b>                                                       | <b>27 434</b> | <b>34 921</b> | <b>34 921</b> | <b>35 001</b>     |
| <b>*Total number of households including informal settlements<sup>8</sup></b> |               |               |               | <b>T3.2.3</b>     |

<sup>7</sup> Municipalities own calculation according to informal settlement databases (Technical Services)

<sup>8</sup> The minimum level of service defined for sanitation is expressed as one toilet for every 5 structures. Should an informal settlement not meet this ratio it is deemed that all structures in that settlements falls within the definition of below minimum service

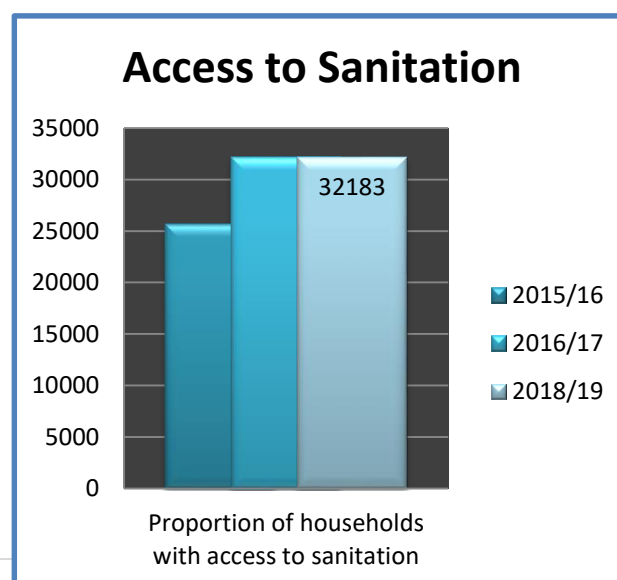


### 3.2.3 HOUSEHOLD: SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM

| Households - Sanitation Service Delivery Levels below the minimum |            |         |         |                 |                 |        |
|-------------------------------------------------------------------|------------|---------|---------|-----------------|-----------------|--------|
| Description                                                       | Households |         |         |                 |                 |        |
|                                                                   | 2015/16    | 2016/17 | 2017/18 | 2018/19         |                 |        |
|                                                                   | Actual     | Actual  | Actual  | Original Budget | Adjusted Budget | Actual |
|                                                                   | No.        | No.     | No.     | No.             | No.             | No.    |
| <b>Formal Settlements</b>                                         | –          | –       | –       | –               | –               | –      |
| Total households                                                  | 21 000     | 29 745  | 29 745  | 29 745          | 29 745          | 29 745 |
| Households below minimum service level                            | 3 310      | 0       | 0       | 0               | 0               | 0      |
| Proportion of households below minimum service level              | 12%        | 0%      | 0%      | 0%              | 0%              | 0%     |
| <b>Informal Settlements</b>                                       | –          | –       | –       | –               | –               | –      |
| Total households                                                  | 4 634      | 6 747   | 6 747   | 6 747           | 6 747           | 6 747  |
| Households ts below minimum service level                         | 0          | 4 309   | 4 309   | 4 309           | 4 309           | 4 309  |
| Proportion of informal households ts below minimum service level  | 0%         | 0%      | 0%      | 0%              | 0%              | 0%     |
|                                                                   |            |         |         |                 | T3.2.4          |        |

### 3.2.4 ACCESS TO SANITATION

| Access to Sanitation |                                                    |
|----------------------|----------------------------------------------------|
|                      | Proportion of households with access to sanitation |
| 2015/16              | 25634                                              |
| 2016/17              | 32183                                              |
| 2017/18              | 32183                                              |
| 2018/19              | 32183                                              |



### 3.2.5 EMPLOYEES: SANITATION

| Employees: Sanitation Services (Water and Sewage Purification Works) incl. Suction Tank Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                |           |                      |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 32        | 24             | 23        | 1                    | 4%                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 13        | 16             | 16        | 0                    | 0%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 9         | 14             | 13        | 1                    | 7%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 3         | 6              | 5         | 1                    | 17%                               |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                |           |                      | -                                 |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           | 1              | 1         | 0                    | 0%                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                |           |                      | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>57</b> | <b>61</b>      | <b>58</b> | <b>3</b>             | <b>5%</b>                         |
| Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T.3.27 |           |                |           |                      |                                   |

### 3.2.6 FINANCIAL PERFORMANCE: SANITATION SERVICES

| Financial Performance : Waste Water Management                                                                                                                                                              |          |                 |                   |          |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-------------------|----------|--------------------|
| R'000                                                                                                                                                                                                       |          |                 |                   |          |                    |
| Details                                                                                                                                                                                                     | 2017/18  | 2018/19         |                   |          |                    |
|                                                                                                                                                                                                             | Actual   | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                            | (33,576) | (40,341)        | (41,349)          | (40,552) | -2%                |
| <b>Expenditure:</b>                                                                                                                                                                                         |          |                 |                   |          |                    |
| <b>Employees</b>                                                                                                                                                                                            | 9,692    | 11,077          | 11,077            | 11,922   | 8%                 |
| <b>Repairs and Maintenance</b>                                                                                                                                                                              | 3,637    | 5,093           | 5,628             | 4,056    | -28%               |
| <b>Other</b>                                                                                                                                                                                                | 17,811   | 22,979          | 23,099            | 19,884   | -14%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                        | 31,140   | 39,150          | 39,804            | 35,863   | -10%               |
| <b>Net Operational Expenditure</b>                                                                                                                                                                          | (2,796)  | (1,191)         | (1,545)           | (4,689)  | 204%               |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. |          |                 |                   |          | T3.2.8             |



### 3.2.7 CAPITAL EXPENDITURE: SANITATION SERVICES

| Capital Expenditure: Waste Water Management                                                                                                           |               |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |               |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | Year 2018/19  |                   |                    |                               |                     |
|                                                                                                                                                       | Budget        | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                      | <b>18,686</b> | <b>18,413</b>     | <b>18,387</b>      | <b>0%</b>                     |                     |
| Capital - Bulk outfall sewer, Caledon                                                                                                                 | 2,891         | 1,478             | 1,478              | 0%                            |                     |
| Capital - Bulk outfall sewer, Caledon                                                                                                                 | 2,632         | 500               | 500                | 0%                            |                     |
| Capital - Destiny: Bulk sewer, Villiersdorp                                                                                                           | 2,934         | 2,934             | 2,934              | 0%                            |                     |
| Capital - Waste Water Treatment Works Upgrade, Caledon                                                                                                | 6,941         | 8,647             | 8,647              | 0%                            |                     |
| Capital - Waste Water Treatment Works Upgrade, Caledon                                                                                                | 3,289         | 4,853             | 4,828              | -1%                           |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |               |                   |                    |                               | T3.2.9              |



**Myddleton to Caledon: Upgrade Main Link sewer Pipe Line**

### 3.2.8 COMMENT ON SANITATION SERVICE PERFORMANCE OVERALL

The department did extremely well with the spending of its capital budget. All work was done within budget and the small variance indicate that the department accurately estimated the cost.

The operational budget for sanitation services reflects a surplus of R4,689m. The variance between budgeted and actual amounts to 204% or RR3, 144m. This relates largely to under expenditure on repairs and maintenance in excess of R1,5m an annuity loan, where R2.6m was budgeted for but only R1.5m was spent. Depreciation was also large underspent or over budgeted. The net effect of over and under expenditure of depreciation for various assets was underspending of R6, 4m.

Caledon waste water treatment plant Upgrade phase 2 is currently underway and almost completed, phase 3 tender is advertised. This is a multi-year project and will only be completed in 2021/22 financial year. The upgrading to the main outfall sewer in Caledon phase 2 is completed and phase 3 has commenced, these are also priority to prevent any blockages of the development of the towns due to capacity constraints.

These projects are multiyear projects and are budgeted for.

## 3.3 ELECTRICITY

### Electricity (Distribution)

#### Activity

The quality of Electricity supply impacts the economic growth of the municipality. Moreover, the constant supply of electricity is a necessary tool to improve the socio economic conditions of Households and communities.

Theewaterskloof Municipality is responsible for the distribution and reticulation of electrical energy to all its consumers in a cost effective and safe manner. This service extends to include Caledon, Villiersdorp, Greyton and Riviersonderend, but do not take into account Grabouw, Genadendal, Botriver and Tesselaarsdal, which resides within the jurisdiction of Eskom government.

The municipality has a mandate to distribute electricity subject to license conditions set by NERSA.

### Strategic Objectives

- To evaluate all restraints placed on the department and develop strategies to ensure that the minimum service delivery standards of the Electrical Service Department are maintained.
- To ensure a safe, effective, economical and continued supply of electricity within the TWK Municipal supply area.

## Electricity (Street Lighting)

### Activity

The Management of all installations and maintenance of street lights for the municipal area except for Grabouw and Botrivier, forms part of Directorate Operational Services Key Performance areas. Grabouw and Botrivier is serviced through Eskom.

Electricity can be purchased at all Municipal offices for the towns where the municipality is responsible for the provision of electricity. Other stores or locations where electricity can be purchased are:

| <u>Vendor Name</u>                         | <u>Address</u>                  | <u>Suburb</u>   |
|--------------------------------------------|---------------------------------|-----------------|
| <b>Al-Baraka Shop</b>                      | 1214 Goniwe Park                | Villiersdorp    |
| <b>Alex Robot Shop</b>                     | Oosterolad                      | Riviersonderend |
| <b>Amano Shop</b>                          | 34 3rd Avenue                   | Caledon         |
| <b>Annes House Shop</b>                    | 275 Amarilla Street             | Villiersdorp    |
| <b>Backstage Shop</b>                      | Bosduif Street                  | Caledon         |
| <b>Beehive Supermarket</b>                 | 15 Plein Street                 | Caledon         |
| <b>Big Time Tuckshop</b>                   | 38 5de Laan                     | Caledon         |
| <b>Bismillah Superette</b>                 | 8 Plein Street                  | Caledon         |
| <b>Bot River Mini Mark</b>                 | 14 Hawthorn Street              | Bot River       |
| <b>Caledon Mini Market</b>                 | 11 Plein Street                 | Caledon         |
| <b>Carica Cash n Carry</b>                 | 15 Hoofweg Street               | Riviersonderend |
| <b>Carica Superette</b>                    | 06 Alpha Street                 | Riviersonderend |
| <b>Continental Café</b>                    | 22 Main Road                    | Riviersonderend |
| <b>Continental Superette</b>               | 11 Main Road (N2)               | Riviersonderend |
| <b>Corner Mini Shop</b>                    | 10 Reierlaan                    | Caledon         |
| <b>Danny's Bazaars</b>                     | George Grey Straat              | Genadendal      |
| <b>Discount Mini Market</b>                | 1 Price Street                  | Riviersonderend |
| <b>Discount Store Caledon</b>              | 44 Ster Street Bergsig          | Caledon         |
| <b>Esethu Spaza Shop</b>                   | 2 De Laan , No 26 Goniwe Park   | Villiersdorp    |
| <b>Fathi General Dealer</b>                | 24 Rooivaal Street              | Caledon         |
| <b>Gerald Tuck Shop</b>                    | 66 Fullard Street               | Riviersonderend |
| <b>Hiron Spaza Shop Caledon</b>            | 4 Kwartel Street, Uitsig        | Caledon         |
| <b>Hirshabelle Shop</b>                    | 78 Protea Heights               | Villiersdorp    |
| <b>Hoosain Tuckshop</b>                    | 41 Hoof Street                  | Caledon         |
| <b>Juba tuckshop PC</b>                    | 27 Sabbatini Avenue , Golf City | Riviersonderend |
| <b>M. K Wholesaler</b>                     | 21 Plein Street                 | Caledon         |
| <b>Mama Africa</b>                         | G76 Revesemke Informal          | Caledon         |
| <b>Mega sweets cash&amp;carry</b>          | No 2 Haw Street                 | Caledon         |
| <b>N.E Stores 2</b>                        | 179 Disa Street                 | Villiersdorp    |
| <b>Nasir Shop</b>                          | 135 Disa Street                 | Villiersdorp    |
| <b>Nasir Shop No2</b>                      | 145 Disa Road                   | Villiersdorp    |
| <b>Olympia Supermarket &amp; Take Away</b> | 49 Main Road                    | Grabouw         |
| <b>On The Mark Trade &amp; Investments</b> | 43 Oak Street                   | Greyton         |
| <b>One Price Store TWK</b>                 | 14 Main Road                    | Villiersdorp    |

|                                             |                                        |                 |
|---------------------------------------------|----------------------------------------|-----------------|
| <b>Ons Winkel</b>                           | 205 Disa Straat                        | Villiersdorp    |
| <b>Rainbow Shop</b>                         | 29 Heideweg                            | Riviersonderend |
| <b>Scuba Scuba Spaza Shop</b>               | No 1 Mcnolia Street , Goniwe Park      | Villiersdorp    |
| <b>SH Superette &amp; Halaal Take Aways</b> | 20 Main Street                         | Caledon         |
| <b>Shoprite Grabouw</b>                     | Cnr of Caledon and Ryke Street         | Grabouw         |
| <b>Small Town Shop</b>                      | 110 Disa Laan                          | Riviersonderend |
| <b>SonaStraat No.5</b>                      | Dahlia Cres & Begonia street           | Riviersonderend |
| <b>Sonstraal Cafe PC</b>                    | 19 Main Road                           | Riviersonderend |
| <b>Sonstraal No.1 Tuck Shop PC</b>          | Matuwane Street                        | Riviersonderend |
| <b>Tawakal Tuckshop PC</b>                  | 7 Player Street                        | Riviersonderend |
| <b>Tohow Spaza Shop</b>                     | Annes Shop 4                           | Caledon         |
| <b>Tuck Shop No 1</b>                       | 195 Jo Slovo Square                    | Riviersonderend |
| <b>Uitsig Supermarket</b>                   | 23 Sayes Street                        | Caledon         |
| <b>Usave Caledon</b>                        | 25 Prince Alfred Street                | Caledon         |
| <b>Valostar Supermarket</b>                 | 19 Voortrekker Road , On the Main Road | Riviersonderend |
| <b>Village Vinos</b>                        | 32 Main Street                         | Greyton         |
| <b>Vleiview Café</b>                        | 22 2de Laan, Vlei View                 | Caledon         |
| <b>Yellow Spaza Shop</b>                    | 340 Erf Goniwe Park                    | Villiersdorp    |
| <b>Yona Yethu Behchew Shop</b>              | 296 Shack , Goniwe Park                | Villiersdorp    |
| <b>Yone Yethu Spaza Shop</b>                | 289 Main Street , Goniwe Park          | Villiersdorp    |
| <b>Zippy's Supermarket</b>                  | 44 Hoof Street                         | Greyton         |

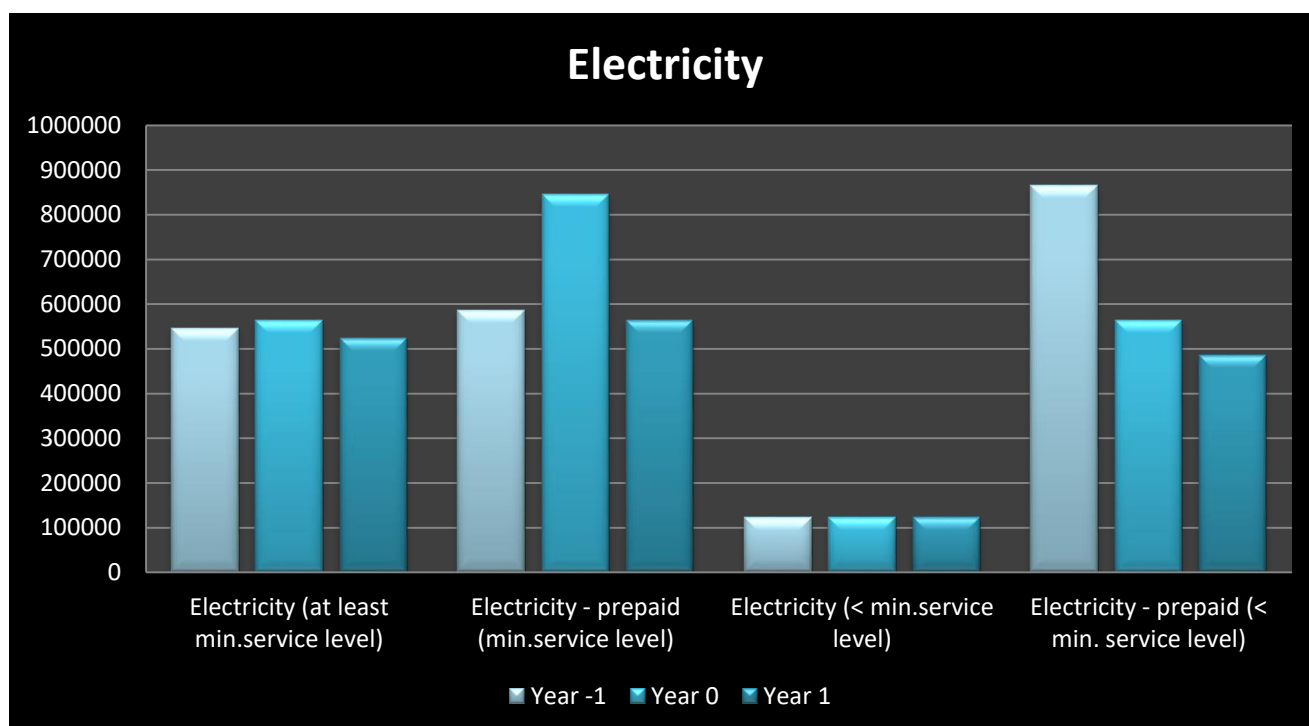
The Electrical Department is committed to supply existing and new customers with electrical energy of acceptable quality in a safe and sustainable way. The aim of the department is to deliver services that are above the industry standards.

#### **Projects completed in 2018/19:**

1. The medium voltage network in Villiersdorp was analysed to determine the upgrades necessary to accommodate the housing project on Destiny Farm.
2. The tender for phase 1 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp was adjudicated.
3. The overhead network in Mainstreet Riviersonderend was upgraded and replaced with a new underground distribution system.
4. The miniature substation in Kerkstreet Villiersdorp was replaced and the Low Voltage network upgraded.
5. Maintenance remains a priority and the security fencing and roof of the main substation building in Caledon were replaced.
6. The maintenance of streetlights in towns where Eskom distributes electricity remain a challenge.

#### **Projects for 2019/20**

1. Completion of 11 kV ring feed to Van Schalkwyk street Greyton and upgrade of Low Voltage network in De La Vigne Street.
2. Completion of phase 1 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp.
3. Replace and upgrade Transformer in Uitsig Caledon.



### 3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

| Electricity Service Delivery Levels               |              |              |              |              |
|---------------------------------------------------|--------------|--------------|--------------|--------------|
| Description                                       | Households   |              |              |              |
|                                                   | Year 2015/16 | Year 2016/17 | Year 2017/18 | Year 2018/19 |
|                                                   | Actual       | Actual       | Actual       | Actual       |
| No.                                               | No.          | No.          | No.          | No.          |
| <b>Energy: (above minimum level)</b>              |              |              |              |              |
| Electricity (at least min.service level)          | 2159         | 1174         | 32           | 25           |
| Electricity - prepaid (min.service level)         | 3101         | 4864         | 7700         | 7,721        |
| <b>Minimum Service Level and Above sub-total</b>  | 5260         | 6038         | 7732         | 7,746        |
| <b>Minimum Service Level and Above Percentage</b> | 1            | 1            | 1            | 100.0%       |
| <b>Energy: (below minimum level)</b>              |              |              |              |              |
| Electricity (< min.service level)                 |              |              |              |              |
| Electricity - prepaid (< min. service level)      |              |              |              |              |
| Other energy sources                              |              |              |              |              |
| <b>Below Minimum Service Level sub-total</b>      | 0            | 0            | 0            | 0            |
| <b>Below Minimum Service Level Percentage</b>     | 0            | 0            | 0            | 0.0%         |
| <b>Total number of households</b>                 | 5260         | 6038         | 7732         | 7,746        |
|                                                   |              |              |              | T3.3.3       |

### 3.3.2 EMPLOYEES ELECTRICITY SERVICES

| Employees: Electricity Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |                |           |                      |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 7         | 8              | 8         | 0                    | 0%                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2         | 1              | 1         | 0                    | 0%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3         | 5              | 5         | 0                    | 0%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5         | 5              | 5         | 0                    | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1         | 1              | 1         | 0                    | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1         | 1              | 1         | 0                    | 0%                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0         | 0              | 0         | 0                    | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 19        | 21             | 21        | 0                    | 0%                                |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p><b>T3.3.6</b></p> |           |                |           |                      |                                   |

### 3.3.3 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

| Financial Performance : Electricity Distribution                                                                                                                                                            |          |                 |                   |          |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-------------------|----------|--------------------|
| R'000                                                                                                                                                                                                       |          |                 |                   |          |                    |
| Details                                                                                                                                                                                                     | 2017/18  | 2018/19         |                   |          |                    |
|                                                                                                                                                                                                             | Actual   | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                                   | (89,308) | (92,543)        | (93,963)          | (91,224) | -3%                |
| Expenditure:                                                                                                                                                                                                |          |                 |                   |          |                    |
| Employees                                                                                                                                                                                                   | 6,296    | 6,727           | 6,727             | 6,760    | 0%                 |
| Repairs and Maintenance                                                                                                                                                                                     | 1,931    | 4,364           | 3,720             | 2,150    | -42%               |
| Other                                                                                                                                                                                                       | 62,500   | 66,518          | 66,542            | 68,189   | 2%                 |
| Total Operational Expenditure                                                                                                                                                                               | 70,727   | 77,609          | 76,989            | 77,099   | 0%                 |
| Net Operational Expenditure                                                                                                                                                                                 | (18,581) | (14,934)        | (16,973)          | (14,126) | -17%               |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. |          |                 |                   |          | T3.3.7             |

### 3.3.4 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

| Capital Expenditure Year 2018/19: Electricity Services                                                                                                |              |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |              |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2018/19      |                   |                    |                               |                     |
|                                                                                                                                                       | Budget       | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                      | <b>3,515</b> | <b>5,073</b>      | <b>4,668</b>       | <b>-8%</b>                    |                     |
| Install security fencing Switching stations Caledon                                                                                                   | 165          | 165               | 146                | -12%                          |                     |
| Upgrading 11kV network replace miniature substation, Caledon                                                                                          | –            | 570               | 465                | -18%                          |                     |
| Replace and upgrade MV Networks, Villiersdorp                                                                                                         | 550          | 550               | 508                | -8%                           |                     |
| Upgrading of Bulk Electrical Infrastructure, Villiersdorp                                                                                             | 435          | 435               | 435                | 0%                            |                     |
| Upgrading of Bulk Electrical Infrastructure, Villiersdorp                                                                                             | –            | ,793              | 793                | 0%                            |                     |
| Upgrading of Bulk Electrical Infrastructure, Villiersdorp                                                                                             | 65           | 65                | 65                 | 0%                            |                     |
| Replace and upgrade MV Networks, RSE                                                                                                                  | 2300         | 2,300             | 2,257              | -2%                           |                     |
| Grabouw highmast lighting                                                                                                                             | –            | 196               | –                  | -100%                         |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |              |                   |                    |                               | T3.3.8              |

### 3.3.5 COMMENT ON ELECTRICITY SERVICE PERFORMANCE OVERALL

The reduced income can be attributed to consumers who are aware of power consumption and applying a savings policy to reduce personal expenditure. Eskom's load shedding also had an impact on total consumption and income.

There were no abnormal faults or failures that affected the repair and maintenance budget negatively. Part of the savings is also due to a sustained and preventive maintenance program

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTION, WASTE DISPOSAL, CLEANING AND RECYCLING)

### 3.4.1 INTRODUCTION TO WASTE MANAGEMENT

Theewaterskloof Municipality is committed to a system of waste management that will see the least possible amount of waste going to modern engineered landfills. This will be achieved through the use of education, law enforcement and material recovery and treatment plants. New and emerging technologies, where applicable and affordable, will also play a part in overall waste management. This will need a mind shift from all in Theewaterskloof Municipal area.



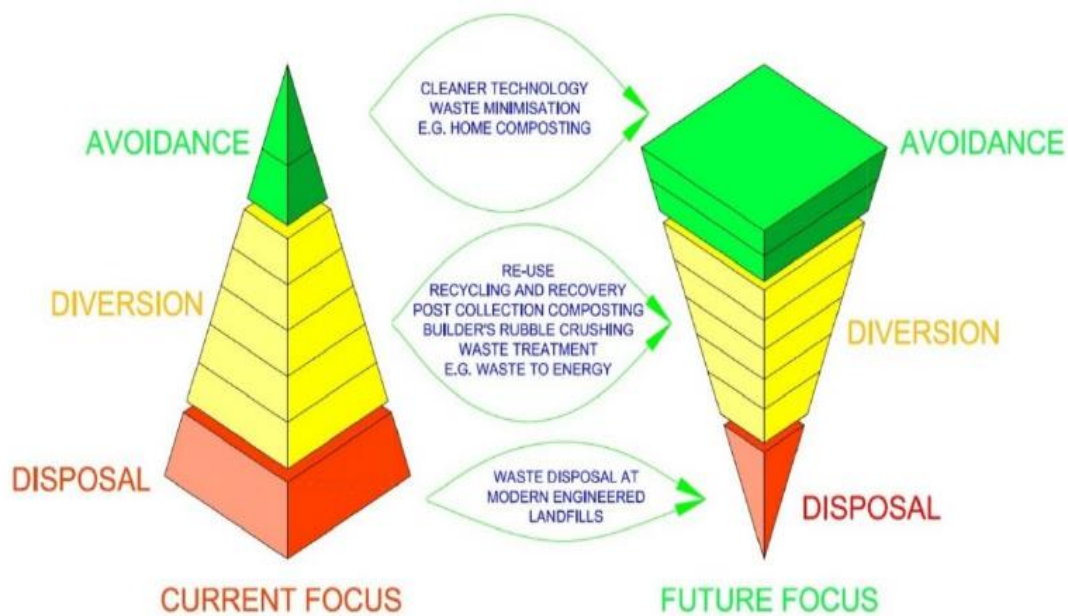


**Figure 3-1: Waste Hierarchy**

The analysis of the current waste management system has shown the following:

- ❖ All formal residential erven are receiving a weekly door-to-door waste collection service.
- ❖ All collected municipal waste in the Riviersonderend service area is disposed at the the Regional landfill site Karwyderskraal, domestic, builder's rubble and greenwaste are also disposed at the municipality's waste disposal site in Riviersonderend. This site has received a closure license and is due closure by 2019 (applied for extension).
- ❖ All collected municipal waste in the Genadendal and Greyton service areas are disposed at the municipality's Genadendal and Greyton waste disposal sites. These sites have received closure licenses and are due closure by 2019 (applied for extension).
- ❖ Collected waste in Caledon are disposed at the municipality's licensed Caledon landfill.
- ❖ All collected waste in Grabouw, Villiersdorp, Tesselaarsdal and Botrivier are disposed at the Regional landfill site Karwyderskraal.
- ❖ Waste recovery is currently only done in Villiersdorp and investigation to implement it in Grabouw, Caledon and RSE is underway.
- ❖ waste avoidance is not currently addressed
- ❖ Caledon, Greyton, Genadendal and RSE landfill, Villiersdorp and Grabouw Transfer Stations are currently audited internally and externally for permit/license compliance
- ❖ the Villiersdorp landfill has been closed, but not yet rehabilitated
- ❖ The latest by-laws on waste management were promulgated in 2015.
- ❖ External Service provider is used to collect waste from Grabouw, Villiersdorp, Botrivier and Tesselaarsdal and delivered to the Regional Landfill Karwyderskraal. All other dumping of waste is done internally.

Top priorities for Waste Management are the establishment of transfer stations and MRF's in Caledon, RSE and Greyton and Genadendal. Rehabilitation of landfill sites at Riviersonderend, Villiersdorp, Botrivier, Greyton and Genadendal is also a top priority for the municipality although



funding is a challenge. Waste avoidance through education and public awareness is also listed as a top priority.

### 3.4.2 SOLID WASTE SERVICE DELIVERY LEVELS

| Solid Waste Service Delivery Levels                      |               |               |               |               |
|----------------------------------------------------------|---------------|---------------|---------------|---------------|
| Description                                              | Households    |               |               |               |
|                                                          | 2015/16       | 2016/17       | 2017/18       | 2018/19       |
|                                                          | Actual        | Actual        | Actual        | Actual        |
|                                                          | No.           | No.           | No.           | No.           |
| <b><u>Solid Waste Removal:</u></b> (Minimum level)       |               |               |               |               |
| Removed at least once a week                             | 26 938        | 36 492        | 36 492        | 36 492        |
| <b>Minimum Service Level and Above sub-total</b>         | 26 938        | 36 492        | 36 492        | 36 492        |
| <b>Minimum Service Level and Above percentage</b>        | 100.0%        | 100.0%        | 100.0%        | 100.0%        |
| <b><u>Solid Waste Removal:</u></b> (Below minimum level) |               |               |               |               |
| Removed less frequently than once a week                 | 0.82          |               |               |               |
| Using communal refuse dump                               | 1.37          |               |               |               |
| Using own refuse dump                                    | 6.82          |               |               |               |
| Other rubbish disposal                                   |               |               |               |               |
| No rubbish disposal                                      | 0.38          |               |               |               |
| <b>Below Minimum Service Level sub-total</b>             | 9.39          | 0.00          | 0.00          | 0.00          |
| <b>Below Minimum Service Level percentage</b>            | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Total number of households</b>                        | <b>26 947</b> | <b>36 492</b> | <b>36 492</b> | <b>36 492</b> |
|                                                          |               |               |               | T3.4.2        |

### 3.4.3 HOUSEHOLDS: SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

| Households - Solid Waste Service Delivery Levels below the minimum |            |         |         |                 |                 |        |
|--------------------------------------------------------------------|------------|---------|---------|-----------------|-----------------|--------|
| Description                                                        | Households |         |         |                 |                 |        |
|                                                                    | 2015/16    | 2016/17 | 2017/18 | 2018/19         |                 |        |
|                                                                    | Actual     | Actual  | Actual  | Original Budget | Adjusted Budget | Actual |
|                                                                    | No.        | No.     | No.     | No.             | No.             | No.    |
| <b>Formal Settlements</b>                                          |            |         |         |                 |                 |        |
| Total households                                                   | 21 616     | 26 938  | 29 745  | 29 745          | 29 745          | 29 745 |
| Households below minimum service level                             | –          | –       |         |                 |                 |        |
| Proportion of households below minimum service level               | 0%         | 0%      | 0%      | 0%              | 0%              | 0%     |
| <b>Informal Settlements</b>                                        |            |         |         |                 |                 |        |
| Total households                                                   | 21616      | 26938   | 6 747   | 6 747           | 6 747           | 6 747  |
| Households ts below minimum service level                          |            |         |         |                 |                 |        |
| Proportion of informal households ts below minimum service level   | 0%         | 0%      | 0%      | 0%              | 0%              | 0%     |

### 3.4.4 EMPLOYEES SOLID WASTE MANAGEMENT (STREET CLEANSING)

| Employees: Solid Waste Management Services (Transfer and Street Cleansing)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |                |           |                      |                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 73        | 75             | 75        | 0                    | 0%                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 3         | 4              | 4         | 0                    | 0%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 10        | 12             | 12        | 0                    | 0%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2         | 4              | 4         | 0                    | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0         | 0              | 0         | 0                    | -                                 |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0         | 0              | 0         | 0                    | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0         | 0              | 0         | 0                    | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>88</b> | <b>95</b>      | <b>95</b> | <b>0</b>             | <b>0%</b>                         |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><b>T3.4.5</b></p> |           |                |           |                      |                                   |

### 3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

| Financial Performance : Solid Waste Management Services                                                                                                                                                                   |               |                 |                   |               |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------|---------------|--------------------|
| R'000                                                                                                                                                                                                                     |               |                 |                   |               |                    |
| Details                                                                                                                                                                                                                   | 2017/18       | 2018/19         |                   |               |                    |
|                                                                                                                                                                                                                           | Actual        | Original Budget | Adjustment Budget | Actual        | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                          | (37,008)      | (42,785)        | (43,843)          | (43,550)      | -1%                |
| <b>Expenditure:</b>                                                                                                                                                                                                       |               |                 |                   |               |                    |
| Employees                                                                                                                                                                                                                 | 14,021        | 15,041          | 15,041            | 14,932        | -1%                |
| Repairs and Maintenance                                                                                                                                                                                                   | 2,919         | 3,665           | 3,777             | 3,429         | -9%                |
| Other                                                                                                                                                                                                                     | 25,159        | 34,413          | 34,239            | 24,566        | -28%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                                      | <b>42,099</b> | <b>53,119</b>   | <b>53,057</b>     | <b>42,928</b> | <b>-19%</b>        |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                        | <b>5,091</b>  | <b>10,334</b>   | <b>9,214</b>      | <b>(622)</b>  | <b>-107%</b>       |
| <p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p> |               |                 |                   |               | <b>T3.4.7</b>      |

### 3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

| Capital Expenditure : Waste Management Services                                                                                                       |               |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |               |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2018/19       |                   |                    |                               |                     |
|                                                                                                                                                       | Budget        | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                      | <b>10,734</b> | <b>12,046</b>     | <b>12,046</b>      | <b>0%</b>                     |                     |
|                                                                                                                                                       |               |                   |                    |                               |                     |
| <b>Transfer Station, Caledon</b>                                                                                                                      | 4,193         | 4,163             | 4,163              | 0%                            |                     |
| <b>Transfer Station, Caledon</b>                                                                                                                      | 2,632         | 2,434             | 2,434              | 0%                            |                     |
| <b>Waste Drop off, RSE</b>                                                                                                                            | 3,690         | 5,032             | 5,032              | 0%                            |                     |
| <b>Waste Drop off, RSE</b>                                                                                                                            | ,220          | ,418              | 418                | 0%                            |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |               |                   |                    |                               | T3.4.9              |

### 3.4.7 COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Phase 1 of the Caledon and RSE Waste Transfer Station and Material Recovery Facilities was completed. Tenders for Phase 2 for both facilities will go out for 2019/20 financial year. Funding was secured for the construction of Greyton Drop Off. The recycling tender for Theewaterskloof Municipality was compiled and budget was secured to go out on tender to implement in 2019/20 financial year. The contractor for the haulage of waste was appointed, which includes the chipping of green waste to increase diversion.

## 3.5 HUMAN SETTLEMENTS

### 3.5.1 INTRODUCTION TO HUMAN SETTLEMENTS

Theewaterskloof, as most municipalities across South Africa, is experiencing a rapid rate of urban growth. Much of this growth takes place in the larger, metropolitan areas in the forms of backyard housing in existing townships, informal occupation of existing buildings, and informal settlements on open parcels of land located on the urban periphery. Such rapid urbanisation often results in high crime rates and very poor, unhealthy and insecure living conditions for a significant number of households within informal settlements. It also means that the demand for adequate housing increases.

The Human Settlements Department is responsible for facilitating the development of Sustainable Integrated Human Settlements in the Theewaterskloof Municipal Area.

The delivery of housing opportunities is bound to many variables. One key variable is access to funding sources. This, coupled with the growing demand for housing opportunities means that we must do more with less and prioritise our projects in such a way that we are, at a minimum able to provide for the incremental upgrading of informal settlement through the provision of basic services. This focus is also in line with the Strategic trajectory set by the National and Provincial department of Human Settlements which emphasises the following:

- ❖ Directing more resources to the Upgrading of Informal Settlements Programme (UISP), in order to improve the living conditions of many people in informal settlements and in backyards who continue to wait for houses;
- ❖ Increasing Affordable/GAP Housing to provide shelter for people who earn too much to qualify for free subsidised houses and too little to qualify for home loans; and
- ❖ Prioritising the most deserving people in relation to the allocation of free BNG (RDP) houses.

To support these key areas, the Municipality developed and implemented a range of projects and interventions, some of which will extend beyond 2020 and have lasting impacts on our communities.

## HOUSING OPPORTUNITIES VS DEMAND

In line with the Provincial Living Cape Framework, the municipality has refocused efforts towards housing delivery one that views human settlements as holistic and requires acknowledging the need for integration within human settlements (for example integration between housing and services). It also requires acknowledging important connections between human settlements and broader social, spatial, natural, and economic systems.

With this in mind it is important to note that housing delivery is not simply about tangible outputs, but also takes into account improving the quantity and quality of human settlements, as holistic spaces, in urban areas.

As highlighted in the table 1 below, over the past five financial years' the municipality has delivered a total of 2 113 housing opportunities. The rapid increase in the demand and the continuous growth of informal settlements indicates the amount of houses delivered annually cannot address the growth in the housing demand.

**Table 1**

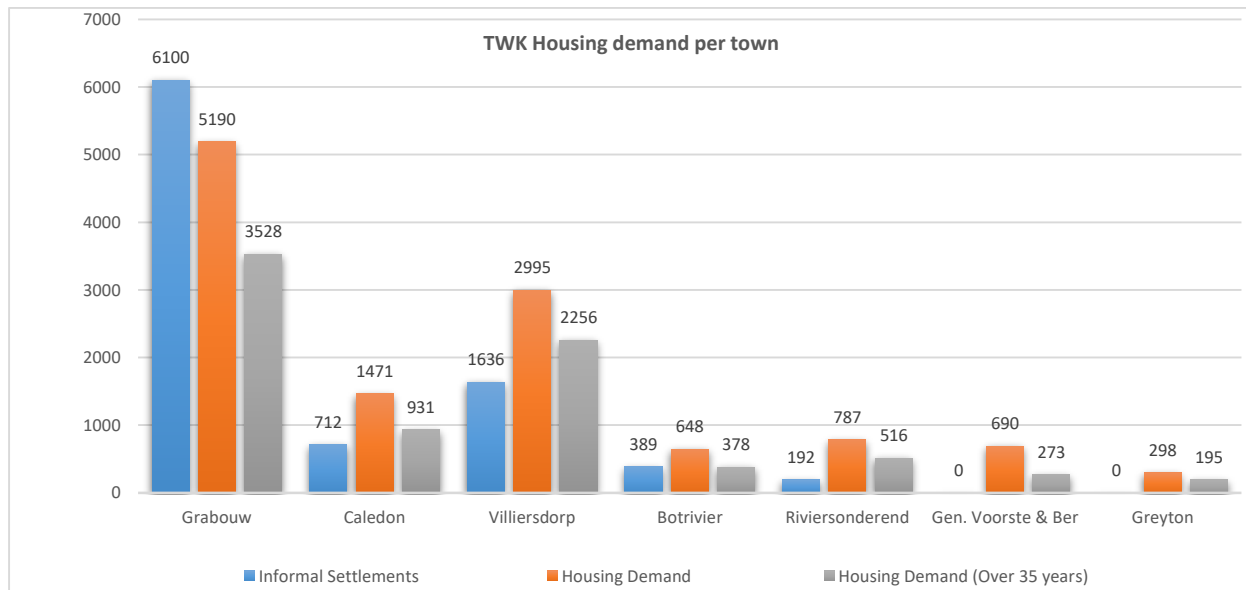
| <b>Year end</b> | <b>Registered Demand<br/>(waiting list)</b> | <b>Number of Houses<br/>built</b> | <b>Number of serviced sites</b> |
|-----------------|---------------------------------------------|-----------------------------------|---------------------------------|
| 2014/15         | <b>12 912</b>                               | <b>400</b>                        | <b>251</b>                      |
| 2015/16         | <b>10 727</b>                               | <b>473</b>                        | <b>134</b>                      |
| 2016/17         | <b>10 006</b>                               | <b>231</b>                        | <b>32</b>                       |
| 2017/18         | <b>11 608</b>                               | <b>157</b>                        | <b>103</b>                      |
| 2018/19         | <b>11 880</b>                               | <b>139</b>                        | <b>193</b>                      |

In view of these statistics, it is noted that the provision of housing and infrastructure has tended to take the form of large-scale housing projects, consisting of free-standing housing units. This has colloquially been called 'RDP' or 'BNG' housing, but in fact draws on a range of subsidy and infrastructure programmes. These projects are often on the edge of urban areas, adjacent to historical townships and far from urban centres. They are a driving force in the spatial expansion of towns and cities. They represent a huge effort to improve the conditions in which people in the Western Cape live and to prepare for future generations of residents.

However, it is widely recognised that the state's investments have not created integrated sustainable human settlements as envisaged by guiding policy documents such as Breaking

New Ground, the National Development Plan and OneCape2040. Looking toward the future, human settlements planning and policy development must take account of the fact that the Theewaterskloof population is growing, and that a large proportion of the growth will be at the lower end of the market. This growth adds to the existing challenges presented by high levels of unemployment and demands for services.

The housing demand represents a huge challenge to the municipality. The current pace of housing delivery is unable to keep up with the growing demand. The budget for housing delivery is declining relative to the growing need for subsidised opportunities. The Chart below represents the registered housing demand per town.



There are both demand and supply drivers which contribute to the delivery challenge. On the side of demand, the effective demand for housing (the amount households are willing and able to pay) is negatively impacted by low incomes, high levels of unemployment, and limited access to housing finance. Low-income households simply cannot afford adequate housing provided by the formal private sector. On the supply side, both the state and the private sector experience red tape, high building costs and land constraints, all of which impact on both the scale and speed of housing development. In addition, the state has limited resources such as management capacity and skills to implement complex projects, and limited funding for subsidies and the associated infrastructure.

The housing demand, in essence can never be met in totality, but it challenges us to implement more and better housing opportunities that can be achieved both through incremental development of existing areas and strategic infill, brown-field and greenfield projects.

### 3.5.2 HUMAN SETTLEMENTS PROJECTS HIGHLIGHTS

#### Human Settlements Performance 2018/19

Primarily the delivery targets are set by the Department of Human Settlements aligned with the Human Settlements Development Grant provided to the municipality. Through a consultative process, and based on variables such as readiness, bulk infrastructure, funding availability, capacity, etc., a Business Plan is developed and implemented by the municipality.

For the 2018/19 financial year, this Business Plan was approved with a R43 million budget and consisted a number of projects in almost all the Theewaterskloof towns.

| Theewaterskloof                      | Planned Outputs<br>2018/19 |            | Actual Delivery |            |
|--------------------------------------|----------------------------|------------|-----------------|------------|
|                                      | Sites                      | Houses     | Sites           | Houses     |
| Grabouw Rooidakke (1169)             |                            | 100        |                 | 82         |
| Grabouw Rooidakke Ext Iraq (456)     | 193                        |            | 193             |            |
| Riviersonderend (135) UISP           | 37                         | 50         | 37              |            |
| Grabouw Hillside (348)               |                            | 27         |                 | 25         |
| Caledon Side Saviwa (220+29)         |                            | 32         |                 | 32         |
| <b>SUB TOTAL</b>                     | <b>230</b>                 | <b>209</b> | <b>230</b>      | <b>139</b> |
| <b>Adjusted Allocation : R 43,6m</b> |                            |            |                 |            |

### Capital Projects

Capital projects refer to the planning and installation of civil engineering services for a housing development. Various capital projects were implemented during the 2018/19 financial year with the upgrading of the Joe Slovo informal settlement in Riviersonderend being allocated the highest funding. Once completed, this project will yield 135 sites and 135 low cost housing opportunities.

Additionally, 25 houses was completed and handed over on the Hillside project in Grabouw and 82 on the Rooidakke 1169 projects respectively.



**Rooidakke 1169 , Grabouw**





## Hillside, Grabouw



## Joe Slovo Riviersonderend



### Grabouw Iraq 456

This project forms part of the municipality's informal settlements upgrading plan. This project will be an enhanced service site project meaning that each site will have an ablution facility, water point and electricity connection. Top structures will only provide to the most deserving and

vulnerable beneficiaries prioritised in line with the council approved beneficiary selection and allocation policy. In the 2018/19 financial year the project yielded 193 enhanced serviced sites.

### Iraq, Grabouw

#### Planned Future Human Settlements Delivery



| 3 YEAR DELIVERY PLAN                          |           | 2019/2020      |              |               | 2020/2021      |              |               | 2021/2022      |              |               |
|-----------------------------------------------|-----------|----------------|--------------|---------------|----------------|--------------|---------------|----------------|--------------|---------------|
| Post-GAAC 1 February 2019                     | PROGRAMME | 2019/2020      |              |               | 2020/2021      |              |               | 2021/2022      |              |               |
| 2019/20 - 2021/22 HSDG                        |           |                |              |               |                |              |               |                |              |               |
| Average Site Cost (R'000)                     | 60        | SITES SERVICED | HOUSES BUILT | FUNDING R'000 | SITES SERVICED | HOUSES BUILT | FUNDING R'000 | SITES SERVICED | HOUSES BUILT | FUNDING R'000 |
| Average Unit cost (R'000)                     | 130       |                |              |               |                |              |               |                |              |               |
|                                               |           |                |              |               |                |              |               |                |              |               |
| Theewaterskloof                               |           | 475            | 196          | 63 349        | 250            | 150          | 34 500        | 703            | 50           | 48 680        |
| Grabouw Rooidakke (1169) Tops                 | PHP       |                | 85           | 11 000        |                | 50           | 6 500         |                |              |               |
| Grabouw Rooidakke Ext (Balance of 4300)       | UISP      |                |              | 1 000         |                |              |               | 200            |              | 12 000        |
| Grabouw Rooidakke Ext Irak (456)              | UISP      | 263            |              | 15 780        |                |              |               |                |              |               |
| Grabouw Hillside (348) (121 + 227)            | UISP      | 50             | 26           | 6 380         | 50             | 50           | 9 500         | 50             | 50           | 9 500         |
| Grabouw Waterworks (710) UISP                 | UISP      |                |              |               | 100            |              | 6 000         | 100            |              | 6 000         |
| Grabouw Waterworks Beverly Hills (164 of 710) | UISP      | 125            |              | 7 500         |                | 50           | 6 500         |                |              |               |
| Grabouw Siyanyanzela (970)                    | UISP      |                |              | 2 000         |                |              |               |                |              |               |
| Riviersonderend (135)+37 UISP                 | UISP      | 37             | 85           | 13 270        |                |              |               |                |              |               |
| Villiersdorp Destiny Farm (2305) IRDP         | UISP      |                |              | 2 000         | 0              |              | 0             |                |              |               |
| Villiersdorp Westside (153)                   | UISP      |                |              |               |                |              |               | 153            |              | 9 180         |
| Caledon (790) (Riemvasmaak)                   | UISP      |                |              | 1 000         | 100            |              | 6 000         | 200            |              | 12 000        |
| Caledon Side Saviwa                           | IRDP      |                |              | 1 000         |                |              |               |                |              |               |
| Greyton Erf 595 (165)                         | IRDP      |                |              | 419           |                |              |               |                |              |               |
| Greyton Madiba Park (40)                      | EHP       |                |              |               |                |              |               |                |              |               |
| Genadendal Voorstekraal (35)                  | EHP       |                |              |               |                |              |               |                |              |               |
| Gypsy Queen                                   | INDI      |                |              |               |                |              |               |                |              |               |
| Two-a-day                                     | IRDP      |                |              |               |                |              |               |                |              |               |
| Botriver Community Hall                       | SEF       |                |              | 2 000         |                |              |               |                |              |               |

#### Project Planning

Funding for the pre-planning and feasibility studies on various projects was allowed for on the 2018/19 budget which is earmarked to significantly reduce the housing demand backlog in the entire Theewaterskloof area.



### Caledon Extension (Riemvasmaak)

This project is earmarked to significantly reduce the housing demand backlog for the town of Caledon. It is estimated that this project will yield +/- 1 000 housing opportunities.

### Botrivier, New France Extension

A housing development is planned on the parcel of land, namely Portion of Portion 51 of farm 436, within the Botrivier urban edge. The municipality is committed to undertake and coordinate the town planning processes.

### Greyton Erf 595

This project is earmarked to significantly reduce the housing demand backlog for the entire Greyton area. It is estimated that this project will yield 165 serviced sites.

### Grabouw Rooidakke Extension

This project is earmarked to significantly reduce the housing demand backlog for the entire Grabouw area. It is estimated that this project will yield 7000 serviced sites.

### Destiny, Villiersdorp

The Theewaterskloof Municipality, through its implementing agent, is in planning for the subsidised housing development on Destiny Farm, Villiersdorp, in terms of the Integrated Residential Development Programme (IRDP).

## 3.5.3 EMPLOYEES: HOUSING SERVICES

| Employees: Human Settlements (Including Informal Settlements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                |           |                      |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                    | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                    | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 3         | 3              | 3         | 0                    | 0%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 8         | 9              | 8         | 1                    | 11%                               |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 1              | 1         | 0                    | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1         | 0              | 0         | 0                    | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                    | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 12        | 13             | 12        | 1                    | 8%                                |
| <i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> |           |                |           |                      |                                   |

### 3.5.4 FINANCIAL PERFORMANCE: HOUSING SERVICES

| Financial Performance: Housing Services                                                                                                                                                                            |          |                 |                   |          |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-------------------|----------|--------------------|
| R'000                                                                                                                                                                                                              |          |                 |                   |          |                    |
| Details                                                                                                                                                                                                            | 2017/18  | 2018/19         |                   |          |                    |
|                                                                                                                                                                                                                    | Actual   | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                                          | (16,858) | (61,255)        | (56,017)          | (22,705) | -59%               |
| Expenditure:                                                                                                                                                                                                       |          |                 |                   |          |                    |
| Employees                                                                                                                                                                                                          | 4,750    | 5,781           | 5,781             | 5,354    | -7%                |
| Repairs and Maintenance                                                                                                                                                                                            | 617      | 8               | 1616              | 225      | -86%               |
| Other                                                                                                                                                                                                              | 1,091    | 37,799          | 39,072            | 12,221   | -69%               |
| Total Operational Expenditure                                                                                                                                                                                      | 6,458    | 43,588          | 46,469            | 17,800   | -62%               |
| Net Operational Expenditure                                                                                                                                                                                        | (10,401) | (17,667)        | (9,548)           | (4,905)  | -49%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |          |                 |                   |          | T3.5.5             |

### 3.5.5 CAPITAL EXPENDITURE: HOUSING SERVICES

| Capital Expenditure : Housing Services                                                                                                                |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2018/19 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                             | 24,100  | 18,085            | 11,112             | -39%                          |                     |
| Low Cost Housing                                                                                                                                      | 24,100  | 17,158            | 11,021             | -36%                          |                     |
| Grabouw Hillside Civils                                                                                                                               | –       | ,740              | ,92                | -88%                          |                     |
| Pine View 266 Civils                                                                                                                                  | –       | ,187              | –                  | -100%                         |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |         |                   |                    |                               | T3.5.6              |

### 3.5.6 COMMENT ON HOUSING SERVICE PERFORMANCE OVERALL

Total Operating Expenditure

Repairs and Maintenance

The vehicles utilised by the human settlements department was newly purchased hence the low spending on repairs and maintenance. The vehicle utilised by the Grabouw of is relatively timeworn and major repairs or replacement of the vehicle is required.

## Other Operating Expenditure

Contracted Services – Legal Cost: The biggest portion of this expenditure resorts under the Title Deeds Restoration Programme budget (R 5 467 640.00) which is a programme aimed at appointing attorneys for the transferring of historic low cost houses into the names of the beneficiaries. The fact that a large amount of land parcels on which these houses were built belongs to other organs of state such as the National Department of Public Works hampers the municipality's ability to transfer these properties as the municipality is not the land owner.

The land must first be transferred to the municipality before it can be transferred to the beneficiaries. In cases where the municipality is the land owner, town planning approvals lapsed and general plans were not registered this also has an impact on the spending. The municipality is in the process of appointing a town planner and a land surveyor to address these issues in order to ensure that the transfer pertaining to municipal land can be affected.

## **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

### **3.6.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT**

The following table indicates the percentage of indigent households per town that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality the following qualifying criteria apply: a household where the combined or joint gross income of all occupants/residents/dependents, over the age of 18 years or who have potential earning capacity, is less than twice the monthly pension grant and can no longer afford to pay for the services provided by the council (subject to verification by Ward Councillor in consultation with the Ward Committee).

The "Spouse support/Care Grant" or "Child support Grant" should not be added to the Indigent Qualifying income threshold.

The municipality provides the following Free Basic Services to indigent households:

- Water: 6kl (all households)
- Electricity: 70kwh
- Weekly refuse Removal
- Free Sanitation

Council approved the broadening of the indigent scope by including two more categories:

#### **1. Deemed indigents**

- **The National Framework for Municipal Indigent Policies** makes different provisions in terms of targeting the indigent.
- Municipalities are moving towards the application of **multiple targeting** and or **combination targeting approaches**. They therefore cater for a **broader scope of indigent applications** and implement **various levels of indigent relief** based on their **own unique circumstances**.
  - **Geographical (zonal) targeting** where a particular area within the municipality is identified as poor and the tariffs for services provided in this area are adjusted accordingly.
  - **Targeting through lack of credit control:** in this case consumers of the service are billed but there is inadequate follow up to ensure payment. This non-

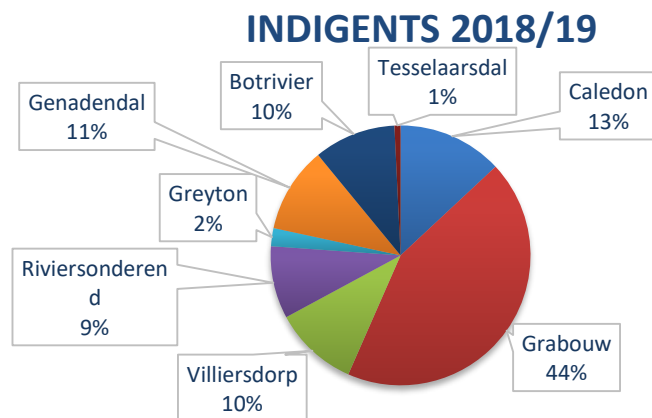
sustainable approach is unfortunately widely applied, particularly in low cost housing areas where poverty prevail and lack of credit control tools exist.

## 2. Indigent Relief for Old Age Homes

The qualification criteria for old age homes in order to receive indigent assistance on water, refuse and sewerage services are as follows:

- A 50% indigent assistance when more than 50% of the residence within an old age home receives less than twice the monthly grant for elderly persons; and
- A 40% indigent assistance when between 40% and 50% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 30% indigent assistance when between 30% and 40% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 20% indigent assistance when between 20% and 30% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 10% indigent assistance when between 10% and 20% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 5% indigent assistance when between 0% and 10% of the residence within the old age home receives less than twice the monthly grant for elderly persons;

| Town            | Total       |
|-----------------|-------------|
| Caledon         | 875         |
| Grabouw         | 2920        |
| Villiersdorp    | 706         |
| Riviersonderend | 604         |
| Greyton         | 151         |
| Genadendal      | 716         |
| Botrivier       | 683         |
| Tesselaarsdal   | 51          |
| <b>Totals</b>   | <b>6706</b> |



The table below indicates the number of households that have access to free basic services.

| Free Basic Services To Low Income Households |                      |                                                                       |                  |     |                       |     |                        |     |                   |     |
|----------------------------------------------|----------------------|-----------------------------------------------------------------------|------------------|-----|-----------------------|-----|------------------------|-----|-------------------|-----|
|                                              | Number of households |                                                                       |                  |     |                       |     |                        |     |                   |     |
|                                              | Total                | Households earning less than R 3 600 per month (Registered Indigents) |                  |     |                       |     |                        |     |                   |     |
|                                              |                      |                                                                       | Free Basic Water |     | Free Basic Sanitation |     | Free Basic Electricity |     | Free Basic Refuse |     |
|                                              |                      | Total                                                                 | Access           | %   | Access                | %   | Access                 | %   | Access            | %   |
| 2016/17                                      | 33,097               | 4399                                                                  | 2311             | 53% | 4316                  | 98% | 1979                   | 45% | 4366              | 99% |
| 2017/18                                      | 33,097               | 5372                                                                  | 2391             | 45% | 4097                  | 76% | 2076                   | 39% | 4163              | 77% |
| 2018/19                                      | 33,899               | 5519                                                                  | 5473             | 99% | 5370                  | 97% | 4741                   | 41% | 5431              | 98% |
| T 3.6.3                                      |                      |                                                                       |                  |     |                       |     |                        |     |                   |     |

**T 3.6.3**

Please note that TWK Municipality does not provide Electricity in all 8 towns - Eskom provide in Grabouw, Genadendal, Botriver and Tesselaarsdal.

### 3.6.2 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERED

| Financial Performance: Cost to Municipality of Free Basic Services Delivered |         |         |                   |        |                    |
|------------------------------------------------------------------------------|---------|---------|-------------------|--------|--------------------|
|                                                                              |         |         |                   |        | R '000             |
| Services Delivered                                                           | 2017/18 | 2018/19 |                   |        |                    |
|                                                                              | Actual  | Budget  | Adjustment Budget | Actual | Variance to Budget |
| Water                                                                        | 3,193   | 7,262   | 7,262             | 4,997  | -31%               |
| Waste Water (Sanitation)                                                     | 6,371   | 7,773   | 7,773             | 9,538  | 23%                |
| Electricity                                                                  | 2,744   | 2,266   | 2,266             | 2,995  | 32%                |
| Waste Management (Solid Waste)                                               | 7,151   | 8,738   | 8,738             | 10,863 | 24%                |
| Total                                                                        | 19,459  | 26,039  | 26,039            | 28,393 | 9%                 |
|                                                                              |         |         |                   |        | T3.6.4             |

### 3.6.3 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The free basic services were funded from the “equitable share” grant received from National Treasury plus an amount from the municipality’s own income as budgeted for in the financial year under review.

#### 2017/2018 Indigent Cost

| Indigent                    |        |                            |                         |
|-----------------------------|--------|----------------------------|-------------------------|
| Services                    | Tariff | Equitable Share Allocation | Total Cost per Indigent |
| Sewerage                    | 147.6  | 90.43                      | 57.17                   |
| Water                       | 143.6  | 116.66                     | 26.94                   |
| Electricity (70 free units) | 127.09 | 76.14                      | 50.95                   |
| Refuse                      | 163.2  | 75.81                      | 87.39                   |
| Total Cost per Indigent     | 581.49 | 359.04                     | 222.45                  |

#### 2018/2019 Indigent Cost

| Indigent                    |        |                            |                         |
|-----------------------------|--------|----------------------------|-------------------------|
| Services                    | Tariff | Equitable Share Allocation | Total Cost per Indigent |
| Sewerage                    | 173.20 | 95.77                      | 77.43                   |
| Water                       | 161.80 | 125.45                     | 36.35                   |
| Electricity (70 free units) | 134.53 | 81.62                      | 52.91                   |
| Refuse                      | 194.70 | 80.28                      | 114.42                  |
| Total Cost per Indigent     | 664.23 | 383.12                     | 281.11                  |

The table above clearly indicates that the cost to deliver free basic service exceeds the funding received from National Treasury. The municipality is subsidizing indigent household with R281, 11 per household. This demonstrates and confirms our view that the equitable share formula must

be reviewed. The municipal expenditure on free basic service increased from 19,459m to 28,393m in 2018/19.

## **COMPONENT B: ROAD TRANSPORT**

This component includes: roads; transport; and waste water (storm water drainage).

### **3.7 ROADS**

#### **3.7.1 INTRODUCTION TO ROADS**

The municipality have the mandate from Government to perform all relevant services

The town areas are still the responsibility of the Overberg District Municipality. The municipality have updated its Pavement Management System (PMS) and the system is used as a network level tool.

Due to ageing of current infrastructure the focus has shifted from only upgrading of roads from gravel to paved, and now also includes rehabilitation, resealing and maintenance projects funded out of capital funding.

Roads are being upgraded on a contract basis. A five year maintenance programme with priorities and budgets is available in the PMS as well as Integrated Transport Plan. There is little provision for pedestrian and bicycle travel in the municipal area apart from conventional sidewalks in the central business districts.

There are no facilities on rural roads for non-motorized transport.

**Villiersdorp Road  
Infrastructure**



### 3.7.2 GRAVEL ROAD INFRASTRUCTURE

| Gravel Road Infrastructure |                    |                              |                              |                                |
|----------------------------|--------------------|------------------------------|------------------------------|--------------------------------|
|                            |                    |                              |                              | Kilometers                     |
|                            | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| Year 2016/17               | 98.80              | 0.00                         | 1.50                         | 100.3                          |
| Year 2017/18               | 101.00             | 2.20                         | 0.30                         | 100.0                          |
| Year 2018/19               | 98.30              | 0                            | 0.00                         | 98.30                          |
|                            |                    |                              |                              | T3.7.2                         |

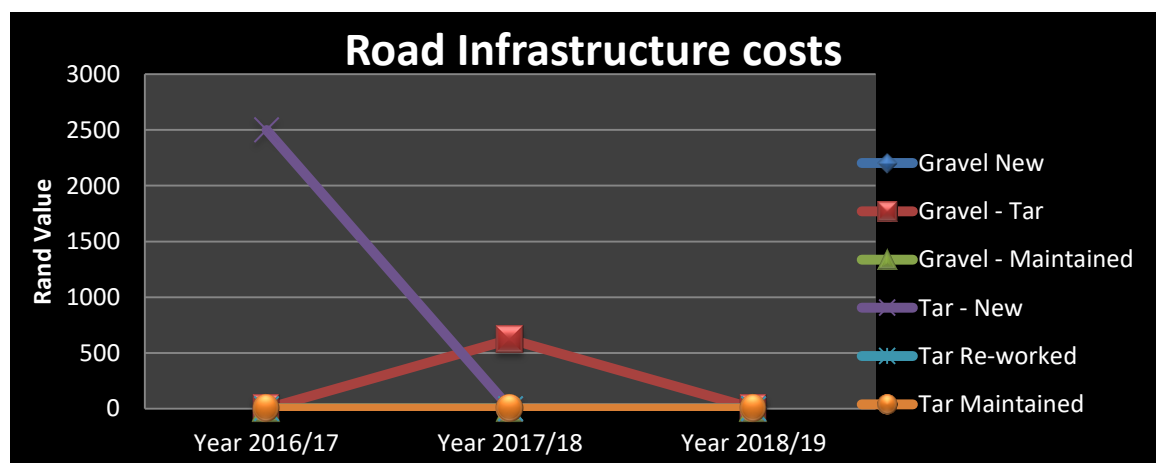
### 3.7.3 TARRED ROAD INFRASTRUCTURE

| Asphalt Road Infrastructure |                    |               |                              |                               |                      |
|-----------------------------|--------------------|---------------|------------------------------|-------------------------------|----------------------|
|                             |                    |               |                              |                               | Kilometers           |
|                             | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| Year 2016/17                | 163                | 1.5           | 0                            | 0                             | operations           |
| Year 2017/18                | 163                | 0.3           | 0                            | 0                             | operations           |
| Year 2018/19                | 163.3              | 0             | 0.2                          | 0                             | 35                   |
|                             |                    |               |                              |                               | T3.7.3               |

### 3.7.4 COST OF CONSTRUCTION/MAINTENANCE

| Cost of Construction/Maintenance |        |              |            |      |           |            |
|----------------------------------|--------|--------------|------------|------|-----------|------------|
|                                  | R' 000 |              |            |      |           |            |
|                                  | Gravel |              |            | Tar  |           |            |
|                                  | New    | Gravel - Tar | Maintained | New  | Re-worked | Maintained |
| Year 2016/17                     | 0      | 0            | operations | 2500 | 0         | operations |
| Year 2017/18                     | 0      | 620          | operations | 0    | 0         | operations |
| Year 2018/19                     | 0      | 0            | operations | 0    | 0         | operations |
|                                  |        |              |            |      |           | T3.7.4     |

### 3.7.5 ROAD INFRASTRUCTURE COSTS





### 3.7.6 EMPLOYEES: ROAD SERVICES

| Employees: Road Services (Streets and Storm water) - including building maintenance |           |                |           |                      |                                   |
|-------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                                                           | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                                                     | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                                                     | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                                                               | 48        | 48             | 48        | 0                    | 0%                                |
| 4 - 6                                                                               | 14        | 14             | 14        | 0                    | 0%                                |
| 7 - 9                                                                               | 12        | 12             | 10        | 2                    | 17%                               |
| 10 - 12                                                                             | 10        | 10             | 9         | 1                    | 10%                               |
| 13 - 15                                                                             | 5         | 5              | 5         | 0                    | 0%                                |
| 16 - 18                                                                             | 2         | 2              | 2         | 0                    | 0%                                |
| 19 - 20                                                                             |           | 0              | 0         | 0                    | -                                 |
| <b>Total</b>                                                                        | <b>91</b> | <b>91</b>      | <b>88</b> | <b>3</b>             | <b>3%</b>                         |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.*  
*\*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
**T3.7.7**

### 3.7.7 FINANCIAL PERFORMANCE: ROAD SERVICES

| Financial Performance : Road Services                                                                                                                                                                       |               |                 |                   |               |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------|---------------|--------------------|
| R'000                                                                                                                                                                                                       |               |                 |                   |               |                    |
| Details                                                                                                                                                                                                     | 2017/18       | 2018/19         |                   |               |                    |
|                                                                                                                                                                                                             | Actual        | Original Budget | Adjustment Budget | Actual        | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                            | (6,765)       | (6,263)         | (6,806)           | (7,041)       | 3%                 |
| <b>Expenditure:</b>                                                                                                                                                                                         |               |                 |                   |               |                    |
| Employees                                                                                                                                                                                                   | 17,781        | 18,376          | 18,376            | 18,338        | 0%                 |
| Repairs and Maintenance                                                                                                                                                                                     | 4,723         | 6,573           | 7,140             | 5,909         | -17%               |
| Other                                                                                                                                                                                                       | 9,463         | 5,425           | 5,201             | 7,604         | 46%                |
| <b>Total Operational Expenditure</b>                                                                                                                                                                        | <b>31,967</b> | <b>30,374</b>   | <b>30,717</b>     | <b>31,851</b> | <b>4%</b>          |
| <b>Net Operational Expenditure</b>                                                                                                                                                                          | <b>25,202</b> | <b>24,111</b>   | <b>23,911</b>     | <b>24,810</b> | <b>4%</b>          |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. |               |                 |                   |               | <b>T3.7.8</b>      |

### 3.7.8 CAPITAL EXPENDITURE: ROAD SERVICES

| Capital Expenditure: Road Services                                                                                                                     |               |                   |                    |                               |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------|-------------------------------|---------------------|
|                                                                                                                                                        |               |                   |                    |                               | R' 000              |
| Capital Projects                                                                                                                                       | 2018/19       |                   |                    |                               |                     |
|                                                                                                                                                        | Budget        | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                       | <b>10,734</b> | <b>12,046</b>     | <b>12,046</b>      | <b>0%</b>                     |                     |
| Transfer Station, Caledon                                                                                                                              | 4,193         | 4,163             | 4,163              | 0%                            |                     |
| Transfer Station, Caledon                                                                                                                              | 2,632         | 2,434             | 2,434              | 0%                            |                     |
| Transfer Station, Caledon                                                                                                                              | -             | -                 | -                  | -                             |                     |
| Waste Drop off, RSE                                                                                                                                    | 3,690         | 5,032             | 5,032              |                               |                     |
| Waste Drop off, RSE                                                                                                                                    | 220           | 418               | 418                | 0%                            |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i> |               |                   |                    |                               | T3.7.9              |

### 3.7.9 COMMENT ON ROAD MANAGEMENT SERVICE PERFORMANCE OVERALL

#### Road Inventory

In summary, the Municipality contains 282 km of roads and an additional 22 km of roads which are 80/20 subsidised by the Province.

Around 105 km of the roads are unpaved roads while most of the paved roads have bituminous, flexible pavement surfacing's. Eight km of the roads have block pavements.

Around 85% of the roads are Class 5 Access roads with the balance being Class 4 Collectors. There is a short section of Class 3 road represented by Main Road through Bot River. The western portion of this road is a gravel road.

#### Road Conditions

Road conditions vary across the towns in the LMs while 80% of the bituminous road surfacing's need urgent attention to prevent moisture ingress and extend the life of the underlying pavements.

Backlogs in terms of resurfacing and road rehabilitation are significant.

#### Issues and Risks

The major issues and risks identified at this stage are:

- The road maintenance budget should be of the order of R20 million per year and is currently variable and only a fraction of that amount.
- The total bituminous road rejuvenation and resurfacing need is of the order of R38 million per year. If an amount of some R13 million of the above R20 million budget is allocated to rejuvenation and resurfacing this backlog should be cleared in 3 years.
- Many of the road surfacing's have deteriorated to the point where road conditions are becoming a danger to road users and the costs associated with reconstruction, instead of surface maintenance, will have to be borne. Currently the road rehabilitation and

- reconstruction requirement is of the order of R68 million which is substantial and will need to be attended to in a programmed manner while trying to extend the lives of some of these pavements through patching and resurfacing.
- The risk of giving too much attention to the roads in very poor condition to the detriment of maintaining surfacing's on roads in a fair condition and resulting in a poor allocation of resources is high.
- Many of the 105 km of unpaved roads will need paving over time and a programme needs to be initiated to address this in a prioritised manner over a 10-year period.

### **Road Asset Management System**

The District wide RRAMS system has been implemented to assist in managing the road network. This system will be improved using the information and systems supplied as part of this DM initiative. The Municipality has its own Pavement Management System but this is not updated annually.

### **Policy**

The Municipality is in the process of developing a Road Asset Management Policy.

### **Objectives**

The objectives of this Plan are

- to try and extend the lives of the paved roads in order to minimise the rehabilitation need
- to rehabilitate roads where required
- to ensure road standards are commensurate with the functional class of the road.

### **Road Maintenance Operations**

Current road maintenance operations are identifying problems and repairing them as appropriate with severely limited and variable budgets.

### **Road Upgrading**

Upgrading of gravel roads to paved is required and this can proceed over time in a prioritised manner once the deterioration of paved roads has been arrested. Where available, MIG funding is used upgrade roads.

### **Resourcing**

The LM has fair institutional resources and budgets for road maintenance but a more consistent needs driven budget is required.

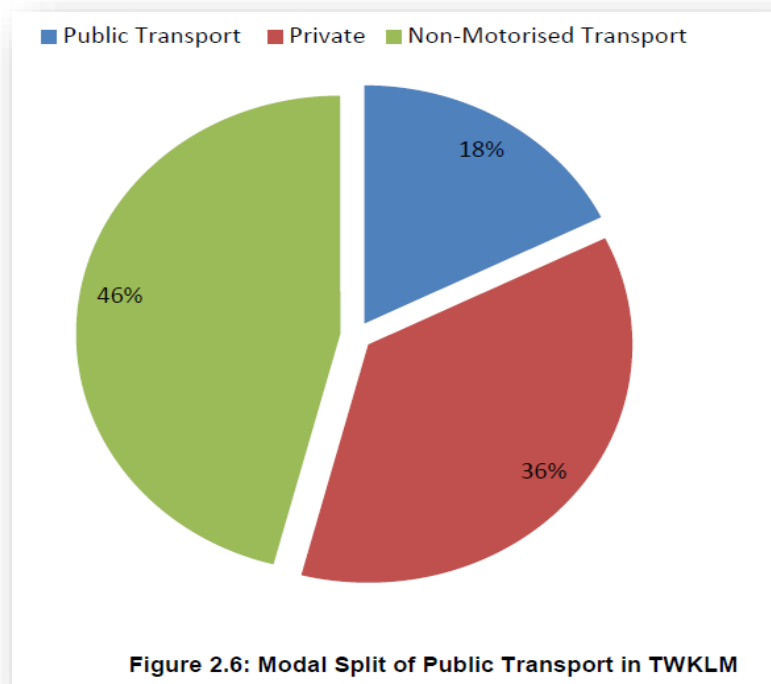
### **Continuous Improvement**

The outputs of the RAMS as well as the current maintenance practices can be continuously evaluated by the LM to ensure value for money and cost-effectiveness.

## **3.8 TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)**

The local public transport services in TWKLM enable people to access destinations, which cannot be reached on foot or by other modes of non-motorised transport (NMT). These destinations include essential services or activities such as places of employment, shops, government services, hospitals, clinics and schools.

TWKLM comprise of a few small towns and low-density settlements. Most of these settlements are linked to the towns of Grabouw and Caledon, which serves as the main service centres and public transport hubs in TWKLM.



Public transport accounts for approximately 18% of total work trips in TWKLM as shown in Figure 2.6. It appears that 46% of passengers in TWKLM walk and 36% use private vehicles to reach their destinations. This can be as a result of the extreme difference in income levels within the LM.

Currently Minibus Taxis (MBT) is the dominant public transport mode for both commuter and long-distance services. Population densities are relatively low in TWKLM and this reduces the cost effectiveness of bus services. Most bus services that operate in TWKLM are for learners forming part of the Department of Education's contracted services for learners. There are limited scheduled long distance bus services and no commuter rail services exist in TWKLM.

### Routes and ranks

MBT rank surveys were undertaken as part of the 2015 TWKLM CPTR, in the towns of Grabouw, Villiersdorp and Caledon. Currently TWKLM has one formalised MBT ranks situated in Grabouw. No formal taxi ranks exist in Villiersdorp or Caledon. Generally MBT's utilised on-street parking bays or parking lots at retail stores. Surveys of both formal as well as certain busier informal ranks were undertaken. The identification of these rank locations were identified based on discussions with MBT association representatives.

There are currently four informal MBT ranks that operate within TWKLM, two of which are located in the town of Caledon and two located in Villiersdorp. MBT services are limited in TWKLM with only 17 routes operating from the town of Caledon, Grabouw and Villiersdorp to surrounding areas such as Rooidakke, Slangpark Uitsig, Bergsig and Middleton. Surveys showed that limited local Grabouw routes i.e. from town to surrounding low income residential areas such as Pine View, Melrose, Council and Rooidakke and to surrounding towns i.e. Vyerboom and Villiersdorp are operational during the weekdays. Similarly the surveys also show limited weekday service for local routes from Villiersdorp and Caledon. While other services in and to surrounding towns were more operational on weekends. The highest demand for MBT's occurs on Saturdays, especially at the end of the month. The longer distance MBT service is to Bellville, Somerset West and Khayelitsha.

Typically a route is linked to a particular informal rank or departure point. For example, the Plein Street rank in Caledon only has service to Greyton and Genadendal.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### 3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

Storm water maintenance is done by operations department. Maintenance on storm water is done in warmer months to prevent damage during the rainy season. Storm water networks were upgraded as part of the Roads Upgrading Programme.

Storm water network comprises of a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign objects entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

The storm water master plan has been updated during the 2014/15 financial year by consulting engineers.

#### **Challenges:**

With respect to storm water management, the following challenges are experienced by the municipality:

- ❖ Very wide Jurisdiction
- ❖ Wide spread storm water area
- ❖ Inadequate on non-existent storm water systems in towns
- ❖ Continuous flooding has created a huge backlog
- ❖ EIA process takes a lot longer than anticipated



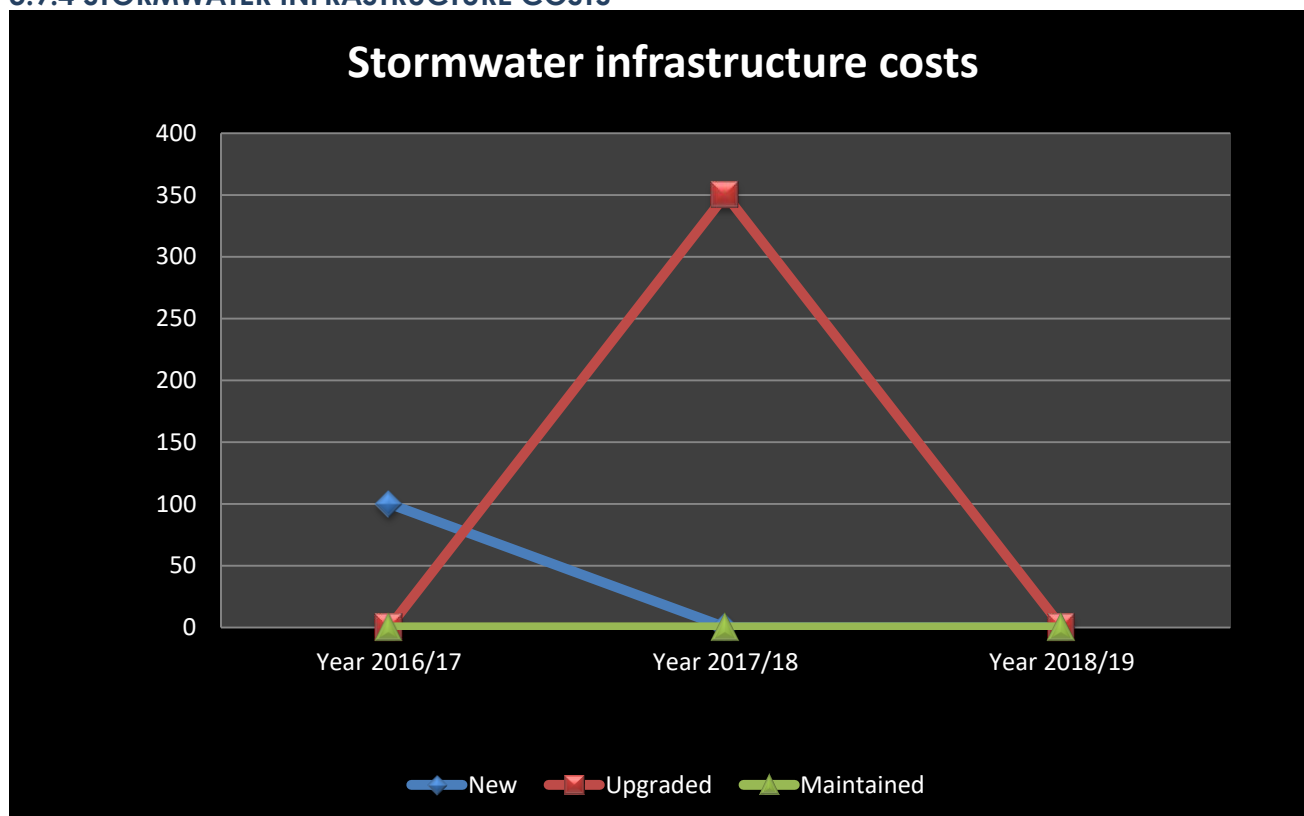
### 3.9.2 STORMWATER INFRASTRUCTURE

| Stormwater Infrastructure |                           |                         |                              |                                |
|---------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
|                           |                           |                         |                              | Kilometers                     |
|                           | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| Year 2016/17              | 161                       | 2.0                     | 1.0                          | operations                     |
| Year 2017/18              | 161                       | 0.0                     | 300.0                        | operations                     |
| Year 2018/19              | 161                       | 0                       | 0                            | operations                     |
|                           |                           |                         |                              | T3.9.2                         |

### 3.9.3 COST OF CONSTRUCTION/MAINTENANCE

| Cost of Construction/Maintenance |     |          |            |
|----------------------------------|-----|----------|------------|
|                                  |     |          | R' 000     |
| Stormwater Measures              |     |          |            |
|                                  | New | Upgraded | Maintained |
| Year 2016/17                     | 100 | 0        | operations |
| Year 2017/18                     | 0   | 350      | operations |
| Year 2018/19                     | 0   | 0        | operations |
|                                  |     |          | T3.9.3     |

### 3.9.4 STORMWATER INFRASTRUCTURE COSTS



### **3.9.5 EMPLOYEES: STORMWATER SERVICES**

Stormwater services employees are included with Road services employees.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.10 INTRODUCTION TO PLANNING AND DEVELOPMENT**

This component includes: planning and local economic development.

#### **3.10 .1 INTRODUCTION TO PLANNING**

Spatial Planning, Land Use Management, Building Control and Geographic Information System (GIS) services are rendered by the Town Planning and Building Control Section. These functions are done in accordance with the applicable National, Provincial and Municipal legislation as well as National and Provincial directives and Council policy. The function aims to facilitate sustainable urban and rural development.

In terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), a municipality must adopt and approve a single land use scheme for the whole of the municipal area within five years from the commencement of the aforementioned act. In response, the Theewaterskloof Municipality embarked on the development of a zoning bylaw. The bylaw was approved by Council in June 2019.

The municipality is also in the process of reviewing its Spatial Development Framework in accordance with the provisions of the National, Provincial and Municipal planning legislation, as well as the Municipal Systems Act, 2000 (Act 32 of 2000). With the inception of the project, no funding was available to appoint a service provider to complete this project. The section therefore commenced with the review, in house, in partnership with the Department of Environmental Affairs and Development Planning. However, during the adjustment budget, funding was made available by the Department: Local Government to complete this project. Subsequently a service provider was appointed. The project is set to be completed before the end of 2019.

The department aims to be as developmentally orientated as possible, in order to promote Council's development agenda. Within this regard, a number of projects were implemented in an attempt to be as efficient as possible during the statutory approval process. The building control section implemented a system of electronic submission of building plans. This has greatly increased the efficiency of the circulation of plans and has also made the submission process for clients much easier. As of 1 July 2019, the building control section will only be accepting electronic submissions. The town planning section also implemented a GIS based land use management system. This land use management system is aligned with the workflow of the new planning dispensation and allows for the effective monitoring and administration of land use applications.



### 3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

| Applications for Land Use Development |           |             |          |             |     |                               |                                     |                     |               |
|---------------------------------------|-----------|-------------|----------|-------------|-----|-------------------------------|-------------------------------------|---------------------|---------------|
| Planning applications finalised       | Departure | Consent use | Rezoning | Subdivision | ROR | Permission into zoning scheme | Amendment of conditions of approval | Occasional land use | Consolidation |
| July 2018                             | 4         | 2           | -        | -           | -   | -                             | -                                   | -                   | -             |
| August 2018                           | 4         | 4           | 2        | 1           | 3   | 1                             | 1                                   | 1                   | -             |
| September 2018                        | 1         | 3           | 1        | 2           | -   | -                             | -                                   | 1                   | 1             |
| October 2018                          | 1         | 3           | -        | 2           | 1   | -                             | -                                   | 1                   | 1             |
| November 2018                         | 15        | 4           | 1        | 1           | 1   | 1                             | -                                   | -                   | 1             |
| December 2018                         | 1         | 1           | -        | -           | 1   | -                             | -                                   | -                   | -             |
| January 2019                          | 2         | 1           | 2        | 1           | -   | -                             | -                                   | -                   | -             |
| February 2019                         | -         | 1           | 2        | 1           | -   | -                             | -                                   | -                   | -             |
| March 2019                            | 4         | 2           | -        | -           | -   | -                             | 1                                   | -                   | -             |
| April 2019                            | 1         | 3           | 1        | -           | -   | -                             | -                                   | -                   | -             |
| May 2019                              | 1         | 3           | 1        | -           | -   | -                             | -                                   | -                   | -             |
| June 2019                             | 6         | 1           | -        | 2           | 1   | -                             | 1                                   | -                   | -             |
|                                       |           |             |          |             |     |                               |                                     |                     | T 3.10.2      |

| Planning Policy Objectives                           |                                                                                                                                                                        |         |        |        |        |        |        |        |          |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|--------|--------|--------|--------|--------|----------|
| Service Objectives                                   | Outline service targets                                                                                                                                                | Year -1 |        | Year 0 |        | Year 1 |        | Year 2 |          |
|                                                      |                                                                                                                                                                        | Target  | Actual | Target | Actual | Target | Actual | Target | Actual   |
| Determine applications within a reasonable timescale | Approve building plans within 30 days for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information required is correctly submitted. | 85%     | 89%    | 85%    | 89%    | 85%    | -      | 85%    | -        |
|                                                      | Process land use applications within 60 days (delegated official) after receipt of all outstanding and relevant information and documents.                             | 100%    | 66%    | 85%    | 96%    | 85%    | -      | 85%    | -        |
|                                                      | Process land use applications within 120 days (MPT) after receipt of all outstanding and relevant information and documents.                                           | 100%    | 85%    | 85%    | 100%   | 85%    | -      | 85%    | -        |
|                                                      |                                                                                                                                                                        |         |        |        |        |        |        |        | T 3.10.3 |

### 3.10.3 EMPLOYEES: PLANNING SERVICES

| Employees: Planning Services (Building Control) |           |                |           |                      |                                   |
|-------------------------------------------------|-----------|----------------|-----------|----------------------|-----------------------------------|
| Job Level                                       | 2017/2018 | YEAR 2018/2019 |           |                      |                                   |
|                                                 | Employees | Posts          | Employees | Vacancies (Budgeted) | Vacancies (as a % of total posts) |
|                                                 | No.       | No.            | No.       | No.                  | %                                 |
| 0 - 3                                           | 0         | 0              | 0         | 0                    | -                                 |
| 4 - 6                                           | 0         | 0              | 0         | 0                    | -                                 |
| 7 - 9                                           | 3         | 3              | 5         | 0                    | 0%                                |
| 10 - 12                                         | 4         | 4              | 3         | 1                    | 25%                               |
| 13 - 15                                         | 2         | 3              | 3         | 0                    | 0%                                |
| 16 - 18                                         | 1         | 2              | 1         | 1                    | 50%                               |
| 19 - 20                                         | 0         | 0              | 0         | 0                    | -                                 |
| <b>Total</b>                                    | 10        | 12             | 12        | 2                    | 17%                               |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.*  
*\*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
**T3.10.4**

| Employees: IDP |           |                |           |                                  |                                   |
|----------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level      | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3          | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6          | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9          | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12        | 1         | 1              | 1         | 0                                | 0%                                |
| 13 - 15        | 0         | 0              | 0         | 0                                | -                                 |
| 16 - 18        | 1         | 2              | 2         | 0                                | 0%                                |
| 19 - 20        | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>   | 2         | 3              | 3         | 0                                | 0%                                |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.*  
*\*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
**T3.52.4**

### 3.10.4 FINANCIAL PERFORMANCE: PLANNING SERVICES

| Financial Performance : Planning Services                                                                                                                                                                          |         |                 |                   |         |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-------------------|---------|--------------------|
| R'000                                                                                                                                                                                                              |         |                 |                   |         |                    |
| Details                                                                                                                                                                                                            | 2017/18 | 2018/19         |                   |         |                    |
|                                                                                                                                                                                                                    | Actual  | Original Budget | Adjustment Budget | Actual  | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                                          | (2,518) | (2,558)         | (1,844)           | (2,677) | 45%                |
| Expenditure:                                                                                                                                                                                                       |         |                 |                   |         |                    |
| Employees                                                                                                                                                                                                          | 8,974   | 10,145          | 10,145            | 9,165   | -10%               |
| Repairs and Maintenance                                                                                                                                                                                            | 3       | 5               | 13                | 4       | -66%               |
| Other                                                                                                                                                                                                              | 1,657   | 1,094           | 1,656             | ,590    | -64%               |
| Total Operational Expenditure                                                                                                                                                                                      | 10,635  | 11,244          | 11,814            | 9,759   | -17%               |
| Net Operational Expenditure                                                                                                                                                                                        | 8,116   | 8,686           | 9,970             | 7,082   | -29%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |         |                 |                   |         | T3.10.5            |

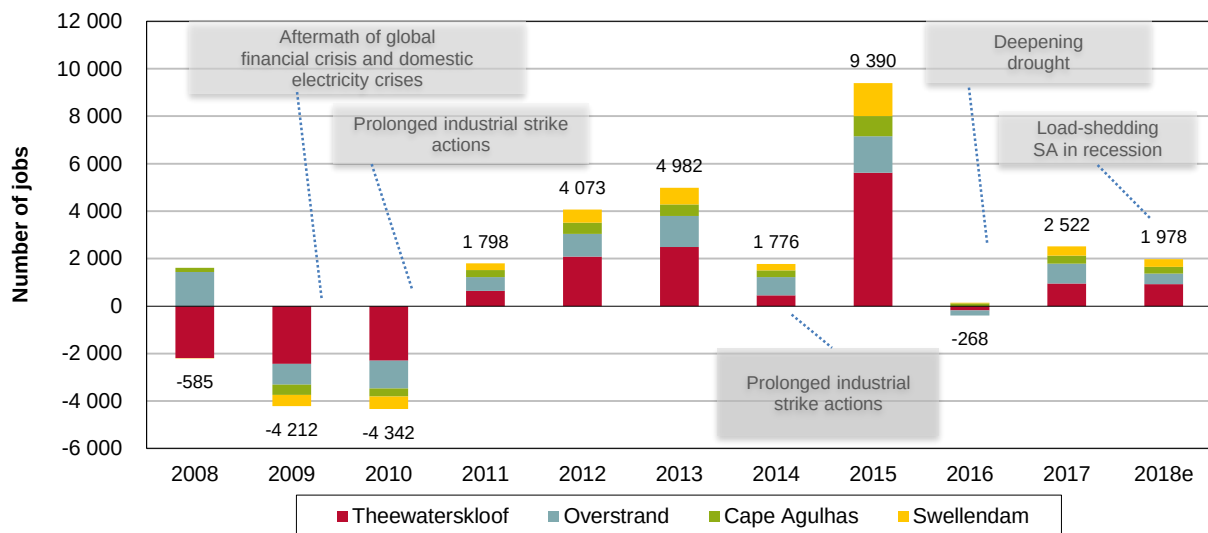
### 3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

| Capital Expenditure : Planning Services                                                                                                               |           |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |           |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2018/2019 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget    | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                             | –         | 15,237            | 13,255             | -13%                          |                     |
|                                                                                                                                                       |           |                   |                    |                               |                     |
| Inventory: Development Admin                                                                                                                          | –         | 15,237            | 13,255             | -13%                          |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |           |                   |                    |                               | T3.10.6             |

### 3.10.6 COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

The variance between the revenue of the department and the expenditure is as a result of the tariff decrease that Council initiated in the 2018/2019 financial year. The tariff decrease was significant and led to an approximately 40% reduction in the income of the department. It should also be noted that the department has no control over this particular revenue source as it is dependent on the number of land use and building plan submissions in a financial year.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)



In 2017, the Theewaterskloof municipal area was valued at R8.2 billion in current prices, constituting the largest economy in the District (41.0 per cent of OD's economy). It is estimated to have grown at 1.1 per cent in 2018 to R8.5 billion in current prices. Similarly, the Theewaterskloof municipal economy employs the most people throughout the district, 60 560 people in 2017, which is estimated to have grown to 61 489 people, an increase of 929 jobs or 1.5 per cent in 2018.

### 3.11.1 INTRODUCTION TO ECONOMIC DEVELOPMENT & TOURISM

The purpose of the Local Economic Development and Tourism Division is to provide an enabling and conducive environment to grow the economy in order to stimulate sustainable job creation opportunities and alleviating unemployment. The division is responsible for the following functions i.e.

- Sector Development & Support Services
- Events
- Expanded Public Works
- Business development & Support
- Small Farmer Support
- Tourism and Marketing

The Economic Growth Section focuses on developing enabling policies and strategies, which inform the implementation of key initiatives, projects and programmes to grow the economy in our area. In 2011, the Municipality partnered with private and community sectors to develop a vision for 2030. Vision 2030 provides a framework to make Theewaterskloof an attractive and desirable place to live, work and visit because of its high quality, sustainable country living environment and its connected, creative and productive community. Vision 2030 prioritises creating a great place to live, a visitor destination, a centre of learning, a vibrant economy and a low carbon green region.

The revised LED Strategy conducted in 2015 advised that future interventions should strengthen existing growth and maximise the spin-offs of growth for the surrounding areas. During the 2017/18 period, in line with the Participatory Appraisal of Competitive Advantage (PACA) process conducted and the current LED strategy, the Local Economic Development Services department continued to focus on three of these priorities:

- ✚ Develop a Standard Operating Procedure to promote investment in the region;
  - ✚ Aggressively pursue clothing and agro-processing investment;
  - ✚ Co-ordinate a forum for Non-Governmental Organisations.
- In addition to these priorities, the following initiatives were identified through the IDP process:
- ✚ Stimulation of the informal economy;
  - ✚ Support for small, medium and micro businesses;
  - ✚ Emerging farmer support;
  - ✚ Youth development.

The initiatives implemented during the 2018/2019 financial year was a continuation of the previous financial year's priority economic activities to stimulate the local economy of Theewaterskloof.

### **Highlights of the 2018/2019 financial year as follow:**

#### **Investment Promotion**

As an institutional arrangement to give effect to the IFSOP, the Developer Support Task Team was instituted, to provide guidelines and support to investors and promote investor friendly practices within the organisation, leading to increased employment and growths in rates base by acting as a multi-disciplinary team in a well-planned and coordinated way in supporting development or investment initiatives. The functions of the Developer Support Task Committee as per the approved terms of reference are:

- **Supporting investment initiatives** i.e. Undivided attention to projects, speedy and reliable access to information, Communication, Ease of access to decision makers and political leaders, Project planning, Coordinating and supporting of interventions, overseeing and implementing of processes, serve as advisory body to other task teams when required.
- **Increase participation in the economy** i.e. facilitating access to government services, SMME support and Development through optimal local procurement and maximising job creation opportunities through professional services networks.
- **Address social Development** i.e. Streamlining private sector's social corporate investment, Ring fencing Development contributions through municipal land sales, Focus on ECDs and aftercare services, Creating spaces for young people to meet and share ideas and strengthen social networks and Forging partnerships with organisations that provide services for young people including the economic access partnerships

In total twenty five (25) engagements with potential investors was facilitated by the Developer Support Task Team in the 2018/2019 financial year.

#### **Youth Development**

##### **Youth Entrepreneurship**

The Biggest Deal Challenge is a youth entrepreneur competition driven by the Theewaterskloof Municipality's Department of Local Economic Development. In partnership with the private sector, the program seek to actively address the youth unemployment problem. Now in its sixth year, the competition has become a household name and is a highlight of the school year. Twenty six teams comprising of 118 learners between the ages of 14 – 18 years from eight schools across the Theewaterskloof area have entered the 2018/2019 Biggest Deal Challenge. The key sponsors



of the Biggest Deal Challenge 2018 is ABSA, Western Cape Government and Origin in conjunction with the municipality.

In total seven [7] teams completed the 2018/2019 Biggest Deal Challenge. The prize giving event was hosted on the 3rd November 2018. The event took the form of an exhibition by all the team who finished the race. The prizes awarded was sponsored by various sponsors and the 1st prize awarded was R10 000.00 in cash to the wining school, R6 000.00 cash to the 2nd winning team, R4 000.00 to the third runner up team and R2000.00 to the 4th runner up team.

### **Small Business Support and Development**

Business support and development as a key strategic thrust of local economic development was supported through the provision of tender training, in collaboration with supply chain management in Villiersdorp, which was attended by local enterprises. In conjunction with National Treasury a Supplier Open Day was held in Caledon where information with regards to safety and security commodity and catering was given. Attendees were also assisted to register on the central supplier database (CSD) and the western cape government database. Information on registration on the municipal database was also supplied. As part of the business development and support to small businesses, awareness sessions and information session was also held with small businesses in collaboration with the Small Enterprise Development Agency (SEDA), followed by individual assessments of the status quo of their businesses and interventions to be actioned.

### **Emerging Farmer Support**

In order to establish a support programme for small farmers, a database of small farmers have been compiled to determine the number of small farmers per town and the commodity which they focus on. Support to emerging farmers will be continued in the new financial year in collaboration with Department of Agriculture and Department Rural Development and Land Reform and the emerging farmers to collective establish a support programme to the emerging farmers. To date thirty emerging farmers have registered on the database.

### **Challenges pertaining to LED**

- ✚ Capacity challenges still remain a challenge to perform critical tasks.
- ✚ Limited access to updated economic data to inform programme planning and budgeting
- ✚ Limited or absence of synergies between municipal departments to harness potential of economic opportunities in the area.
- ✚ Red Tape in the organisation hampers the creation of the conducive environment for economic development

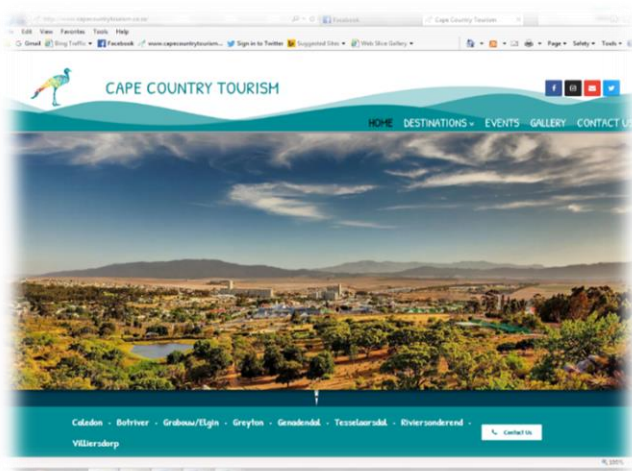


- ✚ Vandalism and protests hampers economic investment into the area
- ✚ The impact of external economic shocks and macroeconomic policies which hampers development at local municipal level

### Gender Training and Awareness

- ✚ As per the departments business plan for 2018/2019 financial year gender training was identified as a priority focus area. A gender training session was conducted in collaboration with the Villiersdorp Resource Centre, the Commission for Gender Equality.
- ✚ In addition an awareness session was held focusing on health of women on farms. A youth engagement session was held in Grabouw with local youth. The workshop theme was economic opportunities and youth economic empowerment. The workshop was held in collaboration with the Department of Agriculture, Department of Labour, Department of Social Development, Cape Access, Yonke Services and Small Enterprise Finance Agency (SEFA).
- ✚ A Youth Economic Opportunity Workshop was also held in Villiersdorp in collaboration with the National Youth Development Agency [NYDA], Departments' of Agriculture and Health, Villiersdorp Youth Cade, Supply Chain Management and Invusa.

### TOURISM



Destination Marketing Initiatives for the 2018/2019 financial year

#### Digital / Social Media Marketing

As an online marketing tool, Social Media has become crucial to our digital marketing communication strategies, it helps to validate the Cape Country Tourism brand and delivers measurable results in sales, leads as well as the power to reach a large audience at low cost. Global digital population as of October 2018 is almost 4.2

billion people using internet and 3.4 billion people were social media users (Source: Statista) The Cape Country Tourism Facebook; Twitter and Instagram followers are steadily growing on a daily basis since creating of the platforms. The Facebook page became stagnant since 18 June 2018 but has gradually grew as of 08 November 2018. Twitter and Instagram is a new social media platforms. There was an increase from 1401 page likes to 1596, and Twitter followers being at 236. The page was created on the 12th of November 2018 and Instagram 130 followers Cape Country Social Media handles:

- Facebook page Twitter Handle Instagram Hashtag Cape Country Tourism @TourCapeCountry tourcapecountry
- #LoveCapeCountry #visitCapeCountry

Website (Cape Country Tourism website  
[www.capecountrytourism.co.za](http://www.capecountrytourism.co.za)

The Cape Country Tourism website is LIVE and is in process to retrieve more content to populate the portal. We also envisage to have a page focussing on wine routes with social media pages embedded.



### Tour Operator Educational in Genadendal and Greyton

As part of marketing Theewaterskloof as a tourist destination, a tour operator educational was facilitated with tour guides from Cape Town and operators to showcase the local tourism offerings for marketing purpose. Many towns within the Theewaterskloof Municipal area are visited by domestic tourists and international visitors, but not as an organised group (Tour Operators). The destination of choice was decided on the uniqueness of the area, but most importantly products which enhance the visitor experience.



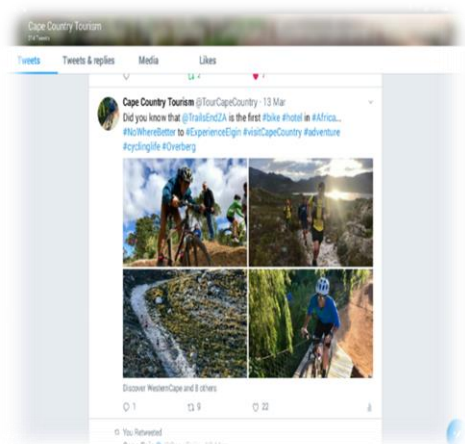
This was a collaborative initiative between Cape Country Tourism, Tourist Guide Family (social group), Genadendal Mission Station and Greyton Tourism. A total of 50 operators participated in the educational which focused on cultural activities. A historical church square tour and a visit to the museum was followed by a two hour hike to Greyton. This is all part of the establishing of new tourism package offering.

The "Greyton Uber" was a highlight of the day which provided transport by the locals back to town on a horse cart. We were treated by tourism product owners with refreshments and a warm welcome by the Greyton Tourism Association.



### Brand Awareness

Brand awareness of the Cape Country Tourism Brand was promoted at the Trails End Bike Flow Trail Launch. The promotion of the Cape Country Route to attract more visitors to our area remains a key priority for tourism growth. All towns within the Theewaterskloof Municipal area have a unique identity and characterised by its own tourism offerings. To position the Elgin/ Grabouw area as an adventure destination, a marketing

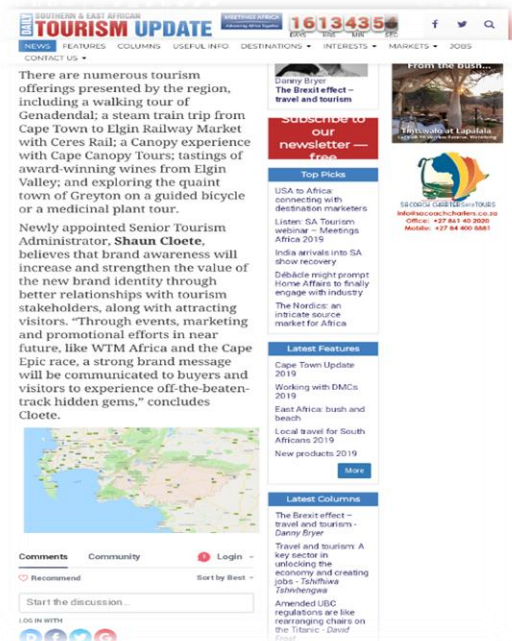
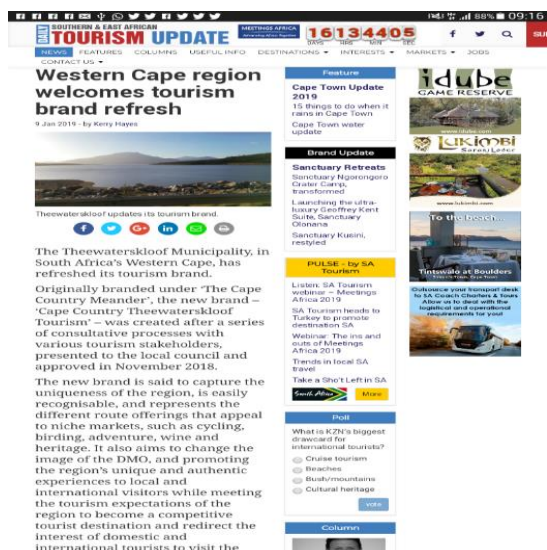




collaboration was initiated between Cape Country Tourism (DMO) and Trails End Bike Hotel in February 2019 with the launch of the Flow Trail, a new cycling activity. This trail will boost the tourism product offerings in the area and will create other tourism opportunities for community based tourism packages in conjunction with established products.

The Cape Country Brand have received brand awareness through networking with tourism stakeholders, Women's Health Magazine and outdoor advertising. This initiative is part of our brand awareness campaign drive as it is important for visitors to connect with the area. As DMO, we have contributed financially in the form of catering to compliment the area's cool wines but also supporting the upcoming community cycling initiative. The latter refers to youth cycling empowerment. Trails End received 100 + bikes from the Bicycle Empowerment Network but also specialized bikes.

A brand awareness article was submitted and published on Tourism Update on in the January 2019 edition.



## ABSA Cape Epic MTB Race

"The Absa Cape Epic is an exhilarating 8 day off-road mountain bike stage race that follows a challenging route through the beautiful landscape of the Western Cape. The race is considered to be the most televised of all time – having generated more than 16 000 hours of TV coverage across the world since its inception in 2004." – Absa Bank



The Cape Epic remains a highlight on all mountain bike enthusiasts calendar and Theewaterskloof Municipality was once again a proud sponsor of this prestigious event in our area. The Cape Epic attracts international cyclists, media, visitors and the marketing exposure in terms of monetary value our

region have received over the four days was tremendous. The basecamp for the Cape Epic was Oak Valley and the economic spin-offs was visible. Through Elgin/ Grabouw Tourism, Trails End Bike Hotel provided support and also a gazebo for the duration of the race. Our target market was to attract more adventure tourists focusing on outdoor activities complimenting the secondary attractions and tourism offerings of the Theewaterskloof Municipal Area. The Executive Mayor of Theewaterskloof set off the race gun at the starting point of day four (4). One thousand three hundreds riders participated in the race this year and the route changes every year.

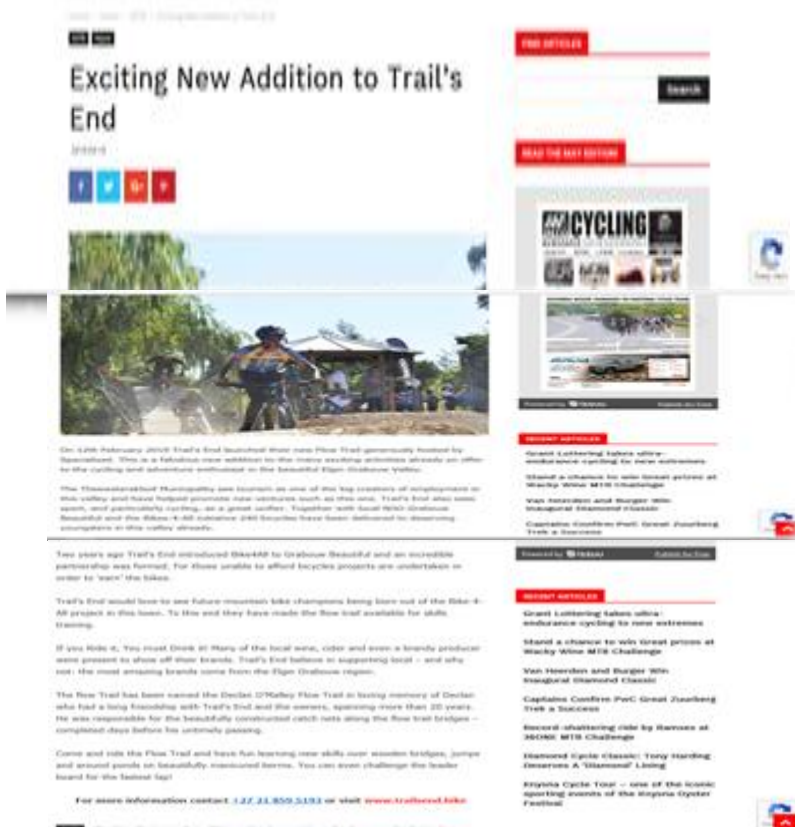


Executive Mayor Christelle Vosloo setting off the race on Day 4

## Other Markting Initiatives

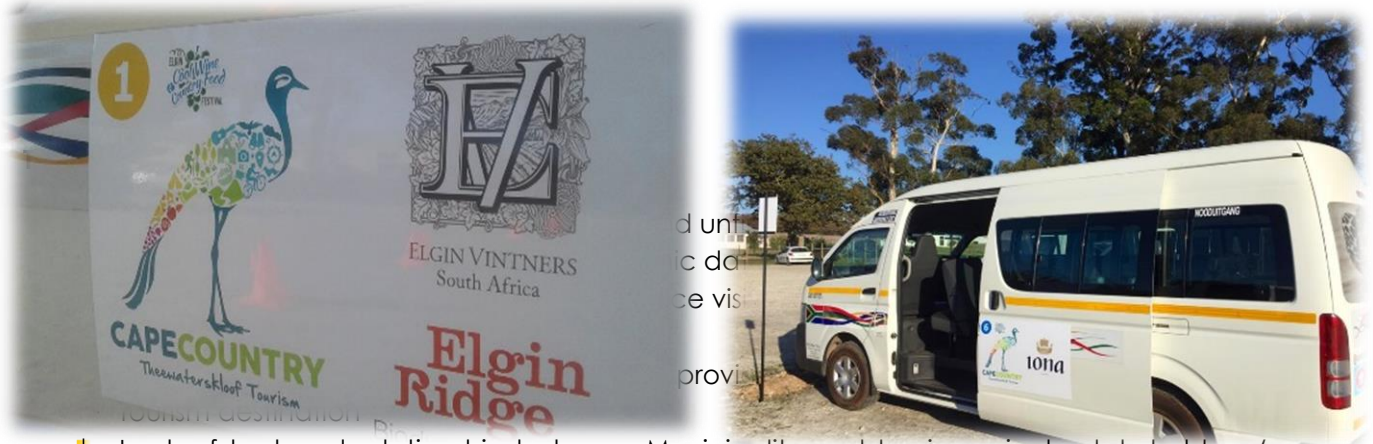
### Newspaper article on Flow Trail Launch at Trails End Bike Hotel

Direct link <https://www.intocycling.co.za/exciting-new-addition-to-trails-end/>



See acknowledgement: "Theewaterskloof Municipality see tourism as one of the big creators of employment in this valley and have helped promote new venture such as this one"

Collaborated Brand Awareness at the Annual Elgin Cool Wine Festival – 27/28 April 2019



- ✚ Lack of trust and relationship between Municipality and tourism private stakeholders / roleplayers
- ✚ Lack of distinct brand differentiation to articulate Theewaterskloof unique tourism offerings
- ✚ Limited and no coherent support programme to establish and develop community tourism products to accelerate tourism transformation and expand the tourism offerings in Theewaterskloof.

### Events Management 2018/2019

An Events policy that outlines guidelines for event organisers to hold events in the TWK area was developed in collaboration with the events task team, ODM and Overstrand Municipality. The policy was approved by Council on 23 February 2017. A total number of 85 event applications were processed and approved in the 2018/2019 financial year with a value of R 160 130.40. The event application process will be reviewed in the 2019/2020 financial year.

### EPWP Job Creation Opportunities

The Expanded Public Works Program is a program designed in order to provide temporary work opportunities for the unemployed in order to make them more employable in the formal job market. Theewaterskloof Local Municipality obtains a conditional grant from the National Department of Public Works to implement EPWP and through municipal operational and capital budget tops up the grant.



The following table depicts the number of EPWP Projects and the number of jobs created through EPWP projects over the last three financial years.

| Job creation through Expanded Public Works Programme (EPWP) Projects |                            |                                |                                      |
|----------------------------------------------------------------------|----------------------------|--------------------------------|--------------------------------------|
| Financial Year                                                       | Conditional Grant Received | Job Opportunity targets set by | Number of job opportunities achieved |
|                                                                      |                            | National Department            | through EPWP Projects (TWK)          |
| 2016/2017                                                            | R 1 104 000.00             | 428                            | 444                                  |
| 2017/2018                                                            | R1 621 000.00              | 478                            | 664                                  |
| 2018/2019                                                            | R1 451 000.00              | 502                            | 684                                  |

#### Non – Performance [Key Performance Indicators not met in 2018/2019 FY]

##### Tourism Transformation Grant Programme

- That due to non-compliance of the LTO's and the projects identified, it was resolved that non-financial support to emerging and established tourism enterprises be provided i.e. accredited customer care training which is scheduled for August 2019, as a collaborative effort between the Municipality and the Provincial Department of Economic Development and Tourism in support of smme's in the tourism industry.
- Access to marketing through the municipal tourism website is also offered as a non-financial support to these enterprises.
- Support to smme's to compile business plans, registration of their businesses etc., will be provided through the Small Enterprise Development Agency [SEDA] as part of the collaborative agreement between the Municipality and SEDA.

##### Development Strategy

- In order to derive at a development strategy to ring fence municipal fund for development, it is advised the above factors i.e. development charges or the lack thereof, investment donations, investment incentives and investment SCM Chapter are considered and incorporated as part of the strategy which will enable the Municipality to position itself in terms of investment promotion and facilitation.
- Corrective measure that the IFSOP be revived in order to develop a practical development strategy.

#### 3.11.2 JOBS CREATED BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)

No Records were kept of jobs created through these initiatives.

### 3.11.3 JOBS CREATED BY LED INITIATIVES

| Job creation through Expanded Public Works Programme (EPWP) Projects |                            |                                |                                      |
|----------------------------------------------------------------------|----------------------------|--------------------------------|--------------------------------------|
| Financial Year                                                       | Conditional Grant Received | Job Opportunity targets set by | Number of job opportunities achieved |
|                                                                      |                            | National Department            | through EPWP Projects (TWK)          |
| 2016/2017                                                            | R 1 104 000.00             | 428                            | 444                                  |
| 2017/2018                                                            | R1 621 000.00              | 478                            | 664                                  |
| 2018/2019                                                            | R1 451 000.00              | 502                            | 684                                  |

### 3.11.4 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

| Employees: Local Economic Development Services (LED) |           |                |           |                                  |                                   |
|------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                            | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                      | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                      | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9                                                | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12                                              | 2         | 1              | 1         | 0                                | 0%                                |
| 13 - 15                                              | 1         | 1              | 1         | 0                                | 0%                                |
| 16 - 18                                              | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                              | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                         | <b>3</b>  | <b>2</b>       | <b>2</b>  | <b>0</b>                         | <b>0%</b>                         |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

**T3.11.8**

### 3.11.5 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

| Financial Performance : Local Economic Development Services |              |                 |                   |              |                    |
|-------------------------------------------------------------|--------------|-----------------|-------------------|--------------|--------------------|
|                                                             |              |                 |                   |              | R'000              |
| Details                                                     | 2017/18      | 2018/19         |                   |              |                    |
|                                                             | Actual       | Original Budget | Adjustment Budget | Actual       | Variance to Budget |
| <b>Total Operational Revenue</b>                            | (396)        | –               | (70)              | (5)          | -92%               |
| <b>Expenditure:</b>                                         |              |                 |                   |              |                    |
| Employees                                                   | 1,489        | 1,811           | 1,811             | 1,262        | -30%               |
| Repairs and Maintenance                                     | –            | –               | –                 | –            | -                  |
| Other                                                       | 238          | 308             | 404               | 195          | -52%               |
| <b>Total Operational Expenditure</b>                        | <b>1,726</b> | <b>2,118</b>    | <b>2,215</b>      | <b>1,457</b> | <b>-34%</b>        |
| <b>Net Operational Expenditure</b>                          | <b>1,330</b> | <b>2,118</b>    | <b>2,144</b>      | <b>1,451</b> | <b>-32%</b>        |

*Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.*

**T3.11.9**



## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### INTRODUCTION TO COMMUNITY & SOCIAL SERVICES

Looking back at the year that passed provided an opportunity for reflection and stock take of interventions which have contributed towards the goal of:

Building communities where those who are marginalized and excluded are enabled to gain self-confidence, to join with others and to participate in actions to change their situation and tackle the problems that face their community.

Despite the formal Community Development Unit not yet established, much energy has been spent on setting the scene for effective community empowerment.

Strengthened civil society is a resilient society, able to withstand challenges and stresses brought by socio-economic realities challenges effecting us all.

We have been committed to empowering local communities, to strengthen the capacity of people as active citizens through community groups, organisations and networks, which at times took shape in a form of infrastructure projects, such as Resource Centre or Toy Library, but at times it meant engaging in dialog with public, private and non-governmental agencies collectively determining the new direction as desired by our communities.

### Highlights of 2018/19:

Villiersdorp Resource Centre: with over 7000 people visiting the center since its opened, numerous training, advice and referral services have been provided to the residents of Villiersdorp. Home to the Youth Café where empowering the local youth is key.

With daily opportunities to learn, engage and play, access mentors and build networks, the Youth Café is the place to be.



Toy Library: offering educational support and 'play time' to the 15 local ECD centers, the Toy Library represents a safe space for young ones to play, learn and develop in a safe environment.



### Grabouw Thusong Centre:

A galvanizing point for the entire community where programs ranging from Career Days to Substance Abuse Programs are taking place on regular basis.

Supported through intergovernmental partnerships and strong NGO base, the Thusong Centre has reached over 15000 visitors per annum.



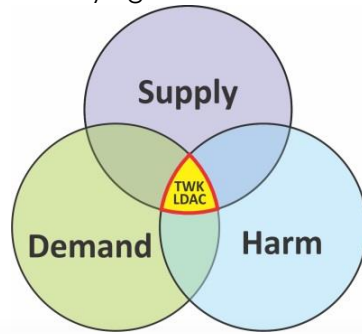
### TWK Broad Local Drug Action Committee:

The TWK LDAC has been established in April 2019. The structure seeks to improve coordination and integration of activities aimed at combating substance abuse. It also resolves to promote partnerships amongst various departments and stakeholders involved in services and programmes aimed at combating substance abuse and mitigating its impact on individuals, families and communities. The TWK LDAC takes its guidance from the National Drug Master Plan and the over-arching support of the Western Cape Government.

The TWK LDAC sets out to strengthen and support member organizations and individuals who carry out functions related to addressing the problem of substance abuse.

The TWK LDAC will encourage and facilitate networking and the effective flow of information and data between members.

The TWK LDAC will assist the CDA in carrying out its functions as required at a provincial or local municipal level.



**Villiersdorp Resource Centre**



Described as an extraordinary project, not only its physical architectural manifestation, but also the process which it had to engage with to provide a solution in this harsh rural context of poverty and instability that contributes to the important discourse relating to socially relevant architecture.





The urban conceptual diagram explains the urban links that are important in this rural context. The identification of Buitenkant Street as a prominent pedestrian link between the town and the informal areas was a result of a Community Action Plan and a Public Investment Framework. This process not only informs the architect, but it empowers the residents to understand their context and be part of shaping it. The intervention provides not only physical building but a social structure as well.

The main building forms an urban edge which has a central opening allowing the sunlight to filter through. It also becomes the axis through which the children on the school playing field have a visual connection with the playing area of the project. The visibility and connection the building facilitates is important.



The urban intervention gives scale to a predominantly low-cost housing environment with single storey dwellings and informal structures. The building is robust with a plinth and metal clad top floors. Murals were done by the local community. The buildings' internal spaces are flooded by natural light and the spaces promote interaction between the user groups. The main philosophy was to address safety and security and the intervention does this well as it become a backdrop for social interaction and cohesion.<sup>9</sup>

<sup>9</sup> Since completion, the building has received a CIFA award

### **3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)**

#### **1. Caledon - Mzansi Online**

The Mazansi Online is an initiative who aims to have the libraries as a hotspot for computer usage by the community. A total of ten computers were sponsored to the Caledon library and were attended by community members as well as the Mayor and Municipal Manager.

The provision of FREE access to these technology and service is widely appreciated by the community. Mzansi Online also assist the library staff to quick and efficient response to the evolving needs of the users.

#### **2. Toy Library – Operational**

The launch of the Toy Library in Villiersdorp at the beginning of 2019 indicates a huge impact on the community with a high level of enthusiasm, which is experiencing amongst the children that visits the play session.

#### **3. Riviersonderend – Refurbishment**

The upgrade of Riviersonderend library was done .The roof was repaired. The library was painted inside and outside. New computer stations; solid tables with seating benches; storage boxes and shelves were installed.

#### **4. Villiersdorp – Friends of Libraries**

The establishment of "Friends of the Library" at Villiersdorp has such a positive effect on the library. Some projects that was completed by the assistance of the Friends include the makeover of the library into a more interactive hub with dedicated space for development and learning.

New stock, extended programs and outreaches as well as other items has been made possible through the contribution of "The Friends".

#### **5. Tesselaarsdal – Friends of Libraries**

At Tesselaarsdal Library, "The Friends" do most of the programs, which amongst others include programs for children of all ages as well as for the elderly."The Friends" also do fundraising to buy the necessary equipment needed for programs. The library for the Blind was launched and users received Daisy players that allow them to listen to audio books.

#### **6. Grabouw – Plans for Extension**

The architect was appointed, building plans was submitted and we are waiting for approval.

#### **7. Pineview Library – Vandalism**

The Pineview library has become a constant target by burglars and thefts causing damage to the value of thousands of rands. In order to eliminate this risk, it was decided to move the Pineview library into the Thusong Centre where it will be safeguarded from this type of vandalism.

#### **8. Oral History – Project**

Oral History project roll out will take place in December.

The following towns will be part of this project: Caledon; Bereaville; Voorstekraal; Tesselaarsdal ; Riviersondernd; Genadendal and Greyton .

## 9. Genadendal – Library for the Blind

Genadendal was the third Library that collaborated with the National library. A computer for the visual impaired was installed at the library and Daisy players that allow users to take out audio books.

### 3.12.1 EMPLOYEES: LIBRARY SERVICES

| Employees: Libraries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                |           |                                  |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 13        | 14             | 13        | 1                                | 7%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6         | 7              | 6         | 1                                | 14%                               |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3         | 3              | 3         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0         | 0              | 0         | 0                                | -                                 |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>22</b> | <b>24</b>      | <b>22</b> | <b>2</b>                         | <b>8%</b>                         |
| Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.55.4 |           |                |           |                                  |                                   |

### 3.12.2 FINANCIAL PERFORMANCE: LIBRARIES

| Financial Performance: Libraries                                                                                                                                                                                    |                |                 |                   |              |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|-------------------|--------------|--------------------|
| R'000                                                                                                                                                                                                               |                |                 |                   |              |                    |
| Details                                                                                                                                                                                                             | 2017/18        | 2018/19         |                   |              |                    |
|                                                                                                                                                                                                                     | Actual         | Original Budget | Adjustment Budget | Actual       | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                    | (7,602)        | (9,359)         | (9,359)           | (8,144)      | -13%               |
| <b>Expenditure:</b>                                                                                                                                                                                                 |                |                 |                   |              |                    |
| Employees                                                                                                                                                                                                           | 5,802          | 5,455           | 5,565             | 5,207        | -6%                |
| Repairs and Maintenance                                                                                                                                                                                             | —              | 1700            | 817               | 542          | -34%               |
| Other                                                                                                                                                                                                               | 474            | 3245            | 3123              | 2151         | -31%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                                | <b>6,276</b>   | <b>10,400</b>   | <b>9,505</b>      | <b>7,899</b> | <b>-17%</b>        |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                  | <b>(1,327)</b> | <b>1,041</b>    | <b>147</b>        | <b>(245)</b> | <b>-267%</b>       |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. T3.52.5 |                |                 |                   |              |                    |

### 3.12.3 CAPITAL EXPENDITURE: LIBRARIES SERVICES

| Capital Expenditure: Libraries                                                                                                                        |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2018/19 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                      | 358     | 358               | 234                | -35%                          |                     |
|                                                                                                                                                       |         |                   |                    |                               |                     |
| <b>Inventory Libraries</b>                                                                                                                            | 358     | 358               | 234                | -35%                          |                     |
|                                                                                                                                                       |         |                   |                    |                               |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |         |                   |                    |                               | T3.52.6             |



Tesselaarsdal Library

### 3.12.4 COMMENT ON THE PERFORMANCE OF LIBRARIES SERVICES OVERALL

Libraries are an important force for local community development and empowerment and play a significant role in our communities.

- Provide free public access to computer and information resources
- Create better informed communities through accurate information
- Programs that promote lifelong learning and literacy in communities
- Connect communities' individuals and groups through collaboration
- Assistance with research and data collection
- Access to infrastructure, publicity and enhance the ability of Library and information services
- Innovation and critical thinking



### 3.13 CEMETORIES AND CREMATORIUMS

#### 3.13.1 INTRODUCTION CEMETORIES AND CREMATORIUMS

Theewaterskloof consists of 8 towns and each town has its own cemetery. Some towns for example Grabouw and Caledon had an influx of people to an extent that the present cemeteries became saturated and new land needed to be identified for expansion. Caledon cemetery was extended to an overall extra 15 ha which should provide burial sites for the next 20 to 30 years. Many of the other cemeteries are becoming full and land is desperately needed for further burial sites.

Cemeteries are as follows:

- Caledon
- Riviersonderend
- Tesselaarsdal
- Botriver
- Grabouw
- Villiersdorp
- Greyton and Genadendal



#### 3.13.2 FINANCIAL PERFORMANCE: CEMETORIES

| Financial Performance: Cemeteries and Crematoriums                                                                                                                                                                 |         |                 |                   |        |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
|                                                                                                                                                                                                                    |         |                 |                   |        | R'000              |
| Details                                                                                                                                                                                                            | 2017/18 | 2018/19         |                   |        |                    |
|                                                                                                                                                                                                                    | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                   | (600)   | (583)           | (583)             | (585)  | 0%                 |
| <b>Expenditure:</b>                                                                                                                                                                                                |         |                 |                   |        |                    |
| Employees                                                                                                                                                                                                          | –       | –               | –                 | 1      | –                  |
| Repairs and Maintenance                                                                                                                                                                                            | 226     | 427             | 352               | 290    | 0%                 |
| Other                                                                                                                                                                                                              | 26      | 191             | 189               | 98     | -48%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                               | 252     | 618             | 540               | 389    | -28%               |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                 | (348)   | 35              | (43)              | (196)  | 361%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |         |                 |                   |        | T3.55.5            |

#### 3.13.3 COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL

Available burial spaces are becoming a challenge and certain cemeteries need to be expanded as soon as possible.

Variances due to the following:

- Expenses incurred in respect of cleaning of cemeteries with contractors
- Hiring of machines for digging graves

### **3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

#### **3.14.1 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

##### **Social Development Programmes**

##### **Early Child Development**

ECD forums is functional in Grabouw and Villiersdorp. The Villiersdorp ECD forum has been registered as an NGO in order to obtain funding to assist the ECD facilities that is affiliated to forum. A request was tabled by the Grabouw ECD forum for an ECD policy that will govern the industry in the Theewaterskloof area. Offering educational support and 'play time' to the 15 local ECD centers, the Toy Library represents a safe space for young ones to play, learn and develop in a safe environment.

### **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.15 POLLUTION CONTROL**

#### **3.15.1 INTRODUCTION TO POLLUTION CONTROL**

Pollution control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan. Theewaterskloof Municipality developed its air quality plan in conjunction with province. The plan has been approved by Council. Theewaterskloof Municipality have one official that is appointed as air quality official.

##### **YOUTH AND ENVIRONMENTAL COORDINATOR**

DEA did second a youth environmental coordinator to assist in pollution control, and is at present busy with a team of 22 people to attend to various pollution awareness programmes such as

- Youth education
- Environmental clean-up programmes
- Pollution control education
- Environmental awareness campaigns

Overberg District Municipality is the licensing authority in terms of NEM: AQA (Act No 39 of 2004) to issue Atmospheric Emission License for Listed Activities, which include the following:

- Review of the Atmospheric Emission licenses received from the Listed Activities Industries
- Investigating Air Quality related complaints within the Overberg District Region.
- Developing the Overberg District Municipality Air Quality by-law.
- ODM have an interim air quality officer for air quality function that is assisted by four officials, one from each sub district.

Overberg District Municipality also attends yearly Provincial Air Quality Officer's Forum.

Theewaterskloof Municipality Air Quality and pollution control office attend to the following areas:

- Water pollution under section 30
- Noise pollution
- Dust pollution
- Offensive odour pollution

➤ Emission control

These pollution control areas are dealt with in the Theewaterskloof as and when complains are officially logged although routine inspections are done.

**The following pollution events occurred:**

| YEAR | EVENT                       | CASE                                                                        | OUTCOME                                                                                                                                     |
|------|-----------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 2018 | noise                       | Noise control of co(type of gas to keep the fruit cold in cold rooms) rooms | Case still pending<br>An official case docket was open at Grabouw Police the case was investigated and taken to court outcome still awaits. |
| 2018 | Control of offensive odours | Elgin fruit juices                                                          | Case was investigated and mitigated and resolved                                                                                            |
| 2018 | Control of offensive odours | Botriver mushroom farm                                                      | Case was investigated and mitigated and resolved                                                                                            |
| 2018 | noise                       | Noise control at Kromco Grabouw                                             | Case closed, an independent investigator monitored the sound level and was found to be in the sound ordinance specifications.               |

### 3.15.2 FINANCIAL PERFORMANCE: POLLUTION CONTROL

| Financial Performance: Pollution Control                                                                                                                                                                           |         |                 |                   |        |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
|                                                                                                                                                                                                                    |         |                 |                   |        | R'000              |
| Details                                                                                                                                                                                                            | 2017/18 | 2018/19         |                   |        |                    |
|                                                                                                                                                                                                                    | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                                          | –       | –               | –                 | –      | 0%                 |
| Expenditure:                                                                                                                                                                                                       |         |                 |                   |        |                    |
| Employees                                                                                                                                                                                                          | –       | –               | –                 | –      | 0%                 |
| Repairs and Maintenance                                                                                                                                                                                            | –       | –               | –                 | –      | 0%                 |
| Other                                                                                                                                                                                                              | 0       | 299             | 99                | 0      | -100%              |
| Total Operational Expenditure                                                                                                                                                                                      | 0       | 299             | 99                | 0      | -100%              |
| Net Operational Expenditure                                                                                                                                                                                        | 0       | 299             | 99                | 0      | -100%              |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |         |                 |                   |        | T3.59.5            |

### **3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)**

#### **3.16.1 INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE**

Biodiversity is the protection of all biodiversity in and around Nature reserves and open spaces as well as all commonage land. The protection of Biodiversity is managed in conjunction with Cape Nature, NGO organisations and other governmental partners.

Biodiversity is protected under NEMA, NEMBA and the Biodiversity by law. All these laws are there to protect and preserve all living things and set out rules for engaging with the environment.

#### **ALIEN ERADICATION PLAN**

An alien eradication management plan was successfully completed in 2018 and approved by council and Provincial Environmental Department (DEADP)

#### **3.16.2 COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL**

A safe, healthy and sustainable managed environmental and natural resource base provides critical eco-system services that are a foundation for economic and social development. Biodiversity is managed and maintained by introducing an alien vegetation control plan, and corrective control methods are introduced to eradicate aliens and conserving indigenous biodiversity.

Theewaterskloof Municipality also protect all natural areas under its jurisdiction, including the following Nature reserves Greyton Nature reserve , Caledon Nature reserve and wild flower gardens, the Villiersdorp Nature reserve and other wilderness areas such as shaws Pass ; Riviersonderend natural areas.

| TOWN         | EVENT                                                     | YEAR |
|--------------|-----------------------------------------------------------|------|
| Caledon      | Alien eradication in Bath River                           | 2018 |
| Caledon      | Alien eradication in Caledon Nature reserve               | 2018 |
| Middelton    | Alien eradication on commonage                            | 2018 |
| Greyton      | Alien eradication in Greyton Nature reserve and commonage | 2018 |
| Villiersdorp | Alien eradication in rivers and commonage                 | 2018 |
| All Towns    | fire breaks and fire prevention                           | 2018 |

## **COMPONENT F: HEALTH**

### **3.17 CLINICS**

Health services are managed by the Provincial Department of Health.

### **3.18 AMBULANCE SERVICES**

Ambulance services are provided by the Overberg District Municipality.

### **3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.**

The above mentioned services are provided by the Overberg District Municipality.

## COMPONENT G: SECURITY AND SAFETY

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

### 3.20 TRAFFIC

The Theewaterskloof Public Safety Department mission is:

To serve the community of Theewaterskloof by protecting life and property, preserving peace and safety, preventing crime and upholding the law in a manner which has regard for the public good and the rights of the individual.

|                                           | CHALLENGES                                                                                                                                                                                                                                                                                                                         | ACHIEVED                                                                                                                                                                                                                                                                                                                                                                         | FOCUS AREAS                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TRAFFIC SERVICES</b>                   | Lack of resources; vehicles, equipment and human resources.<br>No radio communication system.<br>Inadequate budget provision.<br>Service Protests preventing employees to attend work.                                                                                                                                             | The integrated approach with other law enforcement agencies e.g. Provincial Traffic Authority, SAPS, etc. has been successful.<br>Traffic Safety Education and Training at schools has contributed in educating the scholars.<br>Enforcement of relevant Public Transport Legislation in regulating the MBT's (Mini Bus Taxi's) industry minimized conflict within the industry. | Focus for the past year has been: -<br>The enforcement of Traffic - & relative Transport legislation;<br>Integrated operations with Provincial Traffic Authority - Random breath testing of drivers with the "Electronic breathalyser testing."<br>Traffic Safety Education and Training - safety awareness within the Theewaterskloof Local Municipal area. |
| <b>REGISTRATION AND LICENSING SERVICE</b> | Lack of resources; vehicles, equipment and human resources.<br>Inadequate budget provision for the DLTC (Driving Licence Test Centre) in Grabouw.<br>High volumes for driving license applications from people residing outside the Theewaterskloof Local Municipal area.<br>Service Protests preventing employees to attend work. | Implementation of a new Brake Test Machine at the Caledon VTS (Vehicle Test Centre)                                                                                                                                                                                                                                                                                              | Focus for the past year has been: -<br>Customer care and customer satisfaction.<br>Efficient service delivery to customers<br>Construction of the new DLTC (Driving Licence Test Centre) in Grabouw.                                                                                                                                                         |
| <b>LAW ENFORCEMENT SERVICE</b>            | Lack of resources; vehicles, equipment and human resources.<br>No radio communication system.<br>Inadequate budget provision.<br>Service Protests preventing employees to attend work.<br>Land Invasion is out of                                                                                                                  | Sale of impounded animals after a lengthy legal process<br>Drafting of an Operating Manual in Relation to Unlawful Occupation of Land<br>Workshop held with all relevant departments within Theewaterskloof                                                                                                                                                                      | Focus for the past year has been: -<br>Unlawful Occupation of Land.<br>Stray animals.<br>Integrated operations with other Law Enforcement Agencies with regards to Illegal Shebeens and Taverns.                                                                                                                                                             |

control due to legal processes.  
Increase of stray animals due to the increase in the small farming industry.  
Increase in Illegal Shebeens and Taverns in the informal settlements  
Illegal electrical connections within the informal settlements.

Local Municipality and SAPS to determine their roles and responsibilities in terms of the Operating Manual in Relation to Unlawful Occupation of Land

### **The Following are performed as Core Functions :**

- ❖ Maintain the free-flow of traffic
- ❖ The enforcement of Traffic - & relative Transport legislation
- ❖ Traffic Safety Education and Training
- ❖ Attend to RTC's (Road Traffic Crashes)
- ❖ Escort duties
- ❖ Point duty
- ❖ Scholar training/ patrol
- ❖ Speed monitoring
- ❖ Management of Public Transport Pound
- ❖ Serving of Warrant of Arrests
- ❖ Testing of Drivers licenses
- ❖ Issuing of learners/drivers licenses
- ❖ Issuing of Operating Licenses/ Public Transport
- ❖ Registration of motor vehicles
- ❖ Registration of drivers licenses
- ❖ Testing of all vehicles for roadworthy
- ❖ Managing Natis system
- ❖ Attending to Clerk of the Court duties
- ❖ Preparing Court Rolls
- ❖ Enforcement of Council By-Laws
- ❖ Monitor and control of Illegal Land Invasion
- ❖ Animal control & Impoundment of stray animals
- ❖ Management of Animal Pound
- ❖ Road markings/signs
- ❖ eMIS Complaint System



### 3.20.1 EMPLOYEES: TRAFFIC OFFICERS

| Employees: Traffic (Public Safety)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                |           |                                  |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5         | 4              | 4         | 0                                | 0.00%                             |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 15        | 12             | 11        | 1                                | 8.33%                             |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 39        | 44             | 39        | 5                                | 11.36%                            |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 13        | 14             | 13        | 1                                | 7.14%                             |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3         | 4              | 3         | 1                                | 25.00%                            |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>75</b> | <b>78</b>      | <b>70</b> | <b>8</b>                         | <b>10.26%</b>                     |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><b>T3.60.4</b></p> |           |                |           |                                  |                                   |





### 3.20.2 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

| Financial Performance : Traffic and Law Enforcement                                                                                                                                                                |          |                 |                   |          |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-------------------|----------|--------------------|
|                                                                                                                                                                                                                    |          |                 |                   |          | R'000              |
| Details                                                                                                                                                                                                            | 2017/18  | 2018/19         |                   |          |                    |
|                                                                                                                                                                                                                    | Actual   | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                   | (48,278) | (32,261)        | (50,392)          | (38,658) | -23%               |
| <b>Expenditure:</b>                                                                                                                                                                                                |          |                 |                   |          |                    |
| <b>Employees</b>                                                                                                                                                                                                   | 17,169   | 21,267          | 21,267            | 17,755   | -17%               |
| <b>Repairs and Maintenance</b>                                                                                                                                                                                     | 412      | 1398            | 1024              | 620      | -39%               |
| <b>Other</b>                                                                                                                                                                                                       | 42,757   | 29,951          | 48,892            | 34,486   | -29%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                               | 60,337   | 52,615          | 71,182            | 52,860   | -26%               |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                 | 12,060   | 20,354          | 20,790            | 14,202   | -32%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |          |                 |                   |          | <b>T3.65.5</b>     |

## 3.21 DISASTER MANAGEMENT

### 3.21.1 INTRODUCTION TO DISASTER MANAGEMENT

Responding and minimising the impact of disasters is the core function of the Disaster Management Centre. The Overberg District Municipality is responsible for providing this service to the entire Overberg region.

Our local Disaster Management aims to:

- Prevent or reduce the risk of disasters;
- Mitigate the severity or consequences of disasters;
- Emergency preparedness;
- Rapidly and effectively respond to disasters;
- Provide for Post-disaster recovery and rehabilitation.

Disaster Management is to provide blankets, food and shelter during disaster incidents in mostly informal structural areas. Preventative mitigation measures are also done by managing and maintaining rivers and other natural areas to prevent disaster events as far as possible. Disaster management performed well within its limitations and budget restraints.

#### DISASTER RISK PLAN

A Disaster risk plan was completed in 2018 in conjunction with Provincial Disaster Department, this document was successfully incorporated into the Municipal Disaster plan and approved by council.

Contact the Centre for more information or any queries:

### 3.21.2 EMPLOYEES: DISASTER MANAGEMENT

| Employees: Disaster Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |           |                                  |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1         | 1              | 1         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1</b>  | <b>1</b>       | <b>1</b>  | <b>0</b>                         | <b>0%</b>                         |
| <i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> |           |                |           |                                  |                                   |
| <b>T3.67.4</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |           |                                  |                                   |

### 3.21.3 FINANCIAL PERFORMANCE: DISASTER MANAGEMENT

| Financial Performance: Disaster Management                                                                                                                                                                         |             |                 |                   |             |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|-------------------|-------------|--------------------|
| R'000                                                                                                                                                                                                              |             |                 |                   |             |                    |
| Details                                                                                                                                                                                                            | 2017/18     | 2018/19         |                   |             |                    |
|                                                                                                                                                                                                                    | Actual      | Original Budget | Adjustment Budget | Actual      | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                   | –           | –               | –                 | –           | 0%                 |
| <b>Expenditure:</b>                                                                                                                                                                                                |             |                 |                   |             |                    |
| Fire fighters                                                                                                                                                                                                      | 1751        | 1960            | 1960              | 1704        | 0%                 |
| Other employees                                                                                                                                                                                                    | –           | –               | –                 | 2           | 0%                 |
| Repairs and Maintenance                                                                                                                                                                                            | 543         | 735             | 414               | 386         | -7%                |
| Other                                                                                                                                                                                                              | 37          | 70              | 451               | 269         | -40%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                               | <b>2331</b> | <b>2765</b>     | <b>2825</b>       | <b>2361</b> | <b>-16%</b>        |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                 | <b>2331</b> | <b>2765</b>     | <b>2825</b>       | <b>2361</b> | <b>-16%</b>        |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |             |                 |                   |             |                    |
| <b>T3.66.5</b>                                                                                                                                                                                                     |             |                 |                   |             |                    |

### 3.21.4 FINANCIAL PERFORMANCE: ANIMAL LICENCING AND CONTROL

| Financial Performance : Animal Control                                                                                                                                                    |         |                 |                   |        |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
| R'000                                                                                                                                                                                     |         |                 |                   |        |                    |
| Details                                                                                                                                                                                   | 2017/18 | 2018/19         |                   |        |                    |
|                                                                                                                                                                                           | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                 | –       | -               | -                 | –      | 0%                 |
| Expenditure:                                                                                                                                                                              |         |                 |                   |        |                    |
| Employees                                                                                                                                                                                 | -       | -               | -                 | -      | 0%                 |
| Repairs and Maintenance                                                                                                                                                                   | –       | 72              | 72                | 4      | -95%               |
| Other                                                                                                                                                                                     | 274     | 402             | 402               | 193    | -52%               |
| Total Operational Expenditure                                                                                                                                                             | 274     | 474             | 474               | 197    | -59%               |
| Net Operational Expenditure                                                                                                                                                               | 274     | 474             | 474               | 197    | -59%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> |         |                 |                   |        | T3.67.5            |

## COMPONENT H: SPORT AND RECREATION

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

### 3.22 SPORT AND RECREATION

#### 3.22.1 SERVICE STATISTICS FOR SPORT AND RECREATION

One of the Key Objectives of TWK Council is to improve the Social Fabric of the community and sport is identified as the catalyst that will enhance community's value. Unfortunately with the lack of financial capacity it will be impossible to assist our community without sponsorship from external donors such as Department Cultural Affairs and Sport (DCAS).

The following projects were managed in the different towns as part of the municipality's contribution to our sport community:

#### 1. Better Together Games

The Better Together Games is an initiative by the Department Cultural Affairs and Sport (DCAS) whereby Municipalities and other Government Departments get the opportunity to meet and interact through different sport codes.

Theewaterskloof was requested to host this event in 2018 at Caledon and more than 600 participants from other municipalities as well as Government departments turned up on the 05 October 2018 at the Caledon Sport Grounds.



## **2. Greyton – Tennis Facility**

The Department Cultural Affairs and Sport (DCAS) made the amount of R401 000 (four hundred and one thousand rand) available for the upgrading of the Greyton Tennis facility. It was decided to upgrade this into a multi-purpose tennis and netball court with spotlights as well as painting of the ablution facility. The project is now completed and available for use by the community which include the youth.

## **3. Botriver – Partnership with Botriver Education Foundation**

The Botriver Education Foundation is a project which was started by the local community of Botriver with the aim to raise funding for the students who excels in mathematics and science.

## **4. Grabouw – Support of SAFCOL and Grabouw Rugby Clubs**

Each year Grabouw Rugby Club, SAFCOL Rugby Club, Grabouw Cricket Club as well as the Social Golf Club holds a fund raising event in order to improve their financial capacity. Theewaterskloof Municipality supported this project as it is critical for these clubs to be sustainable which has a positive impact on the social fabric of our community.

## **5. Applications for Funding**

The following funding applications were submitted to Sport and Recreation South Africa (SRSA):

### **5.1 Upgrading of Myddleton mini-Sport Grounds:**

The Myddleton mini-sportground has to be upgraded to a full size facility as the sport in this town has developed significantly. The application therefore entails ablution facility, fencing, lights as well as upgrading of the playing surface.

### **5.2 Lights at the Villiersdorp Sport Grounds:**

The Villiersdorp Sport grounds has sport facilities for the following codes namely, rugby, soccer and netball. The neighbouring schools are also making use of this facility hence it is important to have proper lights at the grounds.

### **5.2 Upgrading of the Pineview Park Sport Grounds:**

The Pineview Park Sport Grounds is mainly use by the two rugby clubs, cricket club as well as the netball club. Unfortunately this facility cannot be used in wet season due to poor drainage hence the clubs have to rent the Grabouw High School facility which tap into their finance.

In order to address this situation at Pineview Park a formal application has been submitted to SRSA for a complete upgrading of this facility.

#### 6. Sport Sector Plan:

Sports programmes are recognised as a vital tool for social development for all citizens, especially young people therefore a Sport Sector Plan for Theewaterskloof Municipality has been drafted and was accepted by Council.

### 3.22.2 EMPLOYEES: SPORT

| Employees: Sport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                |           |                                  |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1         | 1              | 1         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1</b>  | <b>1</b>       | <b>1</b>  | <b>0</b>                         | <b>0%</b>                         |
| <i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> |           |                |           |                                  |                                   |
| <b>T3.68.3</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |           |                                  |                                   |

### 3.22.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

| Financial Performance: Sport and Recreation                                                                                                                                                                        |         |                 |                   |        |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
| R'000                                                                                                                                                                                                              |         |                 |                   |        |                    |
| Details                                                                                                                                                                                                            | 2017/18 | 2018/19         |                   |        |                    |
|                                                                                                                                                                                                                    | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                   | (77)    | (443)           | (443)             | (429)  | -3%                |
| <b>Expenditure:</b>                                                                                                                                                                                                |         |                 |                   |        |                    |
| Employees                                                                                                                                                                                                          | –       | –               | –                 | –      | 0%                 |
| Repairs and Maintenance                                                                                                                                                                                            | ,438    | 1,077           | 1,022             | ,995   | -3%                |
| Other                                                                                                                                                                                                              | 150     | 602             | 545               | 180    | -67%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                               | ,588    | 1,680           | 1,567             | 1,175  | -25%               |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                 | ,511    | 1,236           | 1,124             | ,746   | -34%               |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |         |                 |                   |        |                    |
| <b>T3.68.4</b>                                                                                                                                                                                                     |         |                 |                   |        |                    |

### 3.22.4 CAPITAL EXPENDITURE: SPORT AND RECREATION

| Capital Expenditure : Sport and Recreation                                                                                                     |         |                   |                    |                               |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                         |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                               | 2018/19 |                   |                    |                               |                     |
|                                                                                                                                                | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                      | 1,600   | 1,600             | ,826               | -48%                          |                     |
|                                                                                                                                                |         |                   |                    |                               |                     |
| New Sport Facility Phase I                                                                                                                     | –       | –                 | –                  | -                             |                     |
| Capital Upgrading of Pineview sports ground                                                                                                    | 1,600   | 1,600             | 826                | -48%                          |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. |         |                   |                    |                               |                     |
| T3.68.5                                                                                                                                        |         |                   |                    |                               |                     |

### 3.22.5 COMMENT ON SPORT AND RECREATION SERVICE PERFORMANCE OVERALL

R600 was rolled over to next financial year. Rest of the budget is an committed order which was issued. The contractor will finish work before 15th July 2019 - delay was due to theft of installed equipment, Lights and security beam will be installed to deter theft of equipment.

### 3.22.6 EMPLOYEES: RECREATION

| Employees: Parks (Botanical Gardens)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                |           |                                  |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 11        | 11             | 11        | 0                                | 0%                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 23        | 25             | 24        | 1                                | 4%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3         | 3              | 3         | 0                                | 0%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1         | 1              | 1         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0         | 0              | 0         | 0                                | -                                 |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0         | 0              | 0         | 0                                | -                                 |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 38        | 40             | 39        | 1                                | 3%                                |
| Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. |           |                |           |                                  |                                   |
| T3.62.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |           |                                  |                                   |





## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### 3.23 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

#### 3.23.1 EMPLOYEES: EXECUTIVE AND COUNCIL AND INTERNAL AUDITING

| Employees: The Executive (Top Management)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                |           |                                  |                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No.       | No.            | No.       | No.                              | %                                 |
| SEC 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4         | 4              | 3         | 1                                | 25%                               |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 4         | 4              | 3         | 1                                | 25%                               |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> |           |                |           |                                  |                                   |



| Employees: Internal Audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                |           |                                  |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2         | 2              | 2         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0         | 0              | 0         | 0                                | -                                 |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1         | 1              | 1         | 0                                | 0%                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>3</b>  | <b>3</b>       | <b>3</b>  | <b>0</b>                         | <b>0%</b>                         |
| <i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.<br/> *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> |           |                |           |                                  |                                   |

T3.59.4

### 3.23.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

| Financial Performance : The Executive and Council                                                                                                                                                                  |               |                 |                   |               |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------|---------------|--------------------|
| R'000                                                                                                                                                                                                              |               |                 |                   |               |                    |
| Details                                                                                                                                                                                                            | 2017/18       | 2018/19         |                   |               |                    |
|                                                                                                                                                                                                                    | Actual        | Original Budget | Adjustment Budget | Actual        | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                   | (84)          | (130)           | (38)              | (37)          | -1%                |
| <b>Expenditure:</b>                                                                                                                                                                                                |               |                 |                   |               |                    |
| Employee Related Cost                                                                                                                                                                                              | 2,592         | 2,066           | 2,066             | 2,235         | 8%                 |
| Remuneration of Councillors                                                                                                                                                                                        | 11,539        | 12,179          | 12,179            | 11,707        |                    |
| Repairs and Maintenance                                                                                                                                                                                            | 25            | 25              | 53                | 29            | -45%               |
| Other                                                                                                                                                                                                              | 1,350         | 1,613           | 1,378             | 2,848         | 107%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                               | <b>15,506</b> | <b>15,884</b>   | <b>15,676</b>     | <b>16,819</b> | <b>7%</b>          |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                 | <b>15,421</b> | <b>15,754</b>   | <b>15,638</b>     | <b>16,781</b> | <b>7%</b>          |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i> |               |                 |                   |               |                    |

T3.69.5

## 3.24 FINANCIAL SERVICES

### 3.24.1 INTRODUCTION TO FINANCIAL SERVICES

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensure that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

Financial Sustainability still remains a challenge to the Municipality and is a key objective which is difficult to achieve given the economic conditions globally, nationally and provincially. It was again the subject and focus area of the latest strategic planning session of the Municipality. ***The Municipality was rated by National Treasury as financially viable over the short to medium term (based on the 2017/18 audited financial statements)*** and the financial position of the Municipality has improved during the year under review.

The purpose and overall objective of the directorate is to implement sound and transparent financial management to improve efficiency and delivery. The directorate remains committed towards establishing an effective financial administration in compliance with relevant legislation.

#### **Mission**

The Finance Directorate is committed to the objective of improving the quality of the lives of local citizens of Theewaterskloof Municipality and ensures good governance by:

- Providing a support and advisory service to the Accounting Officer, Senior Managers, Council and Service Delivery Directorates on Financial matters, MFMA compliance and Financial Reforms.
- To create an enabling environment for effective, efficient and economic service delivery.
- Ensuring that the municipality maintains Financial Sustainability and Financial Health.
- Ensure good customer service.
- Ensure Financial Risk Management to safeguard council's financial resources.
- Regular, accurate, relevant and meaningful reporting to foster accountability, transparency and improved decision-making.
- Setting and maintaining high standards in financial management and best practices.
- Improved Accounting and Financial Management Services.
- Establishing capacity including systems to improve costing as a tool to improve affordability and sustainability of services.
- Ensure that a long term financial plan is adopted to provide a roadmap towards sustainable service delivery against the backdrop of the current financial realities.

#### **Core Functions**

Finance Directorate is not a direct service delivery directorate but provides a support service and assist in creating an enabling environment for effective, efficient and economic service delivery.

### **Expenditure and Supply Chain Management**

This section is responsible for the following functions:

- Salaries: Implementation of approved payroll, payment of salaries, allowances, statutory deductions, IRP5 certificates and accounting for payroll implementation.
- Creditors: Payment within 30 days and recording of creditors' payments and reconciliations. It is also responsible for Bank Reconciliations, Investments and Loans Management.
- Supply Chain Management: Responsible for procurement of goods and services according to Supply Chain Management Policy and Regulations including logistics, disposal and performance management. Ensure that the principles of fair, transparent, equitable, competitive and cost-effective procurement are adhered to.

### **Revenue Section**

This section is responsible for administration of Revenue and Council's Debtors which includes, inter alia, the following core functions:

- Facilitate application and termination of municipal services
- Debtors Database Update
- Billing of Debtors on financial system
- Processing of meter readings
- Rendering of monthly consumer/rates debtors accounts.
- Receipting, Banking and Reconciliation of monies collected
- Debt Collection and Indigent Management.
- Issuing of Clearance Certificates
- Meter readings (automated and manual)
- Cashier services
- Debtor enquiries and customer care
- Debt management and counselling
- Credit control
- Connection and disconnection of services
- Restriction and suspension of services

### **Budget Office**

This section is responsible for the following functions:

- Budgeting and implementation of Budget Reforms
- In-year Reporting (Section 71 and Other Statutory Reports)
- Budgetary Management and Control
- Costing Services
- Co-ordinate Financial Policy Formulation
- Annual Financial Statements

### **Asset and Insurance Department**

This section is responsible for the following functions:

- Asset Management
- Insurance Management

### 3.24.2 FINANCIAL SERVICES: CHALLENGES

The biggest challenge within the financial section remains the functioning and results of the Revenue Section which is critical to financial sustainability and consequently it is the area that we should be focussing on.

The restructuring of the revenue section was completed during the year with office space posing a challenge to the effective implementation of the restructuring. In addition, the required system development to enable the section to perform credit control and debt collection is in process and it is envisaged that this will be completed by end of November 2019.

The problem is that expectations and frustrations of the poorest of the poor are escalating by the day and the municipality is simply not able to respond due to lack of funding. The wider the gap between expectations and institutional capacity the bigger the risk of service protests. It is the responsibility of all to manage expectations down to a realistic and affordable level. Obviously every attempt should also be made to manage the institutional capacity up in response to narrowing the gap between expectation and capacity.

The backlogs in infrastructure put further pressure on municipal finances. The inability of the municipality to spend in non-grant funded areas due to lack of reserves are causing frustration in paying community and could negatively affect their willingness to pay. The uncertainty surrounding the sustainability of future grant funding, central government's fiscal model, low revenue base, unemployment and the community's ability/willingness to pay for services as well as the uncontrolled influx of unemployed, unskilled and homeless people into the municipal area are factors all of which have a negative impact on the financial health of the municipality.

Although the financial health of the municipality has improved considerably over the last few years, the current financial health as reflected in various ratios indicates an inherent risk to service delivery sustainability and should these risk not be mitigated or eliminated a breakdown in service delivery could become a reality.

### 3.24.3 EMPLOYEES: FINANCIAL SERVICES

| Employees: Financial Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                |           |                                  |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 29        | 32             | 29        | 3                                | 9%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 22        | 28             | 27        | 1                                | 4%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 16        | 14             | 14        | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 7         | 9              | 7         | 2                                | 22%                               |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1         | 2              | 2         | 0                                | 0%                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                |           |                                  | 0                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 75        | 85             | 79        | 6                                | 7%                                |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> |           |                |           |                                  |                                   |

### 3.24.4 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

| Financial Performance: Financial Services                                                                                                                                                                   |          |                 |                   |          |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-------------------|----------|--------------------|
| R'000                                                                                                                                                                                                       |          |                 |                   |          |                    |
| Details                                                                                                                                                                                                     | 2017/18  | 2018/19         |                   |          |                    |
|                                                                                                                                                                                                             | Actual   | Original Budget | Adjustment Budget | Actual   | Variance to Budget |
| Total Operational Revenue                                                                                                                                                                                   | (87,497) | (84,894)        | (95,688)          | (86,598) | -9%                |
| Expenditure:                                                                                                                                                                                                |          |                 |                   |          |                    |
| Employees                                                                                                                                                                                                   | 18,917   | 23,135          | 23,131            | 26,236   | 13%                |
| Repairs and Maintenance                                                                                                                                                                                     | ,602     | ,706            | ,638              | ,233     | -63%               |
| Other                                                                                                                                                                                                       | 18,612   | 13,910          | 13,982            | 18,854   | 35%                |
| Total Operational Expenditure                                                                                                                                                                               | 38,131   | 37,751          | 43,418            | 45,323   | 4%                 |
| Net Operational Expenditure                                                                                                                                                                                 | (49,366) | (47,143)        | (52,270)          | (41,275) | -5%                |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. |          |                 |                   |          | T3.70.5            |

### 3.24.5 CAPITAL EXPENDITURE: FINANCIAL SERVICES

| Capital Expenditure : Financial Services                                                                                                        |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2018/19 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | –       | 21                | 20                 | -7%                           |                     |
|                                                                                                                                                 |         |                   |                    |                               |                     |
| Inventory Items Finance                                                                                                                         | –       | 21                | 20                 | -7%                           |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               | T3.70.6             |

| Debt Recovery                                        |                |         |                       |
|------------------------------------------------------|----------------|---------|-----------------------|
| R' 000                                               |                |         |                       |
| Details of the types of account raised and recovered |                |         |                       |
|                                                      | Billed in year | Payment | Percentage Collection |
| Rates                                                | 101,760        | 100,520 | 99%                   |
| Service Charges                                      | 240,117        | 189,973 | 79%                   |
|                                                      |                |         |                       |
| Total                                                | 341,876        | 290,493 | 85%                   |
|                                                      |                |         | T3.70.2               |

### 3.24.6 ASSESSMENT OF ARREARS ON MUNICIPAL SERVICES AND PROPERTY RATES

Management of consumer debtors is one of the most important functions and a prerequisite for financial sustainability. The older the debt, the more difficult it becomes to collect the debt. It is therefore imperative and critical that effective credit control measures be taken against defaulting consumers as soon as an account falls into arrears. An analysis of the outstanding debt as at 30 June 2019 has revealed the following:

The gross outstanding consumer debtors' balance as at 30 June 2019, reflect a total amount of R216, 5 million representing an increase of 12, 5 when compared to the outstanding balance of R191, 8 million as at 30 June 2018.

Despite all the challenges such as high unemployment and poverty, an extremely high indigent population, the Genadendal transformation issue which remains unresolved and an obstacle for debt collection and credit control and the lack of an effective credit control mechanism in Grabouw, Tesselaarsdal, Genadendal and Botrivier, it is incumbent upon us to develop strategies and innovative approach to credit control and debt collection to improve the ratio to at least 90%. The 2018/19 financial year was a huge challenge due to the implementation of mSCOA and the absence of a credit control and debt collection system. Credit control was implemented with manual processing which comes with many challenges.

The measures that will be taken during 2019/20 to try and improve revenue collection are as follows:

- ❖ Continue the installation of water demand management devices as a credit control mechanism in especially Grabouw, Tesselaarsdal, Genadendal and Botrivier.
- ❖ Test prepaid water management devices for future roll out.
- ❖ Rollout a fully functional credit control and debt collection system
- ❖ Continue the implementation of the Revenue Enhancement Strategy which consist of developing incentives as a method to transform debt collection function into a rehabilitative rather than a punitive action. In addition, the newly created community development function will be utilized to rehabilitate defaulters.
- ❖ Develop a public relations and marketing campaign for sustainable revenue enhancement.
- ❖ Research the possibility and functionality of incentives for loyal paying customers.
- ❖ Continue discussions and engagements to resolve the Genadendal transformation issue.
- ❖ Undertake a meter replacement programme in Genadendal to facilitate credit control.
- ❖ Continue to lobby SALGA and CoGTA to amend legislation and to introduce new enabling legislation that will support debt collection efforts.
- ❖ Continue discussions and engagements with SALGA to enter into service delivery agreements with Eskom in areas where Eskom is providing electricity.
- ❖ Explore the use of technology to ensure timeous delivery of consumer accounts.

### 3.25 HUMAN RESOURCE SERVICES

The Human Resources Department of Theewaterskloof municipality which is at the heart of the municipality provides human resource management programs and services, aligned with the municipality's strategy, values of integrity, excellence and wellness; and consistent with Council and regulatory requirements, to enable the municipality to meet its strategic and service goals by: Promoting excellence in human resource management and providing leadership in the implementation of the municipality's strategy, Providing a proactive human resource advisory, information and service function to the line departments, Providing information to Council and the organization to support human resource decision making, and supporting employment related legislative compliance.

The following represents the organizational structure of the Human Resources department:

- HR Strategy
- Labour Relations / IR
- Health & Safety
- Risk Management
- Benefits & HR Administration
- Staffing & Workforce Planning
- Training and Development
- Organizational Development
- Employee Assistance and
- Individual Performance Management

The HR department use the following pillars as a basis:

#### **-Employee Wellness**

Where employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.

#### **-A Learning Organisation**

Establish a commitment to align career development practices with employee's personal goals and existing corporate objectives.

#### **-Leadership**

Develop leaders within all levels of the organization who will share enthusiasm, a sense of purpose and direction, and reflect the values of the organisation.

#### **-Service excellence**

Providing business and service excellence by revisiting our business objectives, effectively using technology, ensuring staff are well trained, effectively managing change and objectively measuring performance for continuous improvement.



### 3.25.1 EMPLOYEES: HUMAN RESOURCE SERVICES

| Employees: Human Resource Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                |           |                                  |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 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         | 1              | 1         | 0                                | 0%                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0         | 0              | 0         | 0                                | 0                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4         | 3              | 3         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2         | 2              | 2         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1         | 1              | 1         | 0                                | 0%                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0         | 0              | 0         | 0                                | 0                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>8</b>  | <b>7</b>       | <b>7</b>  | <b>0</b>                         | <b>0%</b>                         |
| Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. |           |                |           |                                  |                                   |
| T3.71.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |           |                                  |                                   |

### 3.25.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

| Financial Performance: Human Resource Services                                                                                                                                                              |              |                 |                   |               |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|-------------------|---------------|--------------------|
| R'000                                                                                                                                                                                                       |              |                 |                   |               |                    |
| Details                                                                                                                                                                                                     | Year 2017/18 | Year 2018/19    |                   |               |                    |
|                                                                                                                                                                                                             | Actual       | Original Budget | Adjustment Budget | Actual        | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                            | (678)        | (500)           | (250)             | (497)         | 99%                |
| <b>Expenditure:</b>                                                                                                                                                                                         |              |                 |                   |               |                    |
| Employees                                                                                                                                                                                                   | 4,475        | 3,894           | 3,894             | 3,923         | 1%                 |
| Repairs and Maintenance                                                                                                                                                                                     | –            | –               | –                 | –             | –                  |
| Other                                                                                                                                                                                                       | 4,461        | 7,180           | 7,180             | 6,596         | -8%                |
| <b>Total Operational Expenditure</b>                                                                                                                                                                        | <b>8,936</b> | <b>11,073</b>   | <b>11,073</b>     | <b>10,520</b> | <b>-5%</b>         |
| <b>Net Operational Expenditure</b>                                                                                                                                                                          | <b>8,258</b> | <b>10,573</b>   | <b>10,823</b>     | <b>10,023</b> | <b>-3%</b>         |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. |              |                 |                   |               |                    |
| T3.71.5                                                                                                                                                                                                     |              |                 |                   |               |                    |

## 3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services

### 3.26.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The vision of the ICT division is to ensure that ICT provides the guidance for the successful implementation of the Municipal Corporate Governance of ICT. To create an environment

where the use of technology is directed and controlled, where processes and procedures ensure compliance and where the ICT environment is based on a set of international standards and principles.

ICT is not just about technology – it's about the ways in which information and technology are used to deliver better services and enhance trust and confidence. Our mission is to excel in the fulfilment of our duties toward the mandate of service delivery, by providing exceptional ICT services.

The ICT division drafted a 5 Year Strategic plan which focus on the 11 strategic objectives of the Council as determined through the IDP processes. The aim of the strategy is use technology as an enabler of the business. We strive to use technology to, not only, enhance municipal services, but also to close the digital divide and leveraging the benefits of technologies. At its core the ICT 5 Year Strategy is to create a platform and infrastructure that would bring benefit to the communities at various levels, whether it be enhancing community safety or through technology platforms that bring opportunities to SMME's.

With the worldwide increase of ICT security threats, the municipal ICT division is constantly under an obligation to increase restrictive security measures. Whilst increasing our security we still have to balance such restrictions with operational requirements of internal staff, as well as considering public service delivery. This latter creates a grey area that is prone to security risks. ICT security has become the number one risk within the division and a constant effort is made to keep abreast with the technological changes that affect ICT security that can negatively impact service delivery or result in legal complications.

The ICT division was also a key role-player in the ongoing "Project Paperless" implemented and supported by the Council. During the first phase, all councillors received laptops. Our goal to become a paperless municipality and processes are now being implemented by various divisions towards this goal.

As a support function, the ICT division have become more involved in decision-making processes of the municipal administration. The municipal ICT Steering Committee (ICTSC) is the formal committee of Council who has council authority to make decisions with regards to the municipal ICT governance. The ICTSC is chaired by the Municipal Manger and the committee includes councillors, internal audit and other role-players.

The goal of the municipal ICT division is be an enabler of the business in order to give effect to the municipal mandate to provide services to its communities and this we try to achieve by researching and using the latest technologies.

### 3.26.2 EMPLOYEES: ICT SERVICES

| Employees: ICT Services |           |                  |           |                                  |                                   |
|-------------------------|-----------|------------------|-----------|----------------------------------|-----------------------------------|
| Job Level               | 2017/2018 | YEAR 2018 / 2019 |           |                                  |                                   |
|                         | Employees | Posts            | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                         | No.       | No.              | No.       | No.                              | %                                 |
| 0 - 3                   | 0         | 0                | 0         | 0                                | 0                                 |
| 4 - 6                   | 0         | 0                | 0         | 0                                | 0                                 |
| 7 - 9                   | 0         | 0                | 0         | 0                                | 0                                 |
| 10 - 12                 | 3         | 4                | 3         | 1                                | 0%                                |
| 13 - 15                 | 1         | 1                | 1         | 0                                | 0%                                |
| 16 - 18                 | 0         | 0                | 0         | 0                                | 0                                 |
| 19 - 20                 | 0         | 0                | 0         | 0                                | 0                                 |
| <b>Total</b>            | <b>4</b>  | <b>5</b>         | <b>4</b>  | <b>1</b>                         | <b>20%</b>                        |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

**T3.72.4**



### 3.26.3 FINANCIAL PERFORMANCE: ICT SERVICES

| Financial Performance: ICT Services  |              |                 |                   |              |                    |
|--------------------------------------|--------------|-----------------|-------------------|--------------|--------------------|
|                                      |              |                 |                   |              | R'000              |
| Details                              | Year 2017/18 | Year 2018/19    |                   |              |                    |
|                                      | Actual       | Original Budget | Adjustment Budget | Actual       | Variance to Budget |
| <b>Total Operational Revenue</b>     | —            | —               | —                 | —            | 0%                 |
| <b>Expenditure:</b>                  |              |                 |                   |              |                    |
| Employees                            | 1908         | 2395            | 2070              | 1839         | -11%               |
| Repairs and Maintenance              | —            | —               | —                 | —            | 0%                 |
| Other                                | 6,286        | 4,595           | 5,380             | 5,147        | -4%                |
| <b>Total Operational Expenditure</b> | <b>8,194</b> | <b>6,990</b>    | <b>7,450</b>      | <b>6,986</b> | <b>-6%</b>         |
| <b>Net Operational Expenditure</b>   | <b>8,194</b> | <b>6,990</b>    | <b>7,450</b>      | <b>6,986</b> | <b>-6%</b>         |

*Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.*

**T3.72.5**

### 3.26.4 CAPITAL EXPENDITURE: ICT SERVICES

| Capital Expenditure Year 2017/18: ICT Services                                                                                                        |              |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|--------------------|-------------------------------|---------------------|
|                                                                                                                                                       |              |                   |                    |                               | R' 000              |
| Capital Projects                                                                                                                                      | Year 2018/19 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget       | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| <b>Total All</b>                                                                                                                                      | 1636         | 1636              | 2194               | 25%                           |                     |
|                                                                                                                                                       |              |                   |                    |                               |                     |
| Project A:                                                                                                                                            | –            | –                 | –                  | -                             |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |              |                   |                    |                               | T3.72.6             |

## 3.27 PROPERTY MANAGEMENT

### 3.27.1 PROPERTY MANAGEMENT: CHALLENGES/ ACHIEVEMENTS

#### Challenges

- The rapid declining national economy is still one of the biggest challenges as this effects the Municipal income obtained through leases and sales.
- Developers are less interested in investing in property, which results into no offers or poor offers made when selling properties to the public.
- The strict criteria set by the banks for obtaining bonds results into not having enough bank credible buyers to buy and develop available properties.
- The backlog in the provision of bulk services in all of the towns restricts development.
- The high cost of construction and infrastructure still remains a big factor.
- The provision of affordable housing within the household income R3501 to R22 000 in the Theewaterskloof area urgently needs to be addressed.

#### Achievements

- Land was bought in Botrivier for a housing development and much needed housing opportunities.
- Land was made available to a non-profit organisation for the construction and utilization of a recycling plant in Botrivier. This plant aids in keeping Botrivier clean.
- A parking area was sold to a developer for the construction of a big supermarket within Grabouw which will serve the community as well as help develop the economy.
- A Guideline was adopted to give assistance to household incomes within the R3501 – R22 000 bracket. More affordable Properties will be made available to this income category to aid them with much needed housing.

- The development of the Venster property adjacent to the Caledon Nature Garden and N2 is earmarked for the development of tourism related businesses that will help develop the economy of the region as well as create job opportunities. An extensive feasibility study with public participation was done to determine the possible types of activities that can be accommodated. Potential developers will be able to lease the said property for development for a period of 30 years with an option for another period.
- The development of a private hospital in Caledon is currently in the planning process. The hospital will aid in unlocking the development of retirement villages as well as the provision of specialised medical services to the area.
- The 1st Phase of Extension 12 in Caledon where 112 walk-up sectional title residential units as well as 97 town houses will be established is in construction. The bulk and individual plots have been serviced. This development will provide much needed housing and give first home owners the opportunity to enter into the market as well as pensioners who wants to scale down to smaller properties.
- The development of 73 Industrial properties in Caledon is currently in the planning process. New businesses will be established over the next 10 to 20 years where much needed job opportunities will be created and make a big contribution to the economy of the area.
- A property in Grabouw was made available for the construction of a church. The property was made available via a tender process and sold to a local congregation.

### 3.27.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

| Employees: Property Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |                  |           |                                  |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2017/2018 | YEAR 2018 / 2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Employees | Posts            | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No.       | No.              | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0         | 0                | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0         | 0                | 0         | 0                                | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1         | 1                | 1         | 0                                | 0%                                |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1         | 1                | 1         | 0                                | 0%                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1         | 1                | 1         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0                | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0                | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>3</b>  | <b>3</b>         | <b>3</b>  | <b>0</b>                         | <b>0%</b>                         |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><b>T3.73.4</b></p> |           |                  |           |                                  |                                   |

| Employees: Valuations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                |           |                                  |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2017/2018 | YEAR 2018/2019 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Employees | Posts          | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No.       | No.            | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0         | 0              | 0         | 0                                | -                                 |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0         | 0              | 0         | 0                                | -                                 |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0         | 0              | 0         | 0                                | -                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0              | 0         | 0                                | -                                 |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1         | 1              | 1         | 0                                | 0%                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0              | 0         | 0                                | -                                 |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0              | 0         | 0                                | -                                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>1</b>  | <b>1</b>       | <b>1</b>  | <b>0</b>                         | <b>0%</b>                         |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><b>T3.56.4</b></p> |           |                |           |                                  |                                   |

### 3.27.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

| Financial Performance : Property Services                                                                                                                                                                                 |              |                 |                   |                |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|-------------------|----------------|--------------------|
| R'000                                                                                                                                                                                                                     |              |                 |                   |                |                    |
| Details                                                                                                                                                                                                                   | Year 2017/18 | Year 2018/19    |                   |                |                    |
|                                                                                                                                                                                                                           | Actual       | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>                                                                                                                                                                                          | (1,764)      | (2,079)         | (2,079)           | (6,278)        | 202%               |
| <b>Expenditure:</b>                                                                                                                                                                                                       |              |                 |                   |                |                    |
| Employees                                                                                                                                                                                                                 | 2,001        | 2,560           | 2,560             | 2,289          | 11%                |
| Repairs and Maintenance                                                                                                                                                                                                   | ,616         | 1,651           | 1,418             | ,996           | 30%                |
| Other                                                                                                                                                                                                                     | 1,628        | 6,908           | 6,879             | 1,446          | 79%                |
| <b>Total Operational Expenditure</b>                                                                                                                                                                                      | <b>4,246</b> | <b>11,119</b>   | <b>10,857</b>     | <b>4,731</b>   | <b>56%</b>         |
| <b>Net Operational Expenditure</b>                                                                                                                                                                                        | <b>2,482</b> | <b>9,040</b>    | <b>8,778</b>      | <b>(1,547)</b> | <b>15%</b>         |
| <p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p> |              |                 |                   |                | <b>T3.73.5</b>     |

# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)



As municipal employees, we ascribe to the values as underpinned by Batho Pele, a Sesotho word which means “People First”. This initiative was launched in 1997 to transform the Public Service at all levels. Batho Pele was launched because post 1994 South Africa inherited a public service that was not people-friendly and lacked the skills and attitudes to meet the developmental challenges facing the country. Batho Pele is based on the following eight principles:

- **Consultation:** citizens should be consulted about their needs
- **Standards:** all citizens should know what service to expect
- **Redress:** all citizens should be offered an apology and solution when standards are not met
- **Access:** all citizens should have equal access to services
- **Courtesy:** all citizens should be treated courteously
- **Information:** all citizens are entitled to full, accurate information
- **Openness and transparency:** all citizens should know how decisions are made and departments are run
- **Value for money:** all services provided should offer value for money

The municipality currently has a staff component of 636 staff members who are responsible for ensuring effective service delivery to the community and collectively contribute towards the achievement of the municipality's strategic objectives.



The Human Resource Management department has as its main aim to ensure competent staff is recruited as well as the development of current staff members and the unemployed youth

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

#### 4.1.1 EMPLOYEES

| Employees                                             |                |                               |                         |           |            |
|-------------------------------------------------------|----------------|-------------------------------|-------------------------|-----------|------------|
| Description                                           | Year 2017/2018 | Year 2018 /2019 as at 30 June |                         |           |            |
|                                                       | Employees      | Approved Posts                | Employees               | Vacancies | Vacancies  |
|                                                       | No.            | No.                           | No.                     | No.       | %          |
| Water and Sewerage Networks                           | 51             | 43                            | 42                      | 1         | 2%         |
| Sanitation Services (Water and Sewerage Purification) | 58             | 61                            | 58                      | 3         | 5%         |
| Electricity                                           | 19             | 21                            | 21                      | 0         | 0%         |
| Solid Waste Management Services                       | 92             | 95                            | 95                      | 0         | 0%         |
| Human Settlements (Including Informal Settlements)    | 12             | 13                            | 12                      | 1         | 8%         |
| Roads Services                                        | 91             | 91                            | 88                      | 3         | 3%         |
| Planning Services (Building Control)                  | 11             | 12                            | 12                      | 0         | 0%         |
| Local Economic Development                            | 2              | 2                             | 0                       | 0         | -          |
| IDP                                                   | 2              | 3                             | 3                       | 0         | 0%         |
| Libraries                                             | 25             | 24                            | 22                      | 2         | 9%         |
| Valuations                                            | 1              | 1                             | 1                       | 0         | 0%         |
| Internal Audit                                        | 3              | 3                             | 3                       | 0         | 0%         |
| Public Safety (Traffic)                               | 85             | 78                            | 70                      | 8         | 11%        |
| Parks (Including Botanical Gardens)                   | 41             | 40                            | 39                      | 1         | 3%         |
| Administration                                        | 67             | 73                            | 72                      | 1         | 1%         |
| Disaster Management                                   | 1              | 1                             | 1                       | 0         | 0%         |
| Sport and Recreation                                  | 1              | 1                             | 1                       | 0         | 0%         |
| The Executive (Top Management)                        | 4              | 4                             | 3                       | 1         | 33%        |
| ICT Services                                          | 5              | 5                             | 4                       | 1         | 25%        |
| Financial Services                                    | 80             | 85                            | 79                      | 6         | 8%         |
| Property Management                                   | 3              | 3                             | 3                       | 0         | 0%         |
| Human Resources                                       | 7              | 7                             | 7                       | 0         | 0%         |
| <b>Totals</b>                                         | <b>661</b>     | <b>666</b>                    | <b>636<sup>10</sup></b> | <b>28</b> | <b>4 %</b> |

<sup>10</sup> Only Permanent employees as at 30 June 2019 ( excluding temporary workers)

#### 4.1.2 VACANCY RATE: YEAR 2018/19

| Vacancy Rate: Year 2018/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                       |                                                                            |                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------|
| Designations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | *Total Approved Posts | *Vacancies<br>(Total time that vacancies exist using fulltime equivalents) | *Vacancies<br>(as a proportion of total posts in each category) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No.                   | No.                                                                        | %                                                               |
| Municipal Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1                     | 0                                                                          | 0.00                                                            |
| CFO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1                     | 0                                                                          | 0.00                                                            |
| Other S57 Managers (excluding Finance Posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                     | 2                                                                          | 100.00                                                          |
| Other S57 Managers (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                     | 0                                                                          | 0.00                                                            |
| Police officers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0                     | 0                                                                          | 0.00                                                            |
| Traffic & Law Enforcement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 39                    | 4                                                                          | 0.00                                                            |
| Senior management: Levels 13-15 (excluding Finance Posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 21                    | 1                                                                          | 4.76                                                            |
| Senior management: Levels 13-15 (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 7                     | 1                                                                          | 14.29                                                           |
| Highly skilled supervision: levels 9-12 (excluding Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 64                    | 3                                                                          | 4.69                                                            |
| Highly skilled supervision: levels 9-12 (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 15                    | 0                                                                          | 0.00                                                            |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>150</b>            | <b>11</b>                                                                  | <b>7.33</b>                                                     |
| <i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> |                       |                                                                            |                                                                 |

T4.1.2

#### 4.1.3 TURN-OVER RATE: YEAR 2018/19

| Turn-over Rate                                                                                                                                                     |                                                                             |                                        |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------|-----------------|
| Details                                                                                                                                                            | Total Appointments as of beginning of Financial Year (including promotions) | Terminations during the Financial Year | Turn-over Rate* |
|                                                                                                                                                                    | No.                                                                         | No.                                    |                 |
| 2015/16                                                                                                                                                            | 608                                                                         | 45                                     | 7.40%           |
| 2016/17                                                                                                                                                            | 661                                                                         | 22                                     | 3.57%           |
| 2017/18                                                                                                                                                            | 636                                                                         | 28                                     | 4.40%           |
| 2018/19                                                                                                                                                            | 641                                                                         | 44                                     | 6.86%           |
| <i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i> |                                                                             |                                        |                 |

T4.1.3

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 MANAGING THE MUNICIPAL WORKFORCE

#### 4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Systems Act, S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource division comprises of the following sections namely: HR Administration, Labour Relations, Recruitment & selection, Training and development, OH&S and Risk Management as well as Organisational Development and Employee Assistance

#### 4.2.2 HUMAN RESOURCE POLICIES AND PLANS

| HR Policies and Plans                                                                              |                                            |                |                                                                         |
|----------------------------------------------------------------------------------------------------|--------------------------------------------|----------------|-------------------------------------------------------------------------|
|                                                                                                    | Name of Policy                             | Completed<br>% | Reviewed<br>%<br>Date adopted by council or comment on failure to adopt |
| 1                                                                                                  | Employment Equity Policy                   | 100%           | 15-Sep-11                                                               |
| 2                                                                                                  | Medical Assistance for Former Emp          | 100%           | 5-May-11                                                                |
| 3                                                                                                  | EAP Policy                                 | 100%           | 1-Jun-12                                                                |
| 4                                                                                                  | HIV/Aids Policy                            | 100%           | 30-Mar-13                                                               |
| 5                                                                                                  | Leave Policy                               | 100%           | 1-Apr-13                                                                |
| 6                                                                                                  | Payment of Travel and Subsistence          | 100%           | 23-Jun-16                                                               |
| 7                                                                                                  | Employment Practice Policy                 | 100%           | Policy was reviewed by Council on 30 November 2017 (C222/2017)          |
| 8                                                                                                  | Induction Policy                           | 100%           | 7-Aug-12                                                                |
| 9                                                                                                  | Policy Use of Protective Equipment         | 100%           | 14-Jan-10                                                               |
| 10                                                                                                 | Sexual Harassment Policy                   | 100%           | 1-Sep-11                                                                |
| 11                                                                                                 | Smoking Policy                             | 100%           | 26-May-08                                                               |
| 12                                                                                                 | Training Policy                            | 100%           | 31-Oct-13                                                               |
| 13                                                                                                 | Bursary Scheme Policy                      | 100%           | 15-Oct-08                                                               |
| 14                                                                                                 | Health and Safety Policy                   | 100%           | 1-May-08                                                                |
| 15                                                                                                 | Scarce Skills Policy                       | 100%           | 20-Mar-13                                                               |
| 16                                                                                                 | Vehicle Allowance Policy                   | 100%           | 29-Mar-17                                                               |
| 17                                                                                                 | Appointment of Retired Proff               | 100%           | 1-Jul-17                                                                |
| 18                                                                                                 | Policy Transport Allowance for Councillors | 100%           | Policy was reviewed by Council on 29 March 2017                         |
| 19                                                                                                 | Cellular Allowance Policy                  | 100%           | 1-Nov-16                                                                |
| 20                                                                                                 | Overtime Policy                            | 100%           | 1-Nov-16                                                                |
| 21                                                                                                 | Travel and Subsistence Policy              | 100%           | 27-Jul-17                                                               |
| <i>Use name of local policies if different from above and at any other HR policies not listed.</i> |                                            |                | T4.2.1                                                                  |

### 4.2.3 COMMENT ON WORKFORCE POLICY DEVELOPMENT

HR Policies are reviewed annually and amended if and when required. After approval, roadshows are conducted to workshop these policies with all staff to ensure that staff members are informed of the changes and or new policies.

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

### 4.3.1 NUMBER AND COST OF INJURIES ON DUTY

| Number and Cost of Injuries on Duty   |                    |                              |                                       |                                   |                      |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------|
| Type of injury                        | Injury Leave Taken | Employees using injury leave | Proportion employees using sick leave | Average Injury Leave per employee | Total Estimated Cost |
|                                       | Days               | No.                          | %                                     | Days                              | R'000                |
| Required basic medical attention only | 81                 | 36                           | 44.44%                                | 2.25                              | R 41,822.45          |
| Temporary total disablement           | 44                 | 2                            | 4.55%                                 | 8.8                               | R 2,323.46           |
| Permanent disablement                 | 0                  | 0                            | 0.00%                                 | 0                                 | R 0.00               |
| Fatal                                 | 0                  | 0                            | 0.00%                                 | 0                                 | R 0.00               |
| <b>Total</b>                          | <b>125</b>         | <b>38</b>                    | <b>30.40%</b>                         | <b>11.05</b>                      | <b>R 44,145.91</b>   |
|                                       |                    |                              |                                       |                                   | T4.3.1               |

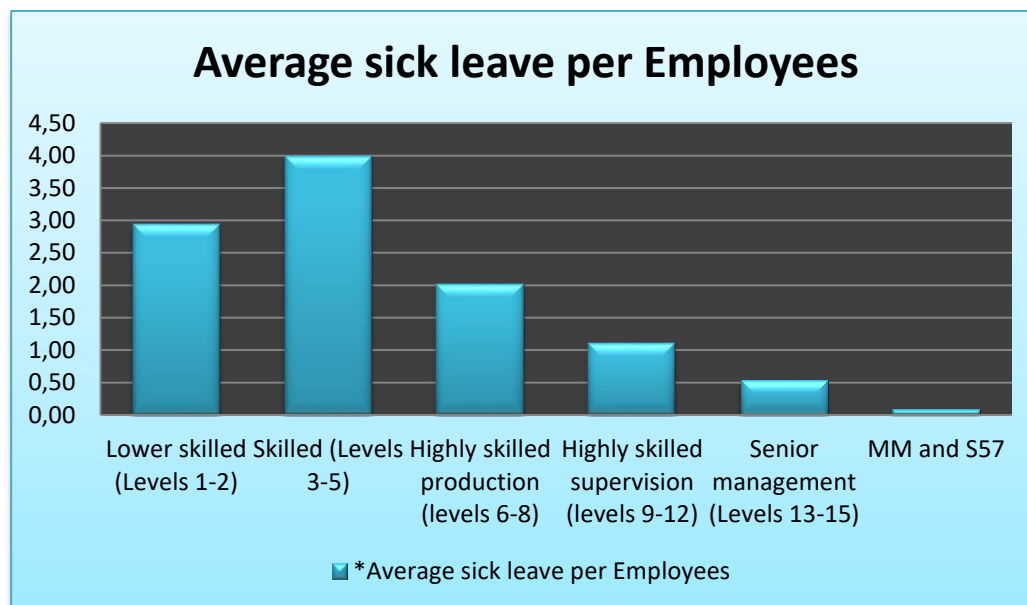
The municipality always strives to reduce the injuries on duty in order to contain cost as well as to maintain optimum levels of service delivery. To this end, regular safety meetings are conducted where safety concerns are addressed as well as weekly toolbox discussions and flash reports to staff.

### 4.3.2 NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURY ON DUTY)

| Number of days and Cost of Sick Leave (excluding injuries on duty) |                  |                                                        |                            |                          |                                   |                |
|--------------------------------------------------------------------|------------------|--------------------------------------------------------|----------------------------|--------------------------|-----------------------------------|----------------|
| Salary band                                                        | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost |
|                                                                    | Days             | %                                                      | No.                        | No.                      | Days                              | R' 000         |
| Lower skilled (Levels 1-2)                                         | 1952             | 31%                                                    | 164                        | 210                      | 2.94                              | R 624,774.00   |
| Skilled (Levels 3-5)                                               | 2654             | 29%                                                    | 244                        | 254                      | 3.99                              | R 958,789.00   |
| Highly skilled production (levels 6-8)                             | 1342             | 25%                                                    | 115                        | 122                      | 2.02                              | R 823,741.00   |
| Highly skilled supervision (levels 9-12)                           | 739              | 15%                                                    | 45                         | 41                       | 1.11                              | R 674,555.00   |
| Senior management (Levels 13-15)                                   | 351              | 19%                                                    | 32                         | 35                       | 0.53                              | R 488,952.00   |
| MM and S57                                                         | 57               | 6%                                                     | 3                          | 3                        | 0.09                              | R 15,982.00    |

|                                                                                                |      |     |     |                   |       |                |
|------------------------------------------------------------------------------------------------|------|-----|-----|-------------------|-------|----------------|
| Total                                                                                          | 7095 | 17% | 603 | 665 <sup>11</sup> | 10.67 | R 3,586,793.00 |
| * - Number of employees in post at the beginning of the year                                   |      |     |     |                   |       | T4.3.2         |
| *Average is calculated by taking sick leave in column 2 divided by total employees in column 5 |      |     |     |                   |       |                |

#### 4.3.3 AVERAGE NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURY ON DUTY)



#### 4.3.4 COMMENT ON INJURY AND SICK LEAVE

Sick leave and IOD leave has a direct impact on service delivery. The municipality is constantly looking at possible abuse of sick leave and if found corrective measures are put in place. Information sessions are also conducted to make staff members aware of procedures in respect of sick leave

#### 4.3.5 NUMBER AND PERIOD OF SUSPENSIONS

| Number and Period of Suspensions |                              |                    |                                                                                      |                |
|----------------------------------|------------------------------|--------------------|--------------------------------------------------------------------------------------|----------------|
| Position                         | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised |
| Informal Settlement Officer      | Still under investigation    | 08/04/2019         | N/A                                                                                  | N/A            |
|                                  |                              |                    |                                                                                      | <b>T4.3.5</b>  |

The Disciplinary Procedure Collective Agreement, entered into at the SALGBC between the employer organisation (SALGA), and the two recognised unions, SAMWU and IMATU put measures in place on how to deal with misconduct. Its main aim to ensure a fair common and uniform procedure for the management of discipline in the workplace. This collective

<sup>11</sup> These numbers represent the aggregated number of employees within the post during the financial year that was eligible for sick leave during the respective year.

agreement is applicable to all staff members except the Accounting Officer and Senior Management.

#### 4.3.6 DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

| Disciplinary Action Taken on Cases of Financial Misconduct |                                                                             |                           |                |
|------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------|----------------|
| Position                                                   | Nature of Alleged Misconduct and Rand value of any loss to the municipality | Disciplinary action taken | Date Finalised |
|                                                            | <i>No cases of financial misconduct</i>                                     |                           |                |
|                                                            |                                                                             |                           | T4.3.6         |

### 4.4 PERFORMANCE REWARDS

#### 4.4.1 PERFORMANCE REWARDS BY GENDER

| Performance Rewards By Gender                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |                                    |                         |                                                   |                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|-------------------------|---------------------------------------------------|------------------------------------------|
| Designations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Beneficiary profile |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Gender              | Total number of employees in group | Number of beneficiaries | Expenditure on rewards Year 2018/19 <sup>12</sup> | Proportion of beneficiaries within group |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |                                    |                         | R' 000                                            | %                                        |
| Lower skilled (Levels 1-2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                |                                    |                         |                                                   |                                          |
| Skilled (Levels 3-5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                |                                    |                         |                                                   |                                          |
| Highly skilled production (levels 6-8)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                |                                    |                         |                                                   |                                          |
| Highly skilled supervision (levels 9-12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                |                                    |                         |                                                   |                                          |
| Senior management (Levels 13-15)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                |                                    |                         |                                                   |                                          |
| MM and S57                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Female              |                                    |                         |                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Male                | 3                                  | 3                       | 546 077                                           | 100%                                     |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     | 3                                  | 3                       | 546 077                                           | 100%                                     |
| <b>Has the statutory municipal calculator been used as part of the evaluation process.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |                                    |                         |                                                   | Yes/No                                   |
| <i>Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i> |                     |                                    |                         |                                                   | T4.4.1                                   |

<sup>12</sup> Rewards paid in 2018/19 financial year in respect of performance for 2017/18.

#### 4.4.2 COMMENT ON PERFORMANCE REWARDS

The implementation of performance management to lower levels of staff could still not be realised due to various constraints however we are hopeful to implement an individual performance management system within the next two years.

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the MSA states that the 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).

##### 4.5.1 NUMBER OF SKILLED EMPLOYEES

| Skills Matrix                                            |        |                                           |                                                                         |                          |        |                                         |                          |        |                          |                          |        |                          |                          |        |
|----------------------------------------------------------|--------|-------------------------------------------|-------------------------------------------------------------------------|--------------------------|--------|-----------------------------------------|--------------------------|--------|--------------------------|--------------------------|--------|--------------------------|--------------------------|--------|
| Management level                                         | Gender | Employees in post as at 30 June Year 2019 | Number of skilled employees required and actual as at 30 June Year 2019 |                          |        |                                         |                          |        |                          |                          |        |                          |                          |        |
|                                                          |        |                                           | Learnerships                                                            |                          |        | Skills programmes & other short courses |                          |        | Other forms of training  |                          |        | Total                    |                          |        |
|                                                          |        | No.                                       | Actual: End of Year 2018                                                | Actual: End of Year 2019 | Target | Actual: End of Year 2018                | Actual: End of Year 2019 | Target | Actual: End of Year 2018 | Actual: End of Year 2019 | Target | Actual: End of Year 2018 | Actual: End of Year 2019 | Target |
| MM and s57                                               | Female | 0                                         | 0                                                                       | 0                        | 0      | 0                                       | 0                        | 0      | 0                        | 0                        | 0      | 0                        | 0                        | 0      |
|                                                          | Male   | 3                                         | 0                                                                       | 0                        | 0      | 0                                       | 3                        | 3      | 0                        | 0                        | 0      | 0                        | 3                        | 3      |
| Councillors, senior officials and managers               | Female | 23                                        | 0                                                                       | 0                        | 0      | 0                                       | 19                       | 19     | 0                        | 0                        | 0      | 0                        | 19                       | 19     |
|                                                          | Male   | 35                                        | 0                                                                       | 0                        | 0      | 1                                       | 23                       | 24     | 0                        | 0                        | 0      | 1                        | 23                       | 24     |
| Technicians and associate professionals*                 | Female | 34                                        | 0                                                                       | 0                        | 0      | 1                                       | 3                        | 4      | 0                        | 0                        | 0      | 1                        | 3                        | 4      |
|                                                          | Male   | 60                                        | 0                                                                       | 0                        | 0      | 3                                       | 44                       | 47     | 0                        | 0                        | 0      | 3                        | 44                       | 47     |
| Professionals                                            | Female | 14                                        | 0                                                                       | 0                        | 0      | 5                                       | 5                        | 10     | 0                        | 0                        | 0      | 5                        | 5                        | 10     |
|                                                          | Male   | 20                                        | 0                                                                       | 0                        | 0      | 3                                       | 22                       | 25     | 0                        | 0                        | 0      | 3                        | 22                       | 25     |
| Sub total                                                | Female | 71                                        | 0                                                                       | 0                        | 0      | 6                                       | 27                       | 33     | 0                        | 0                        | 0      | 6                        | 27                       | 33     |
|                                                          | Male   | 117                                       | 0                                                                       | 0                        | 0      | 7                                       | 89                       | 96     | 0                        | 0                        | 0      | 7                        | 89                       | 96     |
| Total                                                    |        | 188                                       | 0                                                                       | 0                        | 0      | 26                                      | 116                      | 142    | 0                        | 0                        | 0      | 26                       | 116                      | 142    |
| *Registered with professional Associate Body e.g CA (SA) |        |                                           |                                                                         |                          |        |                                         |                          |        |                          |                          |        |                          |                          | T4.5.1 |

#### 4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are important for 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.

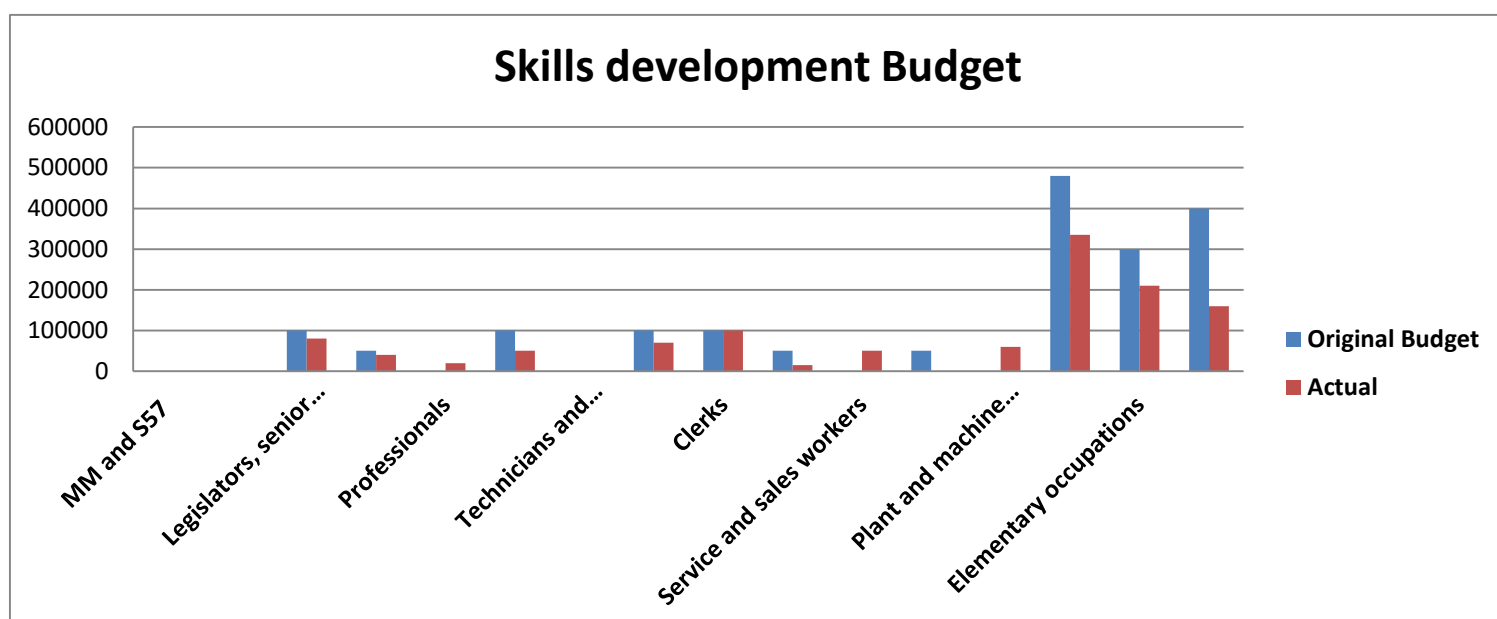


The table below provides details of the financial competency development progress and training needs of the Municipality thus far:

| Financial Competency Development: Progress Report*                                                                  |                                                                                                                |                                                                                                                |                                      |                                                                                                               |                                                                                                                                                 |                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Description                                                                                                         | A.<br>Total<br>number of<br>officials<br>employed<br>by<br>municipality<br>(Regulation<br>14(4)(a) and<br>(c)) | B.<br>Total number of<br>officials<br>employed by<br>municipal<br>entities<br>(Regulation<br>14(4)(a) and (c)) | Consolidated:<br>Total of A and<br>B | Consolidated:<br>Competency<br>assessments<br>completed for<br>A and B<br>(Regulation<br>14(4)(b) and<br>(d)) | Consolidated:<br>Total number<br>of officials<br>whose<br>performance<br>agreements<br>comply with<br>Regulation 16<br>(Regulation<br>14(4)(f)) | Consolidated:<br>Total number<br>of officials<br>that meet<br>prescribed<br>competency<br>levels<br>(Regulation<br>14(4)(e)) |
| Financial Officials                                                                                                 |                                                                                                                |                                                                                                                |                                      |                                                                                                               |                                                                                                                                                 |                                                                                                                              |
| <i>Accounting officer</i>                                                                                           | 1                                                                                                              | 0                                                                                                              | 1                                    | 1                                                                                                             | 1                                                                                                                                               | 1                                                                                                                            |
| <i>Chief financial officer</i>                                                                                      | 1                                                                                                              | 0                                                                                                              | 1                                    | 1                                                                                                             | 1                                                                                                                                               | 1                                                                                                                            |
| <i>Senior managers</i>                                                                                              | 1                                                                                                              | 0                                                                                                              | 1                                    | 1                                                                                                             | 1                                                                                                                                               | 0                                                                                                                            |
| <i>Any other financial officials</i>                                                                                | 33                                                                                                             | 0                                                                                                              | 33                                   | 21                                                                                                            | 0                                                                                                                                               | 15                                                                                                                           |
| Supply Chain<br>Management Officials                                                                                |                                                                                                                |                                                                                                                |                                      |                                                                                                               |                                                                                                                                                 |                                                                                                                              |
| <i>Heads of supply chain management units</i>                                                                       | 1                                                                                                              | 0                                                                                                              | 1                                    | 1                                                                                                             | 0                                                                                                                                               | 0                                                                                                                            |
| <i>Supply chain management senior managers</i>                                                                      | 0                                                                                                              | 0                                                                                                              | 0                                    |                                                                                                               | 0                                                                                                                                               |                                                                                                                              |
| <b>TOTAL</b>                                                                                                        | <b>37</b>                                                                                                      | <b>0</b>                                                                                                       | <b>37</b>                            | <b>25</b>                                                                                                     | <b>3</b>                                                                                                                                        | <b>17</b>                                                                                                                    |
| * This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) |                                                                                                                |                                                                                                                |                                      |                                                                                                               |                                                                                                                                                 | T4.5.2                                                                                                                       |

### 4.5.3 SKILLS DEVELOPMENT EXPENDITURE

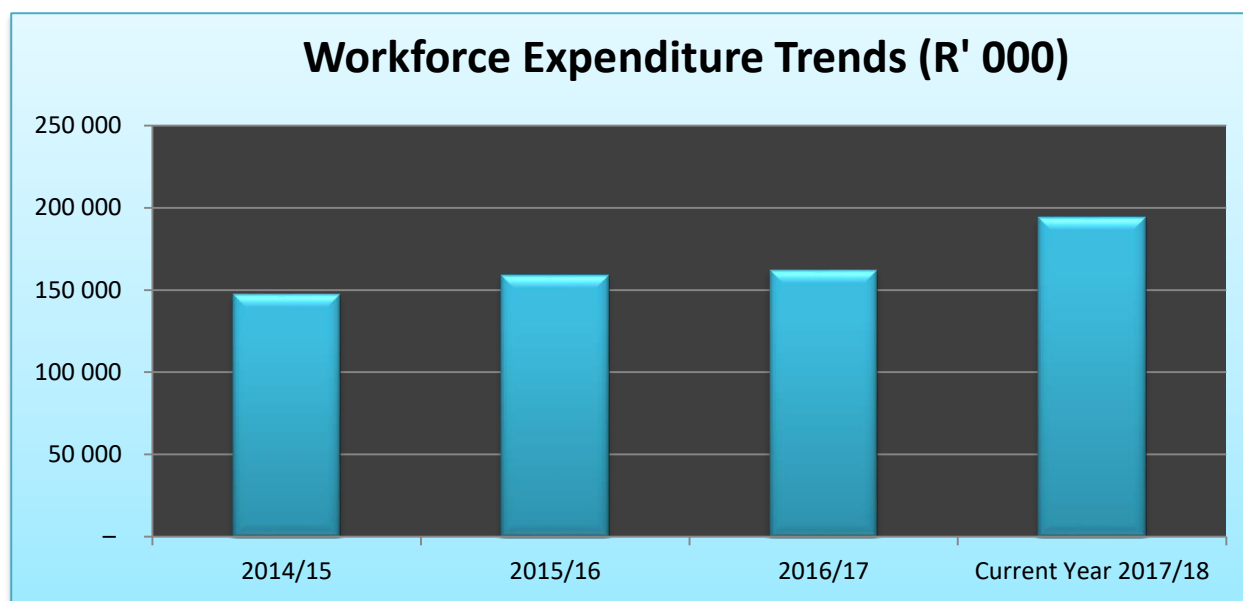
| Skills Development Expenditure                                                               |        |                                                     |                                                                        |        |                                         |        |                         |        |                 |         |
|----------------------------------------------------------------------------------------------|--------|-----------------------------------------------------|------------------------------------------------------------------------|--------|-----------------------------------------|--------|-------------------------|--------|-----------------|---------|
|                                                                                              |        |                                                     |                                                                        |        |                                         |        |                         |        |                 | R'000   |
| Management level                                                                             | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2017/2018 |        |                                         |        |                         |        |                 |         |
|                                                                                              |        |                                                     | Learnerships                                                           |        | Skills programmes & other short courses |        | Other forms of training |        | Total           |         |
|                                                                                              |        | No.                                                 | Original Budget                                                        | Actual | Original Budget                         | Actual | Original Budget         | Actual | Original Budget | Actual  |
| MM and S57                                                                                   | Female | 0                                                   |                                                                        |        |                                         |        |                         |        |                 |         |
|                                                                                              | Male   | 3                                                   |                                                                        |        |                                         |        |                         |        |                 |         |
| Legislators, senior officials and managers                                                   | Female | 18                                                  |                                                                        |        | 100000                                  | 80000  |                         |        | 100000          | 80000   |
|                                                                                              | Male   | 21                                                  |                                                                        |        | 50000                                   | 40000  |                         |        | 50000           | 40000   |
| Professionals                                                                                | Female | 7                                                   |                                                                        |        |                                         | 20000  |                         |        |                 | 20000   |
|                                                                                              | Male   | 16                                                  |                                                                        |        | 100000                                  | 50000  |                         |        | 100000          | 50000   |
| Technicians and associate professionals                                                      | Female | 4                                                   |                                                                        |        |                                         |        |                         |        |                 |         |
|                                                                                              | Male   | 34                                                  |                                                                        |        | 100000                                  | 70000  |                         |        | 100000          | 70000   |
| Clerks                                                                                       | Female | 85                                                  |                                                                        |        | 100000                                  | 100000 |                         |        | 100000          | 100000  |
|                                                                                              | Male   | 15                                                  |                                                                        |        | 50000                                   | 15000  |                         |        | 50000           | 15000   |
| Service and sales workers                                                                    | Female | 6                                                   |                                                                        |        |                                         | 50000  |                         |        |                 | 50000   |
|                                                                                              | Male   | 24                                                  |                                                                        |        | 50000                                   |        |                         |        | 50000           |         |
| Plant and machine operators and assemblers                                                   | Female | 0                                                   |                                                                        |        |                                         | 60000  |                         |        |                 | 60000   |
|                                                                                              | Male   | 98                                                  | 380000                                                                 | 300000 | 100000                                  | 35000  |                         |        | 480000          | 335000  |
| Elementary occupations                                                                       | Female | 30                                                  | 200000                                                                 | 150000 | 100000                                  | 60000  |                         |        | 300000          | 210000  |
|                                                                                              | Male   | 350                                                 | 200000                                                                 | 100000 | 200000                                  | 60000  |                         |        | 400000          | 160000  |
| Sub total                                                                                    | Female | 150                                                 | 200000                                                                 | 400000 | 200000                                  | 250000 |                         |        | 400000          | 650000  |
|                                                                                              | Male   | 561                                                 | 580000                                                                 | 150000 | 350000                                  | 330000 |                         |        | 930000          | 480000  |
| Total                                                                                        |        | 711                                                 | 780000                                                                 | 550000 | 550000                                  | 580000 | 0                       | 0      | 1330000         | 1130000 |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan. |        |                                                     |                                                                        |        |                                         |        |                         |        | %*              | *R      |



## COMPONENT D: MANAGING THE WORKFORCE 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 (excluding councillor remuneration) for the past three financial years and that the municipality is well within the national norm of between 35 to 40%.

### 4.6 EMPLOYEE EXPENDITURE



#### 4.6.1 NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITION BEING UPGRADED

| Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded                                                                                                 |        |          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------|
| Beneficiaries                                                                                                                                                                           | Gender | Total    |
| Lower skilled (Levels 1-2)                                                                                                                                                              | Female | 0        |
|                                                                                                                                                                                         | Male   | 0        |
| Skilled (Levels 3-5)                                                                                                                                                                    | Female | 0        |
|                                                                                                                                                                                         | Male   | 0        |
| Highly skilled production (Levels 6-8)                                                                                                                                                  | Female | 3        |
|                                                                                                                                                                                         | Male   | 0        |
| Highly skilled supervision (Levels 9-12)                                                                                                                                                | Female | 2        |
|                                                                                                                                                                                         | Male   | 0        |
| Senior management (Levels 13-16)                                                                                                                                                        | Female | 1        |
|                                                                                                                                                                                         | Male   | 0        |
| MM and S 57                                                                                                                                                                             | Female | 0        |
|                                                                                                                                                                                         | Male   | 0        |
| <b>Total</b>                                                                                                                                                                            |        | <b>6</b> |
| <i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i> |        | T4.6.2   |

#### 4.6.2 EMPLOYEES WHOSE SALARY LEVELS EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION

| Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation |                     |                      |                    |                                  |
|-----------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------------------|
| Occupation                                                                  | Number of employees | Job evaluation level | Remuneration level | Reason for deviation             |
| Meter Reader                                                                | 4                   | T5                   | T6                 | Result of outcome of evaluations |
| Manager                                                                     | 1                   | T14                  | T15                | Result of outcome of evaluations |
| Chief                                                                       | 1                   | T13                  | T14                | Result of outcome of evaluations |
|                                                                             |                     |                      |                    | T4.6.3                           |

#### 4.6.3 EMPLOYEES APPOINTED TO POSTS NOT APPROVED

| Employees appointed to posts not approved |       |                     |               |                                                       |
|-------------------------------------------|-------|---------------------|---------------|-------------------------------------------------------|
| Department                                | Level | Date of appointment | No. appointed | Reason for appointment when no established post exist |
|                                           |       |                     | None          |                                                       |
|                                           |       |                     |               | T4.6.4                                                |

# CHAPTER 5 – FINANCIAL PERFORMANCE



## 5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

**The municipality recently had a financial assessment done as part of the development of a long term financial plan and the following are an extract of key findings relating to Theewaterskloof:**

- ❖ Theewaterskloof's annual per capita income of R59 592 is lower than any of the other municipalities in the District. It is also lower than the average for the province (R84 147) and slightly lower than that of the country (R59643).
- ❖ The number of households is expected to grow at an average rate of 1.7% p.a., slightly higher than the assumed population growth rate (1.1% p.a.) due to lower occupancy rates.
- ❖ The proportion of indigent households is assumed to amount to 49.8% of total households. This resulted in an estimated future 10-year annual average growth in revenue of 7.7% p.a. This growth cannot be achieved through an increase in tariffs alone

but consists of a combination of (i) increased sales, (ii) increase in tariffs and (iii) new revenue sources.

- ❖ The revenue derived from property rates is higher than the increase in rates, 7.6% vs 6.91% which is partly due to an increase in property values but also an increase in the number of rateable properties. The same is true for electricity service charges where the growth in billings exceed the growth in tariffs.
- ❖ Positively, the liquidity ratio of Theewaterskloof increased from 1.40 to 1.67:1 during 2018 due to an increase in current assets and a decrease in current liabilities.
- ❖ Theewaterskloof does not make use of extensive shared services with neighbouring municipalities. The optimal use of shared services to curtail expenses should remain on the agenda.
- ❖ Any cost containment under General Expenditure items should always be pursued.

### **Demographics and Economic Overview of the Municipality**

To understand the financial challenges and position of the municipality it is important that one has an understanding of the demographics and economic environment of the region based on the **IHS Global Insight Rex database**:

- Theewaterskloof has a population of 124 374<sup>13</sup> and an annual GVA totalling R9.73billion, (equal to 41% of the total GVA of the Overberg DM).
- The economy of the municipality is dominated by the Agricultural sector (24.8% contribution to GVA). Community Services contributed 17.5% of the GVA in 2018 and the Trade sector at 15.4% also made a significant contribution.
- The municipality's population is growing at 1.0% per annum and is slightly slower than the average GVA growth rate for the past 5 years of 1.2% p.a. The official unemployment rate of 15%, is much lower than the national average of 27.3%.
- The average annual income of the estimated 32 376 households in the municipality is R 209 075 or R 17 423 per month. 10.3% of households earn an annual income less than R30 000 or less than R2 500 per month.

Agriculture has remained the major economic driver for the past 10 years with a 24.8% contribution to GVA in 2018, however, lower than the level of 27.2% in 2009. The Community Services Sector (17.5%) is the second biggest contributor to GVA. During the past 10 years the contribution of Agriculture declined but the proportional contribution of Community Services, Trade and Finance increased while the contribution of other sectors did not change significantly over this period.

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<sup>13</sup> Source SEP 2018

**SECTOR SHARE OF TOTAL GVA:THEEWATERSKLOOF**

|                      | 2009  | 2018  |
|----------------------|-------|-------|
| 1 Agriculture        | 27.2% | 24.8% |
| 2 Mining             | 0.1%  | 0.1%  |
| 3 Manufacturing      | 11.0% | 10.9% |
| 4 Utilities          | 5.5%  | 3.7%  |
| 5 Construction       | 5.3%  | 5.4%  |
| 6 Trade              | 14.2% | 15.4% |
| 7 Transport          | 8.1%  | 8.6%  |
| 8 Finance            | 12.3% | 13.6% |
| 9 Community services | 16.4% | 17.5% |

Over the past ten years the total number of people formally employed in Theewaterskloof increased by 13.7% from 38 178 in 2009 to 43 404 in 2018.

As the third largest contributor to GVA, it follows that Trade represents the largest provider of employment in the municipality, employing approximately 11 000 people in 2018. Finance, Manufacturing and Community Services are also significant employers. Each of these sectors is currently employing over 6 000 people, and in total contributing 49% to employment.

The gross amount spent by people visiting Theewaterskloof was R 688.73 million for 2018. This gross amount spent represents 7% of the Local GVA.

During yet another tough economic year, the municipality had to continue to introduce initiatives to handle and deal with price increase, especially those attributable to inflationary increases. The municipality continued to strengthen its stance on decreasing/eliminating non-essential spending.

**Looking at the future the municipality identified several key matters to be dealt with in 2019/2020:**

The largest operational expenditure items are Employee Related Expenses and Bulk Purchases. To remain sustainable the municipality should maximise its productivity:

- Maintain its good staff productivity as measured by Total Income/Staff Costs and aim for a productivity target of at least 4.
- Ensure that the full cost of electricity distribution is covered by tariffs and that the Electricity Surplus Margin as measured by the difference between Electricity Service Charges and Electricity Bulk Purchases is maintained at 30% to ensure financial sustainability of the municipality in future.
- Ensure that the full cost of water distribution is covered by tariffs. The margin as measured by the difference between Water Service Charges and Water Bulk Purchases should approximate 80% on average.
- Put measures in place to reduce water loss in the municipality.
- Carefully manage the increase in expenses related to staff costs and Contracted Services, as it has a direct impact on financial robustness.



**The municipality performed in 2018/19 when comparing to financial achievements to the previous financial year (2017/18). The following achievements during the financial year should be highlighted:**

- ❖ A clean audit was achieved for the first time in 2012/13 which is proof of sound financial practices and principles. Only 30 (12 in the Western Cape) municipalities from a total of 278 had obtained this achievement nationally. The municipality managed to sustain the clean audit outcome both in 2013/14, 2014/15, 2015/16, 2016/17. There was a regression in the audit outcome for 2017/18 from clean audit to unqualified audit opinion. The municipality however regained its clean audit status in 2018/19.
- ❖ The collection rate has increased from 84% in 2018 to 85% in 2019.
- ❖ The Current Ratio has improved to 1.67:1, the higher the current ratio, the more capable the municipality is of paying its obligations, as it has a larger proportion of assets value relative to the value of its liabilities. The municipality has more than enough to cover its current liabilities if they come overdue.
- ❖ Capital replacement reserve has increased from R12, 425m (restated) in 2018 to R20, 822 in 2019.
- ❖ Capital spending: Despite being rated one of the least financial viable municipalities TWK over the past 9 years invested R612m in capital assets and infrastructure.
- ❖ TWK has posted annual Accounting Surpluses with the exception of a deficit in 2011/12 for the last 14 financial years. The surplus realized in 2019 amounts to R 87, 7m.
- ❖ TWK has been able to manage its credit score within the BBB Band for more than 13 years.
- ❖ Efficient costing of services and projects by identifying and managing the cost drivers.
- ❖ Active use of forecasts and projections to manage cash flow efficiently.
- ❖ Active monitoring of income and expenditure against pre-determined budget targets/projections.
- ❖ Set financial benchmarks and monitor performance against them.

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### 5.2 STATEMENTS OF FINANCIAL PERFORMANCE

| Financial Summary                                                    |                |                 |                   |                  |                 |                    |
|----------------------------------------------------------------------|----------------|-----------------|-------------------|------------------|-----------------|--------------------|
|                                                                      |                |                 |                   |                  |                 | R' 000             |
| Description                                                          | 2017/18        | 2018/19         |                   | 2018/19 Variance |                 |                    |
|                                                                      | Actual         | Budget          | Adjustment Budget | Actual           | Original Budget | Adjustments Budget |
| <b>Financial Performance</b>                                         |                |                 |                   |                  |                 |                    |
| Property rates                                                       | 98,145         | 100,604         | 100,604           | 101,760          | 1.15%           | 1.15%              |
| Service charges                                                      | 200,710        | 225,028         | 222,334           | 223,645          | -0.61%          | 0.59%              |
| Investment revenue                                                   | 8,258          | 6,159           | 6,159             | 10,457           | 69.80%          | 69.80%             |
| Transfers recognised - operational                                   | 96,989         | 146,043         | 151,388           | 116,115          | -20.49%         | -23.30%            |
| Other own revenue                                                    | 78,203         | 54,840          | 81,275            | 90,597           | 65.20%          | 11.47%             |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>483,421</b> | <b>532,674</b>  | <b>561,759</b>    | <b>542,574</b>   | <b>1.86%</b>    | <b>-3.42%</b>      |
| Employee costs                                                       | 181,044        | 201,998         | 202,057           | 192,826          | -4.54%          | -4.57%             |
| Remuneration of councillors                                          | 11,539         | 12,179          | 12,179            | 11,707           | -3.88%          | -3.88%             |
| Depreciation & asset impairment                                      | 24,122         | 31,305          | 31,305            | 20,811           | -33.52%         | -33.52%            |
| Finance charges                                                      | 19,010         | 22,362          | 22,362            | 18,699           | -16.38%         | -16.38%            |
| Materials and bulk purchases                                         | 67,091         | 137,223         | 134,739           | 76,382           | -44.34%         | -43.31%            |
| Transfers and grants                                                 | 2,476          | ,232            | ,347              | 2,642            | 1037.64%        | 662.28%            |
| Other expenditure                                                    | 45,376         | 145,884         | 177,835           | 178,396          | 22.29%          | 0.32%              |
| <b>Total Expenditure</b>                                             | <b>464,573</b> | <b>551,182</b>  | <b>580,824</b>    | <b>501,462</b>   | <b>-9.02%</b>   | <b>-13.66%</b>     |
| <b>Surplus/(Deficit)</b>                                             | <b>18,848</b>  | <b>(18 508)</b> | <b>(19 065)</b>   | <b>41,112</b>    | <b>-322.13%</b> | <b>-315.64%</b>    |
| Transfers recognised - capital                                       | 50,145         | 47,348          | 42,738            | 34,341           | -27.47%         | -19.65%            |
| Contributions recognised - capital & contributed assets              | ,272           | —               | ,140              | 13,184           | —               | —                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>69,265</b>  | <b>28,840</b>   | <b>23,814</b>     | <b>88,637</b>    | <b>207.34%</b>  | <b>272.21%</b>     |
| Share of surplus/ (deficit) of associate                             | —              | —               | —                 | —                | —               | —                  |
| <b>Surplus/(Deficit) for the year</b>                                | <b>69,265</b>  | <b>28,840</b>   | <b>23,814</b>     | <b>88,637</b>    | <b>207.34%</b>  | <b>272.21%</b>     |
|                                                                      |                |                 |                   |                  |                 |                    |
| <b>Capital expenditure &amp; funds sources</b>                       |                |                 |                   |                  |                 |                    |
| Capital expenditure                                                  | <b>87,214</b>  | <b>78,756</b>   | <b>88,460</b>     | <b>76,533</b>    | -2.82%          | -13.48%            |
| Transfers recognised - capital                                       | 46,059         | 47,348          | 42,738            | 34,863           | -26.37%         | -18.43%            |
| Public contributions & donations                                     | —              | —               | 15,301            | 13,213           | —               | —                  |
| Borrowing                                                            | 26,261         | 10,420          | 14,145            | 13,695           | 31.43%          | -3.18%             |
| Internally generated funds                                           | 14,894         | 20,988          | 16,276            | 14,761           | -29.67%         | -9.30%             |
| <b>Total sources of capital funds</b>                                | <b>87,214</b>  | <b>78,756</b>   | <b>88,460</b>     | <b>76,533</b>    | <b>-2.82%</b>   | <b>-13.48%</b>     |
| <b>Financial position</b>                                            |                |                 |                   |                  |                 |                    |
| Total current assets                                                 | 128,733        | 98,916          | 146,347           | 208,505          | 110.79%         | 42.47%             |
| Total non-current assets                                             | 853,487        | 944,634         | 910,258           | 905,283          | -4.17%          | -0.55%             |
| Total current liabilities                                            | 91,299         | 88,759          | 107,148           | 124,226          | 39.96%          | 15.94%             |
| Total non-current liabilities                                        | 213,755        | 236,180         | 229,885           | 223,758          | -5.26%          | -2.67%             |
| <b>Community wealth/Equity</b>                                       | <b>677,166</b> | <b>718,611</b>  | <b>719,571</b>    | <b>765,803</b>   | <b>6.57%</b>    | <b>6.42%</b>       |

|                                                                                                                                                                 |          |          |          |          |          |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|---------------|
|                                                                                                                                                                 |          |          |          |          |          |               |
| <b>Cash flows</b>                                                                                                                                               |          |          |          |          |          |               |
| Net cash from (used) operating                                                                                                                                  | 95,335   | 53,731   | 58,805   | 127,656  | 137.58%  | 117.08%       |
| Net cash from (used) investing                                                                                                                                  | (87 571) | (78,754) | (73,247) | (63 501) | -19.37%  | -13.30%       |
| Net cash from (used) financing                                                                                                                                  | (8 187)  | 2,247    | 5,192    | 2,885    | 28.38%   | -44.44%       |
| Cash/cash equivalents at the year end                                                                                                                           | 63,901   | (22 776) | (9 250)  | 67,040   | -394.34% | -824.79%      |
|                                                                                                                                                                 |          |          |          |          |          |               |
| <b>Cash backing/surplus reconciliation</b>                                                                                                                      |          |          |          |          |          |               |
| Cash and investments available                                                                                                                                  | 63,901   | 18,835   | 54,651   | 130,940  | 595.20%  | 139.59%       |
| Application of cash and investments                                                                                                                             | 29,944   | 4,977    | 23,573   | 62,724   | 1160.36% | 166.08%       |
| Balance - surplus (shortfall)                                                                                                                                   | 33,956   | 13,858   | 31,078   | 68,216   | 392.24%  | 119.50%       |
|                                                                                                                                                                 |          |          |          |          |          |               |
| <b>Asset management</b>                                                                                                                                         |          |          |          |          |          |               |
| Asset register summary (WDV)                                                                                                                                    | 773,098  | 866,082  | 830,672  | 835,899  | -3.48%   | 0.63%         |
| Depreciation & asset impairment                                                                                                                                 | 24,122   | 31,305   | 31,305   | 31,502   | 0.63%    | 0.63%         |
| Renewal of Existing Assets                                                                                                                                      |          | 25,418   | 28,334   |          | -100.00% | -100.00%      |
| Repairs and Maintenance                                                                                                                                         | 20,676   | 34,823   | 34,495   | 25,135   | -27.82%  | -27.13%       |
|                                                                                                                                                                 |          |          |          |          |          |               |
| <b>Free services</b>                                                                                                                                            |          |          |          |          |          |               |
| Cost of Free Basic Services provided                                                                                                                            | 19,459   | 26,039   | 26,039   | 28,393   | 9.04%    | 9.04%         |
| Revenue cost of free services provided                                                                                                                          | 18,711   | 1,376    | 1,376    | 9,724    | 606.64%  | 606.64%       |
| <b>Households below minimum service level</b>                                                                                                                   |          |          |          |          |          |               |
| Water:                                                                                                                                                          | ,1       | —        | —        | —        | #DIV/0!  | #DIV/0!       |
| Sanitation/sewerage:                                                                                                                                            | ,4       | —        | —        | —        | #DIV/0!  | #DIV/0!       |
| Energy:                                                                                                                                                         | —        | —        | —        | —        | 0.00%    | 0.00%         |
| Refuse:                                                                                                                                                         | —        | ,39      | ,39      | ,39      | 0.00%    | 0.00%         |
|                                                                                                                                                                 |          |          |          |          |          |               |
| <b>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</b> |          |          |          |          |          | <b>T5.1.1</b> |

### 5.2.1 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

| Financial Performance of Operational Services                                                                                                                                                                                                                                                                                                                                              |                |                 |                    |                |                  |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|--------------------|----------------|------------------|--------------------|
| R '000                                                                                                                                                                                                                                                                                                                                                                                     |                |                 |                    |                |                  |                    |
| Description                                                                                                                                                                                                                                                                                                                                                                                | 2017/18        | 2018/19         |                    |                | 2018/19 Variance |                    |
|                                                                                                                                                                                                                                                                                                                                                                                            | Actual         | Original Budget | Adjustments Budget | Actual         | Original Budget  | Adjustments Budget |
| <b>Operating Service</b>                                                                                                                                                                                                                                                                                                                                                                   |                |                 |                    |                |                  |                    |
| Water Distribution                                                                                                                                                                                                                                                                                                                                                                         | 49,083         | 54,996          | 54,697             | 54,351         | -1%              | -0.63%             |
| Waste Water Management                                                                                                                                                                                                                                                                                                                                                                     | 31,140         | 39,150          | 39,804             | 35,863         | -8%              | -9.90%             |
| Electricity Distribution                                                                                                                                                                                                                                                                                                                                                                   | 70,727         | 77,609          | 77,189             | 77,099         | -1%              | -0.12%             |
| Solid Waste Management                                                                                                                                                                                                                                                                                                                                                                     | 42 099         | 53 119          | 53 057             | 42 928         | -19%             | -19.09%            |
| Housing Services                                                                                                                                                                                                                                                                                                                                                                           | 6,458          | 43,588          | 46,469             | 17,800         | -59%             | -61.69%            |
| Component A: sub-total                                                                                                                                                                                                                                                                                                                                                                     | <b>199,507</b> | <b>268,461</b>  | <b>271,216</b>     | <b>228,040</b> | -15%             | -15.92%            |
| Roads Services                                                                                                                                                                                                                                                                                                                                                                             | 31,967         | 30,374          | 31,917             | 31,851         | 5%               | -0.21%             |
| Transport                                                                                                                                                                                                                                                                                                                                                                                  | —              | —               | —                  | —              | —                | —                  |
| Component B: sub-total                                                                                                                                                                                                                                                                                                                                                                     | <b>31,967</b>  | <b>30,374</b>   | <b>31,917</b>      | <b>31,851</b>  | 5%               | -0.21%             |
| Planning                                                                                                                                                                                                                                                                                                                                                                                   | 11,973         | 13,116          | 13,818             | 11,278         | -14%             | -18.38%            |
| Component C: sub-total                                                                                                                                                                                                                                                                                                                                                                     | <b>11,973</b>  | <b>13,116</b>   | <b>13,818</b>      | <b>11,278</b>  | -14%             | -18.38%            |
| Community & Social Services                                                                                                                                                                                                                                                                                                                                                                | 6,527          | 9 317           | 9,229              | 7,746          | -17%             | -16.07%            |
| Environmental Protection                                                                                                                                                                                                                                                                                                                                                                   | 0              | 299             | 99                 | 0              | -100%            | -99.75%            |
| Health                                                                                                                                                                                                                                                                                                                                                                                     | —              | —               | —                  | —              | —                | —                  |
| Public Safety                                                                                                                                                                                                                                                                                                                                                                              | 62,942         | 55,854          | 63,481             | 56,411         | 1%               | -11.14%            |
| Sport and Recreation                                                                                                                                                                                                                                                                                                                                                                       | 8,106          | 10,772          | 10,508             | 9,459          | -12%             | -9.98%             |
| Corporate Policy Offices and Other                                                                                                                                                                                                                                                                                                                                                         | 144,547        | 162,988         | 180,556            | 156,676        | -4%              | -13.23%            |
| Component D: sub-total                                                                                                                                                                                                                                                                                                                                                                     | <b>222,122</b> | <b>239,231</b>  | <b>263,873</b>     | <b>230,293</b> | -4%              | -12.73%            |
| Net Total Expenditure                                                                                                                                                                                                                                                                                                                                                                      | <b>465,569</b> | <b>551,182</b>  | <b>580,824</b>     | <b>501,462</b> | -9%              | -13.66%            |
| In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget divided by the original/adjustments budget. |                |                 |                    |                |                  | T5.1.2             |

## 5.2.2 REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote                                                                                                                   |           |                 |                 |         |                 |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------|-----------------|---------|-----------------|--------------------|
| R' 000                                                                                                                                                   |           |                 |                 |         |                 |                    |
| Vote Description                                                                                                                                         | 2017/2018 | 2018/2019       |                 |         | 2018/2019       |                    |
|                                                                                                                                                          | Actual    | Original Budget | Adjusted Budget | Actual  | Original Budget | Adjustments Budget |
| Vote 1 - Budget and treasury office                                                                                                                      | 189 072   | 187 973         | 194 637         | 224 793 | 20%             | 15%                |
| Vote 2 - Community and social services                                                                                                                   | 8 202     | 9 942           | 9 942           | 8 729   | -12%            | -12%               |
| Vote 3 - Corporate services                                                                                                                              | 27 995    | 26 688          | 28 798          | 30 561  | 15%             | 6%                 |
| Vote 4 - Electricity                                                                                                                                     | 89 649    | 88 413          | 93 963          | 90 898  | 3%              | -3%                |
| Vote 5 - Environmental protection                                                                                                                        | –         | –               | –               | –       | –               | –                  |
| Vote 6 - Executive and council                                                                                                                           | 1 153     | 1 130           | 1 459           | 641     | -43%            | -56%               |
| Vote 7 - Housing                                                                                                                                         | 16 858    | 61 255          | 56 017          | 22 705  | -63%            | -59%               |
| Vote 8 - Planning and development                                                                                                                        | 3 374     | 2 558           | 2 013           | 2 746   | –               | –                  |
| Vote 9 - Public safety                                                                                                                                   | 48 278    | 32 261          | 50 392          | 39 783  | 23%             | -21%               |
| Vote 10 - Road transport                                                                                                                                 | 5 448     | 6 263           | 6 806           | 7 041   | 12%             | 3%                 |
| Vote 11 - Sport and recreation                                                                                                                           | 77        | 444             | 444             | 429     | -4%             | -4%                |
| Vote 12 - Waste management                                                                                                                               | 37 096    | 42 785          | 43 843          | 43 550  | 2%              | -1%                |
| Vote 13 - Waste water management                                                                                                                         | 33 936    | 40 341          | 41 349          | 40 552  | 1%              | -2%                |
| Vote 14 - Water                                                                                                                                          | 72 699    | 79 970          | 74 976          | 77 670  | -3%             | 4%                 |
| Vote 15 - [NAME OF VOTE 15]                                                                                                                              | -         | –               | –               | –       | –               | –                  |
| Total Revenue by Vote                                                                                                                                    | 533 838   | 580 022         | 604 637         | 590 099 |                 |                    |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 |           |                 |                 |         |                 | T K.1              |

## 5.3 GRANTS

| Grant Performance                                                                                                        |                |                |                    |                  |                     |                        |
|--------------------------------------------------------------------------------------------------------------------------|----------------|----------------|--------------------|------------------|---------------------|------------------------|
| R' 000                                                                                                                   |                |                |                    |                  |                     |                        |
| Description                                                                                                              | 2017/18        | 2018/19        |                    | 2018/19 Variance |                     |                        |
|                                                                                                                          | Actual         | Budget         | Adjustments Budget | Actual           | Original Budget (%) | Adjustments Budget (%) |
| <b>Operating Transfers and Grants</b>                                                                                    |                |                |                    |                  |                     |                        |
| <b>National Government:</b>                                                                                              | <b>122 513</b> | <b>121 498</b> | <b>117 266</b>     | <b>121 498</b>   |                     |                        |
| Equitable share                                                                                                          | 77 911         | 87 385         | 87 385             | 87 385           | 0%                  | 0%                     |
| Municipal Systems Improvement                                                                                            | –              | –              | –                  | –                | 0%                  | 0%                     |
| Municipal Disaster Recovery                                                                                              | 2 886          | –              | 248                | –                | 0%                  | 0%                     |
| Local Government Financial Management Grant (FMG)                                                                        | 1 479          | 1 479          | 1 479              | 1 479            | 0%                  | 0%                     |
| Municipal Infrastructure Grant (MIG)                                                                                     | 27 044         | 22 654         | 22 654             | 22 654           | 0%                  | 0%                     |
| National Electrification Programme                                                                                       | 7 625          | 4 492          | (133)              | 4 492            | 0%                  | -3471%                 |
| Expanded public works programme (EPWP)                                                                                   | 1 623          | 1 451          | 1 451              | 1 451            | 0%                  | 0%                     |
| Regional Bulk Infrastructure Grant                                                                                       | –              | –              | –                  | –                | 0%                  | 0%                     |
| VAT on grants                                                                                                            | 3 767          | 4 037          | 4 037              | 4 037            | 0%                  | 0%                     |
| Public Works                                                                                                             | 178            | –              | 146                | –                | 0%                  | -100%                  |
| Neighbourhood Development Programme Grant                                                                                | –              | –              | –                  | –                | 0%                  | 0%                     |
| <b>Provincial Government:</b>                                                                                            | <b>27 673</b>  | <b>71 893</b>  | <b>71 287</b>      | <b>45 643</b>    |                     |                        |
| Health subsidy                                                                                                           | –              | –              | –                  | –                |                     |                        |
| Housing                                                                                                                  | 16 681         | 61 255         | 57 914             | 34 538           | -44%                | -40%                   |
| Municipal Infrastructure Support Grant                                                                                   | –              | –              | –                  | –                | –                   | –                      |
| Sports and Recreation                                                                                                    | –              | 401            | 401                | 401              | 0%                  | 0%                     |
| Financial Management Support Grant                                                                                       | 330            | 330            | 1 680              | 1 330            | 303%                | -21%                   |
| CDW Operational Support Grant                                                                                            | 84             | 130            | 37                 | –                | -100%               | -100%                  |
| Maintenance of proclaimed main roads                                                                                     | 85             | 117            | 117                | 117              | 0%                  | 0%                     |
| Library Service conditional Grant                                                                                        | 7 499          | 9 300          | 9 300              | 8 327            | -10%                | -10%                   |
| Violence Prevention through Urban Upgrading                                                                              | –              | –              | –                  | –                | 0%                  | 0%                     |
| Thusong Service Centres Grant                                                                                            | 460            | –              | 98                 | –                | –                   | -100%                  |
| Municipal Capacity Building Grant                                                                                        | 363            | 360            | 1 170              | 930              | 158%                | -21%                   |
| Municipal Disaster Recovery (Water Supply Grant)                                                                         | 2 131          | –              | 569                | –                | 0%                  | -100%                  |
| LG Graduate Internship Grant                                                                                             | 40             | –              | –                  | –                | 0%                  |                        |
| <b>Other grant providers:</b>                                                                                            | <b>922</b>     | <b>1 000</b>   | <b>4 182</b>       | <b>29 945</b>    | <b>-29</b>          | <b>1</b>               |
| DBSA LEDI                                                                                                                | 234            | –              | 2 350              | 142              | 0%                  | -94%                   |
| HAN                                                                                                                      |                | 1 000 000      | 1 422              | 441              | 0%                  | -69%                   |
| SETA                                                                                                                     | 261            | –              | 200                | 443              | –                   | 122%                   |
| Economic Development (Youth Development)                                                                                 | 70             | –              | 70                 | –                | 0%                  | -100%                  |
| <b>WATER AND SANITATION GRANT</b>                                                                                        | <b>–</b>       | <b>–</b>       | <b>–</b>           | <b>28 919</b>    |                     |                        |
| SANRAL                                                                                                                   | 357            | –              | 140                | –                | 0%                  | -100%                  |
| <b>Total Operating Transfers and Grants</b>                                                                              | <b>151 107</b> | <b>194 391</b> | <b>192 735</b>     | <b>197 086</b>   |                     |                        |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> |                |                |                    |                  |                     | <b>T5.2.1</b>          |

### 5.3.1 COMMENT ON OPERATING TRANSFERS AND GRANTS

34.16% of Theewaterskloof's Total Revenue was derived from government grant and subsidies in 2018/19; indicating the Municipality's reliance on Grants and Subsidies. During the 2018/19 financial year the municipality received a total of R 197,086 m. Provincial transfers of R 45, 643, national grants amounting to R 121, 498m and R 29,945m from other grant funders make up the total amount of grant funding received during the 2018/19 financial year. The largest transfer received was received in the form of equitable share (R87, 385m) and housing grant (R 34,538m).

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) |                      |                      |                                |                       |                                        |                                                                                              |
|------------------------------------------------------------------------|----------------------|----------------------|--------------------------------|-----------------------|----------------------------------------|----------------------------------------------------------------------------------------------|
| Details of Donor                                                       | Actual Grant 2017/18 | Actual Grant 2018/19 | 2017/18 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
| <b>Parastatals</b>                                                     |                      |                      |                                |                       |                                        |                                                                                              |
| SETA                                                                   | 261                  | 443                  |                                |                       |                                        | Skills Development                                                                           |
| HAN                                                                    | 1346                 | 603                  |                                |                       |                                        | Youth Development                                                                            |
| DBSA LED                                                               | 234                  | 142                  |                                |                       |                                        | Local Economic Development                                                                   |
| SANRAL                                                                 | 234                  | –                    |                                |                       |                                        | Infrastructure - Road transport                                                              |
| ECONOMIC DEVELOPMENT                                                   | 70                   | –                    |                                |                       |                                        | Local Economic Development                                                                   |
| <b>Foreign Governments/Development Aid Agencies</b>                    |                      |                      |                                |                       |                                        |                                                                                              |
|                                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| <b>Private Sector / Organisations</b>                                  |                      |                      |                                |                       |                                        |                                                                                              |
|                                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| <b>Provide a comprehensive response to this schedule</b>               |                      |                      |                                |                       |                                        | T5.2.3                                                                                       |

### 5.3.2 CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The municipality received a total of R29, 945 m from Donors other than the division of revenue act. The HAN grant gives students from abroad the opportunity to engage with previously disadvantage communities and launch projects aimed at uplifting these communities. SETA is utilised from skills development and training within the organisation.



## 5.4 ASSET MANAGEMENT

### 5.4.1 OVERVIEW

Theewaterskloof Municipality have a centralised Asset Management Unit based in Caledon. The unit is responsible for all assets related functions throughout the entire region consisting of eight (8) towns.

#### **Key Element from the Asset Management Policy (AMP)**

The proper utilization and management of assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:

- Delivery of sustainable services;
- Promotion of Social and economic development
- Promoting a safe and healthy environment and;
- Providing for the basic needs to the community.
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- Stewardship has three components being the:
  - Management, utilization and control by the Municipal Officials.
  - Financial administration by the Chief Financial Officer, and
  - Physical administration by the Asset and Property Managers
- Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.
- Accounting standards are set to ensure the appropriate financial treatment for property, plant and equipment. The requirements of these accounting standards include:
  - The compilation of asset registers recording all assets controlled by the municipality.
  - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant and equipment.
  - The standards to which these financial records must be maintained.

The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

- The Municipal Manager must take all reasonable steps to ensure that:
- The municipality has and maintains a management, accounting and information system that records all the assets of the municipality;
- The municipality's assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;
- That the municipality has and maintains a system of internal control of assets, including an asset register; and
- That Senior Management comply with the Asset Management Policy.

**The Chief Financial Officer** is responsible to the Municipal Manager to ensure that the financial investment in the municipalities' assets is properly recorded.

- The Chief Financial Officer must take all reasonable steps to ensure that
- Appropriate systems of financial management and internal controls are established and carried out diligently;

- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are detected, prevented and investigated;
- The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Directors and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed

**The Directors** must take all reasonable steps to ensure that:

- Appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- The assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are detected, prevented and investigated;
- The asset management systems and controls can provide an accurate, reliable and up to date record of assets under their control.
- They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.
- The purchase of assets complies with all municipal policies and procedures.
- The contribution (donation) asset communicated with the Asset Department in writing.
- All moveable property, plant and equipment is duly processed and identified and inspected as being in order before it is received into their stewardship.
- All moveable assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular verification takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer.
- Assets are appropriately utilized for the purpose for which the municipality acquired them.
- Report any lost, stolen and damaged asset in line with the insurance SOP and policy

The Director may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed

| Challenges                                                                          | Achievements                                                                                   |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Not having Maintenance Plans in place for all Assets adding to backlog replacements | Auction held on the 11 <sup>th</sup> of June 2019 raising an amount of R 484 182,70 (excl VAT) |
| Infrastructure backlogs to ensure continuation of basic services                    | Fully functional Insurance Claims Committee to review claims for negligence                    |
| Safeguarding of asset against theft and loss is resulting in huge expenses          | Insurance SOP in place                                                                         |
| Require technology to assist in the updating of                                     | Creating awareness of Asset Management                                                         |

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the asset register as it is done manually. through signing of door sheets.

Still having new system challenges

Consequence Management for not adhering to

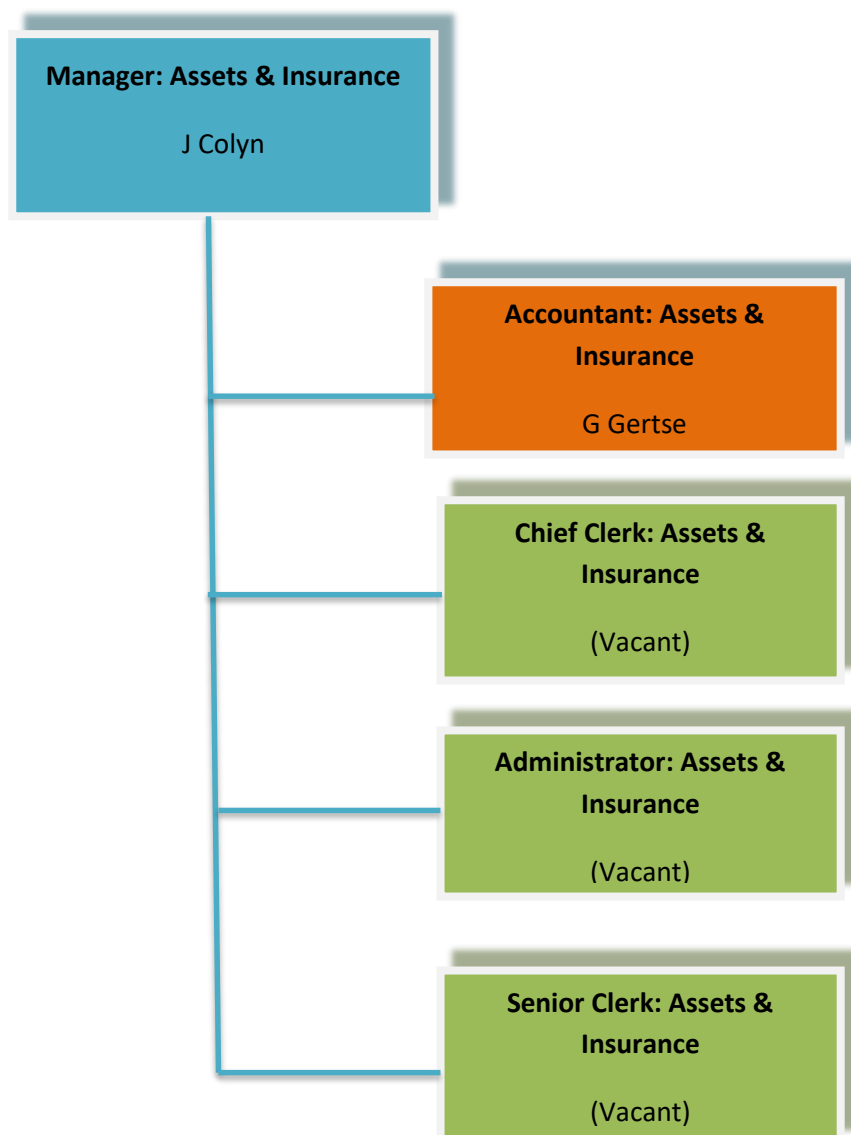
Asset Management SOP

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#### 5.4.2 ASSET MANAGEMENT UNIT (AMU)

The organogram extract of the AMU on the next page represent the current human resource allocation

There are currently no capacity development initiatives in terms of the AMU



| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/19 |                                                                        |         | R'000   |
|--------------------------------------------------------|------------------------------------------------------------------------|---------|---------|
| <b>Asset 1</b>                                         |                                                                        |         |         |
| <b>Name</b>                                            | Waste Water Treatment Works Upgrade                                    |         |         |
| <b>Description</b>                                     | Upgrading Waste Water Treatment Works At Caledon.                      |         |         |
| <b>Asset Type</b>                                      | Fixed Asset                                                            |         |         |
| <b>Key Staff Involved</b>                              | D Damons                                                               |         |         |
| <b>Staff Responsibilities</b>                          | Project Management                                                     |         |         |
| <b>Asset Value</b>                                     | 2016/17                                                                | 2017/18 | 2018/19 |
|                                                        |                                                                        | 9,881   | 6,941   |
| <b>Capital Implications</b>                            | Maintenance Cost and Financing                                         |         |         |
| <b>Future Purpose of Asset</b>                         | Provision for treatment of waste water.                                |         |         |
| <b>Describe Key Issues</b>                             | Fast growing community                                                 |         |         |
| <b>Policies in Place to Manage Asset</b>               | Asset Management Policy                                                |         |         |
|                                                        |                                                                        |         |         |
| <b>Asset 2</b>                                         |                                                                        |         |         |
| <b>Name</b>                                            | Low Cost Housing Project: Grabouw Rooidakke Extension Iraq             |         |         |
| <b>Description</b>                                     | A Low Cost Housing Project for An Extension to Grabouw Rooidakke Iraq. |         |         |
| <b>Asset Type</b>                                      | Fixed Asset                                                            |         |         |
| <b>Key Staff Involved</b>                              | W Moses                                                                |         |         |
| <b>Staff Responsibilities</b>                          | Project Management                                                     |         |         |
| <b>Asset Value</b>                                     | 2016/17                                                                | 2017/18 | 2018/19 |
|                                                        |                                                                        | 9,255   | 5,454   |
| <b>Capital Implications</b>                            | Maintenance cost and Financing                                         |         |         |
| <b>Future Purpose of Asset</b>                         | Ensures Low Cost Houses for the Community.                             |         |         |
| <b>Describe Key Issues</b>                             | Fast growing community                                                 |         |         |
| <b>Policies in Place to Manage Asset</b>               | Asset Management Policy                                                |         |         |
|                                                        |                                                                        |         |         |
| <b>Asset 3</b>                                         |                                                                        |         |         |
| <b>Name</b>                                            | Waste Drop off                                                         |         |         |
| <b>Description</b>                                     | Development of a Waste Drop Off spot.                                  |         |         |
| <b>Asset Type</b>                                      | Fixed Asset                                                            |         |         |
| <b>Key Staff Involved</b>                              | D Damons                                                               |         |         |
| <b>Staff Responsibilities</b>                          | Project Management                                                     |         |         |
| <b>Asset Value</b>                                     | 2016/17                                                                | 2017/18 | 2018/19 |
|                                                        |                                                                        | 6,194   | 5,032   |
| <b>Capital Implications</b>                            | Maintenance cost and financing                                         |         |         |
| <b>Future Purpose of Asset</b>                         | To make provision for Waste Drop off.                                  |         |         |
| <b>Describe Key Issues</b>                             | Fast growing community                                                 |         |         |
| <b>Policies in Place to Manage Asset</b>               | Asset Management Policy                                                |         |         |
|                                                        |                                                                        |         | T5.3.2  |

### 5.4.3 REPAIRS AND MAINTENANCE EXPENDITURE

| Repair and Maintenance Expenditure: 2018/19 |                 |                   |        |                 |
|---------------------------------------------|-----------------|-------------------|--------|-----------------|
| R' 000                                      |                 |                   |        |                 |
|                                             | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure         | 34,823          | 34,495            | 25,134 | 27.14%          |
|                                             |                 |                   |        | T5.3.4          |

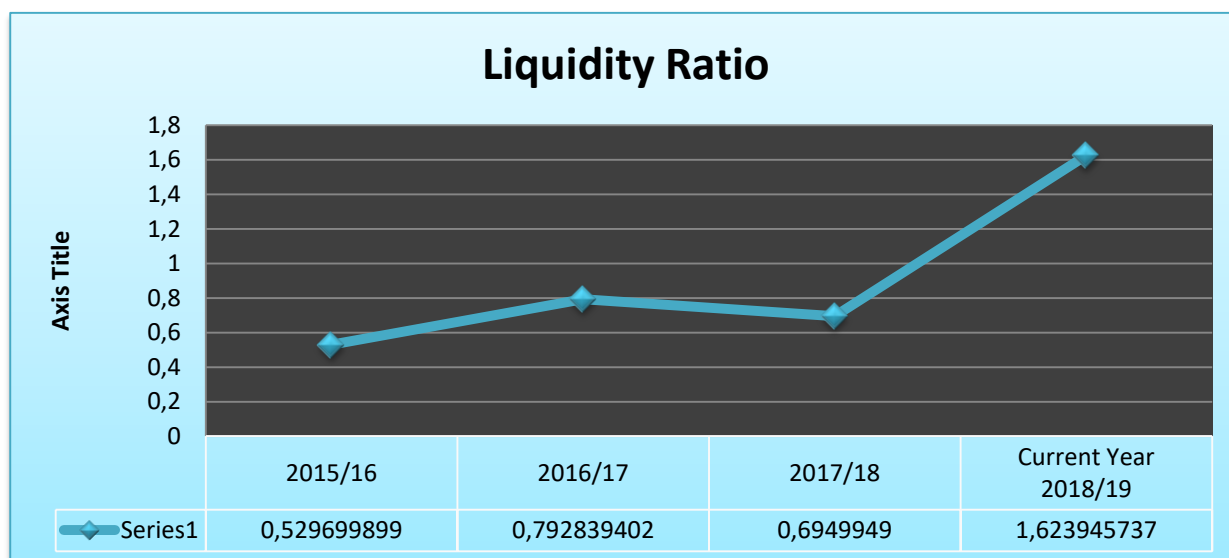
In 2018/19 Theewaterskloof municipality budgeted R34, 823m for repairs and maintenance. This was adjusted to R34, 495m. The actual repairs and maintenance for the year 2018/19 amounted to R25, 134m, meaning that 72.86% of the repairs and maintenance budget was spent.

This proves that the municipality acknowledges the importance of spending on maintenance to ensure asset function optimally and reach their expected useful life. The municipality's first priority however is to ensure that day to day service delivery proceed undisturbed and has managed to do so within the limits of the budget. A rapid year on year increase in repairs and maintenance expenditure could have negative consequences such as cash shortages that in turn could hamper essential service delivery. Routine maintenance was however performed as planned.

### 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

**Liquidity ratio:** Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

The following graph indicates the liquidity financial ratio for 2018/19:

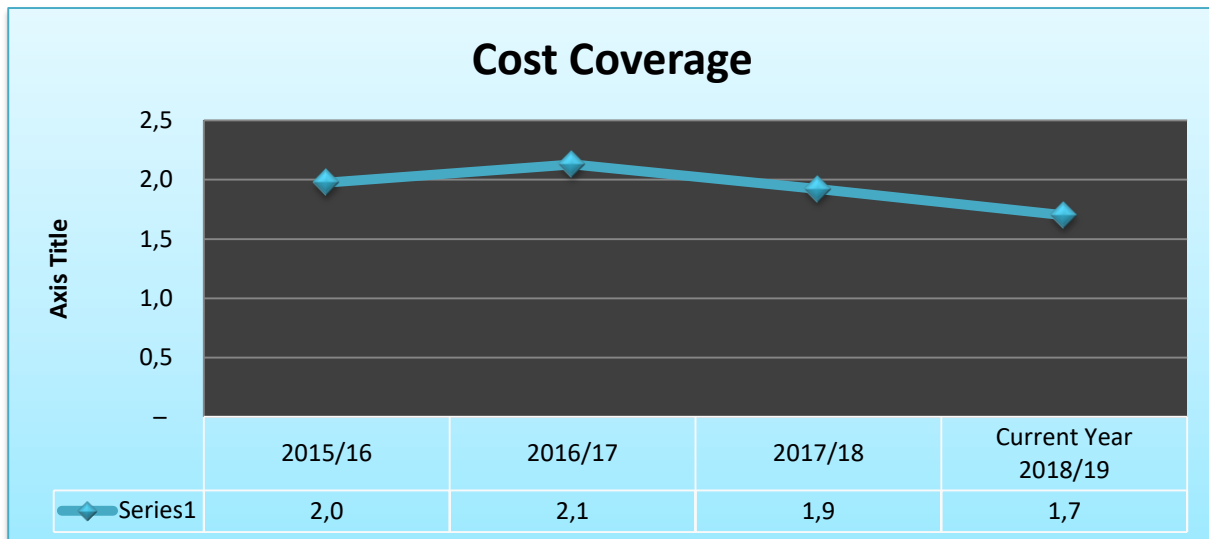


The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares the municipality's current assets to its current liabilities, and is expressed as follows: The current ratio is an indication of a municipality's liquidity. The higher the Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. The liquidity

ratio has increased from 0.69 to 1.62 meaning Theewaterskloof municipality is capable to pay its short-term obligations.

**Cost Coverage:** It explain how many months expenditure can be covered by cash and liquid assets available to the Municipality excluding utilisation of grants calculated.

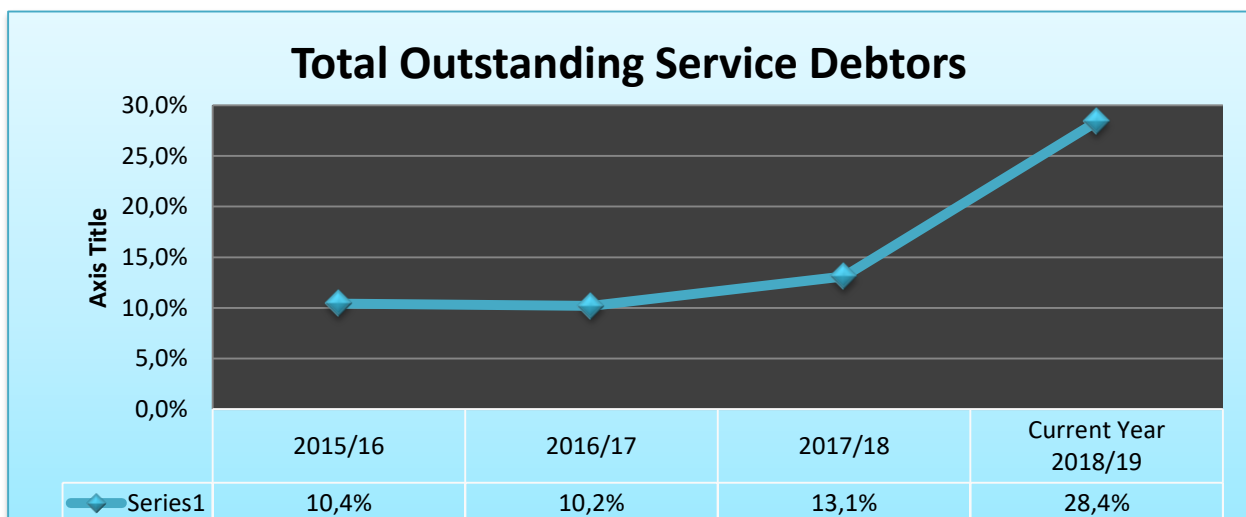
The following graph indicates the liquidity financial ratio for 2018/19:



The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The norm set by National Treasury is that a municipality should have between one and three months cash to cover its monthly fixed expenses. Theewaterskloof municipality's cost coverage ratio has decrease from 1.9months to 1.7months .The municipality is still safe and within the norm between one to three months.

**Total outstanding Service debtors:** Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the annual revenue. A lower score is better.

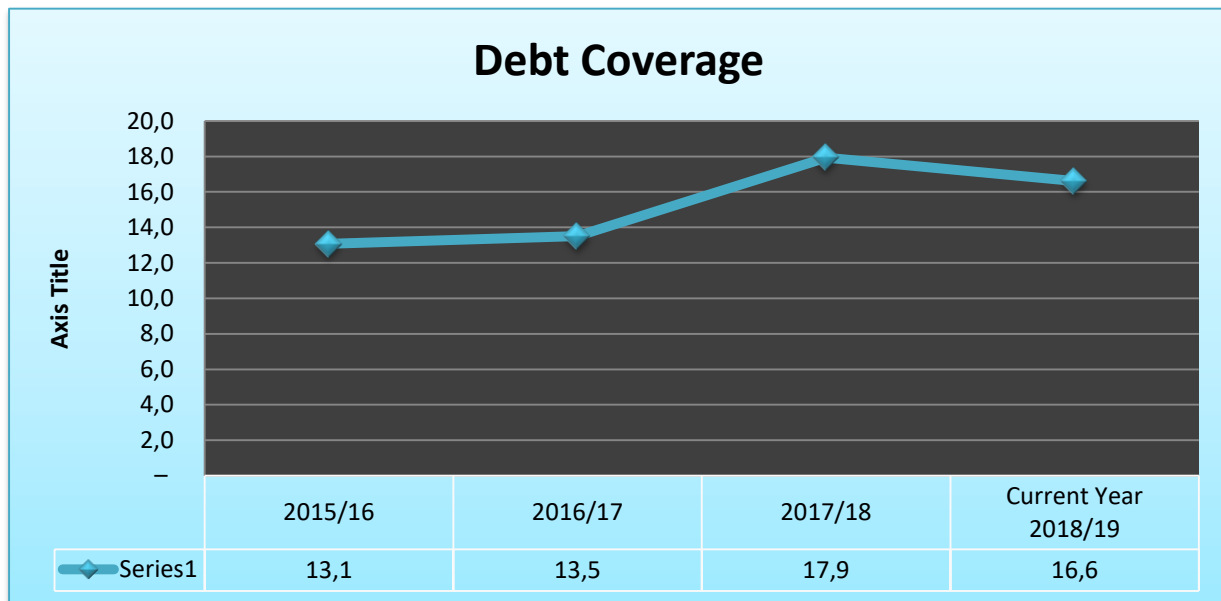
The following graph indicates the Total Outstanding Service Debtors financial ratio for 2018/19:



The municipality will embark on a public relations and awareness campaign to encourage payment for municipal services and rates, improve the relationship between the municipality and stakeholders and develop educational tools to change the culture surrounding the payments of municipal accounts. The project is currently in progress.

**Debt Coverage:** The number of times debt payments can be accommodate within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.

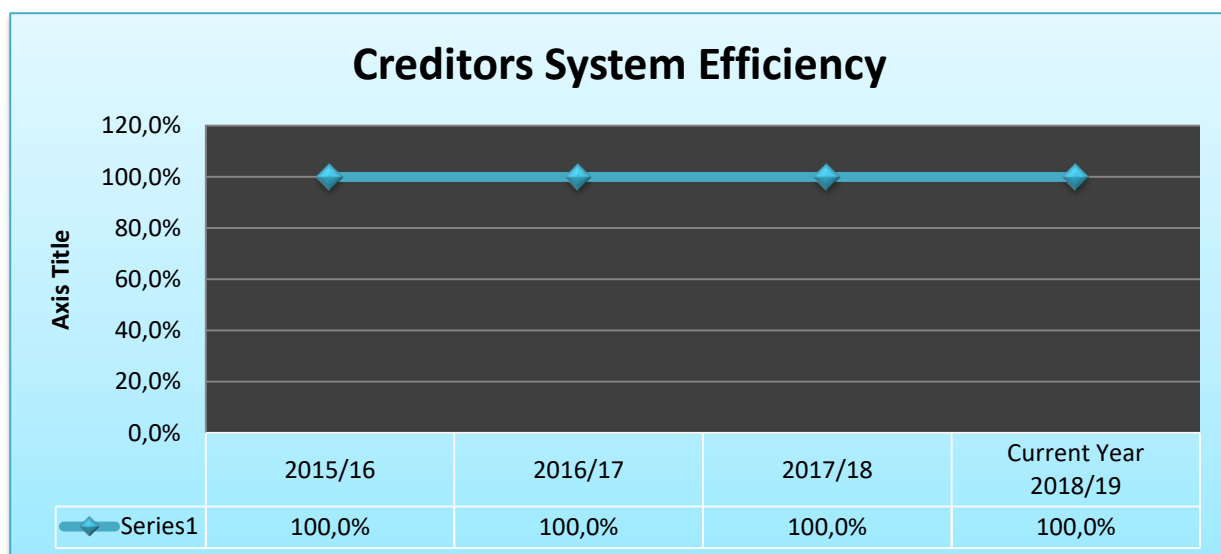
The following graph indicates the Debt Coverage financial ratio for 2018/19:



The debt coverage ratio decreased from 17.9 in 2017/18 to 16.6 in 2018/19. The ratio remains constant over the reporting period and is at acceptable levels.

**Creditors System Efficiency:** The proportion of creditors paid within 30 days. This ratio is calculated by outstanding trade creditors divided by credit purchases.

The following graph indicates the Creditors System Efficiency financial ratio for 2018/19:

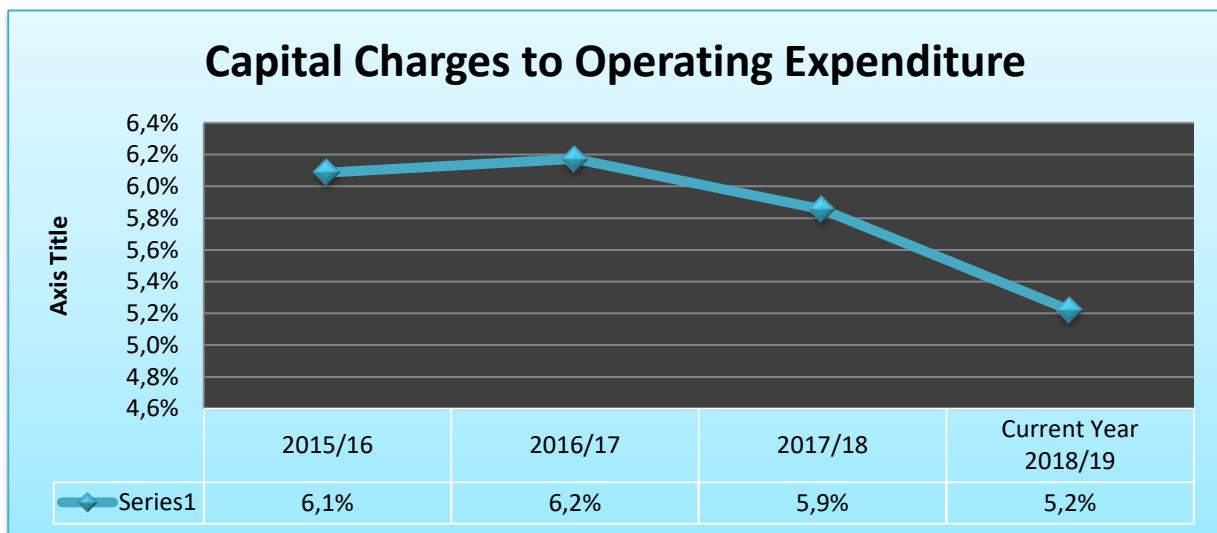




Theewaterskloof always ensure compliance with the MFMA requirement that all creditors must be paid within 30 days. When a municipality struggles to pay all creditors within 30 days it could be an indication of liquidity challenges and failing to pay creditors on time could result in fruitless and wasteful expenditure in the form of interest and could negatively affect service delivery as suppliers will become reluctant to transact with the municipality.

**Capital charges to operating expenditure:** Is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

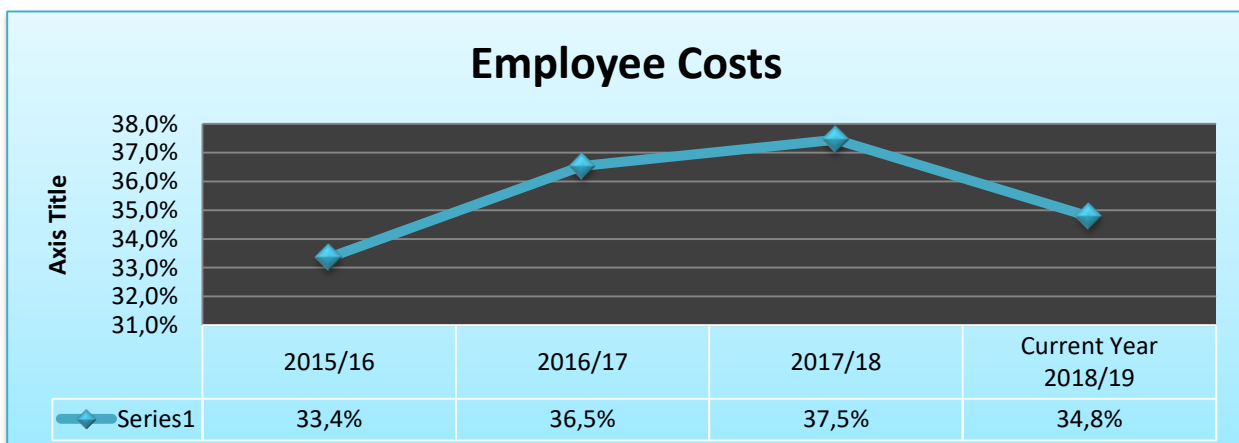
The following graph indicates the Capital Charges to Operating Expenditure financial ratio for 2018/19:



The National Treasury norm is between 6% and 8 %. Theewaterskloof municipality is below the norm. Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels.

**Employee Cost:** Measures what portion of the revenue was spent on paying employee cost. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

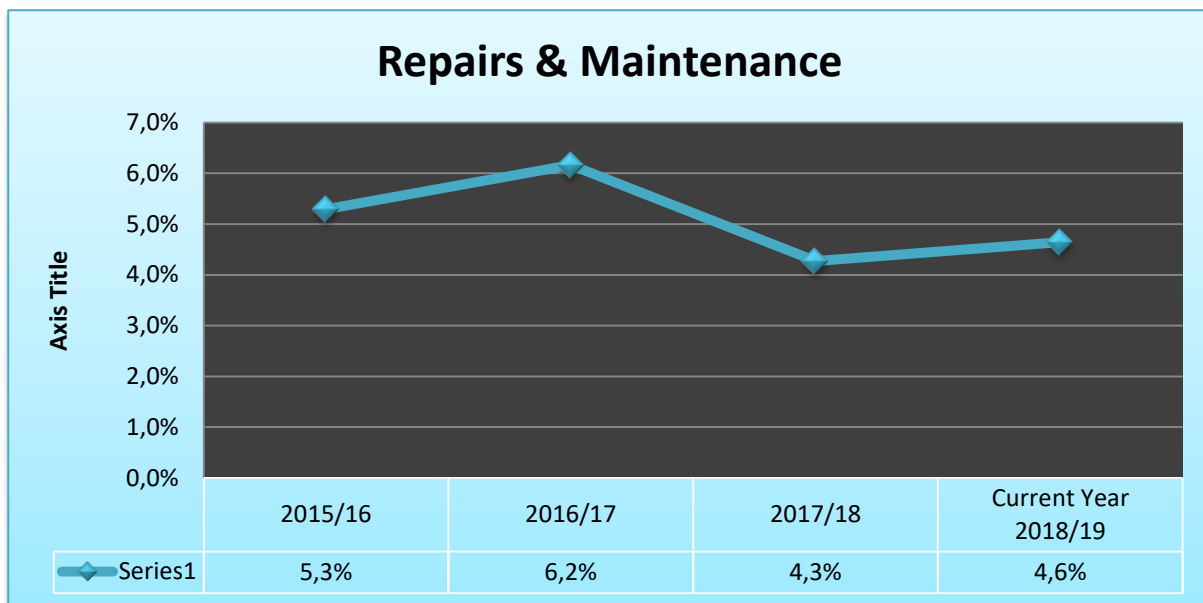
The following graph indicates the Employee Costs financial ratio for 2018/19:



If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors. The National Treasury norm is between 25% and 40 %. Theewaterskloof municipality is below the norm.

**Repairs and Maintenance:** Measures what portion of the revenue was spent on paying for repairs and maintenance costs. It is calculated by dividing total repairs and maintenance cost by the difference between total revenue and capital revenue.

The following graph indicates the Repairs and Maintenance financial ratio for 2018/19:



See financial health overview for comments relating to employee expenditure as well as expenditure on repairs and maintenance.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

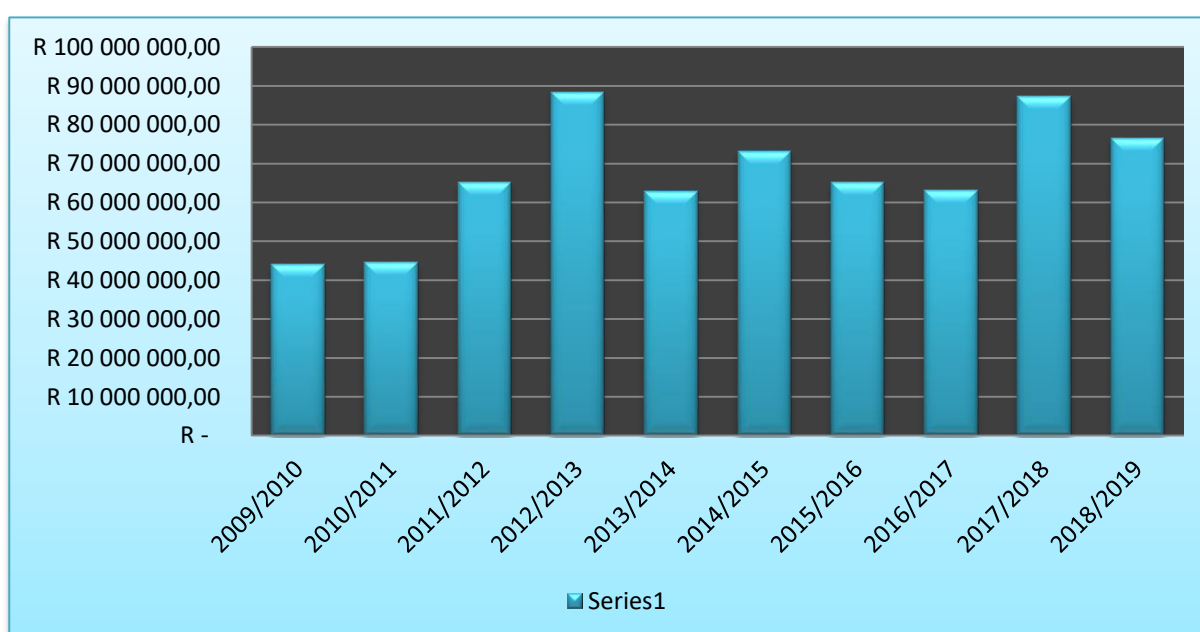
### 5.6 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. The municipality recently adopted its long-term financial plan. One of the main focus of the plan was to identify future capital needs (demand) and the funding sources thereof (affordability). As indicated by the table below the municipality has shown tremendous growth in its capital expenditure and percentage of capital budget spent.

Over the last 10 year the municipality has invested R 670m into capital assets. The municipality nevertheless face tough challenges over the coming 10 years as illustrated in long term financial plan. The financial year 2012/13 remains the municipalities highlight in terms of capital expenditure illustrating that the municipality has the institutional ability to handle large capital projects.

#### Capital Expenditure per Financial Year :

| FINANCIAL YEAR     | CAPITAL EXPENDITURE     |
|--------------------|-------------------------|
| 2009/2010          | R 44 028 275.00         |
| 2010/2011          | R 44 623 014.00         |
| 2011/2012          | R 65 246 349.00         |
| 2012/2013          | R 88 401 217.00         |
| 2013/2014          | R 62 946 682.00         |
| 2014/2015          | R 73 127 217.68         |
| 2015/2016          | R 65 231 185.23         |
| 2016/2017          | R 63 010 433.00         |
| 2017/2018          | R 87 213 990.00         |
| 2018/2019          | R 76 532 726.00         |
| <b>Grabd Total</b> | <b>R 670 361 088.91</b> |

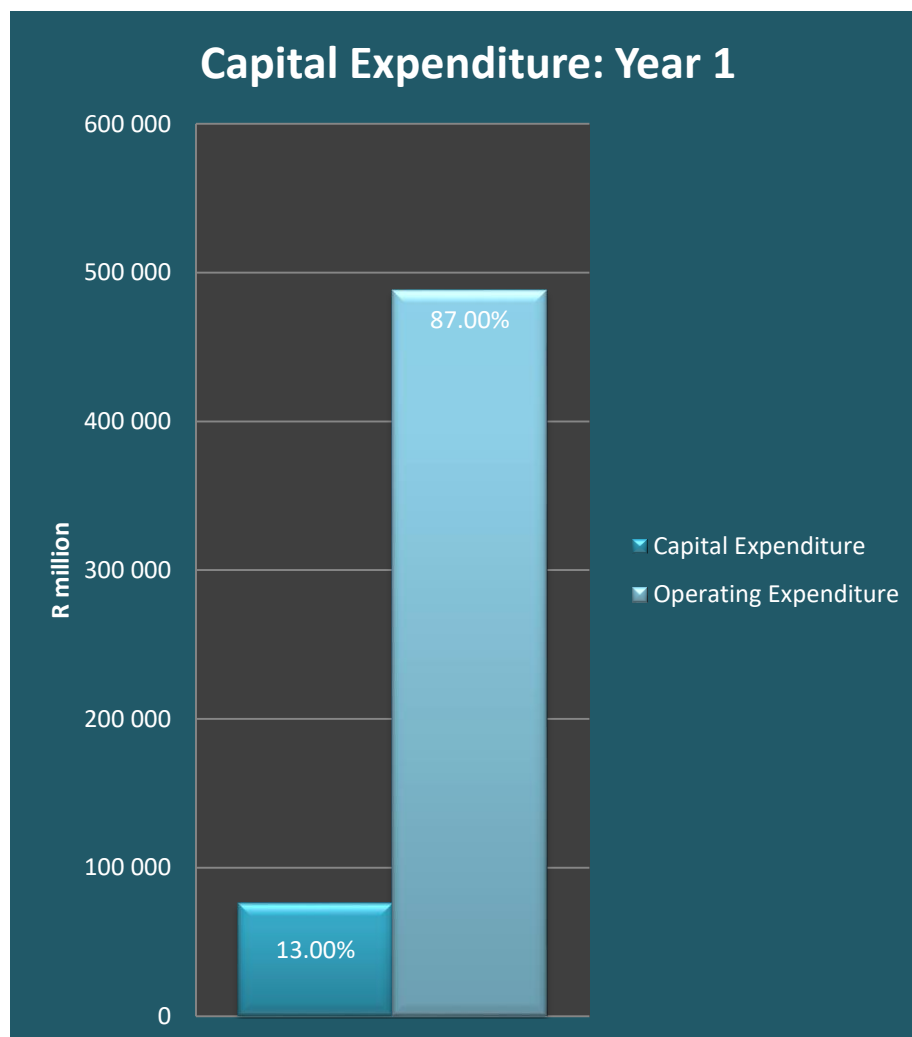


In 2018/19 Theewaterskloof municipality budgeted R78, 755m for capital expenditure. This was then adjusted to R88, 460m. The actual capital expenditure for the year 2018/19 amounted to R76, 532 m, effectively meaning that 87% of the capital budget was spent.

The funds not spend was largely due to the following projects:

1. Villiersdorp Resource Centre – R 13 570 000
2. Caledon Waste Water Treatment works upgrade – R 3 270 593 (The work for the project is completed up to end of June 2019 as planned.)
3. Low Cost Housing Project: Botrivier Beaumont Land acquisition – R 4 200 000 (The purchase is in the finalised process. Appointment of professionals to commence.)
4. Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000 (Contractor on site and progressing on implementation schedule. First progress claims paid.)
5. Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000 (This project as experienced many delays due to unavailability of bulk infrastructure. The implementing agent presented a full costing to Province on the 14th June 2019. Province to provide guidance on the feasibility and future of this project.)
6. Transfer Station – R 1 368 688 (Funds transferred with adjustment budget.)

## 5.7 CAPITAL EXPENDITURE



| R million                                 | Original Budget | Adjustment Budget | Un-audited Full Year Total | Original Budget variance | Adjusted Budget Variance |
|-------------------------------------------|-----------------|-------------------|----------------------------|--------------------------|--------------------------|
| Capital Expenditure                       | 78 756          | 86 754            | 75 805                     | 3.7%                     | 12.6%                    |
|                                           | <b>78 756</b>   | <b>86 754</b>     | <b>75 805</b>              | 3.7%                     | 12.6%                    |
| Operating Expenditure                     | 551 182         | 580 824           | 500 972                    | 9.1%                     | 13.7%                    |
|                                           | <b>551 182</b>  | <b>580 824</b>    | <b>488 183</b>             | 11.4%                    | 15.9%                    |
| Total expenditure                         | <b>629 938</b>  | <b>667 578</b>    | <b>563 988</b>             | 10.5%                    | 15.5%                    |
| Water and sanitation                      | 25 023          | 25 509            | 25 570                     | -2.2%                    | -0.2%                    |
| Electricity                               | 3 515           | 5 005             | 4 696                      | -33.6%                   | 6.2%                     |
| Housing                                   | 24 100          | 18 085            | 11 112                     | 53.9%                    | 38.6%                    |
| Roads, Pavements, Bridges and storm water | 977             | 1 118             | 1 008                      | -3.1%                    | 9.9%                     |
| Other                                     | 25 141          | 37 036            | 33 419                     | -32.9%                   | 9.8%                     |
|                                           | <b>78 756</b>   | <b>86 754</b>     | <b>75 805</b>              | 3.7%                     | 12.6%                    |
| External Loans                            | 10 420          | 12 439            | 13 695                     | -31.4%                   | -10.1%                   |
| Internal contributions                    | 20 988          | 16 276            | 14 761                     | 29.7%                    | 9.3%                     |
| Grants and subsidies                      | 47 348          | 42 738            | 34 135                     | 27.9%                    | 20.1%                    |
| Other                                     | 0               | 15 301            | 13 213                     |                          | 13.6%                    |
|                                           | <b>78 756</b>   | <b>86 754</b>     | <b>75 805</b>              | 3.7%                     | 12.6%                    |
| External Loans                            | 10 420          | 12 439            | 13 695                     | -31.4%                   | -10.1%                   |
| Grants and subsidies                      | 47 348          | 42 738            | 34 135                     | 27.9%                    | 20.1%                    |
| Investments Redeemed                      | 0               | 0                 | 0                          |                          |                          |
| Statutory Receipts (including VAT)        | 0               | 0                 | 0                          |                          |                          |
| Other Receipts                            | 20 988          | 31 577            | 27 975                     | -33.3%                   | 11.4%                    |
|                                           | <b>78 756</b>   | <b>86 754</b>     | <b>75 805</b>              | 3.7%                     | 12.6%                    |
| Salaries, wages and allowances            |                 |                   |                            |                          |                          |
| Cash and creditor payments                |                 |                   |                            |                          |                          |
| Capital payments                          | 78 756          | 86 754            | 75 805                     | 3.7%                     | 12.6%                    |
| Investments made                          |                 |                   |                            |                          |                          |
| External loans repaid                     |                 |                   |                            |                          |                          |
| Statutory Payments (including VAT)        |                 |                   |                            |                          |                          |
| Other payments                            |                 |                   |                            |                          |                          |
|                                           | <b>78 756</b>   | <b>86 754</b>     | <b>75 805</b>              | 3.7%                     | 12.6%                    |

|                                            | Original Budget | Adjustment Budget | Un-audited Full Year Total | Original Budget variance | Adjusted Budget Variance |
|--------------------------------------------|-----------------|-------------------|----------------------------|--------------------------|--------------------------|
| Property rates                             | 100 604         | 100 604           | 101 760                    | -1.1%                    | -1.1%                    |
| Service charges                            | 225 028         | 222 334           | 223 971                    | 0.5%                     | -0.7%                    |
| Other own revenue                          | 60 999          | 87 433            | 99 319                     | -62.8%                   | -13.6%                   |
| Grants & subsidies                         | 146 043         | 151 388           | 116 115                    | 20.5%                    | 23.3%                    |
|                                            | <b>532 674</b>  | <b>561 759</b>    | <b>541 165</b>             | -1.6%                    | 3.7%                     |
| Employee related costs                     | 201 998         | 202 057           | 192 826                    | 4.5%                     | 4.6%                     |
| Provision for working capital              |                 |                   |                            |                          |                          |
| Repairs and maintenance                    | 104 499         | 105 165           | 94 776                     | 9.3%                     | 9.9%                     |
| Bulk purchases                             | 75 374          | 75 374            | 76 382                     | -1.3%                    | -1.3%                    |
| Other expenditure                          | 169 312         | 198 228           | 137 479                    | 18.8%                    | 30.6%                    |
|                                            | <b>551 182</b>  | <b>580 824</b>    | <b>501 462</b>             | 9.0%                     | 13.7%                    |
| Service charges: Electricity               | 85 712          | 86 762            | 87 904                     | -2.6%                    | -1.3%                    |
| Grants & subsidies: Electricity            | 6 831           | 7 201             | 3 320                      | 51.4%                    | 53.9%                    |
| Other revenue: Electricity                 |                 |                   |                            |                          |                          |
|                                            | <b>92 543</b>   | <b>93 963</b>     | <b>91 224</b>              | 1.4%                     | 2.9%                     |
| Employee related costs: Electricity        | 6 727           | 6 727             | 6 760                      | -0.5%                    | -0.5%                    |
| Provision for working capital: Electricity |                 |                   |                            |                          |                          |
| Repairs and maintenance: Electricity       | 4 364           | 3 720             | 2 150                      | 50.7%                    | 42.2%                    |
| Bulk purchases: Electricity                | 58 734          | 58 734            | 61 540                     | -4.8%                    | -4.8%                    |
| Other expenditure: Electricity             |                 |                   |                            |                          |                          |
|                                            | <b>69 825</b>   | <b>69 181</b>     | <b>70 449</b>              | -0.9%                    | -1.8%                    |
| Service charges: Water                     | 72 708          | 66 897            | 72 368                     | 0.5%                     | -8.2%                    |
| Grants & subsidies: Water                  | 15 035          | 15 852            | 14 775                     | 1.7%                     | 6.8%                     |
| Other revenue: Water                       |                 |                   |                            |                          |                          |
|                                            | <b>87 743</b>   | <b>82 749</b>     | <b>87 143</b>              | 0.7%                     | -5.3%                    |
| Employee related costs: Water              | 11 053          | 11 053            | 9 845                      | 10.9%                    | 10.9%                    |
| Provision for working capital: Water       |                 |                   |                            |                          |                          |
| Repairs and maintenance: Water             | 4 583           | 4 583             | 3 874                      | 15.5%                    | 15.5%                    |
| Bulk purchases: Water                      | 16 640          | 16 640            | 14 842                     | 10.8%                    | 10.8%                    |
| Other expenditure: Water                   |                 |                   |                            |                          |                          |
|                                            | <b>32 276</b>   | <b>32 276</b>     | <b>28 561</b>              | 11.5%                    | 11.5%                    |
|                                            |                 |                   |                            |                          | Txxx                     |

## 5.8 SOURCES OF FINANCE

| Capital Expenditure - Funding Sources Year 2017 to 2019 |               |                      |                   |               |                               |                           |  |
|---------------------------------------------------------|---------------|----------------------|-------------------|---------------|-------------------------------|---------------------------|--|
| R' 000                                                  |               |                      |                   |               |                               |                           |  |
| Details                                                 | 2017/18       | 2018/19              |                   |               |                               |                           |  |
|                                                         | Actual        | Original Budget (OB) | Adjustment Budget | Actual        | Adjustment to OB Variance (%) | Actual to OB Variance (%) |  |
| <b>Source of finance</b>                                |               |                      |                   |               |                               |                           |  |
| External loans                                          | 25,241        | 10,420               | 14,145            | 13,695        | 35.74%                        | 31.43%                    |  |
| Public contributions and donations                      | 0             | 0                    | 15 301            | 13 213        | 0.00%                         | 0.00%                     |  |
| Grants and subsidies                                    | 50,145        | 47,348               | 42,738            | 31,319        | -9.74%                        | -33.85%                   |  |
| Other                                                   | 11,828        | 20,988               | 14,570            | 14,761        | -30.58%                       | -29.67%                   |  |
| <b>Total</b>                                            | <b>87,214</b> | <b>78,756</b>        | <b>86,754</b>     | <b>72,989</b> | <b>10.16%</b>                 | <b>-32.09%</b>            |  |
| <b>Percentage of finance</b>                            |               |                      |                   |               |                               |                           |  |
| External loans                                          | 28.9%         | 13.2%                | 16.3%             | 18.8%         | 352.0%                        | -97.9%                    |  |
| Public contributions and donations                      | 0.0%          | 0.0%                 | 17.6%             | 18.1%         | 0.0%                          | 0.0%                      |  |
| Grants and subsidies                                    | 57.5%         | 60.1%                | 49.3%             | 42.9%         | -95.9%                        | 105.5%                    |  |
| Other                                                   | 13.6%         | 26.6%                | 16.8%             | 20.2%         | -301.1%                       | 92.4%                     |  |
| <b>Capital expenditure</b>                              |               |                      |                   |               |                               |                           |  |
| Water and sanitation                                    | 38,226        | 25,023               | 27,216            | 26,298        | 8.76%                         | 5.10%                     |  |
| Electricity                                             | 14,183        | 3,515                | 5,005             | 4,696         | 42.39%                        | 33.61%                    |  |
| Housing                                                 | 14,937        | 24,100               | 18,085            | 11,112        | -24.96%                       | -53.89%                   |  |
| Roads and storm water                                   | 10,865        | ,977                 | 1,118             | 1,008         | 14.40%                        | 3.12%                     |  |
| Other                                                   | 9,002         | 25,141               | 37,036            | 33,419        | 47.31%                        | 32.93%                    |  |
| <b>Total</b>                                            | <b>87,214</b> | <b>78,756</b>        | <b>88,460</b>     | <b>76,533</b> | <b>87.91%</b>                 | <b>20.86%</b>             |  |
| <b>Percentage of expenditure</b>                        |               |                      |                   |               |                               |                           |  |
| Water and sanitation                                    | 43.8%         | 31.8%                | 30.8%             | 34.4%         | 10.0%                         | 24.4%                     |  |
| Electricity                                             | 16.3%         | 4.5%                 | 5.7%              | 6.1%          | 48.2%                         | 161.1%                    |  |
| Housing                                                 | 17.1%         | 30.6%                | 20.4%             | 14.5%         | -28.4%                        | -258.3%                   |  |
| Roads and storm water                                   | 12.5%         | 1.2%                 | 1.3%              | 1.3%          | 16.4%                         | 15.0%                     |  |
| Other                                                   | 10.3%         | 31.9%                | 41.9%             | 43.7%         | 53.8%                         | 157.8%                    |  |
|                                                         |               |                      |                   |               |                               | T5.6.1                    |  |

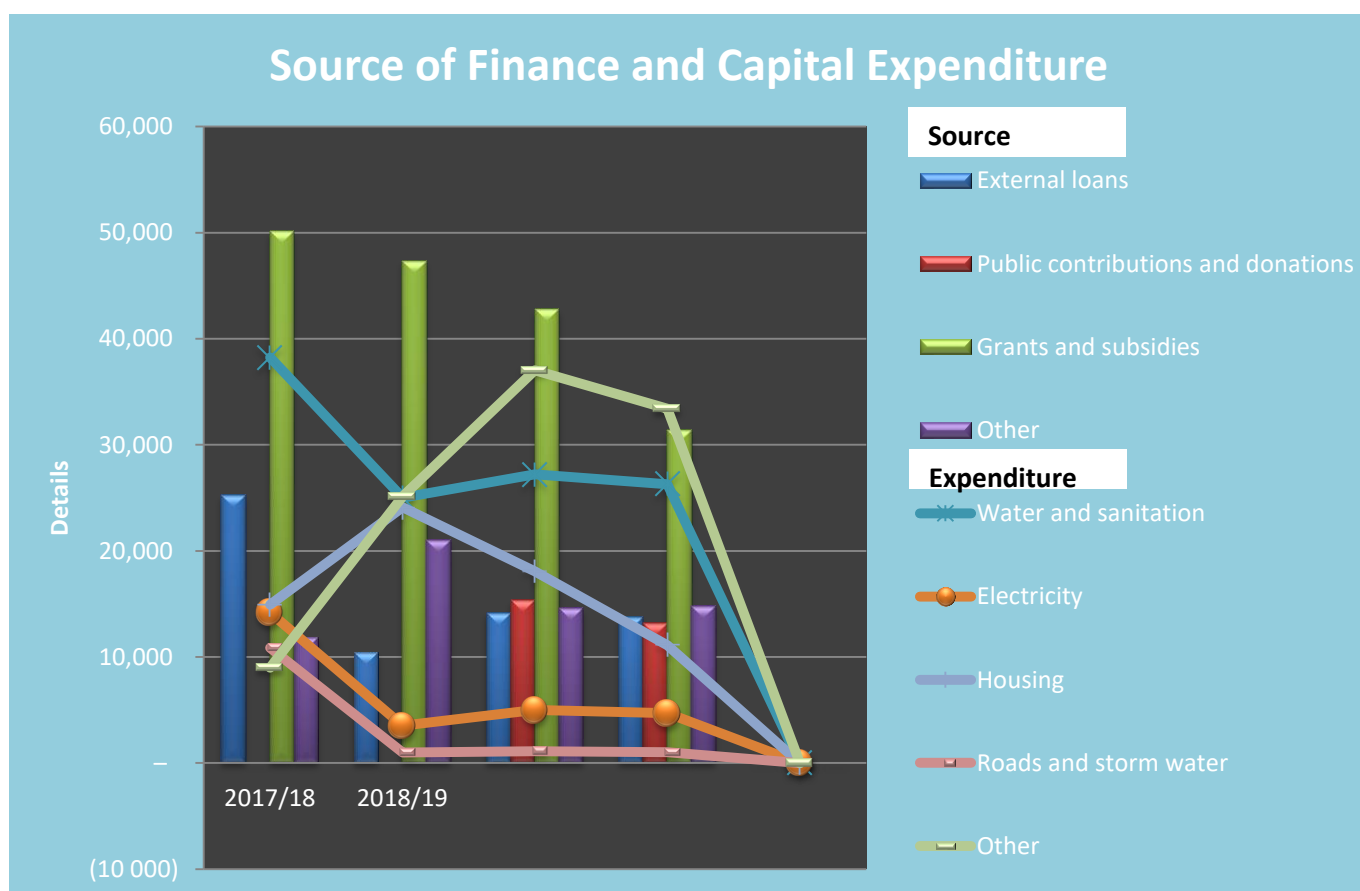


### 5.8.1 COMMENT ON SOURCES OF FUNDING

Expenditure for the provision of free basic services from the Equitable Share Grant is incurred on a monthly basis. Expenditure in respect of the Finance Management Grant and MIG, are incurred in accordance with business plans. Expenditure in respect of the Low Cost Housing is once off payments and are done in accordance with claims submitted to either Provincial or National Government

The municipality financed the largest part of its capital expenditure through grant funding (42.96%) once again indicating the municipalities reliance on grant funding. The rest of the capital expenditure was funded from own funds and external loans. The variance between original budget, adjustment budget and actual budget is largely attributable to the following factors. Grant funding roll-overs are only approved after the original budget has been approved, the municipality therefore cannot include this in its original budget because of the uncertainty of rollover approval. MFMA clearly states that revenue can only be raised from realistically anticipated revenue. Secondly the municipality anticipated that it would finance a larger part of its capital expenditure through external loans, however due to the large cost of borrowing in South Africa, the municipality decided to utilize its own funds from the capital replacement reserve.

The capital expenditure represents 17.55% of the total expenditure. This is once again because the municipality largely relies on grant funding for capital expenditure and the largest portion of its own funds is utilized to finance operational activities of the municipalities.



## 5.9 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| Capital Expenditure of 5 largest projects*                              |                                                                                                                                                  |                   |                    |                                |                         |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|--------------------------------|-------------------------|
| R' 000                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project                                                         | Current Year: 2018/19                                                                                                                            |                   |                    | Variance Current Year: 2018/19 |                         |
|                                                                         | Original Budget                                                                                                                                  | Adjustment Budget | Actual Expenditure | Original Variance (%)          | Adjustment variance (%) |
| Capital - Villiersdorp Resource Centre                                  | 0                                                                                                                                                | 13 570            | 11 800             | 0%                             | 13%                     |
| Capital - Waste Water Treatment Works Upgrade                           | 10 230                                                                                                                                           | 11 794            | 11 769             | -15%                           | 0%                      |
| Capital Waste Drop off                                                  | 3 690                                                                                                                                            | 5 032             | 5 032              | -36%                           | 0%                      |
| Capital Transfer Station                                                | 4 193                                                                                                                                            | 4 163             | 285                | 93%                            | 93%                     |
| Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition | 3 690                                                                                                                                            | 5 032             | 1 187              | 68%                            | 76%                     |
| <i>* Projects with the highest capital expenditure in Year 2018/19</i>  |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project - A                                                     | Capital - Villiersdorp Resource Centre                                                                                                           |                   |                    |                                |                         |
| Objective of Project                                                    | Providing a centre with resources for the citizens of Villiersdorp                                                                               |                   |                    |                                |                         |
| Delays                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Future Challenges                                                       |                                                                                                                                                  |                   |                    |                                |                         |
| Anticipated citizen benefits                                            |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project - B                                                     | Capital - Waste Water Treatment Works Upgrade                                                                                                    |                   |                    |                                |                         |
| Objective of Project                                                    | Upgrading the waste water treatment works for sanitary reasons.                                                                                  |                   |                    |                                |                         |
| Delays                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Future Challenges                                                       |                                                                                                                                                  |                   |                    |                                |                         |
| Anticipated citizen benefits                                            |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project - C                                                     | Capital Waste Drop off                                                                                                                           |                   |                    |                                |                         |
| Objective of Project                                                    | Offers citizens access to drop off recyclables as well as bulky waste.                                                                           |                   |                    |                                |                         |
| Delays                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Future Challenges                                                       |                                                                                                                                                  |                   |                    |                                |                         |
| Anticipated citizen benefits                                            |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project - D                                                     | Capital Transfer Station                                                                                                                         |                   |                    |                                |                         |
| Objective of Project                                                    | Where distances for internal and external refuse collection service providers are too far to travel, a transfer station is used to offload waste |                   |                    |                                |                         |
| Delays                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Future Challenges                                                       |                                                                                                                                                  |                   |                    |                                |                         |
| Anticipated citizen benefits                                            |                                                                                                                                                  |                   |                    |                                |                         |
| Name of Project - E                                                     | Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition                                                                          |                   |                    |                                |                         |
| Objective of Project                                                    | Provide citizens with low cost housing opportunity.                                                                                              |                   |                    |                                |                         |
| Delays                                                                  |                                                                                                                                                  |                   |                    |                                |                         |
| Future Challenges                                                       |                                                                                                                                                  |                   |                    |                                |                         |
| Anticipated citizen benefits                                            |                                                                                                                                                  |                   |                    |                                |                         |

## 5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### 5.10.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

#### Municipal Infrastructure Grant (MIG)\* Expenditure 2018/19 on Service backlogs

R' 000

| Details                                                                                                                                                                                                                                                                                                                                                                              | Budget        | Adjustments<br>Budget | Actual        | Variance    |                       | Major<br>conditions<br>applied by<br>donor<br>(continue<br>below if<br>necessary) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------|---------------|-------------|-----------------------|-----------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                      |               |                       |               | Budget      | Adjustments<br>Budget |                                                                                   |
| Infrastructure - Road transport                                                                                                                                                                                                                                                                                                                                                      | 4,912         | 978                   | 978           | -402%       | 0%                    |                                                                                   |
| <i>Roads, Pavements &amp; Bridges</i>                                                                                                                                                                                                                                                                                                                                                | 877           | 978                   | 978           | 10%         | 0%                    |                                                                                   |
| <i>Storm water</i>                                                                                                                                                                                                                                                                                                                                                                   | 4,035         | –                     | –             |             |                       |                                                                                   |
| Infrastructure - Electricity                                                                                                                                                                                                                                                                                                                                                         | 0             | 0                     | 0             | 0%          | 0%                    |                                                                                   |
| <i>Generation</i>                                                                                                                                                                                                                                                                                                                                                                    |               |                       |               |             |                       |                                                                                   |
| <i>Transmission &amp; Reticulation</i>                                                                                                                                                                                                                                                                                                                                               |               |                       |               |             |                       |                                                                                   |
| <i>Street Lighting</i>                                                                                                                                                                                                                                                                                                                                                               | 0             | 0                     | 0             | 0%          | 0%                    |                                                                                   |
| Infrastructure - Water                                                                                                                                                                                                                                                                                                                                                               | 2,131         | 2,131                 | 2,101         | -1%         | -1%                   |                                                                                   |
| <i>Dams &amp; Reservoirs</i>                                                                                                                                                                                                                                                                                                                                                         |               |                       |               |             |                       |                                                                                   |
| <i>Water purification</i>                                                                                                                                                                                                                                                                                                                                                            |               |                       |               |             |                       |                                                                                   |
| <i>Reticulation</i>                                                                                                                                                                                                                                                                                                                                                                  | 2,131         | 2,131                 | 2,101         | -1%         | -1%                   |                                                                                   |
| Infrastructure - Sanitation                                                                                                                                                                                                                                                                                                                                                          | 11,164        | 9,751                 | 9,751         | -14%        | 0%                    |                                                                                   |
| <i>Reticulation</i>                                                                                                                                                                                                                                                                                                                                                                  | 4,222         | 2,809                 | 2,809         | 0%          | 0%                    |                                                                                   |
| <i>Sewerage purification</i>                                                                                                                                                                                                                                                                                                                                                         | 6,941         | 6,941                 | 6,941         | 0%          | 0%                    |                                                                                   |
| Infrastructure - Other                                                                                                                                                                                                                                                                                                                                                               | 7,883         | 9,195                 | 9,195         | 14%         | 0%                    |                                                                                   |
| <i>Waste Management</i>                                                                                                                                                                                                                                                                                                                                                              | 7,883         | 9,195                 | 9,195         | 14%         | 0%                    |                                                                                   |
| <i>Transportation</i>                                                                                                                                                                                                                                                                                                                                                                |               |                       |               |             |                       |                                                                                   |
| <i>Gas</i>                                                                                                                                                                                                                                                                                                                                                                           |               |                       |               |             |                       |                                                                                   |
| <i>Other Specify:</i>                                                                                                                                                                                                                                                                                                                                                                | –             | –                     | –             |             |                       |                                                                                   |
| <i>Cemetery</i>                                                                                                                                                                                                                                                                                                                                                                      | –             | –                     | –             | 0%          | 0%                    |                                                                                   |
| <i>Sport</i>                                                                                                                                                                                                                                                                                                                                                                         |               |                       |               |             |                       |                                                                                   |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                         | <b>26,089</b> | <b>22,054</b>         | <b>22,024</b> | <b>-18%</b> | <b>0%</b>             |                                                                                   |
| * MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. |               |                       |               |             |                       | T5.8.3                                                                            |

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

There has been an improvement in the overall cash position of the municipality as a result of a cash based budget and improved cash management, increased debt collection rate as well as more cost reflective tariffs.

The municipality's cash position improved from 2017/18 financial year from 63,901m to R130, 5940m, an increase of R67, 039m. The municipality's cash position during the 2018/19 financial year amounts to R130, 940m at 30 June 2019.

### 5.11 CASH FLOW

| Cash Flow Outcomes                                |                            |                       |                 |                 |
|---------------------------------------------------|----------------------------|-----------------------|-----------------|-----------------|
|                                                   |                            |                       |                 | R'000           |
| Description                                       | 2017/18<br>Audited Outcome | Current Year: 2018/19 |                 |                 |
|                                                   |                            | Original Budget       | Adjusted Budget | Actual          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |                            |                       |                 |                 |
| Receipts                                          |                            |                       |                 |                 |
| Ratepayers and other                              | 280 620                    | 301 628               | 288 467         | 321 119         |
| Government - operating                            | 100 521                    | 146 043               | 141 189         | 145 285         |
| Government - capital                              | 50 145                     | 47 348                | 39 813          | 34 341          |
| Interest                                          | 8 157                      | 13 086                | 19 435          | 10 457          |
| Dividends                                         |                            |                       |                 |                 |
| Payments                                          |                            |                       |                 |                 |
| Suppliers and employees                           | (332 056)                  | (441 358)             | (416 971)       | (372 222)       |
| Finance charges                                   | (9 576)                    | (12 783)              | (12 783)        | (8 683)         |
| Transfers and Grants                              | (2 476)                    | (232)                 | (347)           | (2 642)         |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  | <b>95 335</b>              | <b>53 731</b>         | <b>58 805</b>   | <b>127 656</b>  |
|                                                   |                            |                       |                 |                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                            |                       |                 |                 |
| Receipts                                          |                            |                       |                 |                 |
| Proceeds on disposal of PPE                       | 295                        | 0                     | 0               | 780             |
| Decrease (Increase) in non-current debtors        | 0                          |                       |                 |                 |
| Decrease (increase) other non-current receivables | 0                          | 1                     | 15              | -               |
| Decrease (increase) in non-current investments    | (924)                      |                       |                 | (932)           |
| Payments                                          |                            |                       |                 |                 |
| Capital assets                                    | (86 942)                   | (78 756)              | (73 261)        | (63 349)        |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  | <b>(87 571)</b>            | <b>(78 754)</b>       | <b>(73 247)</b> | <b>(63 501)</b> |
|                                                   |                            |                       |                 |                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |                            |                       |                 |                 |
| Receipts                                          |                            |                       |                 |                 |
| Short term loans                                  | 0                          |                       |                 |                 |
| Borrowing long term/refinancing                   | -                          | 10 420                | 14 145          | 10 420          |
| Increase (decrease) in consumer deposits          | 3                          | 290                   | 282             | (82)            |
| Payments                                          |                            |                       |                 |                 |

|                                                  |                |                 |                |               |
|--------------------------------------------------|----------------|-----------------|----------------|---------------|
| Repayment of borrowing                           | (8 189)        | (8 463)         | (9 235)        | (7 454)       |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> | <b>(8 187)</b> | <b>2 247</b>    | <b>5 192</b>   | <b>2 885</b>  |
|                                                  |                |                 |                |               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     | <b>(423)</b>   | <b>(22 776)</b> | <b>(9 250)</b> | <b>67 040</b> |
| Cash/cash equivalents at the year begin:         | 64 323         | 41 611          | 63 901         | 63 901        |
| Cash/cash equivalents at the year end:           | 63 901         | 18 835          | 54 651         | 130 940       |
| Source: MBRR SA7                                 |                |                 |                | T5.9.1        |

### 5.11.1 COMMENT ON CASH FLOW OUTCOMES

As can be seen from the above cash flow statement TWK is not facing any real cash flow problems as at 30 June 2019. However it is important that this position is maintained and improved. The largest contributors to municipal cash are ratepayers, government grants and subsidies.

The revenue collection rate for Theewaterskloof municipality as at June 2019 is 89%. This is an area where we will focus our attention and energy in order to become financially sustainable to enable the municipality to provide services. The municipality will strive to improve its cash position in 2019/20.

The municipality will embark on a public relations and awareness campaign to encourage payment for municipal services and rates, improve the relationship between the municipality and stakeholders and develop educational tools to change the culture surrounding the payments of municipal accounts. The project is currently in progress.

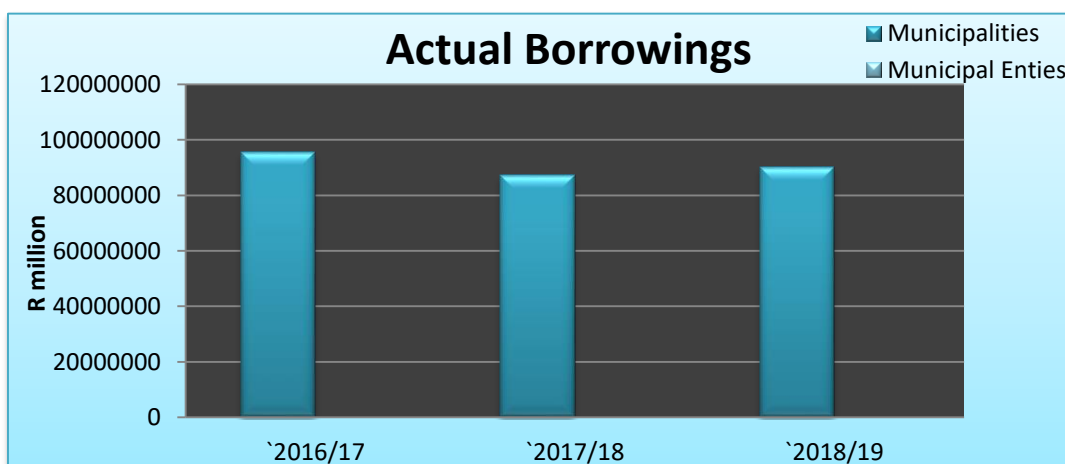
### 5.12 BORROWING AND INVESTMENTS

Any growing urban area requires substantial investments in infrastructure, and there are very few municipalities who receive enough in capital grants from national governments to finance all their requirements. This shortfall requires that municipalities look for alternative funding sources, or face the prospect that infrastructure backlogs become insurmountable, with serious negative implications for the quality of life and the economic growth of the urban area.

One of these funding sources is to take up loans. Although taking up loans is an acceptable alternative financing source, particularly for huge infrastructure projects, the cost of credit must be considered and one has to strike a balance between community needs and affordability. It should always be remembered that the decision on loans today could pose major affordability risks for future generations.

As already alluded to elsewhere in this report, the municipality made a conscious decision that loans will only be taken up as a measure of counter funding or in circumstances where the capital investment will yield sufficient additional revenue to cover the debt servicing costs. The municipality continue to strive to maintain its external loan exposure within the prudential limits of 40% of own revenue. Long term liabilities increased in 2018/19, and it remains within the 40% limit. Borrowings reduced from R 95,389 m in 2016/17 to R 87,200 in 2017/18 and increased during the 2018/19 financial year to R90, 166m.

| Actual Borrowings 2016 to 2019             |               |               |               |
|--------------------------------------------|---------------|---------------|---------------|
|                                            |               |               | R' 000        |
| Instrument                                 | 2016/17       | 2017/18       | 2018/19       |
| <b><u>Municipality</u></b>                 |               |               |               |
| Long-Term Loans (annuity/reducing balance) | 78,215        | 70,177        | 73,143        |
| Long-Term Loans (Stock loans)              | 17,023        | 17,023        | 17,023        |
| Local registered stock                     |               |               |               |
| Instalment Credit                          |               |               |               |
| Financial Leases                           | 151           | —             | —             |
| PPP liabilities                            |               |               |               |
| Finance Granted By Cap Equipment Supplier  |               |               |               |
| Marketable Bonds                           |               |               |               |
| Non-Marketable Bonds                       |               |               |               |
| Bankers Acceptances                        |               |               |               |
| Financial derivatives                      |               |               |               |
| Other Securities                           |               |               |               |
| <b>Municipality Total</b>                  | <b>95,389</b> | <b>87,200</b> | <b>90,166</b> |
| <b><u>Municipal Entities</u></b>           |               |               |               |
| Long-Term Loans (annuity/reducing balance) |               |               |               |
| Long-Term Loans (Stock loans)              |               |               |               |
| Local registered stock                     |               |               |               |
| Instalment Credit                          |               |               |               |
| Financial Leases                           |               |               |               |
| PPP liabilities                            |               |               |               |
| Finance Granted By Cap Equipment Supplier  |               |               |               |
| Marketable Bonds                           |               |               |               |
| Non-Marketable Bonds                       |               |               |               |
| Bankers Acceptances                        |               |               |               |
| Financial derivatives                      |               |               |               |
| Other Securities                           |               |               |               |
| <b>Entities Total</b>                      |               |               |               |
|                                            |               |               | T5.10.2       |



The municipality has an amount of R 43,415 million on call account investments, a fixed deposit of R 12,353 million and Sanlam Share Investment of R 216 thousand as illustrated in the table below. The municipality's bank account per bank statement reflects a positive balance as at the end of June 2019.

| <b>Municipal and Entity Investments</b>           |                |                |                |
|---------------------------------------------------|----------------|----------------|----------------|
|                                                   | <b>R' 000</b>  |                |                |
| <b>Investment type</b>                            | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> |
|                                                   | <b>Actual</b>  | <b>Actual</b>  | <b>Actual</b>  |
| <b><u>Municipality</u></b>                        |                |                |                |
| <b>Securities - National Government</b>           |                |                |                |
| <b>Listed Corporate Bonds</b>                     |                |                |                |
| <b>Deposits - Bank</b>                            | 49,678         | 53,224         | 55,983         |
| <b>Deposits - Public Investment Commissioners</b> |                |                |                |
| <b>Deposits - Corporation for Public Deposits</b> |                |                |                |
| <b>Bankers Acceptance Certificates</b>            |                |                |                |
| <b>Negotiable Certificates of Deposit - Banks</b> |                |                |                |
| <b>Guaranteed Endowment Policies (sinking)</b>    |                |                |                |
| <b>Repurchase Agreements - Banks</b>              |                |                |                |
| <b>Municipal Bonds</b>                            |                |                |                |
| <b>Other</b>                                      |                |                |                |
| <b>Municipality sub-total</b>                     | <b>49,678</b>  | <b>53,224</b>  | <b>55,983</b>  |
|                                                   |                |                |                |
| <b><u>Municipal Entities</u></b>                  |                |                |                |
| <b>Securities - National Government</b>           |                |                |                |
| <b>Listed Corporate Bonds</b>                     |                |                |                |
| <b>Deposits - Bank</b>                            |                |                |                |
| <b>Deposits - Public Investment Commissioners</b> |                |                |                |
| <b>Deposits - Corporation for Public Deposits</b> |                |                |                |
| <b>Bankers Acceptance Certificates</b>            |                |                |                |
| <b>Negotiable Certificates of Deposit - Banks</b> |                |                |                |
| <b>Guaranteed Endowment Policies (sinking)</b>    |                |                |                |
| <b>Repurchase Agreements - Banks</b>              |                |                |                |
| <b>Other</b>                                      |                |                |                |
| <b>Entities sub-total</b>                         | <b>–</b>       | <b>–</b>       | <b>–</b>       |
|                                                   |                |                |                |
| <b>Consolidated total:</b>                        | <b>49,678</b>  | <b>53,224</b>  | <b>55,983</b>  |
|                                                   |                |                | T5.10.4        |



### **5.13 PUBLIC PRIVATE PARTNERSHIPS**

The municipality currently have no public private partnerships.

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.14 SUPPLY CHAIN MANAGEMENT**

Supply chain management is perhaps one of the most challenging legislative requirements due to the lack of human resource capacity as well as the uncertainty with regards to the interpretation and implementation of legislation. This could result in underspending of the capital budget which will directly affect the municipality's ability to achieve its strategic objective of service delivery. Despite all the challenges, it can be stated that the municipality was successful in the implementation of the regulations and SCM policy.

#### **MFMA Competency Regulations**

The supply chain management unit consist of 6 permanent employees of which one (Manager SCM) must comply with the MFMA competency regulations. The aforementioned employee complies with the said regulations and the municipality intend to ensure that the accountant in the department complies with these regulations, this is important to ensure effective succession planning.

### **5.15 GRAP COMPLIANCE**

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, 2013 (Act No. 2 of 2013) (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.

# CHAPTER 6 – AUDITOR GENERAL

## AUDIT FINDINGS

### REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND COUNCIL ON THEEWATERSKLOOF MUNICIPALITY 2017/18 (PREVIOUS YEAR)

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 83, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the 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, 2017 (Act No. 3 of 2017) (DoRA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

### **Restatement of corresponding figures**

7. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors discovered during the 2017-18 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2018.
8. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of municipal standard chart of accounts (mSCOA) reclassifications in the financial statements of the municipality at, and for the year ended, 30 June 2018.

### **Material impairments**

9. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R126,3 million (2016-17: R105,9 million).
10. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R75,8 million (2016-17: R54,4 million).

### **Underspending of capital budget**

11. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R43,3 million, which represents an underspending of 33%. This was as a result of housing funds which were transferred to the municipality during the latter part of the financial year and therefore the funding could not be fully spent by year-end.

### **Matters important to the users of the financial statements**

12. With reference to note 65 to the financial statements, the municipality has lodged a dispute in respect of the tariff charged by Overberg Water Board regarding a capital levy. The dispute has been referred to the National Treasury.

### **Other matters**

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

## **Unaudited supplementary schedules**

14. The supplementary information set out on pages 84 to 92 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## **Unaudited disclosure notes**

15. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon

## **Responsibilities of the accounting officer for the financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the Theewaterskloof Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

20. 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 material findings on the reported performance information against predetermined objectives for selected strategic focus areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus areas presented in the annual performance report of the municipality for the year ended 30 June 2018:

| Strategic focus areas                          | Pages in the annual performance report |
|------------------------------------------------|----------------------------------------|
| Strategic focus area 4: Basic service delivery | 82 to 114                              |

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. There were no findings in respect of the usefulness and reliability of the reported performance information for the following strategic focus areas:
- Strategic focus area 4: Basic service delivery

### Other matters

25. I draw attention to the matters below.

### Achievement of planned targets

26. Refer to the annual performance report on pages 82 to 114 for information on the achievement of planned targets for the year.

## Adjustment of material misstatements

27. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of *Strategic objective 4: basic service delivery*. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the audit of compliance with legislation

### Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

### Procurement and contract management

29. Some of the quotations were awarded to bidders based on preference points that were not calculated and allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

### Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in the auditor's report.
31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

34. I have nothing to report in this regard.

## Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

## Leadership

### Oversight responsibility

36. Leadership did not ensure that all the supply management processes implemented are adhered to in terms of the Preferential Procurement Policy Framework Act. This led to a regression in the audit outcomes.

## Financial and performance management

### Compliance monitoring

37. Management incorrectly interpreted the requirements of the Preferential Procurement Policy Framework Act and its regulations with regard to price calculations where non-VAT vendors submitted quotations.

## Other reports

38. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
39. The municipality commissioned an IT investigation due to malware attacks on its IT infrastructure. The investigation was carried out by a private forensic firm. The last malware attack was experienced on 17 May 2017 to which the municipality subsequently initiated the investigation. The period of the investigation spanned over multiple prior financial years starting from when possible causes of the attacks were traced. The investigation has subsequently been concluded and will be tabled to the council as soon as due processes have been finalised by the municipality.



*Auditor-general*

Cape Town

30 November 2018



AUDITOR-GENERAL  
SOUTH AFRICA

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# REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND COUNCIL ON THEEWATERSKLOOF MUNICIPALITY 2018/19 (CURRENT YEAR)

## Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Theewaterskloof Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 85, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the position of the Theewaterskloof Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the 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, 2018 (Act no. 1 of 2018) (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *international code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

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

#### Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors identified during the 2018-19 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2019.

8. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of reclassification of expenditure by nature in the financial statements of the municipality at, and for the year ended, 30 June 2019.

#### **Material impairments**

9. As disclosed in note 3 to the financial statements, the municipality, provided for the impairment of service receivables from exchange transactions amounting to R144,9 million (2017-18: R126,3 million).
10. As disclosed in note 4 to the financial statements, the municipality, provided for the impairment of receivables from non-exchange transactions amounting to R70,8 million (2017-18: R75,8 million).

#### **Underspending of capital budget**

11. As disclosed in the statements of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R11,9 million (2017-18 R43.3 million) which represents and underspending of 13,5% (2017-18 33%).

#### **Underspending of the conditional grant**

12. As disclosed in note 25.08 to the financial statements, the municipality underspent its conditional grant: water and sanitation by R28 919 000.

#### **Other matters**

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

#### **Unaudited disclosure note**

14. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

#### **Unaudited supplementary schedules**

15. The supplementary information set out on pages 86 to 94 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

#### **Responsibilities of the accounting officer for the financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### **Auditor-general's responsibilities for the audit of the financial statements**

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Report on the audit of the annual performance report**

#### **Introduction and scope**

20. 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 material findings on the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2019:

| Key Performance Area   | Pages in the annual performance report                       |
|------------------------|--------------------------------------------------------------|
| Basic service delivery | 94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124 |

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. I did not raise any material findings on the usefulness and reliability of the reported performance information for this Key Performance Area.

#### **Other matters**

25. I draw attention to the matters below.

#### **Achievement of planned targets**

Refer to the annual performance report on pages 94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124 for information on the achievement of planned targets for the year.

#### **Adjustment of material misstatements**

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

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

##### **Introduction and scope**

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
28. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

#### **Other information**

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected Key Performance Area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. If based on the work I have performed, I conclude that if there is a material misstatement in this other information, I am required to report that fact.
33. I have nothing to report in this regard.

#### **Internal control deficiencies**

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town

30 November 2019



AUDITOR - GENERAL  
SOUTH AFRICA

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### **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected Key Performance Area and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Theewaterskloof Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the [accounting officer/ accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



## **AUDIT ACTION PLAN, CORRECTIVE MEASURES TAKEN OR TO BE TAKEN IN RELATIONS TO ISSUES RAISED IN THE AUDIT REPORT**

The Audit Action plan is the document that contain all corrective actions taken or to be taken in relation to issues raised in the Auditors General report as required by section 121 (3) (g) of the MFMA.

The municipality obtained a clean audit, however an action plan will be compiled and tabled in council in January 2020 containing corrective actions realigning to the issues raised by the Auditor General.

The Audit action plan will then be included in the final annual report.

**COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES**

Comment on MFMA Section 71 Responsibilities

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National and Provincial Treasury at specified intervals throughout the year. The Chief Financial Officer states that not all these data sets have been returned according to the reporting requirements since numerous non-compliance schedule had to be completed:

The fundamental reason for not being able to comply with the reporting requirements (within 10 working days as prescribed by the Municipal Finance Management Act, Act 56 of 2003) was due to the implementation of the new financial system to address the Municipal Standard Chart of Accounts (mSCOA) requirements. The financial system had difficulty generating the reports in the required formats.

All reports for the financial year were submitted.

Signed (Chief Financial Officer).....Dated.....

## GLOSSARY

|                                           |                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accessibility indicators</b>           | Explore whether the intended beneficiaries are able to access services or outputs.                                                                                                                                                                                                               |
| <b>Accountability documents</b>           | Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.                                             |
| <b>Activities</b>                         | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.                                                                                                                                        |
| <b>Adequacy indicators</b>                | The quantity of input or output relative to the need or demand.                                                                                                                                                                                                                                  |
| <b>Annual Report</b>                      | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.                                              |
| <b>Approved Budget</b>                    | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.                                                                                                                                               |
| <b>Baseline</b>                           | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.                                                                                             |
| <b>Basic municipal service</b>            | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.                                                                           |
| <b>Budget year</b>                        | The financial year for which an annual budget is to be approved – means a year ending on 30 June.                                                                                                                                                                                                |
| <b>Cost indicators</b>                    | The overall cost or expenditure of producing a specified quantity of outputs.                                                                                                                                                                                                                    |
| <b>Distribution indicators</b>            | The distribution of capacity to deliver services.                                                                                                                                                                                                                                                |
| <b>Financial Statements</b>               | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.                                                                                                         |
| <b>General Key performance indicators</b> | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.                                                                                                              |
| <b>Impact</b>                             | The results of achieving specific outcomes, such as reducing poverty and creating jobs.                                                                                                                                                                                                          |
| <b>Inputs</b>                             | All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.                                                                                                                 |
| <b>Integrated Development Plan (IDP)</b>  | Set out municipal goals and development plans.                                                                                                                                                                                                                                                   |
| <b>National Key performance areas</b>     | <ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul> |

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcomes</b>                                    | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Outputs</b>                                     | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.                                                                                                                                                                                                                                                                                                          |
| <b>Performance Indicator</b>                       | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Performance Information</b>                     | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Performance Standards:</b>                      | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.                                                                                                                                      |
| <b>Performance Targets:</b>                        | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Service Delivery Budget Implementation Plan</b> | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Vote:</b>                                       | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.<br>Section 1 of the MFMA defines a "vote" as:<br>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and<br>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned |

# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance |                       |                                                                      |                                        |                                        |                                         |
|----------------------------------------------------------|-----------------------|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------------|
| Council Members                                          | Full Time / Part Time | Committees Allocated                                                 | Ward Represented/<br>Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|                                                          | FT/PT                 |                                                                      |                                        | %                                      | %                                       |
| D DU TOIT                                                | FT                    | None                                                                 | Ward Represented                       | 85%                                    | 15%                                     |
| C VOSLOO                                                 | FT                    | Executive Mayoral Committee                                          | Party Represented                      | 100%                                   | 0%                                      |
| D APPEL (Resigned on 28/09/18)                           | PT                    | Technical Services                                                   | Party Represented                      | 95%                                    | 5%                                      |
| J ARENDSE                                                | FT                    | Organizational Development Committee                                 | Ward Represented                       | 100%                                   | 0%                                      |
| M BHANGAZANA                                             | PT                    | Operations Committee                                                 | Ward Represented                       | 80%                                    | 20%                                     |
| R BRINKHUYS                                              | PT                    | Technical Services; Operations Committee                             | Ward Represented                       | 95%                                    | 5%                                      |
| S FREDERICKS                                             | PT                    | Finance Committee                                                    | Party Represented                      | 85%                                    | 15%                                     |
| D JOOSTE                                                 | PT                    | Development Services Committee                                       | Ward Represented                       | 100%                                   | 0%                                      |
| M KOEGELENBERG                                           | FT                    | Finance Committee                                                    | Ward Represented                       | 95%                                    | 5%                                      |
| C LAMPRECHT                                              | PT                    | Finance Committee; Technical Services Committee                      | Ward Represented                       | 90%                                    | 10%                                     |
| M LE ROUX                                                | PT                    | Organizational Development Committee; Development Services Committee | Party Represented                      | 80%                                    | 20%                                     |
| T MANGCAYI                                               | PT                    | Organizational Development Committee                                 | Party Represented                      | 65%                                    | 35%                                     |
| A MENTILE                                                | PT                    | Organizational Development Committee                                 | Ward Represented                       | 80%                                    | 20%                                     |
| R MIENIES                                                | PT                    | Financial Services Committee                                         | Party Represented                      | 65%                                    | 35%                                     |
| T NDLEBE                                                 | PT                    | Human Settlements Committee                                          | Ward Represented                       | 100%                                   | 0%                                      |

|                                                                                          |    |                                                                     |                   |      |     |
|------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------|-------------------|------|-----|
| C NOVEMBER                                                                               | PT | Financial Services Committee; MPAC                                  | Party Represented | 100% | 0%  |
| K PAPIER                                                                                 | FT | Technical Services Committee                                        | Party Represented | 100% | 0%  |
| N PIETERSE                                                                               | PT | Organizational Development Services; Operations Committee           | Ward Represented  | 100% | 0%  |
| M PLATO-MENTOOR                                                                          | FT | Development Services Committee                                      | Ward Represented  | 95%  | 5%  |
| S POTBERG                                                                                | PT | Human Settlements Committee                                         | Ward Represented  | 85%  | 15% |
| I SILEKU (Resigned on 17/05/19)                                                          | FT | Human Settlements Committee                                         | Party Represented | 100% | 0%  |
| U SIPUNZI                                                                                | PT | Technical Services Committee; Human Settlements Committee           | Ward Represented  | 85%  | 15% |
| P STANFLIET                                                                              | FT | Operations Committee                                                | Ward Represented  | 85%  | 15% |
| H SYSTER                                                                                 | PT | Development Services Committee; Operations Committee                | Party Represented | 85%  | 15% |
| B TSHABE                                                                                 | PT | Organizational Development Services; Development Services Committee | Party Represented | 100% | 0%  |
| T TSHUNGWANA                                                                             | PT | Technical Services Committee                                        | Party Represented | 85%  | 15% |
| C WOOD                                                                                   | PT | Development Services Committee; Operations Committee                | Party Represented | 75%  | 25% |
| MR NONGXAZA                                                                              | PT | Technical Services Committee                                        | Party Represented | 95%  | 15% |
| N MGQWETO (started 12/06/2019)                                                           | PT | Not yet represented on Portfolio Committee at the time of Year end  | Party Represented | 100% | 0%  |
| Note: *Councillors appointed on a proportional basis do not have wards allocated to them |    |                                                                     |                   |      | T A |

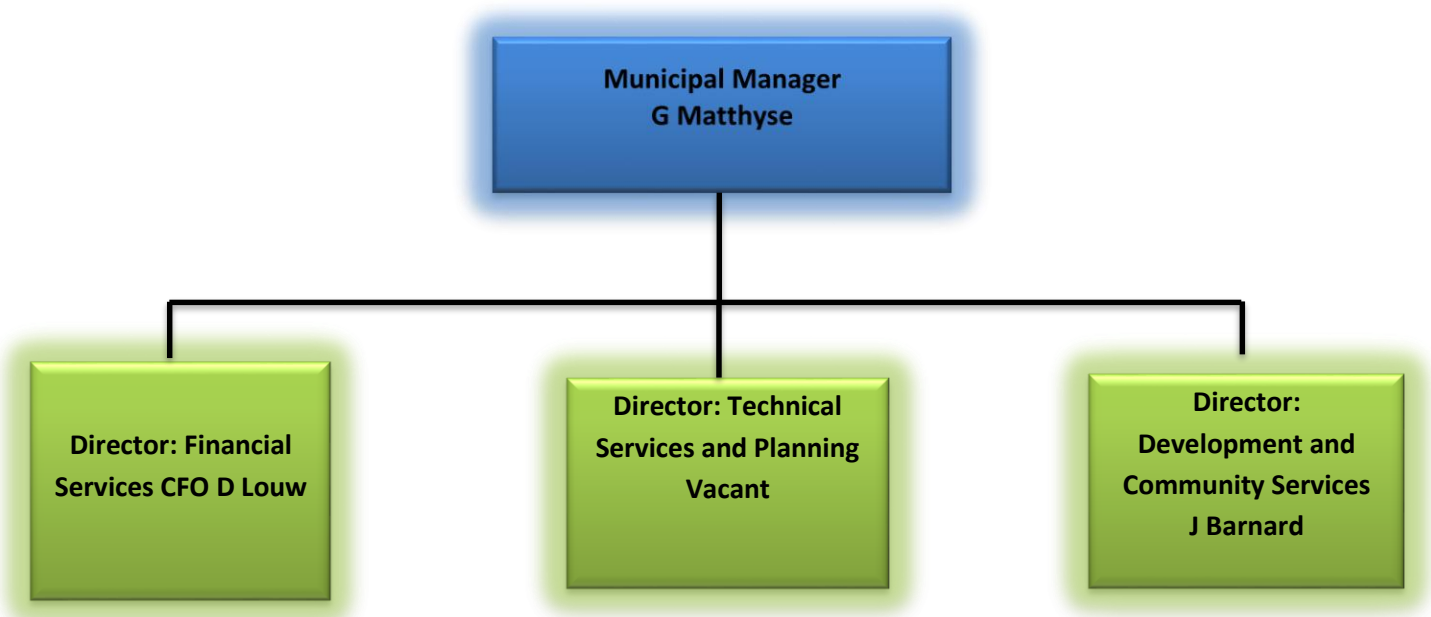
## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| <b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Municipal Committees</b>                                                             | <b>Purpose of Committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Performance and Audit Committee</b>                                                  | The Performance and Audit Committee is an assurance provider to Council that evaluates the effective, efficient and transparent systems of financial and risk management and internal control that are maintained by the Council, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishments of established goals for operations or programs                                                                                                                                                                                                                                                                                                                                                     |
| <b>Oversight Committee</b>                                                              | Undertake a review and analysis of the annual report; invite, receive and consider inputs from Councillors and Portfolio committees on the Annual Report; Consider written comments received on the Annual Report from the public consultation process, Conduct public hearings to allow the local community or any organs of state to make representations on the Annual report; Receive and consider Councils' Performance and Audit Committee views and comments on the annual financial statements and the performance report; preparation of the draft Oversight report; taking into considerations the views and inputs of the public, representatives of the Auditor-General, Organ of State, Council's Performance and Audit Committee and Councillors |
| <b>Risk Management Committee</b>                                                        | The Risk Management committee is responsible for assisting the Accounting Officer in addressing his oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management. The Risk Management committee is appointed by the Accounting officer and its role is to formulate, promote and review the institution's ERM objectives, strategy and policy to monitor the process at strategic, management and operational levels.                                                                                                                                                                                                                                                                 |
| <b>Combined Management, Speaker and Executive Mayoral Committee</b>                     | To share information, to obtain input from Politicians and determine policy direction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Management Committee</b>                                                             | To deal with and consider various managerial aspects and items                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Portfolio Committees</b>                                                             | As per legislation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Municipal Committees               | Purpose of Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ICT Committee</b>               | <p>The purpose of this is to establish an ICT Steering committee to govern and be accountable for the municipality's ICT environment and ensure that ICT conforms to legislation. The committee will advise in terms of an oversight role to Management/ Council on all matters relating to ICT and be responsible for: i) the investigating, considering and steering of high level/ impact ICT projects; ii) The prioritising of proposed high level projects; iii) The constant reviewing of approved projects; iv) Facilitating the achievement of optimal ICT management; v) Enhancing the understanding and satisfaction with the value of ICT investments; vi) Encouraging constituent ownership of ICT projects and endorsement of ICT policies; vii) Fusing the ICT and business strategies, goals and resources and achieving competitive advantage through ICT; viii) Encouraging collaborative work environment and fosters trust via mutual credibility and responsiveness; ix) The revision of the draft ICT budget and budget processes; x) Mediating conflicts in priorities and/ or departmental perspectives that may not be in the best interest of the Municipality</p> |
| <b>Municipal Planning Tribunal</b> | Decision making authority on land use applications as per Council's approved categorisation of land use decisions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Financial Sustainability</b>    | This committee does not exist anymore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Ward Committees</b>             | <p>The Ward Committee is the official liaison mechanism on all municipal matters within the community. The ward committees assist in the drafting of the Ward IDPs and Budget. They review the community input and participate in the Town Advisory Forum. The ward committee is also responsible for reviewing and approving the Service Level Agreements. They make recommendations to Council reports. They should report back to their constituencies on issues discussed at the ward committee meetings</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Town Advisory Committees</b>    | <p>The Town Advisory Forum meets when the ward committee's input is needed for a town as a whole. The role and function of the TAF is to advise and make recommendations to Council on behalf of the community within their respective wards on matters pertaining the IDP, Budget, Service delivery and developmental projects within the town. The TAF is the official body which the Municipality will liaise with regarding the matters affecting the entire town</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

**APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE**



## APPENDIX D – FUNCTIONS OF MUNICIPALITY

| Municipal / Entity Functions                                                                                                                                                                                    |                                                          |                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|
| MUNICIPAL FUNCTIONS                                                                                                                                                                                             | Function<br>Applicable to<br>Municipality (Yes<br>/ No)* | Function<br>Applicable to<br>Entity<br>(Yes / No) |
| <b><u>Constitution Schedule 4, Part B functions:</u></b>                                                                                                                                                        |                                                          |                                                   |
| Air pollution                                                                                                                                                                                                   | Yes                                                      | No                                                |
| Building regulations                                                                                                                                                                                            | Yes                                                      | No                                                |
| Child care facilities                                                                                                                                                                                           | Yes                                                      | No                                                |
| Electricity and gas reticulation                                                                                                                                                                                | Yes                                                      | No                                                |
| Firefighting services                                                                                                                                                                                           | No                                                       | No                                                |
| Local tourism                                                                                                                                                                                                   | Yes                                                      | No                                                |
| Municipal airports                                                                                                                                                                                              | No                                                       | No                                                |
| Municipal planning                                                                                                                                                                                              | Yes                                                      | No                                                |
| Municipal health services                                                                                                                                                                                       | No                                                       | No                                                |
| Municipal public transport                                                                                                                                                                                      | Yes                                                      | No                                                |
| 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                                                      | No                                                |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto                                                                     | No                                                       | No                                                |
| Storm water management systems in built-up areas                                                                                                                                                                | Yes                                                      | No                                                |
| Trading regulations                                                                                                                                                                                             | Yes                                                      | No                                                |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems                                                                                      | Yes                                                      | No                                                |
| <b><u>Constitution Schedule 5, Part B functions:</u></b>                                                                                                                                                        |                                                          |                                                   |
| Beaches and amusement facilities                                                                                                                                                                                | Yes                                                      | No                                                |
| Billboards and the display of advertisements in public places                                                                                                                                                   | Yes                                                      | No                                                |
| Cemeteries, funeral parlours and crematoria                                                                                                                                                                     | Yes                                                      | No                                                |
| Cleansing                                                                                                                                                                                                       | Yes                                                      | No                                                |
| Control of public nuisances                                                                                                                                                                                     | Yes                                                      | No                                                |
| Control of undertakings that sell liquor to the public                                                                                                                                                          | Yes                                                      | No                                                |
| Facilities for the accommodation, care and burial of animals                                                                                                                                                    | Yes                                                      | No                                                |
| Fencing and fences                                                                                                                                                                                              | Yes                                                      | No                                                |
| Licensing of dogs                                                                                                                                                                                               | Yes                                                      | No                                                |
| Licensing and control of undertakings that sell food to the public                                                                                                                                              | Yes                                                      | No                                                |
| Local amenities                                                                                                                                                                                                 | Yes                                                      | No                                                |
| Local sport facilities                                                                                                                                                                                          | Yes                                                      | No                                                |
| Markets                                                                                                                                                                                                         | Yes                                                      | No                                                |
| Municipal abattoirs                                                                                                                                                                                             | Yes                                                      | No                                                |
| <i>Continued next page</i>                                                                                                                                                                                      |                                                          |                                                   |

|                                                                                     |     |     |
|-------------------------------------------------------------------------------------|-----|-----|
| <i>Continued from previous page</i>                                                 |     |     |
| Municipal parks and recreation                                                      | Yes | No  |
| Municipal roads                                                                     | Yes | No  |
| Noise pollution                                                                     | Yes | No  |
| Pounds                                                                              | Yes | No  |
| Public places                                                                       | Yes | No  |
| Refuse removal, refuse dumps and solid waste disposal                               | Yes | No  |
| Street trading                                                                      | Yes | No  |
| Street lighting                                                                     | Yes | No  |
| Traffic and parking                                                                 | Yes | No  |
| <i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i> |     | T D |

## APPENDIX E – WARD REPORTING

| Functionality of Ward Committees |                                                                  |                                        |                                                                       |                                                                               |                                                                       |
|----------------------------------|------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Ward Name<br>(Number)            | Name of Ward Councillor<br>and elected Ward<br>committee members | Committee<br>established<br>(Yes / No) | Number of<br>monthly<br>Committee<br>meetings held<br>during the year | Number of<br>monthly<br>reports<br>submitted to<br>Speakers<br>Office on time | Number of<br>quarterly<br>public ward<br>meetings held<br>during year |
| One (1)                          | COUNCILLOR S POTBERG                                             | Yes                                    | 9                                                                     | 22                                                                            | 2                                                                     |
|                                  | A Appel                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Sadenbergh                                                     |                                        |                                                                       |                                                                               |                                                                       |
|                                  | E Mouries                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Hermanus                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | P Stander                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A Mouton                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | T Hermanus                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Lottering                                                      |                                        |                                                                       |                                                                               |                                                                       |
|                                  | H Sauls                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | F Roux                                                           |                                        |                                                                       |                                                                               |                                                                       |
| Two (2)                          | ALDERMAN D DU TOIT                                               | Yes                                    | 9                                                                     | 25                                                                            | 7                                                                     |
|                                  | J Kroukamp                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Martin                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | R Rouillard                                                      |                                        |                                                                       |                                                                               |                                                                       |
|                                  | P Adams                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | V Jansen                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Barthus                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | W Beukman                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | G Juries                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A White                                                          |                                        |                                                                       |                                                                               |                                                                       |
|                                  | G Emslie                                                         |                                        |                                                                       |                                                                               |                                                                       |
| Three (3)                        | COUNCILLOR J ARENDSE                                             | Yes                                    | 4                                                                     | 0                                                                             | 3                                                                     |
|                                  | E Magerman                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | Y van Tonder                                                     |                                        |                                                                       |                                                                               |                                                                       |
|                                  | A Davids                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | M Booysen                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | S Swartz                                                         |                                        |                                                                       |                                                                               |                                                                       |
|                                  | K Hoffman                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | C Benjamin                                                       |                                        |                                                                       |                                                                               |                                                                       |
|                                  | L Freeman                                                        |                                        |                                                                       |                                                                               |                                                                       |
|                                  | J Paulsen                                                        |                                        |                                                                       |                                                                               |                                                                       |

|                  |                                  |            |           |           |          |
|------------------|----------------------------------|------------|-----------|-----------|----------|
| <b>Four (4)</b>  | <b>COUNCILLOR M KOEGELENBERG</b> | <b>Yes</b> | <b>4</b>  | <b>0</b>  | <b>2</b> |
|                  | J Brinkhys                       |            |           |           |          |
|                  | N Jende                          |            |           |           |          |
|                  | J de Waal                        |            |           |           |          |
|                  | J Norval                         |            |           |           |          |
|                  | M Wessels                        |            |           |           |          |
|                  | J de Witt                        |            |           |           |          |
|                  | G Siza                           |            |           |           |          |
|                  | D du Toit                        |            |           |           |          |
|                  | J Hauman                         |            |           |           |          |
|                  |                                  |            |           |           |          |
| <b>Five (5)</b>  | <b>COUNCILLOR C LAMPRECHT</b>    | <b>Yes</b> | <b>10</b> | <b>11</b> | <b>3</b> |
|                  | L Jonase                         |            |           |           |          |
|                  | N Pali                           |            |           |           |          |
|                  | J Smith                          |            |           |           |          |
|                  | J Mckenzie                       |            |           |           |          |
|                  | C Nel                            |            |           |           |          |
|                  | B Bester                         |            |           |           |          |
|                  | F Matheone                       |            |           |           |          |
|                  | J Nicolls                        |            |           |           |          |
|                  | R Jansen                         |            |           |           |          |
|                  | H Schoeman                       |            |           |           |          |
|                  | M de Lange                       |            |           |           |          |
|                  |                                  |            |           |           |          |
| <b>Six (6)</b>   | <b>COUNCILLOR R BRINKHYS</b>     | <b>Yes</b> | <b>10</b> | <b>0</b>  | <b>3</b> |
|                  | E Jansen                         |            |           |           |          |
|                  | T Vali                           |            |           |           |          |
|                  | R Antonie                        |            |           |           |          |
|                  | G Engelbrecht                    |            |           |           |          |
|                  | H Blignaut                       |            |           |           |          |
|                  | J Nicolls                        |            |           |           |          |
|                  | J Mckenzie                       |            |           |           |          |
|                  | V Hendricks                      |            |           |           |          |
|                  | H Schoeman                       |            |           |           |          |
|                  |                                  |            |           |           |          |
| <b>Seven (7)</b> | <b>ALDERMAN P STANFLIET</b>      | <b>Yes</b> | <b>5</b>  | <b>0</b>  | <b>2</b> |
|                  | M Goniwe                         |            |           |           |          |
|                  | C Afrika                         |            |           |           |          |
|                  | I Andries                        |            |           |           |          |
|                  | H Pitcher                        |            |           |           |          |
|                  | M Ngakana                        |            |           |           |          |
|                  | H Hendricks                      |            |           |           |          |
|                  | J Faroa                          |            |           |           |          |
|                  | E Herman                         |            |           |           |          |

|                    |                                        |            |          |          |          |
|--------------------|----------------------------------------|------------|----------|----------|----------|
|                    |                                        |            |          |          |          |
| <b>Eight (8)</b>   | <b>COUNCILLOR A MENTILE</b>            | <b>Yes</b> | <b>5</b> | <b>2</b> | <b>0</b> |
|                    | L Khathatsho                           |            |          |          |          |
|                    | J Kock                                 |            |          |          |          |
|                    | I Ludziya                              |            |          |          |          |
|                    | A Bovungana                            |            |          |          |          |
|                    | X Nonjiko                              |            |          |          |          |
|                    | E Gertse                               |            |          |          |          |
|                    | D Williams                             |            |          |          |          |
|                    | T Xhego                                |            |          |          |          |
|                    | N Klaasen                              |            |          |          |          |
|                    | O Silimela                             |            |          |          |          |
|                    |                                        |            |          |          |          |
| <b>Nine (9)</b>    | <b>COUNCILLOR D JOOSTE</b>             | <b>Yes</b> | <b>5</b> | <b>0</b> | <b>3</b> |
|                    | M Koelman                              |            |          |          |          |
|                    | N Fortuin                              |            |          |          |          |
|                    | E Wagenaar                             |            |          |          |          |
|                    | B Engelbrecht                          |            |          |          |          |
|                    | D Johannes                             |            |          |          |          |
|                    | A Hanekom                              |            |          |          |          |
|                    | J Jooste                               |            |          |          |          |
|                    | I Kortje                               |            |          |          |          |
|                    | H Botha                                |            |          |          |          |
|                    | H Schoeman                             |            |          |          |          |
|                    |                                        |            |          |          |          |
| <b>Ten (10)</b>    | <b>COUNCILLOR M PLATO-<br/>MENTOOR</b> | <b>Yes</b> | <b>5</b> | <b>0</b> | <b>2</b> |
|                    | F Quinton                              |            |          |          |          |
|                    | C Januarie                             |            |          |          |          |
|                    | L Hendricks                            |            |          |          |          |
|                    | E Koopman                              |            |          |          |          |
|                    | B Snyders                              |            |          |          |          |
|                    | J de Bruin                             |            |          |          |          |
|                    | J Hutton-Squire                        |            |          |          |          |
|                    | E Williams                             |            |          |          |          |
|                    | B Noble                                |            |          |          |          |
|                    | J Delpont                              |            |          |          |          |
|                    |                                        |            |          |          |          |
| <b>Eleven (11)</b> | <b>COUNCILLOR T NDELEBE</b>            | <b>Yes</b> | <b>5</b> | <b>0</b> | <b>1</b> |
|                    | C Gertze                               |            |          |          |          |
|                    | E Skey                                 |            |          |          |          |
|                    | S Mxhuma                               |            |          |          |          |
|                    | Z Saziwa                               |            |          |          |          |
|                    | P Mcetwa                               |            |          |          |          |
|                    | A Matheone                             |            |          |          |          |



|               |                          |     |   |   |   |
|---------------|--------------------------|-----|---|---|---|
|               | S Jonas                  |     |   |   |   |
|               | J Nganyatsi              |     |   |   |   |
|               | P Mzolisa                |     |   |   |   |
|               |                          |     |   |   |   |
| Twelve (12)   | COUNCILLOR U SIPUNZI     | Yes | 5 | 6 | 5 |
|               | W Nomxhanya              |     |   |   |   |
|               | C Absalom                |     |   |   |   |
|               | P Speelman               |     |   |   |   |
|               | L Madizeni               |     |   |   |   |
|               | L de Bruyn-Davids        |     |   |   |   |
|               | S Ninon                  |     |   |   |   |
|               | M Ritcher                |     |   |   |   |
|               | T Zacharia               |     |   |   |   |
|               |                          |     |   |   |   |
| Thirteen (13) | COUNCILLOR M BHANGANZANA | Yes | 5 | 6 | 1 |
|               | N Mchasa                 |     |   |   |   |
|               | M Thobiganya             |     |   |   |   |
|               | S Maziza                 |     |   |   |   |
|               | U Mtoko                  |     |   |   |   |
|               | J Fourie                 |     |   |   |   |
|               | D de Wee                 |     |   |   |   |
|               | G Pedro                  |     |   |   |   |
|               | A Julies                 |     |   |   |   |
|               | T Langa                  |     |   |   |   |
|               | T Nomshuva               |     |   |   |   |
|               |                          |     |   |   |   |
| Fourteen (14) | COUNCILLOR N PIETERSE    | No  | 3 | 0 | 1 |
|               | N Fredericks             |     |   |   |   |
|               | O Parnell                |     |   |   |   |
|               | J Fillies                |     |   |   |   |
|               | F Oppelt                 |     |   |   |   |
|               | I Kortje                 |     |   |   |   |
|               | I Kortje                 |     |   |   |   |

## APPENDIX F – WARD INFORMATION

### Capital Projects: Seven Largest in 18/2019

|     |                                                                                                                                                                                                  |            |            | R' 000          |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|-----------------|
| No. | Project Name and detail                                                                                                                                                                          | Start Date | End Date   | Total Value     |
| 1   | Upgrading of the Caledon Waste Water Treatment Works, Phase 2                                                                                                                                    | 2019/02/13 | 2019/12/15 | R 15,866,165.95 |
| 2   | Operation of Caledon and Landfill and Transport of Containerised Municipal Solid Waste from 01 July 2018 to 30 June 2021                                                                         | 2018/09/10 | 2021/06/30 | R 15,725,632.04 |
| 3   | Re-arrangement of the Caledon Ultrafiltration Treatment Plants                                                                                                                                   | 2019/05/16 | 2022/05/16 | R 14,096,700.00 |
| 4   | Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp                                                                                 | 2019/06/04 | 2019/06/30 | R 9,407,875.85  |
| 5   | Construction of Riviersonderend Solid Waste Transfer Station and Material Recovery Facility - Phase 1                                                                                            | 2019/02/11 | 2020/04/30 | R 7,166,023.46  |
| 6   | Provision of Professional Services: Transfer Facility and Material Recovery Facility for Caledon and Riviersonderend and the Closure and Rehabilitation of Caledon and Riviersonderend Landfills | 2019/06/28 | 2022/06/30 | R 6 798 338.06  |
| 7   | Construction of the Caledon Solid Waste Transfer Station and Material Recovery Facility                                                                                                          | 2019/01/28 | 2019/06/30 | R 6 803 786.42  |

**T F.1**

### <sup>14</sup>Proportion of Households with minimum level of Basic services

|                                                    | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|----------------------------------------------------|---------|---------|---------|---------|
| Electricity service connections                    | 100%    | 100%    | 100%    | 100%    |
| Water - available within 200 m from dwelling       | 100%    | 100%    | 100%    | 100%    |
| Sanitation - Households with at least VIP service  | 97%     | 97%     | 97%     | 97%     |
| Waste collection - kerbside collection once a week | 100%    | 100%    | 100%    | 100%    |

<sup>14</sup> Within Municipal area exclude Farm electricity excluded households

## SERVICE DELIVERY PRIORITIES FOR WARD

| TOWN        | WARD   | PRIORITY                                                                                                                                                                |
|-------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RSE         | ward 1 | Availability of land/erven -intergration                                                                                                                                |
| RSE         | ward 1 | Speed humps in Thorpestraat                                                                                                                                             |
| RSE         | ward 1 | Upgrading of streets: Marais-, Fullard-,Gousblom- and Freesiastreet                                                                                                     |
| RSE         | ward 1 | information boards, e.g. schools, museum etc.                                                                                                                           |
| RSE         | ward 1 | Traffic Law Enforcement Riebeeck ave – Tanqua Voere stop street at De kock street and possible traffic sign (no exhaust brakes)                                         |
| Greyton/Gen | ward 2 | Water security                                                                                                                                                          |
| Greyton/Gen | ward 2 | Service Plots 595                                                                                                                                                       |
| Greyton/Gen | ward 2 | LED                                                                                                                                                                     |
| Greyton/Gen | ward 2 | Serviced Plots In Stead Of Provision Of Rdp Houses(In Process)                                                                                                          |
| Greyton/Gen | ward 2 | Transformation Process To Be Finalised - Sewage                                                                                                                         |
| Greyton/Gen | ward 2 | Children Who Do Not Progress In School(Kinders Wat Uit Die Skoolsisteen Gesit Word - Development School/Skills Development - Repositioning Of Greyton As Technology Hub |
| Caledon     | ward 3 | Middelton – Roads Storm water (skuldbuld)                                                                                                                               |
| Caledon     | ward 3 | Sport field: Fencing & lights Middelton; Ablution facilities Soccer/Rugby multipurpose/cricket pitch caledon                                                            |
| Caledon     | ward 3 | Accessibility to graveyards                                                                                                                                             |
| Caledon     | ward 3 | Housing ward 3                                                                                                                                                          |
| Caledon     | ward 3 | upgrade nature reserve - use as information point                                                                                                                       |
| Caledon     | ward 3 | upgrade roads                                                                                                                                                           |
| Caledon     | ward 3 | create investment friendly environment                                                                                                                                  |
| Caledon     | ward 3 | Recycling                                                                                                                                                               |
| Caledon     | ward 4 | Taxi rank in informal area                                                                                                                                              |
| Caledon     | ward 4 | One on one services in informal area.                                                                                                                                   |
| Caledon     | ward 4 | upgrade nature reserve                                                                                                                                                  |
| Caledon     | ward 4 | develop industrial erfen - Klipheuwel                                                                                                                                   |

|                     |        |                                                                        |
|---------------------|--------|------------------------------------------------------------------------|
| <b>Caledon</b>      | ward 4 | Recycling                                                              |
| <b>Caledon</b>      | ward 4 | Upgrading Of Roads                                                     |
| <b>Caledon</b>      | ward 4 | Municipal Court                                                        |
| <b>Caledon</b>      | ward 4 | Property for churches                                                  |
| <b>Villiersdorp</b> | ward 5 | Poor Police services – increase quality of policing                    |
| <b>Villiersdorp</b> | ward 5 | ECD Centre – Radyn/ Kaaimansgat                                        |
| <b>Villiersdorp</b> | ward 5 | Community Hall/multipurpose center                                     |
| <b>Villiersdorp</b> | ward 5 | Clinic                                                                 |
| <b>Villiersdorp</b> | ward 5 | Pavilion Sportsfield                                                   |
| <b>Villiersdorp</b> | ward 6 | Sypaadje & inritte (nuwedorp)                                          |
| <b>Villiersdorp</b> | ward 6 | Gemeenskap saal/multipurpose center                                    |
| <b>Villiersdorp</b> | ward 6 | Paviljoen – sportgrond                                                 |
| <b>Villiersdorp</b> | ward 6 | Toilette – Destiny, westside and lower west side                       |
| <b>Villiersdorp</b> | ward 6 | Development Market Place                                               |
| <b>Botriver</b>     | ward 7 | Vehicle replacement fund                                               |
| <b>Botriver</b>     | ward 7 | Review of tariff structure and administration conducive to development |
| <b>Botriver</b>     | ward 7 | Eradication of Conservancy tanks                                       |
| <b>Botriver</b>     | ward 7 | Replacement of ageing infrastructure (water pipes)                     |
| <b>Botriver</b>     | ward 7 | Development of emerging farmers – land                                 |
| <b>Botriver</b>     | ward 7 | Expanding of community hall                                            |
| <b>Botriver</b>     | ward 7 | Stormwater/skema. Fase 1                                               |
| <b>Botriver</b>     | ward 7 | Upgrading of sportsfield                                               |
| <b>Grabouw</b>      | ward 8 | Zola- Storm water canal upgrade                                        |
| <b>Grabouw</b>      | ward 8 | Community Hall                                                         |
| <b>Grabouw</b>      | ward 8 | Land for churches                                                      |
| <b>Grabouw</b>      | ward 8 | Play Park upgrade/Rooidakke Industrial                                 |
| <b>Grabouw</b>      | ward 8 | Soccer field                                                           |
| <b>Villiersdorp</b> | ward 9 | Housing                                                                |
| <b>Villiersdorp</b> | ward 9 | Employment opportunities/study/training opportunities                  |
| <b>Villiersdorp</b> | ward 9 | Land for small farm opportunities (small farmers)                      |
| <b>Villiersdorp</b> | ward 9 | Drug abuse and alcohol abuse prevention                                |
| <b>Villiersdorp</b> | ward 9 | GAP housing                                                            |

|                |         |                                                                                           |
|----------------|---------|-------------------------------------------------------------------------------------------|
| <b>Grabouw</b> | ward 10 | Parking Shoprite / river                                                                  |
| <b>Grabouw</b> | ward 10 | Farm Owners Willing To Assist Workers With Housing –TWK To Supply Land                    |
| <b>Grabouw</b> | ward 10 | GAP Housing Opportunities For Farm Workers                                                |
| <b>Grabouw</b> | ward 10 | Opposed To The Application Of Liquor Store In Main Road / Old Allens Building             |
| <b>Grabouw</b> | ward 10 | Employment Opportunities For Young People On Farms / Skills Development                   |
| <b>Grabouw</b> | ward 11 | 24 Hour Health Care Facility (Upgrade Day Hospital)                                       |
| <b>Grabouw</b> | ward 11 | Heights Informal Settlement Toilets And Provision Of Water                                |
| <b>Grabouw</b> | ward 11 | Beverly Hills Restoration Of RDP Houses (Bad Condition)                                   |
| <b>Grabouw</b> | ward 11 | Plan To Address The Housing Crisis Water Works And Beverly Hills (1st Squatter Camp)      |
| <b>Grabouw</b> | ward 11 | Illegal Shibeens/Taverns – Law Enforcement – Threat To Social (Beverly Hills) Development |
| <b>Grabouw</b> | ward 12 | Community Hall                                                                            |
| <b>Grabouw</b> | ward 12 | Tarring Of Streets                                                                        |
| <b>Grabouw</b> | ward 12 | Electricity: Hillside                                                                     |
| <b>Grabouw</b> | ward 12 | Upgrade/Extend RDP Houses (Xola Naledi & Melrose)                                         |
| <b>Grabouw</b> | ward 12 | Stormwater: Slangpark – Blaauwcloose Dupond.                                              |
| <b>Grabouw</b> | ward 13 | Expansion Of Clinic                                                                       |
| <b>Grabouw</b> | ward 13 | Community Hall (Bosbou Waterwese En Melrose)                                              |
| <b>Grabouw</b> | ward 13 | Reparation Of Houses In Siteview                                                          |
| <b>Grabouw</b> | ward 13 | Land For Churches                                                                         |
| <b>Grabouw</b> | ward 13 | Highmass Lighting Stanley Shuma Street                                                    |
| <b>Grabouw</b> | ward 14 | Tourism / Clean Town / Investment                                                         |
| <b>Grabouw</b> | ward 14 | Sports Facility Centre                                                                    |
| <b>Grabouw</b> | ward 14 | Re-Establishment Of Weir In The Palmiet River                                             |
| <b>Grabouw</b> | ward 14 | Farm Workers Housing (TAD Partnership)                                                    |
| <b>Grabouw</b> | ward 14 | Grave Yard / Forest Of Remembrance                                                        |

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

| Date of Committee | Committee recommendations during Year 2018/19                                           | Recommendations adopted (enter Yes) If not adopted (provide explanation)                |
|-------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 31-Aug-18         | Audit work completed and planned                                                        | Yes                                                                                     |
| 31-Aug-18         | Adequacy and alignment of insurance portfolio in relation to asset register audit       | Yes                                                                                     |
| 31-Aug-18         | Solid Waste Fourth Quarter Audit                                                        | Yes                                                                                     |
| 31-Aug-18         | Compliance Fourth Quarter Audit                                                         | Yes                                                                                     |
| 31-Aug-18         | Performance Management Fourth Quarter Audit                                             | Yes                                                                                     |
| 31-Aug-18         | In-migration leading to land invasions and the increase in informal settlements audit   | No - Agenda item referred back for comments from the Director: Operations               |
| 31-Aug-18         | AdHoc Traffic Security Investigation                                                    | Yes                                                                                     |
| 31-Aug-18         | 2018/2019 Annual SDBIP report of the Office of the Chief Audit Executive                | Yes                                                                                     |
| 31-Aug-18         | Status of ICT in Theewaterskloof Municipality                                           | Yes                                                                                     |
| 31-Aug-18         | Quarterly Risk Management progress report from June 2018 to September 2018              | Yes                                                                                     |
| 31-Aug-18         | Quarterly Budget Statement for the fourth quarter ending 30 June 2018                   | Yes                                                                                     |
| 31-Aug-18         | Draft Financial Statements for the year ending 30 June 2018                             | Yes                                                                                     |
| 23-Nov-18         | Audit work completed and planned                                                        | Yes                                                                                     |
| 23-Nov-18         | In-migration leading to land invasions and the increase in informal settlements audit   | Yes                                                                                     |
| 23-Nov-18         | Compliance First Quarter Audit                                                          | Yes                                                                                     |
| 23-Nov-18         | Risk Management Audit                                                                   | Yes                                                                                     |
| 23-Nov-18         | Safeguarding of Assets Audit                                                            | Yes                                                                                     |
| 23-Nov-18         | Internal Audit First Quarter Follow-up Report                                           | Yes                                                                                     |
| 23-Nov-18         | Auditor General Report Follow-up                                                        | Yes                                                                                     |
| 23-Nov-18         | First Quarter 2018/2019 SDBIP Report of the Office of the Chief Audit Executive         | Yes                                                                                     |
| 23-Nov-18         | Revised standard Operating Procedure: Internal Audit request for information / comments | Yes                                                                                     |
| 23-Nov-18         | Quarterly Budget Statement for the first quarter ending 30 September 2018               | Yes                                                                                     |
| 23-Nov-18         | Minutes of the Fraud & Risk Management Committee Meetings                               | Yes                                                                                     |
| 23-Nov-18         | Progress report - Risk Management Implementation Plan                                   | Yes                                                                                     |
| 23-Nov-18         | Performance Management First Quarter Audit                                              | No - Agenda item referred back for management to review their comments on the findings. |
| 18-Jan-19         | AdHoc Study Bursary Audit                                                               | No - Agenda item to stand over to next meeting for discussion.                          |
| 18-Jan-19         | Ad Hoc Property Rentals Audit                                                           | Yes                                                                                     |
| 18-Jan-19         | Inventory Audit November 2018                                                           | Yes                                                                                     |

|           |                                                                           |                                                                                                                               |
|-----------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 18-Jan-19 | Supply Chain Management first quarter audit                               | Yes                                                                                                                           |
| 18-Jan-19 | Municipal Animal Pound                                                    | Yes                                                                                                                           |
| 18-Jan-19 | Revised annual risk based internal audit plan 2018/2019                   | No - Agenda item referred back to be discussed with Management before submission to the Performance Audit and Audit Committee |
| 18-Jan-19 | 2017/2018 Annual Report                                                   | Yes                                                                                                                           |
| 18-Jan-19 | Auditor General's report for the 2017/2018 financial year                 | Yes                                                                                                                           |
| 8-Mar-19  | Performance- and Audit Committee Resolutions Followed-up                  | Yes                                                                                                                           |
| 8-Mar-19  | Audit work completed and planned                                          | Yes                                                                                                                           |
| 8-Mar-19  | Performance Management First Quarter Audit                                | Yes                                                                                                                           |
| 8-Mar-19  | AdHoc Study Bursary Audit                                                 | Yes                                                                                                                           |
| 8-Mar-19  | Solid Waste Second Quarter Audit                                          | Yes                                                                                                                           |
| 8-Mar-19  | Performance Management Second Quarter Audit                               | Yes                                                                                                                           |
| 8-Mar-19  | Waste Water Treatment Audit                                               | Yes                                                                                                                           |
| 8-Mar-19  | Internal Audit Second Quarter Follow-up Report                            | Yes                                                                                                                           |
| 8-Mar-19  | Revised annual risk based internal audit plan 2018/2019                   | Yes                                                                                                                           |
| 8-Mar-19  | Internal Audit Methodology                                                | Yes                                                                                                                           |
| 8-Mar-19  | Second Quarter Top Layer SDBIP Report                                     | Yes                                                                                                                           |
| 8-Mar-19  | Second Quarter SDBIP Office of the Chief Audit Executive                  | Yes                                                                                                                           |
| 8-Mar-19  | Minutes of the Fraud & Risk Management Committee Meetings                 | Yes                                                                                                                           |
| 8-Mar-19  | Progress report - Risk Management Implementation Plan                     | Yes                                                                                                                           |
| 8-Mar-19  | Quarterly Budget Statement for the second quarter ending 31 December 2018 | Yes                                                                                                                           |
| 8-Mar-19  | The Audit Committee's role in financial analysis in municipalities        | Yes                                                                                                                           |
| 8-Mar-19  | Status of ICT in Theewaterskloof Municipality                             | Yes                                                                                                                           |
| 8-Mar-19  | Auditor General Report Follow-up                                          | Yes                                                                                                                           |
| 7-Jun-19  | Performance- and Audit Committee Resolutions Followed-up                  | Yes                                                                                                                           |
| 7-Jun-19  | Audit work completed and planned                                          | Yes                                                                                                                           |
| 7-Jun-19  | Compliance to Acts Second Quarter Audit                                   | Yes                                                                                                                           |
| 7-Jun-19  | Compliance to Acts Third Quarter Audit                                    | Yes                                                                                                                           |
| 7-Jun-19  | Performance Management Third Quarter 2018/2019 Audit                      | Yes                                                                                                                           |
| 7-Jun-19  | Maintenance on Proclaimed Roads Audit                                     | Yes                                                                                                                           |
| 7-Jun-19  | Supply Chain Management second quarter audit                              | Yes                                                                                                                           |
| 7-Jun-19  | Internal Audit Third Quarter Follow-up reports                            | Yes                                                                                                                           |
| 7-Jun-19  | Internal Audit Evaluations                                                | Yes                                                                                                                           |
| 7-Jun-19  | Performance- and Audit Committee Evaluations                              | Yes                                                                                                                           |
| 7-Jun-19  | Annual Internal Audit Plan 2019/2020                                      | Yes                                                                                                                           |
| 7-Jun-19  | Performance Management Third Quarter Top Layer Report                     | Yes                                                                                                                           |

|                 |                                                                                 |     |
|-----------------|---------------------------------------------------------------------------------|-----|
| <b>7-Jun-19</b> | Third Quarter 2018/2019 SDBIP report of the Office of the Chief Audit Executive | Yes |
| <b>7-Jun-19</b> | Minutes of the Fraud & Risk Management Committee Meetings                       | Yes |
| <b>7-Jun-19</b> | Progress report - Risk Management Implementation Plan                           | Yes |
| <b>7-Jun-19</b> | Quarterly Budget Statement for the third quarter ending 31 March 2019           | Yes |
| <b>7-Jun-19</b> | Ration Analysis Report                                                          | Yes |
| <b>7-Jun-19</b> | Status of ICT in Theewaterskloof Municipality                                   | Yes |
| <b>7-Jun-19</b> | Auditor General Report Follow-up                                                | Yes |
| <b>7-Jun-19</b> | Audit Action Plan for the 2017/2018 financial year                              | Yes |
| <b>7-Jun-19</b> | Auditor General's powers                                                        | Yes |
| <b>7-Jun-19</b> | Performance- and Audit Committee Meeting Schedule                               | Yes |



## APPENDIX H –CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

### 13 Largest Contracts Entered into Year 2018/19

| Name of Service Provider (Entity or Municipal Department)                                                               | Description of Services Rendered by the Service Provider                                                                                                                                         | Start Date of Contract | Expiry date of Contract | Project manager | Contract Value  |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|-----------------|-----------------|
| <b>Nedbank and ABSA bank</b>                                                                                            | Raising of Loans                                                                                                                                                                                 | 2019/02/04             | 2019/06/30              | Fortiun P       | R 16 933 022.29 |
| <b>Rods Construction</b>                                                                                                | Upgrading of the Caledon Waste Water Treatment Works, Phase 2                                                                                                                                    | 2019/02/13             | 2019/12/15              | Marthinus H     | R 15 866 165.95 |
| <b>Waste Carriers</b>                                                                                                   | Operation of Caledon and Landfill and Transport of Containerised Municipal Solid Waste from 01 July 2018 to 30 June 2021                                                                         | 2018/09/10             | 2021/06/30              | Marthinus H     | R 15 725 632.04 |
| <b>Ikusasa Water a Division of Ikusasa Chemicals (Pty) LTD.</b>                                                         | Re-arrangement of the Caledon Ultrafiltration Treatment Plants                                                                                                                                   | 2019/05/16             | 2022/05/16              | Parnell L       | R 14 096 700.00 |
| <b>Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp</b> | Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp                                                                                 | 2019/06/04             | 2019/06/30              | Redelinghuys M  | R 9 407 875.85  |
| <b>Amandla Asphalt</b>                                                                                                  | Construction of Riviersonderend Solid Waste Transfer Station and Material Recovery Facility - Phase 1                                                                                            | 2019/02/11             | 2020/04/30              | Marthinus H     | R 7 166 023.46  |
| <b>JPCE (Pty) Ltd.</b>                                                                                                  | Provision of Professional Services: Transfer Facility and Material Recovery Facility for Caledon and Riviersonderend and the Closure and Rehabilitation of Caledon and Riviersonderend Landfills | 2019/06/28             | 2022/06/30              | Marthinus H     | R 6 798 338.06  |
| <b>JVZ Construction</b>                                                                                                 | Construction of the Caledon Solid Waste Transfer Station and Material Recovery Facility                                                                                                          | 28-Jan-19              | 30-Jun-19               | Marthinus H     | R 6 803 786.42  |
| <b>Lateral Unison Insurance Brokers</b>                                                                                 | The Provision of Short Term Insurance for the Period from 01 July 2019 to 30 June 2022                                                                                                           | 2019/04/29             | 30/06/2022              | Colyn J         | R 5 304 161.00  |
| <b>CHM Vuwani Computer Solutions and DFA Solutions</b>                                                                  | Provision of Laptops to Theewaterskloof Municipality for the period from 01 February 2019 to 30 June 2021 as well as the supply and delivery of various ICT equipment                            | 2019/03/15             | 2021/06/21              | Hendricks N     | R 5 193 052.47  |

|                                                     |                                                                                                                                                                                             |            |            |                |                |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|----------------|----------------|
| <b>Asla Construction</b>                            | Provision of Professional Civil Engineering Services in Villiersdorp related to the Provision of a Bulk Water Service - Phase 2.2 in terms of the Implementing Agent Contract - Addendum 20 | 2018/07/13 | 2019/02/05 | N. Kayser      | R 4 314 492.72 |
| <b>Neil Lyners &amp; Associates (RF) (Pty) Ltd.</b> | Provision of Professional Services: Phased Installation of Bulk and Internal Electrical Services for Destiny Development in Villiersdorp                                                    | 2018/10/03 | 03/10/2021 | M. Redelinhuis | R 3 397 318.50 |
| <b>Asla Construction</b>                            | Provision of Professional Civil Engineering Services in Villiersdorp related to the Provision of a Bulk and Link Sewer Phase 2.2 in terms of the Implementing Agent Contract - Addendum 21  | 2018/09/28 | 2019/03/29 | N. Kayser      | R 3 358 334.63 |

## APPENDIX i – municipal entity / service provider performance schedule

| Municipal Entity/Service Provider Performance Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |                |        |                |               |       |               |               |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|--------|----------------|---------------|-------|---------------|---------------|-----------------|
| Name of Entity & Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (a) Service Indicators | Year 0         |        | Year 1         |               |       | Year 2        | Year 4        |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (b) Service Targets    | Target         | Actual | Target         | Actual        |       | Target        |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        | *Previous Year |        | *Previous Year | *Current Year |       | *Current Year | *Current Year | *Following Year |
| (i)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (ii)                   | (iii)          | (iv)   | (v)            | (vi)          | (vii) | (viii)        | (ix)          | (x)             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                |        |                |               |       |               |               |                 |
| <b>Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; **Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</b> |                        |                |        |                |               |       |               |               | T I             |

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests                                                                    |                 |                                                                                                                           |
|-------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------|
| Period 1 July to 30 June of Year 18/19 (Current Year)                                                 |                 |                                                                                                                           |
| Position                                                                                              | Name            | Description of Financial interests (Nil / Or details)                                                                     |
| (Executive) Mayor                                                                                     | C Vosloo        | Private residence - R2mil                                                                                                 |
| Member of MayCo / Exco                                                                                |                 |                                                                                                                           |
| Deputy Mayor (Resigned May 2019)                                                                      | I Sileku        | Director and Co-Funder of Siyabulela Events Management - 50% share                                                        |
| Councillor                                                                                            | C Lamprecht     | Private residence R800 000                                                                                                |
| Deputy Mayor                                                                                          | K Papier        | Private residence - R700 00 / Shaws Pass piggery                                                                          |
| Councillor                                                                                            | P Stanfliet     | Nil                                                                                                                       |
| Councillor                                                                                            | M Koegelenberg  | Nil                                                                                                                       |
| Councillor                                                                                            | J Arendse       | Trustee - Carmens Trust                                                                                                   |
| Councillor                                                                                            | M Plato-Mentoor | Private residence R800 000                                                                                                |
| Councillor                                                                                            | A C November    | Nil                                                                                                                       |
| Councillor                                                                                            | T Mangcayi      | Nil                                                                                                                       |
| Councillor                                                                                            | S Fredericks    | Supervisor at Two-A-Day Group receiving salary                                                                            |
| Councillor                                                                                            | B Tshabe        | Private residence                                                                                                         |
| Councillor                                                                                            | C Wood          | Nil                                                                                                                       |
| Councillor                                                                                            | H Syster        | Nil                                                                                                                       |
| Councillor( Resigned Oct 2018)                                                                        | D Appel         | Nova Civils (Wife is owner - service provider at TWK)                                                                     |
| Councillor                                                                                            | R Mienies       | Nil                                                                                                                       |
| Councillor                                                                                            | T Tshungwa      | Nil                                                                                                                       |
| Councillor                                                                                            | D Du Toit       | Trustee - Danie Du Toit Trust / erf709 Greyton R 2.5mil                                                                   |
| Councillor                                                                                            | S Potberg       | Nil                                                                                                                       |
| Councillor                                                                                            | U Sipunzi       | Nil                                                                                                                       |
| Councillor                                                                                            | R Brinkhuys     | Nil                                                                                                                       |
| Councillor                                                                                            | N A Mentile     | Nil                                                                                                                       |
| Councillor                                                                                            | D Jooste        | Nil                                                                                                                       |
| Councillor                                                                                            | T Ndlebe        | Operating a driving school                                                                                                |
| Councillor                                                                                            | U Toto          | Private residence - R39 000                                                                                               |
| Councillor                                                                                            | M Bhangazana    | Disability Grant                                                                                                          |
| Councillor                                                                                            | N Pieterse      | Nil                                                                                                                       |
| Councillor                                                                                            | MR Nongxaza     | Nil                                                                                                                       |
| Councillor                                                                                            | N Mgweto        | Nil                                                                                                                       |
| Municipal Manager                                                                                     | G Matthyse      | House Value-R1.6 m                                                                                                        |
| Chief Financial Officer                                                                               | D Louw          | Plot 419 Value-R420 000, Plot 4035 Value- R1 785 600                                                                      |
| (Executive) Directors                                                                                 |                 |                                                                                                                           |
| Director: Corporate Services                                                                          | Vacant          |                                                                                                                           |
| Director: Development                                                                                 | Vacant          |                                                                                                                           |
| Director: Technical Services                                                                          | Vacant          |                                                                                                                           |
| Director: Operations                                                                                  | J Barnard       | House Value-R1.8 m. Son of JP Barnard TWK TV & Video do business with TWK Municipality, have no interest in his business. |
| Other S57 Officials (None)                                                                            |                 |                                                                                                                           |
| * Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A |                 |                                                                                                                           |
| T J                                                                                                   |                 |                                                                                                                           |

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote                                                                                                                   |           |                 |                 |           |                 |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------|-----------------|-----------|-----------------|--------------------|
|                                                                                                                                                          |           |                 |                 |           |                 | R' 000             |
| Vote Description                                                                                                                                         | 2017/2018 | 2018/2019       |                 | 2018/2019 |                 |                    |
|                                                                                                                                                          | Actual    | Original Budget | Adjusted Budget | Actual    | Original Budget | Adjustments Budget |
| Vote 1 - Budget and treasury office                                                                                                                      | 189 072   | 187 973         | 194 637         | 224 793   | 20%             | 15%                |
| Vote 2 - Community and social services                                                                                                                   | 8 202     | 9 942           | 9 942           | 8 729     | -12%            | -12%               |
| Vote 3 - Corporate services                                                                                                                              | 27 995    | 26 688          | 28 798          | 30 561    | 15%             | 6%                 |
| Vote 4 - Electricity                                                                                                                                     | 89 649    | 88 413          | 93 963          | 90 898    | 3%              | -3%                |
| Vote 5 - Environmental protection                                                                                                                        | –         | –               | –               | –         | –               | –                  |
| Vote 6 - Executive and council                                                                                                                           | 1 153     | 1 130           | 1 459           | 641       | -43%            | -56%               |
| Vote 7 - Housing                                                                                                                                         | 16 858    | 61 255          | 56 017          | 22 705    | -63%            | -59%               |
| Vote 8 - Planning and development                                                                                                                        | 3 374     | 2 558           | 2 013           | 2 746     | –               | –                  |
| Vote 9 - Public safety                                                                                                                                   | 48 278    | 32 261          | 50 392          | 39 783    | 23%             | -21%               |
| Vote 10 - Road transport                                                                                                                                 | 5 448     | 6 263           | 6 806           | 7 041     | 12%             | 3%                 |
| Vote 11 - Sport and recreation                                                                                                                           | 77        | 444             | 444             | 429       | -4%             | -4%                |
| Vote 12 - Waste management                                                                                                                               | 37 096    | 42 785          | 43 843          | 43 550    | 2%              | -1%                |
| Vote 13 - Waste water management                                                                                                                         | 33 936    | 40 341          | 41 349          | 40 552    | 1%              | -2%                |
| Vote 14 - Water                                                                                                                                          | 72 699    | 79 970          | 74 976          | 77 670    | -3%             | 4%                 |
| Vote 15 - [NAME OF VOTE 15]                                                                                                                              | -         | –               | –               | –         | –               | –                  |
| Total Revenue by Vote                                                                                                                                    | 533 838   | 580 022         | 604 637         | 590 099   |                 |                    |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 |           |                 |                 |           |                 | T K.1              |

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source                                                                                                                  |         |                 |                    |         |                    |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|--------------------|---------|--------------------|--------------------|
|                                                                                                                                                           |         |                 |                    |         |                    | R '000             |
| Description                                                                                                                                               | 2017/18 | 2018/19         |                    |         | 2018/2019 Variance |                    |
|                                                                                                                                                           | Actual  | Original Budget | Adjustments Budget | Actual  | Original Budget    | Adjustments Budget |
| Property rates                                                                                                                                            | 85 873  | 100 604         | 100 604            | 101 760 | 1.15%              | 1.15%              |
| Service charges - electricity revenue                                                                                                                     | 80 098  | 85 712          | 86 762             | 87 577  | 2.18%              | 0.94%              |
| Service charges - water revenue                                                                                                                           | 59 575  | 72 708          | 66 897             | 72 368  | -0.47%             | 8.18%              |
| Service charges - sanitation revenue                                                                                                                      | 25 607  | 32 562          | 33 570             | 31 012  | -4.76%             | -7.62%             |
| Service charges - refuse revenue                                                                                                                          | 27 527  | 34 047          | 35 105             | 32 687  | -3.99%             | -6.89%             |
| Service charges - other                                                                                                                                   | 1 120   | –               | –                  | –       | –                  | –                  |
| Rental of facilities and equipment                                                                                                                        | 1 658   | 2 035           | 2 035              | 1 811   | -11.04%            | -11.04%            |
| Interest earned - external investments                                                                                                                    | 7 323   | 6 159           | 6 159              | 10 457  | 69.80%             | 69.80%             |
| Interest earned - outstanding debtors                                                                                                                     | 9 868   | 8 000           | 16 000             | 16 472  | 105.90%            | 2.95%              |
| Dividends received                                                                                                                                        | –       | –               | –                  | –       | –                  | –                  |
| Fines, penalties and forfeits                                                                                                                             | 30 621  | 32 119          | 50 276             | 41 308  | 28.61%             | -17.84%            |
| Licences and permits                                                                                                                                      | 2 036   | 58              | 32                 | 36      | -38.80%            | 11.49%             |
| Agency services                                                                                                                                           | 2 865   | 6 146           | 6 549              | 6 898   | 12.23%             | 5.33%              |
| Transfers and subsidies                                                                                                                                   | 94 544  | 146 043         | 151 388            | 116 115 | -20.49%            | -23.30%            |
| Other revenue                                                                                                                                             | 14 441  | 6 481           | 6 383              | 24 073  | 271.44%            | 277.16%            |
| Gains on disposal of PPE                                                                                                                                  | 297     | –               | –                  | –       | –                  | –                  |
| Total Revenue (excluding capital transfers and contributions)                                                                                             | 443 453 | 532 674         | 561 759            | 542 574 | 1.82%              | -3.54%             |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. |         |                 |                    |         |                    | T K.2              |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: excluding MIG                                                                                                                                                                                                                                                                                                                       |               |                       |               |              |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------|---------------|--------------|---------------------------|
| R' 000                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |              |                           |
| Details                                                                                                                                                                                                                                                                                                                                                 | Budget        | Adjustments<br>Budget | Actual        | Variance     |                           |
|                                                                                                                                                                                                                                                                                                                                                         |               |                       |               | Budget       | Adjustm<br>ents<br>Budget |
| <b>National Treasury</b>                                                                                                                                                                                                                                                                                                                                |               |                       |               |              |                           |
| <i>Equitable Share (Indigent)</i>                                                                                                                                                                                                                                                                                                                       | 87 385        | 87 385                | 87 385        | 0%           | 0%                        |
| <i>Local Government Financial Management Grant (FMG)</i>                                                                                                                                                                                                                                                                                                | 1 700         | 1 700                 | 1 700         | 0%           | 0%                        |
| <i>National Electrification Programme (NEP)</i>                                                                                                                                                                                                                                                                                                         | 5 000         | 375                   | 5 000         | 0%           | 1235%                     |
| <i>Expanded Public Works Programmes</i>                                                                                                                                                                                                                                                                                                                 | 1 451         | 1 451                 | 1 451         | 0%           | 0%                        |
| <i>Municipal Drought Relieve (MDR)</i>                                                                                                                                                                                                                                                                                                                  | 0             | 248                   | 0             | 0%           | -100%                     |
| <i>Public Works</i>                                                                                                                                                                                                                                                                                                                                     | 0             | 146                   | 0             | 0%           | -100%                     |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                            | <b>95 536</b> | <b>91 304</b>         | <b>95 536</b> | <b>0%</b>    | <b>5%</b>                 |
| <b>Provincial Treasury</b>                                                                                                                                                                                                                                                                                                                              |               |                       |               |              |                           |
| <i>Integrated Housing and Human Settlement &amp; Dev. Grant</i>                                                                                                                                                                                                                                                                                         | 61 255        | 48 594                | 17 568        | -71%         | -64%                      |
| <i>Title Deeds</i>                                                                                                                                                                                                                                                                                                                                      | 0             | 7 278                 | 862           |              | -88%                      |
| <i>PHP Rooidakke</i>                                                                                                                                                                                                                                                                                                                                    | 0             | 2 042                 | 16 108        |              | 689%                      |
| <i>CDW Operational Support Grant</i>                                                                                                                                                                                                                                                                                                                    | 130           | 37                    | 0             | -100%        | -100%                     |
| <i>Maintenance Of Proclaimed Main Roads</i>                                                                                                                                                                                                                                                                                                             | 117           | 117                   | 117           | 0%           | 0%                        |
| <i>Library Service Conditional Grant</i>                                                                                                                                                                                                                                                                                                                | 9 300         | 9 300                 | 8 327         | -10%         | -10%                      |
| <i>Thusong Multi-Purpose Centre</i>                                                                                                                                                                                                                                                                                                                     | 0             | 98                    | 0             |              | -100%                     |
| <i>WC Financial Management Support Grant (Long Term Financial Plan)</i>                                                                                                                                                                                                                                                                                 | 0             | 850                   | 500           | 0%           | -41%                      |
| <i>WC Financial management Support Grant (mSCOA)</i>                                                                                                                                                                                                                                                                                                    | 330           | 330                   | 330           | 0%           | 0%                        |
| <i>WC Financial Management Support Grant (Revenue Enhancement)</i>                                                                                                                                                                                                                                                                                      | 0             | 500                   | 500           | 100%         | 0%                        |
| <i>Municipal Capacity Building Grant(Bursaries)</i>                                                                                                                                                                                                                                                                                                     | 360           | 600                   | 360           | 0%           | -40%                      |
| <i>Municipal Capacity Building Grant (SDF Review)</i>                                                                                                                                                                                                                                                                                                   | 0             | 570                   | 570           |              | 0%                        |
| <i>Municipal Disaster Recovery (Water Supply Grant)</i>                                                                                                                                                                                                                                                                                                 | 0             | 569                   | 0             | 0%           | -100%                     |
| <i>Development of Sport and Recreation</i>                                                                                                                                                                                                                                                                                                              | 401           | 401                   | 401           | 100%         | 0%                        |
| <i>LG Graduate Internship Grant</i>                                                                                                                                                                                                                                                                                                                     | 0             | 0                     | 0             | 0%           |                           |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                            | <b>71 893</b> | <b>71 287</b>         | <b>45 643</b> | <b>-37%</b>  | <b>-36%</b>               |
| <b>Other Specify</b>                                                                                                                                                                                                                                                                                                                                    |               |                       |               |              |                           |
| <i>SETA</i>                                                                                                                                                                                                                                                                                                                                             | 0             | 200                   | 443           | 0%           | 122%                      |
| <i>DBSA LEDI</i>                                                                                                                                                                                                                                                                                                                                        | 0             | 2 350                 | 142           | 0%           | -94%                      |
| <i>HAN students</i>                                                                                                                                                                                                                                                                                                                                     | 1 000         | 1 422                 | 441           | -56%         | -69%                      |
| <i>IDC Grant</i>                                                                                                                                                                                                                                                                                                                                        | 0             | 0                     | 0             | 0%           |                           |
| <i>Economic Development (Youth Development)</i>                                                                                                                                                                                                                                                                                                         | 0             | 70                    | 0             | 100%         | -100%                     |
| <i>Water and Sanitation Grant</i>                                                                                                                                                                                                                                                                                                                       | 0             | 0                     | 28 919        | 200%         |                           |
| <i>SANRAL</i>                                                                                                                                                                                                                                                                                                                                           | 0             | 140                   | 0             | 0%           | -100%                     |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                            | <b>1 000</b>  | <b>4 182</b>          | <b>29 945</b> | <b>2894%</b> | <b>616%</b>               |
| * This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. |               |                       |               |              |                           |

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

| Capital Expenditure - New Assets Programme*   |               |                 |                   |                    | R '000                      |               |               |
|-----------------------------------------------|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
| Description                                   | 2017/2018     | 2018/2019       |                   |                    | Planned Capital expenditure |               |               |
|                                               | Actual        | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1                      | FY + 2        | FY + 3        |
| <b>Capital expenditure by Asset Class</b>     |               |                 |                   |                    |                             |               |               |
| <b>Infrastructure - Total</b>                 | <b>46 313</b> | <b>43 406</b>   | <b>33 516</b>     | <b>33 516</b>      | <b>23 041</b>               | <b>35 556</b> | <b>28 256</b> |
| <b>Infrastructure: Road transport - Total</b> | <b>13 011</b> | <b>13 027</b>   | <b>7 222</b>      | <b>7 222</b>       | <b>5 052</b>                | <b>13 050</b> | <b>–</b>      |
| <i>Roads, Pavements &amp; Bridges</i>         | 13 011        | 7 002           | 4 170             | 4 170              | 4 377                       | –             | –             |
| <i>Storm water</i>                            | –             | 6 025           | 3 052             | 3 052              | 675                         | 13 050        | –             |
| <b>Infrastructure: Electricity - Total</b>    | <b>1 154</b>  | <b>–</b>        | <b>196</b>        | <b>196</b>         | <b>–</b>                    | <b>–</b>      | <b>–</b>      |
| <i>Generation</i>                             | 1 154         | –               | 196               | 196                |                             |               |               |
| <i>Transmission &amp; Reticulation</i>        | –             | –               | –                 | –                  |                             |               |               |
| <i>Street Lighting</i>                        | –             | –               | –                 | –                  |                             |               |               |
| <b>Infrastructure: Water - Total</b>          | <b>25 817</b> | <b>10 686</b>   | <b>7 654</b>      | <b>7 654</b>       | <b>–</b>                    | <b>9 423</b>  | <b>6 386</b>  |
| <i>Dams &amp; Reservoirs</i>                  |               | 825             | –                 | –                  |                             | 8 988         | 4 386         |
| <i>Water purification</i>                     | –             | 3 836           | 4 393             | 4 393              | –                           | 435           | 2 000         |
| <i>Reticulation</i>                           | 25 817        | 6 025           | 3 261             | 3 261              |                             |               |               |
| <b>Infrastructure: Sanitation - Total</b>     | <b>6 331</b>  | <b>8 959</b>    | <b>6 399</b>      | <b>6 399</b>       | <b>10 875</b>               | <b>3 750</b>  | <b>14 054</b> |
| <i>Reticulation</i>                           | 6 331         | 8 959           | 6 399             | 6 399              | 10 875                      | 3 750         | 10 545        |
| <i>Sewerage purification</i>                  |               |                 | –                 | –                  |                             |               | 3 509         |
| <b>Infrastructure: Other - Total</b>          | <b>–</b>      | <b>10 734</b>   | <b>12 046</b>     | <b>12 046</b>      | <b>7 114</b>                | <b>9 334</b>  | <b>7 816</b>  |
| <i>Waste Management</i>                       | –             | 6 824           | 6 824             | 6 824              | 3 557                       | 4 667         | 3 908         |
| <i>Transportation</i>                         |               | 3 910           | 5 222             | 5 222              | 3 557                       | 4 667         | 3 908         |
| <i>Gas</i>                                    |               |                 |                   |                    |                             |               |               |
| <b>Community - Total</b>                      | <b>–</b>      | <b>–</b>        | <b>750</b>        | <b>750</b>         | <b>–</b>                    | <b>–</b>      | <b>–</b>      |
| <i>Parks &amp; gardens</i>                    | –             |                 |                   |                    |                             |               |               |
| <i>Sports fields &amp; stadia</i>             |               |                 | –                 | –                  |                             |               |               |
| <i>Swimming pools</i>                         |               |                 |                   |                    |                             |               |               |
| <i>Community halls</i>                        |               | –               | 750               | 750                |                             |               |               |
| <i>Libraries</i>                              |               |                 |                   |                    |                             |               |               |
| <i>Recreational facilities</i>                | –             |                 |                   |                    |                             |               |               |
| <i>Fire, safety &amp; emergency</i>           |               |                 |                   |                    |                             |               |               |
| <i>Security and policing</i>                  |               |                 |                   |                    |                             |               |               |
| <i>Museums &amp; Art Galleries</i>            |               |                 |                   |                    |                             |               |               |
| <i>Cemeteries</i>                             |               | –               | –                 | –                  |                             |               |               |
| <i>Social rental housing</i>                  |               |                 |                   |                    |                             |               |               |
| <i>Other</i>                                  |               |                 |                   |                    |                             |               |               |
| <i>Table continued next page</i>              |               |                 |                   |                    |                             |               |               |

| Capital Expenditure - New Assets Programme*                                            |                |                 |                   |                    |                             |               | R '000        |
|----------------------------------------------------------------------------------------|----------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
| Description                                                                            | Year 2017/2018 | Year 2018/2019  |                   |                    | Planned Capital expenditure |               |               |
|                                                                                        | Actual         | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1                      | FY + 2        | FY + 3        |
| <b><u>Capital expenditure by Asset Class</u></b>                                       |                |                 |                   |                    |                             |               |               |
| <b><u>Heritage assets - Total</u></b>                                                  | –              | 6 300           | 100               | 100                | 6 542                       | –             | –             |
| Buildings                                                                              |                | 6 300           | 100               | 100                | 6 542                       |               |               |
| Other                                                                                  |                | –               |                   | –                  |                             |               |               |
| <b><u>Investment properties - Total</u></b>                                            | –              | –               | –                 | –                  | –                           | –             | –             |
| Housing development                                                                    |                |                 |                   |                    |                             |               |               |
| Other                                                                                  |                |                 |                   |                    |                             |               |               |
| <b><u>Other assets</u></b>                                                             | 1 081          | 10 757          | 9 791             | 9 691              | 11 574                      | –             | –             |
| General vehicles                                                                       | –              | 503             | 403               | 403                | –                           |               |               |
| Specialised vehicles                                                                   |                |                 |                   |                    |                             |               |               |
| Plant & equipment                                                                      | 734            | 3 546           | 2 491             | 2 491              | 712                         | –             | –             |
| Computers - hardware/equipment                                                         |                | –               | 938               | 938                | 1 346                       |               |               |
| Furniture and other office equipment                                                   | 347            | 408             | 1 659             | 1 659              | 974                         |               |               |
| Abattoirs                                                                              |                |                 |                   |                    |                             |               |               |
| Markets                                                                                |                |                 |                   |                    |                             |               |               |
| Civic Land and Buildings                                                               |                | 6 300           | 100               | –                  | 6 542                       |               |               |
| Other Buildings                                                                        |                |                 |                   |                    |                             |               |               |
| Other Land                                                                             |                | –               | 4 200             | 4 200              | 2 000                       |               |               |
| Surplus Assets - (Investment or Inventory)                                             |                |                 |                   |                    |                             |               |               |
| Other                                                                                  |                |                 |                   |                    |                             |               |               |
| <b><u>Agricultural assets</u></b>                                                      | –              | –               | –                 | –                  | –                           | –             | –             |
| <i>List sub-class</i>                                                                  |                |                 |                   |                    |                             |               |               |
| <b><u>Biological assets</u></b>                                                        | –              | –               | –                 | –                  | –                           | –             | –             |
| <i>List sub-class</i>                                                                  |                |                 |                   |                    |                             |               |               |
| <b><u>Intangibles</u></b>                                                              | –              | –               | –                 | –                  | –                           | –             | –             |
| Computers - software & programming                                                     |                | –               | –                 |                    |                             |               |               |
| Other ( <i>list sub-class</i> )                                                        |                |                 |                   |                    |                             |               |               |
|                                                                                        |                |                 |                   |                    |                             |               |               |
| <b>Total Capital Expenditure on new assets</b>                                         | <b>47 393</b>  | <b>60 463</b>   | <b>44 157</b>     | <b>44 057</b>      | <b>41 158</b>               | <b>35 556</b> | <b>28 256</b> |
|                                                                                        |                |                 |                   |                    |                             |               |               |
| <b><u>Specialised vehicles</u></b>                                                     | –              | –               |                   | –                  | –                           | –             | –             |
| Refuse                                                                                 |                |                 |                   |                    |                             |               |               |
| Fire                                                                                   |                |                 |                   |                    |                             |               |               |
| Conservancy                                                                            |                |                 |                   |                    |                             |               |               |
| Ambulances                                                                             |                |                 |                   |                    |                             |               |               |
| <b>* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)</b> |                |                 |                   |                    |                             |               | T M.1         |



## APPENDIX M (i): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

| Capital Expenditure - Upgrade/Renewal Programme* |                |                 |                   |                    |                             |        | R '000 |
|--------------------------------------------------|----------------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| Description                                      | Year 2016/2017 | Year 2017/2018  |                   |                    | Planned Capital expenditure |        |        |
|                                                  | Actual         | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1                      | FY + 2 | FY + 3 |
| <b><u>Capital expenditure by Asset Class</u></b> |                |                 |                   |                    |                             |        |        |
| <b><u>Infrastructure - Total</u></b>             | –              | 4 561           | 570               | 570                | 8 958                       | 2 896  | 1 900  |
| <b>Infrastructure: Road transport -Total</b>     |                | 4 561           | –                 | –                  | –                           | –      | –      |
| <i>Roads, Pavements &amp; Bridges</i>            | –              | 526             | –                 | –                  |                             |        |        |
| <i>Storm water</i>                               | –              | 4 035           | –                 | –                  |                             |        |        |
| <b>Infrastructure: Electricity - Total</b>       | –              | –               | 570               | 570                | 3 827                       | 1 500  | 1 900  |
| <i>Generation</i>                                |                |                 |                   |                    |                             |        |        |
| <i>Transmission &amp; Reticulation</i>           |                |                 | 570               | 570                | 3 827                       | 1 500  | 1 900  |
| <i>Street Lighting</i>                           |                |                 |                   |                    |                             |        |        |
| <b>Infrastructure: Water - Total</b>             | –              | –               | –                 | –                  | 5 131                       | 1 396  | –      |
| <i>Dams &amp; Reservoirs</i>                     |                |                 |                   |                    |                             |        |        |
| <i>Water purification</i>                        |                | –               | –                 | –                  |                             |        |        |
| <i>Reticulation</i>                              | –              | –               | –                 | –                  | 5 131                       | 1 396  |        |
| <b>Infrastructure: Sanitation - Total</b>        | –              | –               | –                 | –                  | –                           | –      | –      |
| <i>Reticulation</i>                              | –              | –               | –                 | –                  |                             |        |        |
| <i>Sewerage purification</i>                     |                | –               | –                 | –                  |                             |        |        |
| <b>Infrastructure: Other - Total</b>             | –              | –               | –                 | –                  | –                           | –      | –      |
| <i>Waste Management</i>                          | –              |                 |                   |                    |                             |        |        |
| <i>Transportation</i>                            |                |                 |                   |                    |                             |        |        |
| <i>Gas</i>                                       |                |                 |                   |                    |                             |        |        |
| <b><u>Community</u></b>                          | –              | –               | –                 | –                  | –                           | –      | –      |
| <i>Parks &amp; gardens</i>                       |                |                 |                   |                    |                             |        |        |
| <i>Sports fields &amp; stadia</i>                |                | –               | –                 | –                  |                             |        |        |
| <i>Swimming pools</i>                            |                |                 |                   |                    |                             |        |        |
| <i>Community halls</i>                           |                |                 |                   |                    |                             |        |        |
| <i>Libraries</i>                                 |                |                 |                   |                    |                             |        |        |
| <i>Recreational facilities</i>                   |                |                 | –                 | –                  |                             |        |        |
| <i>Fire, safety &amp; emergency</i>              |                |                 |                   |                    |                             |        |        |
| <i>Security and policing</i>                     |                |                 |                   |                    |                             |        |        |
| <i>Museums &amp; Art Galleries</i>               |                | –               | –                 |                    |                             |        |        |
| <i>Cemeteries</i>                                |                | –               | –                 | –                  |                             |        |        |
| <i>Social rental housing</i>                     |                |                 |                   |                    |                             |        |        |
| <b><u>Heritage assets</u></b>                    | –              | –               | –                 | –                  | –                           | –      | –      |
| <i>Buildings</i>                                 |                | –               | –                 | –                  |                             |        |        |
| <i>Table continued next page</i>                 |                |                 |                   |                    |                             |        |        |

## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

| Capital Expenditure - Upgrade/Renewal Programme*                                |                   |                    |                      |                           |                                |        |        |
|---------------------------------------------------------------------------------|-------------------|--------------------|----------------------|---------------------------|--------------------------------|--------|--------|
| R '000                                                                          |                   |                    |                      |                           |                                |        |        |
| Description                                                                     | Year<br>2015/2016 | Year 1             |                      |                           | Planned Capital<br>expenditure |        |        |
|                                                                                 | Actual            | Original<br>Budget | Adjustment<br>Budget | Actual<br>Expenditur<br>e | FY + 1                         | FY + 2 | FY + 3 |
| <b>Capital expenditure by Asset Class</b>                                       |                   |                    |                      |                           |                                |        |        |
| <b>Investment properties</b>                                                    | –                 | –                  |                      | –                         | –                              | –      | –      |
| Housing development                                                             |                   |                    |                      |                           |                                |        |        |
| <b>Other assets</b>                                                             | –                 | 2 000              | 2 038                | 2 038                     | 598                            | –      | –      |
| General vehicles                                                                |                   | 2 000              | 2 000                | 2 000                     |                                |        |        |
| Specialised vehicles                                                            |                   |                    |                      |                           |                                |        |        |
| Plant & equipment                                                               |                   | –                  | 30                   | 30                        | 225                            |        |        |
| Computers - hardware/equipment                                                  |                   | –                  | –                    | –                         | 308                            |        |        |
| Furniture and other office equipment                                            |                   | –                  | 8                    | 8                         | 65                             |        |        |
| Abattoirs                                                                       |                   |                    |                      |                           |                                |        |        |
| Markets                                                                         |                   |                    |                      |                           |                                |        |        |
| Civic Land and Buildings                                                        |                   | –                  | –                    | –                         |                                |        |        |
| Other Buildings                                                                 |                   |                    |                      |                           |                                |        |        |
| Other Land                                                                      |                   |                    |                      |                           |                                |        |        |
| Surplus Assets - (Investment or Inventory)                                      |                   |                    |                      |                           |                                |        |        |
| Other                                                                           |                   |                    |                      |                           |                                |        |        |
| <b>Agricultural assets</b>                                                      | –                 | –                  |                      | –                         | –                              | –      | –      |
| <i>List sub-class</i>                                                           |                   |                    |                      |                           |                                |        |        |
| <b>Biological assets</b>                                                        | –                 | –                  |                      | –                         | –                              | –      | –      |
| <i>List sub-class</i>                                                           |                   |                    |                      |                           |                                |        |        |
| <b>Intangibles</b>                                                              | –                 | –                  |                      | –                         | –                              | –      | –      |
| Computers - software & programming                                              |                   |                    |                      |                           |                                |        |        |
| Other ( <i>list sub-class</i> )                                                 |                   |                    |                      |                           |                                |        |        |
|                                                                                 |                   |                    |                      |                           |                                |        |        |
| <b>Total Capital Expenditure on renewal of<br/>existing assets</b>              | –                 | 6 561              | 2 608                | 2 608                     | 9 556                          | 2 896  | 1 900  |
| <b>Specialised vehicles</b>                                                     | –                 | –                  |                      | –                         | –                              | –      | –      |
| Refuse                                                                          |                   |                    |                      |                           |                                |        |        |
| Fire                                                                            |                   |                    |                      |                           |                                |        |        |
| Conservancy                                                                     |                   |                    |                      |                           |                                |        |        |
| Ambulances                                                                      |                   |                    |                      |                           |                                |        |        |
| * Note: Information for this table may be sourced from MBRR (2009: Table SA34b) |                   |                    |                      |                           |                                |        | T M.2  |

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

| Capital Programme by Project: 2018/19                             |                 |                   |               |                        |                       |
|-------------------------------------------------------------------|-----------------|-------------------|---------------|------------------------|-----------------------|
|                                                                   |                 |                   |               |                        | R' 000                |
| Capital Project                                                   | Original Budget | Adjustment Budget | Actual        | Variance (Act - Adj) % | Variance (Act - OB) % |
| <b><u>Water</u></b>                                               | <b>6 336</b>    | <b>8 803</b>      | <b>7 911</b>  |                        |                       |
| Prepaid Water meters                                              | 2 500           | 3 276             | 3 048         | -7%                    | 22%                   |
| Drilling of Boreholes                                             | 0               | 248               | 240           | -3%                    | 0%                    |
| Drought Relieve - Caledon                                         | 0               | 233               | 224           | -4%                    | 0%                    |
| Destiny: Bulk water - Villiersdorp                                | 2 131           | 2 131             | 2 101         | -1%                    | 0%                    |
| Destiny: Bulk water - Villiersdorp                                | 1 706           | 1 706             | 1 655         | -3%                    | -3%                   |
| Drought Relieve - Riviersonderend                                 | 0               | 373               | 383           | 3%                     | #DIV/0!               |
| Water Source Development - Tesselaarsdal                          | 0               | 267               | 261           | -3%                    | #DIV/0!               |
| Refurbishment and upgrading of the existing borehole - Genadendal | 0               | 569               | 0             | -100%                  | #DIV/0!               |
| <b><u>Electricity</u></b>                                         | <b>3 515</b>    | <b>5 073</b>      | <b>4 668</b>  |                        |                       |
| Install security fencing Switching stations Caledo                | 165             | 165               | 146           | -12%                   | -12%                  |
| Upgrading 11kV network replace miniature substatio                | 0               | 570               | 465           | -18%                   | #DIV/0!               |
| Replace and upgrade MV Networks - Villiersdorp                    | 550             | 550               | 508           | -8%                    | -8%                   |
| Upgrading of Bulk Electrical Infrastructure - Villiersdorp        | 500             | 500               | 500           | 0%                     | 0%                    |
| Upgrading of Bulk Electrical Infrastructure - Villiersdorp        | 0               | 793               | 793           | 0%                     | #DIV/0!               |
| Replace and upgrade MV Networks - Riviersonderend                 | 2 300           | 2 300             | 2 257         | -2%                    | -2%                   |
| Grabouw highmast lighting                                         | 0               | 196               | 0             | -100%                  | #DIV/0!               |
| <b><u>Sewerage/Sanitation</u></b>                                 | <b>18 686</b>   | <b>18 413</b>     | <b>18 387</b> |                        |                       |
| Bulk outfall sewer - Caledon                                      | 2 891           | 1 478             | 1 478         | 0%                     | -49%                  |
| Bulk outfall sewer - Caledon                                      | 2 632           | 500               | 500           | 0%                     | -81%                  |
| Destiny: Bulk sewer - Villiersdorp                                | 1 331           | 1 331             | 1 331         | 0%                     | 0%                    |
| Destiny: Bulk sewer - Villiersdorp                                | 1 602           | 1 602             | 1 602         | 0%                     | 0%                    |
| Waste Water Treatment Works Upgrade - Caledon                     | 6 941           | 6 941             | 6 941         | 0%                     | 0%                    |
| Waste Water Treatment Works Upgrade - Caledon                     | 3 289           | 6 559             | 6 534         | 0%                     | 99%                   |
| <b><u>Waste Management</u></b>                                    | <b>10 734</b>   | <b>12 046</b>     | <b>12 046</b> |                        |                       |
| Transfer Station - Caledon                                        | 4 193           | 4 193             | 4 163         | -1%                    | -1%                   |
| Transfer Station - Caledon                                        | 2 632           | 2 632             | 2 434         | -8%                    | -8%                   |
| Waste Drop off - Riviersonderend                                  | 3 690           | 5 002             | 5 032         | 1%                     | 36%                   |
| Waste Drop off - Riviersonderend                                  | 220             | 220               | 418           | 90%                    | 90%                   |

# Capital Programme by Project: 2018/19

R' 000

| Capital Project                                                 | Original Budget | Adjustment Budget | Actual        | Variance (Act - Adj) % | Variance (Act - OB) % |
|-----------------------------------------------------------------|-----------------|-------------------|---------------|------------------------|-----------------------|
| <b>Housing</b>                                                  | <b>24 100</b>   | <b>18 085</b>     | <b>11 112</b> |                        |                       |
| Low Cost Housing Project: Grabouw Rooidakke (1169) Phase 5      | 350             | 350               | 0             | -100%                  | -100%                 |
| Low Cost Housing Project: Grabouw Rooidakke Extension 4300 1169 | 16 700          | 7 588             | 6 003         | -21%                   | -64%                  |
| Low Cost Housing Project: Grabouw Siyayanzela                   | 1 050           | 1 050             | 119           | -89%                   | -89%                  |
| Low Cost Housing Project: Villiersdorp Destiny Farm (2305) IRDP | 0               | 2 000             | 0             | -100%                  | -                     |
| Low Cost Housing Project: Riviersonderend (140) UISP            | 0               | 1 200             | 791           | -34%                   | -                     |
| Low Cost Housing Project: Botrivier New France (226)            | 4 500           | 0                 | 0             | -                      | -100%                 |
| Low Cost Housing Project: Grabouw Hillside 348                  | 1 500           | 0                 | 0             | -                      | -100%                 |
| Low Cost Housing Project: Grabouw Waterworks: Beve              | 0               | 20                | 0             | -100%                  | -                     |
| Low Cost Housing Project: Botrivier Community Hall              | 0               | 750               | 0             | -100%                  | -                     |
| Low Cost Housing Project: Botrivier Beaumont Land               | 0               | 4 200             | 4 108         | -2%                    | -                     |
| Pine View 266 Civils (Water)                                    | 0               | 187               | 0             | -100%                  | -                     |
| Grabouw Hillside Civils                                         | 0               | 740               | 92            | -88%                   | -                     |
|                                                                 |                 |                   |               |                        |                       |
| <b>Sports Fields</b>                                            | <b>1 600</b>    | <b>1 600</b>      | <b>826</b>    |                        |                       |
| Upgrading of Pineview sports ground - Grabouw                   | 1 600           | 1 600             | 826           | -48%                   | -48%                  |
|                                                                 |                 |                   |               |                        |                       |
| <b>Fleet</b>                                                    | <b>2 403</b>    | <b>3 075</b>      | <b>2 622</b>  | -15%                   | 9%                    |
| Purchase of Fleet                                               | 2 403           | 2 403             | 2 141         | -11%                   | -11%                  |
| Vehicle Tracking System                                         | 0               | 672               | 482           |                        |                       |
|                                                                 |                 |                   |               |                        |                       |
| <b>Roads, Pavements, Bridges &amp; Stormwater</b>               | <b>7 277</b>    | <b>1 218</b>      | <b>1 095</b>  | -10%                   | -85%                  |
| Pick up and drop off zone - Grabouw                             | 0               | 140               | 30            | -79%                   | 0%                    |
| Purchase of land for entrance to Private Hospital               | 100             | 0                 | 0             | -                      | -100%                 |
| Destiny access road - Villiersdorp                              | 877             | 978               | 978           | 0%                     | 11%                   |
| Grabouw Traffic Department                                      | 6 300           | 100               | 88            | -13%                   | -99%                  |
|                                                                 |                 |                   |               |                        |                       |
| <b>Land and Buildings</b>                                       | <b>50</b>       | <b>15 199</b>     | <b>13 221</b> |                        |                       |
| Development of Venster Property Erf 136 Caledon                 | 50              | 0                 | 0             | -                      | -100%                 |
| Cemetery - Grabouw                                              | 0               | 0                 | 0             | -                      | -                     |
| Villiersdorp Resource Centre                                    | 0               | 13 570            | 11 800        |                        |                       |
| Caledon Erf 811/533                                             | 0               | 37                | 37            |                        |                       |
| Toy Library                                                     | 0               | 1 591             | 1 384         |                        |                       |

| Capital Programme by Project: 2018/19     |                 |                   |               |                        |                       |
|-------------------------------------------|-----------------|-------------------|---------------|------------------------|-----------------------|
| R' 000                                    |                 |                   |               |                        |                       |
| Capital Project                           | Original Budget | Adjustment Budget | Actual        | Variance (Act - Adj) % | Variance (Act - OB) % |
| Office Equipment                          | 2 944           | 3 394             | 3 618         |                        |                       |
| Inventory Items - Administration          | 173             | 172               | 135           | -21%                   | -22%                  |
| Inventory Items - Botrivier               | 0               | 0                 | 0             | -                      | -                     |
| Inventory Items - Caledon                 | 900             | 1 394             | 710           | -49%                   | -21%                  |
| Inventory Items - Grabouw                 | 77              | 154               | 119           | -23%                   | 54%                   |
| Inventory Items - Greyton / Genadendal    | 7               | 57                | 44            | -22%                   | 532%                  |
| Inventory Items - RSE                     | 87              | 142               | 68            | -52%                   | -21%                  |
| Inventory Items - TWK                     | 1 582           | 1 230             | 2 351         | 91%                    | 49%                   |
| Inventory Items - Villiersdorp            | 119             | 246               | 192           | -22%                   | 61%                   |
|                                           |                 |                   |               |                        |                       |
| Machinery and Equipment                   | 1 109           | 1 555             | 1 026         |                        |                       |
| Inventory Items - Administration          | 11              | 11                | 128           | 1068%                  | 1068%                 |
| Inventory Items - Caledon                 | 488             | 678               | 573           | -15%                   | 18%                   |
| Inventory Items - Grabouw                 | 274             | 274               | 177           | -36%                   | -36%                  |
| Inventory Items - TWK                     | 56              | 156               | 8             | -95%                   | -85%                  |
| Inventory Items - Villiersdorp            | 131             | 76                | 69            | -10%                   | -47%                  |
| Inventory Items - Genadendal              | 145             | 354               | 71            | -80%                   | -51%                  |
| Inventory Items - Botrivier               | 5               | 5                 | 0             | -100%                  | -100%                 |
|                                           |                 |                   |               |                        |                       |
| <b>Total Capital Programme by Project</b> | <b>78 756</b>   | <b>88 460</b>     | <b>76 533</b> |                        |                       |

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

| Capital Programme by Project by Ward: Year 2018/19                                           |                   |                          |
|----------------------------------------------------------------------------------------------|-------------------|--------------------------|
|                                                                                              |                   | R' 000                   |
| Capital Project                                                                              | Ward(s) affected  | Works completed (Yes/No) |
| <b>Botrivier</b>                                                                             |                   |                          |
| Low-cost housing development at New France (Water, sewer, roads and stormwater)              | Ward 7            | Yes                      |
| Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition                      | Ward 7            | Yes                      |
| Community Hall                                                                               | Ward 7            | No                       |
| Inventory Items                                                                              |                   |                          |
|                                                                                              |                   |                          |
| <b>Caledon</b>                                                                               |                   |                          |
| Waste Transfer Station                                                                       | Ward 4            | Yes                      |
| Bulk outfall Sewer                                                                           | Ward 4            | Yes                      |
| Upgrading of waste water treatment works                                                     | Ward 4            | Yes                      |
| Capital - Caledon Erf 811/533                                                                | Ward 4            | Yes                      |
| Development of Venster Property Erf 136                                                      | Ward 3            | No                       |
| Purchase of land for entrance to private Hospital - portion of Erf 1085                      | Ward 3            | Yes                      |
| Capital - Upgrading 11kV network replace miniature substation                                | Ward 3 & 4        | No                       |
| Capital - Drought Relieve                                                                    | Ward 3, 4 & 6,7   | Yes                      |
| Capital - Water source development Tesselaarsdal                                             | Ward 3 & 4        | Yes                      |
| Inventory Items                                                                              |                   |                          |
|                                                                                              |                   |                          |
| <b>Genadendal</b>                                                                            |                   |                          |
| Refurbishment and upgrading of the existing borehole                                         | Ward 2            | No                       |
| Inventory Items                                                                              |                   |                          |
|                                                                                              |                   |                          |
| <b>Greyton</b>                                                                               |                   |                          |
| Inventory Items                                                                              |                   |                          |
|                                                                                              |                   |                          |
| <b>Tesselaarsdal</b>                                                                         |                   |                          |
|                                                                                              |                   |                          |
| <b>Grabouw</b>                                                                               |                   |                          |
| Expansion of cemetery - Grabouw                                                              | Ward 9            | Yes                      |
| Grabouw pick up and drop off zone                                                            | Ward 9            | No                       |
| Low Cost Housing: Grabouw Waterworks: Beverly Hills - (Sanitation, Roads, Stormwater, Water) | Ward 11           | No                       |
| Low Cost Housing Project: Grabouw Hillside 348                                               | Ward 12           | Yes                      |
| High mast lighting for Grabouw                                                               | All Grabouw Wards | No                       |
| Capital - Low Cost Housing Project: Grabouw Rooidakke Extension Iraq                         | All Grabouw Wards | Yes                      |
| Capital Low Cost Housing Project: Grabouw Rooidakke Extension 4300 (1169)                    | All Grabouw Wards | No                       |
| Upgrading of Pineview sports ground                                                          | All Grabouw Wards | No                       |

| Capital Programme by Project by Ward: Year 2018/19                                                           |                   |                          |
|--------------------------------------------------------------------------------------------------------------|-------------------|--------------------------|
| Capital Project                                                                                              | Ward(s) affected  | Works completed (Yes/No) |
| Grabouw Traffic Department                                                                                   | All Grabouw Wards | No                       |
| Capital - Pine View 266 Civils (Water)                                                                       | Ward 8            | No                       |
| Capital - Pine View 266 Civils (Sewer)                                                                       | Ward 8            | No                       |
| Capital - Low Cost Housing Project: Grabouw Siyayanzela - Water Distribution, Sanitation, Stormwater, Roads) | Ward 12           | No                       |
| Capital - Grabouw Hillside Civils (Water)                                                                    | Ward 13           | No                       |
| Capital - Grabouw Hillside Civils (Sewer)                                                                    | Ward 14           | No                       |
| Inventory Items                                                                                              |                   |                          |
|                                                                                                              |                   |                          |
| Riversonderend                                                                                               | Ward 1            | Yes                      |
| Replace and upgrade MV Networks                                                                              | Ward 1            | Yes                      |
| Drought Relieve                                                                                              | Ward 1            | Yes                      |
| Low Cost Housing Project: Riversonderend (72 sites )                                                         | Ward 1            | Yes                      |
| Waste Drop off                                                                                               | Ward 1            | Yes                      |
| Inventory Items                                                                                              |                   |                          |
|                                                                                                              |                   |                          |
| TWK                                                                                                          |                   |                          |
| Transport Assets                                                                                             | All Wards         | Yes                      |
| Smart Water meters                                                                                           | Ward 3            | Yes                      |
| Purchase of Fleet                                                                                            | All Wards         | Yes                      |
| Vehicle Tracking System                                                                                      | All Wards         | Yes                      |
| Drilling of Borehole                                                                                         | All Wards         | Yes                      |
| Capital - Install security fencing Switching stations Caledon and Villiersdorp                               | Ward 4 & 5        |                          |
| Inventory Items                                                                                              |                   |                          |
|                                                                                                              |                   |                          |
| Villiersdorp                                                                                                 |                   |                          |
| Destiny access road                                                                                          | Ward 6            | Yes                      |
| Destiny: Bulk water                                                                                          | Ward 5,6          | Yes                      |
| Replace and upgrade MV Networks                                                                              | Ward 5            | Yes                      |
| Destiny: Bulk sewer                                                                                          | Ward 6            | No                       |
| Villiersdorp Resource Centre                                                                                 | Ward 6            | Yes                      |
| Low Cost Housing Project: Villiersdorp Destiny Farm (2305) IRDP (Water supply infrastructure distribution)   | Ward 6            | No                       |
| Capital - Low Cost Housing: Villiersdorp Destiny Farm - Sanitation                                           | Ward 6            | No                       |
| Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Roads                                        | Ward 6            | No                       |
| Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Stormwater                                   | Ward 6            | No                       |
| Upgrading of Bulk Electrical Infrastructure                                                                  | Ward 6            | No                       |
| Capital - Toy Library                                                                                        | Ward 6            | No                       |
| Inventory Items                                                                                              |                   |                          |

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics                                                                                                                                                                                                                   |       |            |             |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|-------------|------------------------|
| Establishments lacking basic services                                                                                                                                                                                                                   | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (NAMES, LOCATIONS)                                                                                                                                                                                                                              |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
| Clinics (NAMES, LOCATIONS)                                                                                                                                                                                                                              |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
| Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. |       |            |             | T P                    |



## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

| Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis) |                   |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| Services and Locations                                                                                                                                               | Scale of backlogs | Impact of backlogs |
| <b>Clinics:</b>                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| <b>Housing:</b>                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| <b>Licencing and Testing Centre:</b>                                                                                                                                 |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| <b>Reservoirs</b>                                                                                                                                                    |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| <b>Schools (Primary and High):</b>                                                                                                                                   |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| <b>Sports Fields:</b>                                                                                                                                                |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   | T Q                |

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

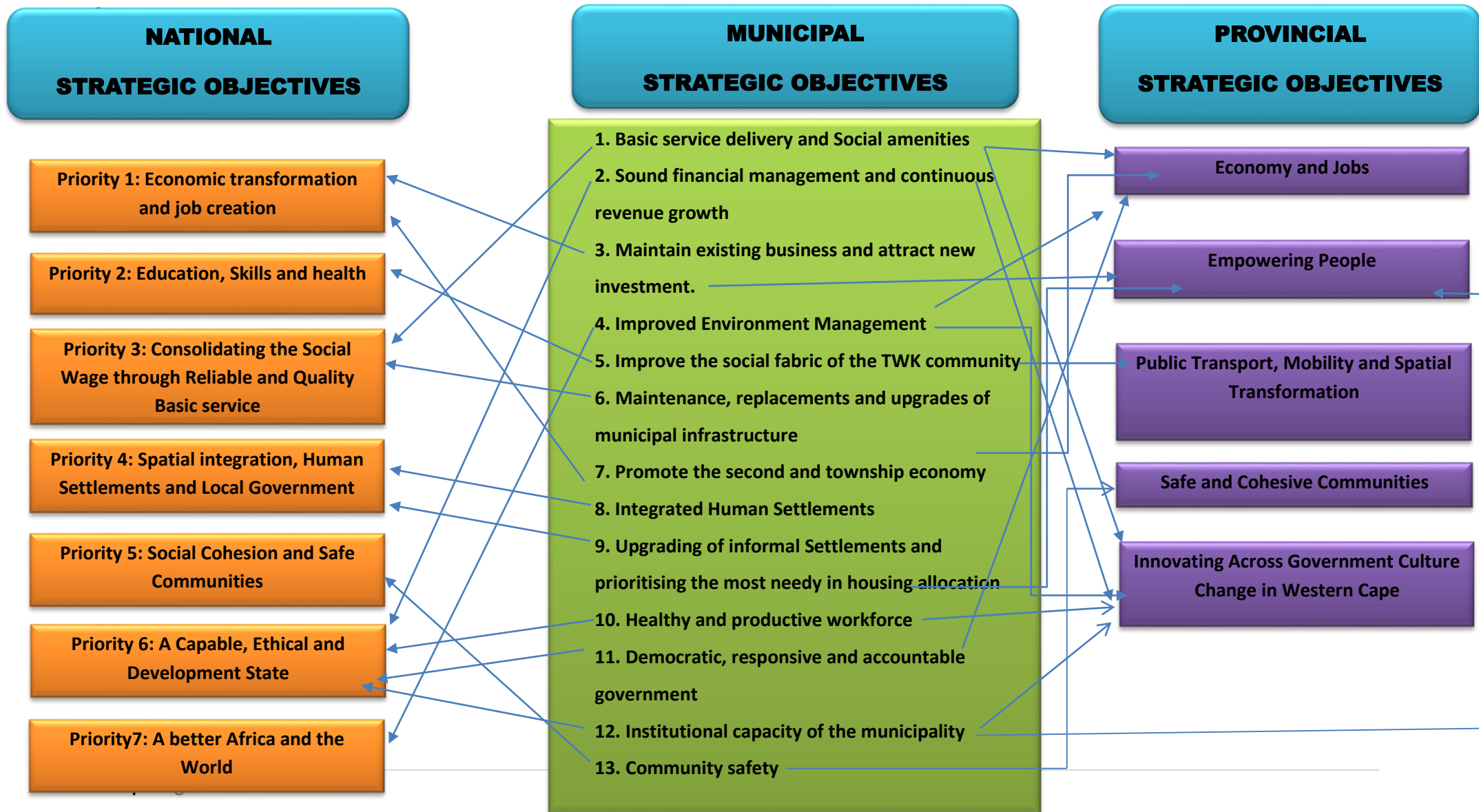
| Declaration of Loans and Grants made by the municipality: Year 1                      |                   |                                |                     |                                                       |
|---------------------------------------------------------------------------------------|-------------------|--------------------------------|---------------------|-------------------------------------------------------|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value Year 1 R' 000 | Total Amount committed over previous and future years |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
|                                                                                       |                   |                                |                     |                                                       |
| <i>* Loans/Grants - whether in cash or in kind</i>                                    |                   |                                |                     | T R                                                   |

## APPENDIX S – MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 1 ACCORDING TO REPORTING REQUIREMENTS

| MFMA Section 71 Returns Not Made During Year 1 According to Reporting Requirements |                                                      |
|------------------------------------------------------------------------------------|------------------------------------------------------|
| Return                                                                             | Reason Return has not been properly made on due date |
|                                                                                    |                                                      |
|                                                                                    |                                                      |
|                                                                                    |                                                      |
|                                                                                    |                                                      |
|                                                                                    |                                                      |
|                                                                                    |                                                      |
| T S                                                                                |                                                      |

## APPENDIX T – NATIONAL AND PROVINCIAL AND LOCAL GOVERNMENT STRATEGIC ALIGNMENT

### THEWATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT





# THEEWATERSKLOOF LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

### LEGAL FORM

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

### JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

|                 |               |
|-----------------|---------------|
| Caledon         | Greyton       |
| Grabouw         | Genadendal    |
| Villiersdorp    | Botrivier     |
| Riviersonderend | Tesselaarsdal |

### MEMBERS OF THE COUNCIL

|              |                     |                             |
|--------------|---------------------|-----------------------------|
| Ward 1       | Mr S Potberg        |                             |
| Ward 2       | Mr D du Toit        |                             |
| Ward 3       | Mrs J Arendse       |                             |
| Ward 4       | Mrs MM Koegelenberg |                             |
| Ward 5       | Mr CM Lamprecht     |                             |
| Ward 6       | Mr R Brinkhuys      |                             |
| Ward 7       | Mrs PU Stanfliet    |                             |
| Ward 8       | Mrs A Mentile       |                             |
| Ward 9       | Mr D Jooste         |                             |
| Ward 10      | Mrs M Plato-Mentoor |                             |
| Ward 11      | Mrs T Ndlebe        |                             |
| Ward 12      | Mr UT Sipunzi       |                             |
| Ward 13      | Mr M Bhangazana     |                             |
| Ward 14      | Mr N Pieterse       |                             |
| Proportional | Mrs C Vosloo        |                             |
| Proportional | Mr I Sileku         | (Resigned 17 May 2019)      |
| Proportional | Mrs N Mqgweto       | (Appointed 14 June 2019)    |
| Proportional | Mr K Papier         |                             |
| Proportional | Mr C November       |                             |
| Proportional | Mrs T Mangcayi      |                             |
| Proportional | Mr S Fredericks     |                             |
| Proportional | Mr B Tshabe         |                             |
| Proportional | Mrs C Wood          |                             |
| Proportional | Mr H Syster         |                             |
| Proportional | Mr D Appel          | (Resigned 1 October 2018)   |
| Proportional | Mrs R Mienies       |                             |
| Proportional | Mr T Tshungwana     |                             |
| Proportional | Mrs M le Roux       |                             |
| Proportional | Mr R Nongxaza       | (Appointed 18 October 2018) |

### MEMBERS OF THE MAYORAL COMMITTEE

|                        |                     |                                                    |
|------------------------|---------------------|----------------------------------------------------|
| Executive Mayor        | Mrs C Vosloo        |                                                    |
| Deputy Executive Mayor | Mr IM Sileku        | (Resigned 17 May 2019)                             |
| Deputy Executive Mayor | Mr K Papier         | (Appointed 14 June 2019)                           |
| Executive Councillor   | Mrs MM Koegelenberg |                                                    |
| Executive Councillor   | Mrs J Arendse       |                                                    |
| Executive Councillor   | Mrs PU Stanfliet    |                                                    |
| Executive Councillor   | Mr K Papier         | (Appointed as Deputy Executive Mayor 14 June 2019) |
| Executive Councillor   | Mr N Pieterse       | (Appointed 14 June 2019)                           |
| Executive Councillor   | Mrs M Plato-Mentoor |                                                    |

### MUNICIPAL MANAGER

Mr GF Matthyse

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## GENERAL INFORMATION

### SPEAKER

Mr D Du Toit

### CHIEF FINANCIAL OFFICER

Mr D Louw

### AUDIT COMMITTEE

R Gani

W Zybrands

K Montgomery (Resigned 23 June 2019)

E Lakey

### REGISTERED OFFICE

6 Plein Street

Caledon

7230

### POSTAL ADDRESS

6 Plein Street

Caledon

7230

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPLE BANKERS

ABSA Bank Limited

### ATTORNEYS

Bosman & Smit Pretorius

Fairbridges Attorneys

GJ Claughton

Finck Attorneys

Johnson Attorneys

DHM Attorneys

Guthrie & Theron

Bradley Conradie Attorneys

### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

Municipal Budget and Reporting Regulations

National Environmental Management Act

Preferential Procurement Policy Framework Act, 200

Occupational Health and Safety Act

mSCOA Regulation

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2019, which are set out on pages 313 to 397 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits 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.



Mr J Barnard  
Acting Municipal Manager

31 August 2019

Date

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

|                                            | Notes | 2019<br>(Actual)     | 2018<br>(Restated) |
|--------------------------------------------|-------|----------------------|--------------------|
| <b>ASSETS</b>                              |       |                      |                    |
| <b>Current Assets</b>                      |       | <b>208 504 546</b>   | <b>128 733 342</b> |
| Cash and Cash Equivalents                  | 2     | 130 940 149          | 63 900 561         |
| Current Investments                        | 14    | 13 260 197           | -                  |
| Receivables from Exchange Transactions     | 3     | 37 130 402           | 29 843 029         |
| Receivables from Non-Exchange Transactions | 4     | 16 615 573           | 16 154 602         |
| Unpaid Conditional Government Grants       | 5     | -                    | 4 625 423          |
| Taxes                                      | 6     | 4 369 051            | 7 721 185          |
| Operating Leases                           | 7     | 439 966              | 533 076            |
| Current Portion of Long-term Receivables   | 8     | 1 361                | 14 744             |
| Inventory                                  | 9     | 5 747 847            | 5 940 722          |
| <b>Non-Current Assets</b>                  |       | <b>905 283 127</b>   | <b>853 487 082</b> |
| Long-term Receivables                      | 8     | 140                  | 12 014             |
| Investment Property                        | 10    | 68 105 086           | 66 564 169         |
| Property, Plant and Equipment              | 11    | 835 899 227          | 773 098 213        |
| Intangible Assets                          | 12    | 1 037 629            | 1 243 880          |
| Heritage Assets                            | 13    | -                    | -                  |
| Non-current Investments                    | 14    | 241 045              | 12 568 806         |
| <b>Total Assets</b>                        |       | <b>1 113 787 673</b> | <b>982 220 425</b> |
| <b>Current Liabilities</b>                 |       | <b>124 226 250</b>   | <b>91 299 349</b>  |
| Current Portion of Long-term Liabilities   | 15    | 7 818 546            | 7 454 200          |
| Consumer Deposits                          | 16    | 4 750 864            | 4 832 519          |
| Payables from exchange transactions        | 17    | 48 234 121           | 40 677 390         |
| Unspent Conditional Government Grants      | 18    | 41 641 950           | 17 097 285         |
| Unspent Public Contributions               | 19    | 259 792              | 421 637            |
| Current Employee benefits                  | 20    | 21 520 976           | 20 816 318         |
| <b>Non-Current Liabilities</b>             |       | <b>223 758 432</b>   | <b>213 754 700</b> |
| Long-term Liabilities                      | 15    | 82 347 883           | 79 745 587         |
| Employee benefits                          | 21    | 46 430 223           | 50 077 873         |
| Non-Current Provisions                     | 22    | 94 980 327           | 83 931 240         |
| <b>Total Liabilities</b>                   |       | <b>347 984 682</b>   | <b>305 054 049</b> |
| <b>NET ASSETS</b>                          |       | <b>765 802 991</b>   | <b>677 166 375</b> |
| <b>COMMUNITY WEALTH</b>                    |       |                      |                    |
| Accumulated Surplus                        |       | 744 980 803          | 664 741 021        |
| Reserves                                   | 23    | 20 822 188           | 12 425 354         |
|                                            |       | <b>765 802 991</b>   | <b>677 166 375</b> |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019

|                                               | Notes | 2019<br>R<br>(Actual) | 2018<br>R<br>(Restated) |
|-----------------------------------------------|-------|-----------------------|-------------------------|
| <b>REVENUE</b>                                |       |                       |                         |
| <b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b> |       | <b>326 011 253</b>    | <b>300 015 036</b>      |
| <b>Taxation Revenue</b>                       |       | <b>101 759 520</b>    | <b>98 144 521</b>       |
| Property Rates                                | 24    | 101 759 520           | 98 144 521              |
| <b>Transfer Revenue</b>                       |       | <b>151 059 614</b>    | <b>148 364 617</b>      |
| Government Grants and Subsidies - Operating   | 25    | 116 115 262           | 96 988 944              |
| Government Grants and Subsidies - Capital     | 25    | 34 341 177            | 50 145 492              |
| Public Contributions and Donations            | 26    | 603 175               | 1 230 181               |
| <b>Other Revenue</b>                          |       | <b>73 192 119</b>     | <b>53 505 899</b>       |
| Insurance Refund                              |       | 2 751 603             | 1 273 419               |
| Fines, Penalties and Forfeits                 | 27    | 41 308 076            | 48 235 143              |
| Actuarial Gains                               | 28    | 11 762 066            | 3 725 580               |
| Reversal of Impairments                       | 29    | 4 186 772             | -                       |
| Contributed Assets                            | 30    | 13 183 602            | 271 756                 |
| <b>REVENUE FROM EXCHANGE TRANSACTIONS</b>     |       | <b>264 087 608</b>    | <b>232 706 868</b>      |
| <b>Operating Activities</b>                   |       | <b>264 087 608</b>    | <b>232 706 868</b>      |
| Service Charges                               | 31    | 223 644 676           | 200 709 668             |
| Rental of Facilities and Equipment            | 32    | 1 810 592             | 1 842 854               |
| Interest Earned - External Investments        |       | 10 457 261            | 8 258 086               |
| Interest Earned - Outstanding Debtors         |       | 16 472 261            | 10 307 713              |
| Agency Services                               | 33    | 6 898 029             | 6 674 076               |
| Licences and Permits                          | 34    | 35 678                | 31 176                  |
| Other Income                                  | 35    | 4 769 113             | 4 883 297               |
| <b>TOTAL REVENUE</b>                          |       | <b>590 098 861</b>    | <b>532 721 904</b>      |
| <b>EXPENDITURE</b>                            |       |                       |                         |
| Employee Related Costs                        | 36    | 192 825 882           | 181 044 060             |
| Remuneration of Councillors                   | 37    | 11 706 906            | 11 538 787              |
| Debt Impairment                               | 38    | 74 345 671            | 81 973 432              |
| Depreciation and Amortisation                 | 39    | 20 298 909            | 23 581 613              |
| Impairment                                    | 40    | 511 847               | 540 087                 |
| Actuarial Losses                              | 41    | 1 805 601             | 368 790                 |
| Finance Charges                               | 42    | 18 698 906            | 19 009 684              |
| Bulk Purchases                                | 43    | 76 381 521            | 67 091 482              |
| Contracted Services                           | 44    | 38 237 575            | 30 579 325              |
| Transfers and Grants                          | 45    | 2 642 281             | 2 476 180               |
| Other Expenditure                             | 46    | 62 979 990            | 45 007 047              |
| Loss on disposal of Non-Monetary Assets       | 47    | 1 027 163             | 2 358 925               |
| <b>TOTAL EXPENDITURE</b>                      |       | <b>501 462 252</b>    | <b>465 569 413</b>      |
| <b>NET SURPLUS FOR THE YEAR</b>               |       | <b>88 636 610</b>     | <b>67 152 491</b>       |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2019

|                                                      | CAPITAL<br>REPLACEMENT<br>RESERVE<br>R | ACCUMULATED<br>SURPLUS<br>R | TOTAL<br>R         |
|------------------------------------------------------|----------------------------------------|-----------------------------|--------------------|
| <b>Balance on 30 June 2017 - Previously Reported</b> | <b>13 385 569</b>                      | <b>597 945 083</b>          | <b>611 330 652</b> |
| Correction of error restatement - refer to note 48.6 | -                                      | (1 316 724)                 | (1 316 724)        |
| <b>Balance on 30 June 2017 - Restated</b>            | <b>13 385 569</b>                      | <b>596 628 358</b>          | <b>610 013 928</b> |
| Net Surplus for the year                             | -                                      | 67 152 447                  | 67 152 447         |
| Property, Plant and Equipment purchased              | (2 725 262)                            | 2 725 262                   | -                  |
| Transfer to Capital Replacement Reserve              | 1 765 046                              | (1 765 046)                 | -                  |
| <b>Balance on 30 June 2018 - Restated</b>            | <b>12 425 353</b>                      | <b>664 741 021</b>          | <b>677 166 375</b> |
| Net Surplus for the year                             | -                                      | 88 636 616                  | 88 636 616         |
| Property, Plant and Equipment purchased              | -                                      | -                           | -                  |
| Transfer to Capital Replacement Reserve              | 8 396 834                              | (8 396 834)                 | -                  |
| <b>Balance on 30 June 2019</b>                       | <b>20 822 187</b>                      | <b>744 980 803</b>          | <b>765 802 990</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2019

|                                                        | Notes     | 2019<br>R<br>(Actual) | 2018<br>R<br>(Restated) |
|--------------------------------------------------------|-----------|-----------------------|-------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             |           |                       |                         |
| <b>Receipts</b>                                        |           |                       |                         |
| Property Rates                                         |           | 100 519 945           | 93 424 697              |
| Service Charges and Interest on outstanding Debtors    |           | 189 972 615           | 168 548 843             |
| Other Revenue                                          |           | 30 626 530            | 18 545 659              |
| Government Grants                                      |           | 179 626 528           | 150 666 120             |
| Investment Income                                      |           | 10 457 261            | 8 258 086               |
| <b>Payments</b>                                        |           |                       |                         |
| Suppliers and employees                                |           | (372 222 155)         | (332 056 303)           |
| Finance charges                                        |           | (8 682 626)           | (9 576 269)             |
| Transfer and Grants                                    |           | (2 642 281)           | (2 476 180)             |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>              | <b>50</b> | <b>127 655 818</b>    | <b>95 334 652</b>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>             |           |                       |                         |
| <b>Receipts</b>                                        |           |                       |                         |
| Proceeds from sale of Property, Plant and Equipment    |           | 780 337               | 295 000                 |
| <b>Payments</b>                                        |           |                       |                         |
| Purchase of Property, Plant and Equipment              |           | (63 349 124)          | (86 942 234)            |
| Increase in Non-current Investments                    |           | (932 436)             | (923 739)               |
| <b>NET CASH USED INVESTING ACTIVITIES</b>              |           | <b>(63 501 224)</b>   | <b>(87 570 973)</b>     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |           |                       |                         |
| <b>Receipts</b>                                        |           |                       |                         |
| New loans raised                                       |           | 10 420 279            | -                       |
| Increase/(Decrease) in Consumer Deposits               |           | (81 648)              | 2 714                   |
| <b>Payments</b>                                        |           |                       |                         |
| Loans repaid                                           |           | (7 453 637)           | (8 189 282)             |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>       |           | <b>2 884 994</b>      | <b>(8 186 568)</b>      |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>            |           | <b>67 039 588</b>     | <b>(422 889)</b>        |
| Cash and Cash Equivalents at the beginning of the year |           | 63 900 561            | 64 323 450              |
| Cash and Cash Equivalents at the end of the year       |           | 130 940 149           | 63 900 561              |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

|                                          | ORIGINAL<br>BUDGET<br>R | ADJUSTMENTS<br>R    | FINAL<br>BUDGET<br>R | ACTUAL<br>R          | ACTUAL<br>VS<br>FINAL BUDGET<br>R |
|------------------------------------------|-------------------------|---------------------|----------------------|----------------------|-----------------------------------|
| <b>STATEMENT OF FINANCIAL POSITION</b>   |                         |                     |                      |                      |                                   |
| <b>ASSETS</b>                            |                         |                     |                      |                      |                                   |
| <b>Current assets</b>                    |                         |                     |                      |                      |                                   |
| Cash                                     | 6 801 719               | 7 194 060           | 13 995 779           | 87 525 596           | 73 529 817                        |
| Call investment deposits                 | 12 033 259              | 28 621 985          | 40 655 244           | 56 674 751           | 16 019 507                        |
| Consumer debtors                         | 54 704 776              | 5 435 125           | 60 139 901           | 43 599 966           | (16 539 935)                      |
| Other Receivables                        | 20 312 080              | 5 290 869           | 25 602 949           | 14 955 026           | (10 647 922)                      |
| Current portion of long-term receivables | 1 361                   | 10 653              | 12 014               | 1 361                | (10 653)                          |
| Inventory                                | 5 063 075               | 877 647             | 5 940 722            | 5 747 847            | (192 875)                         |
| <b>Total current assets</b>              | <b>98 916 270</b>       | <b>47 430 338</b>   | <b>146 346 608</b>   | <b>208 504 546</b>   | <b>62 157 938</b>                 |
| <b>Non current assets</b>                |                         |                     |                      |                      |                                   |
| Long-term receivables                    | 125                     | (125)               | -                    | 140                  | 140                               |
| Investments                              | 11 645 067              | 923 739             | 12 568 806           | 241 045              | (12 327 761)                      |
| Investment property                      | 65 754 588              | 191 482             | 65 946 070           | 68 105 086           | 2 159 016                         |
| Property, plant and equipment            | 866 081 639             | (35 409 717)        | 830 671 921          | 835 899 227          | 5 227 306                         |
| Intangible Assets                        | 1 152 126               | (80 788)            | 1 071 338            | 1 037 629            | (33 709)                          |
| <b>Total non current assets</b>          | <b>944 633 545</b>      | <b>(34 375 409)</b> | <b>910 258 135</b>   | <b>905 283 127</b>   | <b>(4 975 008)</b>                |
| <b>TOTAL ASSETS</b>                      | <b>1 043 549 814</b>    | <b>13 054 929</b>   | <b>1 056 604 743</b> | <b>1 113 787 673</b> | <b>57 182 930</b>                 |
| <b>LIABILITIES</b>                       |                         |                     |                      |                      |                                   |
| <b>Current liabilities</b>               |                         |                     |                      |                      |                                   |
| Borrowing                                | 10 450 235              | (2 696 035)         | 7 754 200            | 7 818 546            | 64 346                            |
| Consumer deposits                        | 5 118 309               | (128 340)           | 4 989 970            | 4 750 864            | (239 105)                         |
| Trade and other payables                 | 51 062 098              | 21 276 895          | 72 338 993           | 90 135 863           | 17 796 870                        |
| Provisions and Employee Benefits         | 22 128 757              | (63 459)            | 22 065 297           | 21 520 976           | (544 321)                         |
| <b>Total current liabilities</b>         | <b>88 759 399</b>       | <b>18 389 062</b>   | <b>107 148 461</b>   | <b>124 226 250</b>   | <b>17 077 789</b>                 |
| <b>Non current liabilities</b>           |                         |                     |                      |                      |                                   |
| Borrowing                                | 111 282 887             | (26 927 483)        | 84 355 404           | 82 347 883           | (2 007 521)                       |
| Provisions and Employee Benefits         | 124 896 770             | 20 633 305          | 145 530 075          | 141 410 549          | (4 119 526)                       |
| <b>Total non current liabilities</b>     | <b>236 179 656</b>      | <b>(6 294 178)</b>  | <b>229 885 479</b>   | <b>223 758 432</b>   | <b>(6 127 046)</b>                |
| <b>TOTAL LIABILITIES</b>                 | <b>324 939 055</b>      | <b>12 094 884</b>   | <b>337 033 939</b>   | <b>347 984 682</b>   | <b>10 950 743</b>                 |
| <b>NET ASSETS</b>                        | <b>718 610 759</b>      | <b>960 045</b>      | <b>719 570 804</b>   | <b>765 802 991</b>   | <b>46 232 187</b>                 |
| <b>COMMUNITY WEALTH</b>                  |                         |                     |                      |                      |                                   |
| Accumulated Surplus                      | 705 225 190             | 1 920 261           | 707 145 450          | 744 980 803          | 37 835 353                        |
| Reserves                                 | 13 385 569              | (960 215)           | 12 425 354           | 20 822 189           | 8 396 834                         |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | <b>718 610 759</b>      | <b>960 045</b>      | <b>719 570 804</b>   | <b>765 802 992</b>   | <b>46 232 186</b>                 |

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                    | ORIGINAL<br>BUDGET<br>R | ADJUSTMENTS<br>R   | FINAL<br>BUDGET<br>R | ACTUAL<br>R        | ACTUAL<br>VS<br>FINAL BUDGET<br>R |
|----------------------------------------------------|-------------------------|--------------------|----------------------|--------------------|-----------------------------------|
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>          |                         |                    |                      |                    |                                   |
| <b>REVENUE</b>                                     |                         |                    |                      |                    |                                   |
| Property Rates                                     | 100 604 060             | -                  | 100 604 060          | 101 759 520        | 1 155 460                         |
| Service Charges - Electricity Revenue              | 85 711 895              | 1 050 000          | 86 761 895           | 87 577 448         | 815 553                           |
| Service Charges - Water Revenue                    | 72 707 943              | (5 811 200)        | 66 896 743           | 72 368 259         | 5 471 516                         |
| Service Charges - Sanitation Revenue               | 32 562 028              | 1 008 236          | 33 570 264           | 31 012 199         | (2 558 065)                       |
| Service Charges - Refuse Revenue                   | 34 046 544              | 1 058 154          | 35 104 698           | 32 686 769         | (2 417 929)                       |
| Rental of Facilities and Equipment                 | 2 035 200               | -                  | 2 035 200            | 1 810 592          | (224 608)                         |
| Interest Earned - External Investments             | 6 158 600               | -                  | 6 158 600            | 10 457 261         | 4 298 661                         |
| Interest Earned - Outstanding Debtors              | 8 000 000               | 8 000 000          | 16 000 000           | 16 472 261         | 472 261                           |
| Fines, Penalties and Forfeits                      | 32 119 060              | 18 156 940         | 50 276 000           | 41 308 076         | (8 967 924)                       |
| Licences and Permits                               | 58 300                  | (26 300)           | 32 000               | 35 678             | 3 678                             |
| Agency Services                                    | 6 146 389               | 402 463            | 6 548 852            | 6 898 029          | 349 177                           |
| Transfers Recognised - Operational                 | 146 043 306             | 5 344 838          | 151 388 144          | 116 115 262        | (35 272 882)                      |
| Other Revenue                                      | 6 480 994               | (98 443)           | 6 382 551            | 24 072 729         | 17 690 178                        |
| <b>Total Revenue (excluding capital transfers)</b> | <b>532 674 319</b>      | <b>29 084 688</b>  | <b>561 759 007</b>   | <b>542 574 083</b> | <b>(19 184 924)</b>               |
| <b>EXPENDITURE</b>                                 |                         |                    |                      |                    |                                   |
| Employee Related Costs                             | 201 997 634             | 59 128             | 202 056 762          | 192 825 882        | (9 230 880)                       |
| Remuneration of Councillors                        | 12 179 060              | -                  | 12 179 060           | 11 706 906         | (472 154)                         |
| Debt Impairment                                    | 57 890 471              | 20 498 713         | 78 389 184           | 74 345 671         | (4 043 513)                       |
| Depreciation and Asset Impairment                  | 31 304 799              | -                  | 31 304 799           | 20 810 756         | (10 494 043)                      |
| Finance Charges                                    | 22 361 693              | -                  | 22 361 693           | 18 698 906         | (3 662 787)                       |
| Bulk Purchases                                     | 75 374 025              | -                  | 75 374 025           | 76 381 521         | 1 007 496                         |
| Other material                                     | 61 848 990              | (2 483 531)        | 59 365 459           | -                  | (59 365 459)                      |
| Contracted Services                                | 44 695 270              | 9 218 356          | 53 913 626           | 38 237 575         | (15 676 051)                      |
| Transfers and Grants                               | 232 260                 | 114 367            | 346 627              | 2 642 281          | 2 295 654                         |
| Other Expenditure                                  | 43 298 200              | 2 234 256          | 45 532 456           | 64 785 591         | 19 253 135                        |
| Loss on Disposal of PPE                            | -                       | -                  | -                    | 1 027 163          | 1 027 163                         |
| <b>Total Expenditure</b>                           | <b>551 182 402</b>      | <b>29 641 289</b>  | <b>580 823 691</b>   | <b>501 462 252</b> | <b>(79 361 439)</b>               |
| <b>Surplus/(Deficit)</b>                           | <b>(18 508 083)</b>     | <b>(556 601)</b>   | <b>(19 064 684)</b>  | <b>41 111 831</b>  | <b>60 176 515</b>                 |
| Transfers Recognised - Capital                     | 47 347 694              | (4 609 335)        | 42 738 359           | 34 341 177         | (8 397 182)                       |
| Contributed Assets                                 | -                       | 140 000            | 140 000              | 13 183 602         | 13 043 602                        |
| <b>Surplus/(Deficit) for the year</b>              | <b>28 839 611</b>       | <b>(5 025 936)</b> | <b>23 813 675</b>    | <b>88 636 610</b>  | <b>64 822 935</b>                 |

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                      | ORIGINAL<br>BUDGET<br>R | ADJUSTMENTS<br>R  | FINAL<br>BUDGET<br>R | ACTUAL<br>R         | ACTUAL<br>VS<br>FINAL BUDGET<br>R |
|------------------------------------------------------|-------------------------|-------------------|----------------------|---------------------|-----------------------------------|
| <b>CASH FLOW STATEMENT</b>                           |                         |                   |                      |                     |                                   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>           |                         |                   |                      |                     |                                   |
| <b>Receipts</b>                                      |                         |                   |                      |                     |                                   |
| Property rates, penalties & collection charges       | 87 112 332              | (3 631 111)       | 83 481 220           | 100 519 945         | 17 038 725                        |
| Service charges                                      | 194 850 478             | (10 358 120)      | 184 492 358          | 189 972 615         | 5 480 258                         |
| Other revenue                                        | 19 664 760              | 828 750           | 20 493 510           | 30 626 530          | 10 133 021                        |
| Government                                           | 193 391 000             | (12 388 435)      | 181 002 565          | 179 626 528         | (1 376 037)                       |
| Interest                                             | 13 085 742              | 6 349 653         | 19 435 395           | 10 457 261          | (8 978 134)                       |
| <b>Payments</b>                                      |                         |                   |                      |                     |                                   |
| Suppliers and Employees                              | (441 357 893)           | 24 387 299        | (416 970 594)        | (372 222 155)       | 44 748 439                        |
| Finance Charges                                      | (12 782 977)            | -                 | (12 782 977)         | (8 682 626)         | 4 100 351                         |
| Transfers and Grants                                 | (232 260)               | (114 367)         | (346 627)            | (2 642 281)         | (2 295 654)                       |
| <b>Net Cash from/(used) Operating Activities</b>     | <b>53 731 181</b>       | <b>5 073 669</b>  | <b>58 804 850</b>    | <b>127 655 818</b>  | <b>68 850 968</b>                 |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>           |                         |                   |                      |                     |                                   |
| <b>Receipts</b>                                      |                         |                   |                      |                     |                                   |
| Proceeds on disposal of PPE                          | -                       | -                 | -                    | 780 337             | 780 337                           |
| Decrease/(Increase) in Other Non-Current Receivables | 1 361                   | 13 384            | 14 744               | (932 436)           | (947 181)                         |
| Decrease (increase) in non-current investments       | -                       | -                 | -                    | -                   | -                                 |
| <b>Payments</b>                                      |                         |                   |                      |                     |                                   |
| Capital Assets                                       | (78 755 666)            | 5 494 267         | (73 261 399)         | (63 349 124)        | 9 912 275                         |
| <b>Net Cash from/(used) Investing Activities</b>     | <b>(78 754 305)</b>     | <b>5 507 650</b>  | <b>(73 246 655)</b>  | <b>(63 501 224)</b> | <b>9 745 431</b>                  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>           |                         |                   |                      |                     |                                   |
| <b>Receipts</b>                                      |                         |                   |                      |                     |                                   |
| Borrowing long term/refinancing                      | 10 420 279              | 3 724 536         | 14 144 815           | 10 420 279          | (3 724 536)                       |
| Increase/(Decrease) in Consumer Deposits             | 289 716                 | (7 265)           | 282 451              | (81 648)            | (364 099)                         |
| <b>Payments</b>                                      |                         |                   |                      |                     |                                   |
| Repayment of Borrowing                               | (8 462 730)             | (772 270)         | (9 235 000)          | (7 453 637)         | 1 781 363                         |
| <b>Net Cash from/(used) Financing Activities</b>     | <b>2 247 264</b>        | <b>2 945 002</b>  | <b>5 192 266</b>     | <b>2 884 994</b>    | <b>(2 307 272)</b>                |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>          | <b>(22 775 859)</b>     | <b>13 526 321</b> | <b>(9 249 538)</b>   | <b>67 039 588</b>   | <b>76 289 126</b>                 |
| Cash and Cash Equivalents at the year begin          | 41 610 837              | 22 289 724        | 63 900 561           | 63 900 561          | -                                 |
| Cash and Cash Equivalents at the year end            | 18 834 978              | 35 816 045        | 54 651 023           | 130 940 149         | 76 289 126                        |

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### **1 ACCOUNTING POLICIES**

#### **1.01 BASIS OF PREPARATION**

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

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

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

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 otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

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

#### **1.02 TRANSITIONAL PROVISIONS**

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

#### **1.03 PRESENTATION CURRENCY**

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

#### **1.04 GOING CONCERN ASSUMPTION**

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

#### **1.05 COMPARATIVE INFORMATION**

##### **1.05.1 Prior year comparatives**

When the presentation or classification of items in the financial statements are 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, which relate to prior periods, 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.

##### **1.05.2 Amended Accounting Policies**

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.

No significant amendments were made to the accounting policy in the current year.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.06 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. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

### 1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### 1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the following Standards of GRAP which were issued but are not yet effective:

| Standard | Description               | Effective Date |
|----------|---------------------------|----------------|
| GRAP 20  | Related Party Disclosures | 1 April 2019   |
| GRAP 108 | Statutory Receivables     | 1 April 2019   |

The effect of the above-mentioned Standards of GRAP which were early adopted is considered insignificant. Accounting policies for these Standards of GRAP were already formulated in the prior year's financial statements. The only effect is additional disclosure requirements.

The Municipality resolved to early adopt the following amended Standards of GRAP which were issued but are not yet effective:

| Standard        | Description                              | Effective Date |
|-----------------|------------------------------------------|----------------|
| GRAP 1 (2018)   | Presentation of Financial Statements     | 1 April 2020   |
| GRAP 21 (2018)  | Impairment of Non-cash-generating Assets | 1 April 2020   |
| GRAP 26 (2018)  | Impairment of Cash-generating Assets     | 1 April 2020   |
| GRAP 104 (2018) | Financial Instruments                    | 1 April 2020   |

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality further resolved not to early adopt the following Standards of GRAP and Interpretations of the Standard of GRAP which were issued but are not yet effective:

#### 1.08.1.1 GRAP 18 - Segment Reporting (effective 1 April 2020)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.08.1.2 GRAP 32 - Service Concession Arrangements: Grantor (effective 1 April 2019)

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

### 1.08.1.3 GRAP 34 - Separate Financial Statements (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

No significant impact is expected as the Municipality has no investments in any entities.

### 1.08.1.4 GRAP 35 - Consolidated Financial Statements (effective 1 April 2020)

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

No significant impact is expected as the Municipality does not control any entities.

### 1.08.1.5 GRAP 36 - Investments in Associates and Joint Ventures (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

### 1.08.1.6 GRAP 37 - Joint Arrangements (effective 1 April 2020)

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

### 1.08.1.7 GRAP 38 - Disclosure of Interests in Other Entities (effective 1 April 2020)

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) the effects of those interests on its financial position, financial performance and cash flows.

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

### 1.08.1.8 GRAP 109 - Accounting by Principles and Agents (effective 1 April 2019)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

### 1.08.1.9 GRAP 110 - Living and Non-living Resources (effective 1 April 2020)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.08.1.10 iGRAP 1 (Revised) - Applying The Probability Test On Initial Recognition Of Revenue (effective 1 April 2020)

This Interpretation addresses the manner in which an entity applies the probability test on initial recognition of:

- (a) exchange revenue in accordance with GRAP 9; and
- (b) non-exchange revenue in accordance with GRAP 23.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

### 1.08.1.11 iGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (effective 1 April 2019)

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

### 1.08.1.12 iGRAP 18 - Recognition and Derecognition of Land (effective 1 April 2019)

This Interpretation of the Standards of GRAP provides guidance on when an entity should recognise and derecognise land as an asset in its financial statements.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

### 1.08.1.13 iGRAP 19 - Liabilities to Pay Levies (effective 1 April 2019)

This Interpretation provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

### 1.08.1.14 iGRAP 20 - Accounting for Adjustments to Revenue (effective 1 April 2020)

This Interpretation clarifies the accounting for adjustments to:

- (a) exchange and non-exchange revenue charged in terms of legislation or similar means; and
- (b) interest and penalties that arise from revenue already recognised.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

## 1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

All Standards of GRAP currently issued, have effective dates.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.09 RESERVES

#### 1.09.1 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 to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

### 1.10 INVESTMENT PROPERTY

#### 1.10.1 Initial Recognition

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, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property 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, its deemed cost is the carrying amount of the asset(s) given up.

#### 1.10.2 Subsequent Measurement – Cost Model

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

#### 1.10.3 Depreciation – Cost Model

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 the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

|           | YEARS    |
|-----------|----------|
| Buildings | 20 - 100 |

### 1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.10.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.11 PROPERTY, PLANT AND EQUIPMENT

### 1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current 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.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. 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.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any 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.

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 asset 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.

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.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated 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 or service potential associated with the asset.

### 1.11.3 Depreciation

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 the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

|                           | YEARS    |                      | YEARS   |
|---------------------------|----------|----------------------|---------|
| <b>Land and Buildings</b> |          | <b>Leased Assets</b> |         |
| Land                      | N/A      | Office Equipment     | 3 - 15  |
| Buildings                 | 20 - 100 |                      |         |
| Work in progress          | N/A      | <b>Other Assets</b>  |         |
|                           |          | Vehicles             | 5 - 30  |
| <b>Infrastructure</b>     |          | Tools & Equipment    | 5 - 35  |
| Roads and Storm water     | 5 - 150  | Furniture            | 5 - 20  |
| Electricity Network       | 10 - 100 | Special Vehicles     | 10 - 35 |
| Sewerage Network          | 10 - 200 | Tables               | 5 - 20  |
| Water Network             | 10 - 200 | Chairs               | 5 - 20  |
| Refuse Removal            | 20 - 50  | Office Equipment     | 3 - 15  |
| Work in progress          | N/A      | Computer Hardware    | 3 - 15  |
|                           |          | Other                | 15      |
| <b>Community Assets</b>   |          |                      |         |
| Parks and Gardens         | 15 - 20  |                      |         |
| Cemeteries                | 30       |                      |         |

### 1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.11.5 Derecognition

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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.12 INTANGIBLE ASSETS

#### 1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset 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.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset 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.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any 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.

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 is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### 1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

#### 1.12.3 Amortisation

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 still subject to an annual impairment test.

Amortisation of an intangible with a finite life 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 the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, 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:

|                   | Years  |
|-------------------|--------|
| Computer Software | 3 - 15 |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.12.4 Impairment

Intangible assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.12.5 Derecognition

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.

## 1.13 HERITAGE ASSETS

### 1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets 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.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any 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.

Where a heritage 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 is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

### 1.13.2 Subsequent Measurement – Cost Model

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

### 1.13.3 Depreciation

Heritage assets are not depreciated.

### 1.13.4 Impairment

Heritage assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

### 1.14 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

#### 1.14.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of 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.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

#### 1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. 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.

#### 1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.14.4 Reversal of an impairment loss

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

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.15 INVENTORIES

#### 1.15.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

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. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs incurred in bringing the inventories to their current location and condition.

#### 1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

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

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

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

### **1.16 EMPLOYEE BENEFITS**

Defined-contribution plans are post-employment benefit plans under which the Municipality 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 recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

#### **1.16.1 Post-Retirement Benefits**

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

##### **1.16.1.1 Multi-employer defined benefit plans**

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

##### **1.16.1.2 Post Retirement Medical Benefits**

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% is 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. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is 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 present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

#### **1.16.2 Long-term Benefits**

##### **1.16.2.1 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 annually 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 recognised in 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 recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.16.3 Short-term Benefits

#### 1.16.3.1 Staff Leave

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 reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

#### 1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

#### 1.16.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

#### 1.16.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- (b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

### 1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential 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 of future outflows of resources. 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.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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 is derecognised.

### 1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### 1.18.1 Municipality as Lessee

##### 1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

##### 1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

#### 1.18.2 Municipality as Lessor

##### 1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (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 asset (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 in the Statement of Financial Performance.

##### 1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.19 FINANCIAL INSTRUMENTS

#### 1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised 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. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

#### 1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
  - (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

#### 1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

##### 1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost 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 discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

##### 1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### **1.19.4 Derecognition of financial instruments**

#### **1.19.4.1 Financial assets**

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

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

#### **1.19.4.2 Financial liabilities**

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

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

### **1.19.5 Offsetting of financial instruments**

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

### **1.20 STATUTORY RECEIVABLES**

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

#### **1.20.1 Initial Recognition**

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

#### **1.20.2 Subsequent Measurement**

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

#### **1.20.3 Impairment and uncollectability of statutory receivables**

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

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

### 1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

### 1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

### 1.23 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 in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

### 1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

Where investments 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.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

### 1.25 PAYABLES AND ANNUITY LOANS

Payables and annuity loans 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.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.26 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

### 1.27 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.28 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

#### 1.28.1 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.

##### 1.28.1.1 Taxation Revenue

Taxation revenue comprises of property rates. 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 proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

##### 1.28.1.2 Transfer 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 recognised 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, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.28.1.3 *Fines*

Fine Revenue constitutes both spot fines and summonses. Any fine reductions or cancellations subsequent to the fine issue date is recorded as a write-off against the provision raised for debt impairment.

### 1.28.1.4 *Insurance Refunds*

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.

### 1.28.1.5 *Unclaimed deposits*

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

### 1.28.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

### 1.28.1.7 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

### 1.28.1.8 *Contributed Assets*

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

## 1.28.2 **Revenue from Exchange Transactions**

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

### 1.28.2.1 *Service Charges*

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

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 number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

### 1.28.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

### 1.28.2.3 *Rental income*

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

### 1.28.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

### 1.28.2.5 *Other Tariffs*

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.

### 1.28.2.6 *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.28.2.7 *Deferred payment*

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

## 1.29 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.30 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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.31 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 is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.32 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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 Municipality. 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.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

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

### 1.34 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

### 1.35 EVENTS AFTER REPORTING DATE

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

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

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

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.36 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

### 1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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:

#### 1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

#### 1.37.2 Impairment of Receivables

The calculation in respect of the impairment of receivables 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.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

### 1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

### 1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards 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.

### 1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

### 1.37.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

### 1.37.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy 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 prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

# THE WATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### CASH AND CASH EQUIVALENTS

|                          |            |            |
|--------------------------|------------|------------|
| Bank Accounts            | 87 515 246 | 23 234 967 |
| Call Investment Deposits | 43 414 553 | 40 655 244 |
| Cash Floats              | 10 350     | 10 350     |

|              |                    |                   |
|--------------|--------------------|-------------------|
| <b>Total</b> | <b>130 940 149</b> | <b>63 900 561</b> |
|--------------|--------------------|-------------------|

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

|                              |            |            |
|------------------------------|------------|------------|
| Unspent Conditional Grants   | 41 641 950 | 17 097 285 |
| Unspent Public Contributions | 259 792    | 421 637    |
| Capital Replacement Reserve  | 20 822 188 | 12 425 354 |
| Working Capital Requirements | 68 216 219 | 33 956 286 |

|                                        |                    |                   |
|----------------------------------------|--------------------|-------------------|
| <b>Total Cash and Cash Equivalents</b> | <b>130 940 149</b> | <b>63 900 561</b> |
|----------------------------------------|--------------------|-------------------|

### 2.1 Bank Accounts

|                                                                        |            |            |
|------------------------------------------------------------------------|------------|------------|
| ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account) | 87 515 246 | 23 234 967 |
| ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)       | -          | -          |
| ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)      | -          | -          |

|              |                   |                   |
|--------------|-------------------|-------------------|
| <b>Total</b> | <b>87 515 246</b> | <b>23 234 967</b> |
|--------------|-------------------|-------------------|

#### ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)

|                                             |            |            |
|---------------------------------------------|------------|------------|
| Cash book balance at beginning of year      | 23 234 967 | 26 279 841 |
| Cash book balance at end of year            | 87 515 246 | 23 234 967 |
| Bank statement balance at beginning of year | 22 993 423 | 25 737 671 |
| Bank statement balance at end of year       | 87 261 663 | 22 993 423 |

The Municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

#### ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

|                                             |   |   |
|---------------------------------------------|---|---|
| Cash book balance at beginning of year      | - | - |
| Cash book balance at end of year            | - | - |
| Bank statement balance at beginning of year | - | - |
| Bank statement balance at end of year       | - | - |

Income account is cleared daily to Primary Bank Account.

#### ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

|                                             |   |   |
|---------------------------------------------|---|---|
| Cash book balance at beginning of year      | - | - |
| Cash book balance at end of year            | - | - |
| Bank statement balance at beginning of year | - | - |
| Bank statement balance at end of year       | - | - |

Traffic account is cleared daily to Primary Bank Account.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 2 CASH AND CASH EQUIVALENTS (CONTINUED)

#### 2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

|                                |                       |                               |                   |                   |
|--------------------------------|-----------------------|-------------------------------|-------------------|-------------------|
| Interneuron Capital Ltd        | - Notice deposit      | - Account number CA 002       | 430 224           | 430 224           |
| ABSA Bank Limited              | - 3 months investment | - Account number 93-0013-5651 | 11 940 382        | 11 176 363        |
| ABSA Bank Limited              | - 3 months investment | - Account number 93-0013-5415 | 24 395 791        | 22 834 800        |
| ABSA Bank Limited              | - Notice deposit      | - Account number 90-9522-5460 | 7 078 380         | 6 644 081         |
|                                |                       |                               | <b>43 844 778</b> | <b>41 085 468</b> |
| Less: Provision for Impairment |                       |                               | (430 224)         | (430 224)         |
| <b>Total</b>                   |                       |                               | <b>43 414 553</b> | <b>40 655 244</b> |

An amount of R 430 224 (2018: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### Service Receivables

|             |             |             |
|-------------|-------------|-------------|
| Electricity | 178 287 218 | 153 489 783 |
| Water       | 8 667 360   | 7 772 202   |
| Refuse      | 50 908 739  | 43 256 123  |
| Sewerage    | 40 003 984  | 36 384 199  |
| Other       | 35 514 715  | 31 323 168  |
|             | 43 192 420  | 34 754 091  |

#### Other Receivables

|                  |           |           |
|------------------|-----------|-----------|
| Prepayments      | 3 724 537 | 2 652 071 |
| Accrued Interest | 3 339 827 | 2 551 472 |
|                  | 384 710   | 100 599   |

#### Total Gross Balance

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Less: Allowance for Debt Impairment | 182 011 755   | 156 141 854   |
|                                     | (144 881 353) | (126 298 825) |

#### Total Net Receivable

|                                             |            |                   |
|---------------------------------------------|------------|-------------------|
| As previously reported                      | 37 130 402 | 29 843 029        |
| Correction of error restatement - note 48.1 |            | 33 606 683        |
|                                             |            | (3 763 653)       |
| Restated balance                            |            | <b>29 843 029</b> |

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

|                                               |                    |                    |
|-----------------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year          | 126 298 825        | 105 896 302        |
| Movement in the contribution to the provision | 43 954 671         | 41 243 198         |
| Bad Debts Written off                         | (25 372 143)       | (22 620 693)       |
| Transfer to long-term receivables             | -                  | 1 780 018          |
| Balance at the end of the year                | <b>144 881 353</b> | <b>126 298 825</b> |

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

|                                                                     |                    | 2019                                  | 2018                |
|---------------------------------------------------------------------|--------------------|---------------------------------------|---------------------|
|                                                                     | Gross Balance<br>R | Allowance for Debt<br>Impairment<br>R | Net Receivable<br>R |
| <b>30 June 2019</b>                                                 |                    |                                       |                     |
| <b>Service Receivables</b>                                          |                    |                                       |                     |
| Electricity                                                         | 8 667 360          | (908 597)                             | 7 758 763           |
| Water                                                               | 50 908 739         | (35 064 494)                          | 15 844 245          |
| Refuse                                                              | 40 003 984         | (36 353 263)                          | 3 650 721           |
| Sewerage                                                            | 35 514 715         | (30 499 757)                          | 5 014 958           |
| Other                                                               | 43 192 420         | (42 055 242)                          | 1 137 178           |
| <b>Other Receivables</b>                                            |                    |                                       |                     |
| Prepayments                                                         | 3 339 827          | -                                     | 3 339 827           |
| Accrued Interest                                                    | 384 710            | -                                     | 384 710             |
| <b>Total</b>                                                        | <b>182 011 755</b> | <b>(144 881 353)</b>                  | <b>37 130 402</b>   |
| <b>30 June 2018</b>                                                 |                    |                                       |                     |
| <b>Service Receivables</b>                                          |                    |                                       |                     |
| Electricity                                                         | 7 772 202          | (1 864 826)                           | 5 907 376           |
| Water                                                               | 43 256 123         | (33 013 334)                          | 10 242 789          |
| Refuse                                                              | 36 384 199         | (32 874 775)                          | 3 509 424           |
| Sewerage                                                            | 31 323 168         | (26 617 464)                          | 4 705 704           |
| Other                                                               | 34 754 091         | (31 928 426)                          | 2 825 665           |
| <b>Other Receivables</b>                                            |                    |                                       |                     |
| Prepayments                                                         | 2 551 472          | -                                     | 2 551 472           |
| Accrued Interest                                                    | 100 599            | -                                     | 100 599             |
| <b>Total</b>                                                        | <b>156 141 854</b> | <b>(126 298 825)</b>                  | <b>29 843 029</b>   |
| <b>Ageing of Receivables from Exchange Transactions</b>             |                    |                                       |                     |
| <b>Electricity</b>                                                  |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 6 507 357                             | 4 912 351           |
| 1 to 3 months                                                       |                    | 1 394 860                             | 1 767 716           |
| Longer than 3 months                                                |                    | 765 143                               | 1 092 135           |
| <b>Total</b>                                                        |                    | <b>8 667 360</b>                      | <b>7 772 202</b>    |
| <b>Water</b>                                                        |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 11 389 453                            | 8 280 250           |
| 1 to 3 months                                                       |                    | 7 336 875                             | 6 545 420           |
| Longer than 3 months                                                |                    | 32 182 412                            | 28 430 453          |
| <b>Total</b>                                                        |                    | <b>50 908 739</b>                     | <b>43 256 123</b>   |
| <b>Refuse</b>                                                       |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 2 980 060                             | 2 602 666           |
| 1 to 3 months                                                       |                    | 4 081 992                             | 4 195 263           |
| Longer than 3 months                                                |                    | 32 941 932                            | 29 586 270          |
| <b>Total</b>                                                        |                    | <b>40 003 984</b>                     | <b>36 384 199</b>   |
| <b>Sewerage</b>                                                     |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 4 404 181                             | 3 222 181           |
| 1 to 3 months                                                       |                    | 3 638 427                             | 4 252 267           |
| Longer than 3 months                                                |                    | 27 472 107                            | 23 848 720          |
| <b>Total</b>                                                        |                    | <b>35 514 715</b>                     | <b>31 323 168</b>   |
| <b>Other</b>                                                        |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 1 703 462                             | 1 836 018           |
| 1 to 3 months                                                       |                    | 3 858 573                             | 3 893 364           |
| Longer than 3 months                                                |                    | 37 630 385                            | 29 024 710          |
| <b>Total</b>                                                        |                    | <b>43 192 420</b>                     | <b>34 754 091</b>   |
| <b>Summary Ageing of all Receivables from Exchange Transactions</b> |                    |                                       |                     |
| Current (0 - 30 days)                                               |                    | 26 984 512                            | 20 853 466          |
| 1 to 3 months                                                       |                    | 20 310 726                            | 20 654 030          |
| Longer than 3 months                                                |                    | 130 991 980                           | 111 982 287         |
| <b>Total</b>                                                        |                    | <b>178 287 219</b>                    | <b>153 489 783</b>  |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

#### Service Receivables

Property Rates

34 500 001

35 707 240

#### Other Receivables

52 824 973

56 239 090

Unpaid Traffic Fines

51 406 985

55 105 850

Suspense Debtors

1 417 988

1 133 240

#### Total Gross Balance

87 324 974

91 946 330

Less: Allowance for Debt Impairment

(70 709 401)

(75 791 728)

#### Total Net Receivable

16 615 573

16 154 602

As previously reported

16 232 180

Correction of error restatement - note 48.1

(252 033)

Correction of error restatement - note 48.5

174 455

Restated balance

16 154 602

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. 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. Interest of prime +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

75 791 728

54 480 060

Movement in the contribution to the provision

31 940 822

42 072 859

Bad Debts Written off

(37 023 149)

(21 708 025)

Transfer to long-term receivables

-

946 834

Balance at the end of the year

70 709 401

75 791 728

The Allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

|                            | Gross Balance<br>R | Allowance for Debt<br>Impairment<br>R | Net Receivable<br>R |
|----------------------------|--------------------|---------------------------------------|---------------------|
| <b>30 June 2019</b>        |                    |                                       |                     |
| <b>Service Receivables</b> |                    |                                       |                     |
| Property Rates             | 34 500 001         | (24 690 610)                          | 9 809 391           |
| <b>Other Receivables</b>   |                    |                                       |                     |
| Unpaid Traffic Fines       | 51 406 985         | (46 018 790)                          | 5 388 194           |
| Suspense Debtors           | 1 417 988          | -                                     | 1 417 988           |
| <b>Total</b>               | <b>87 324 974</b>  | <b>(70 709 400)</b>                   | <b>16 615 573</b>   |
| <b>30 June 2018</b>        |                    |                                       |                     |
| <b>Service Receivables</b> |                    |                                       |                     |
| Property Rates             | 35 707 240         | (27 446 086)                          | 8 261 155           |
| <b>Other Receivables</b>   |                    |                                       |                     |
| Unpaid Traffic Fines       | 55 105 850         | (48 345 642)                          | 6 760 207           |
| Suspense Debtors           | 1 133 240          | -                                     | 1 133 240           |
| <b>Total</b>               | <b>91 946 330</b>  | <b>(75 791 728)</b>                   | <b>16 154 602</b>   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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

##### Property Rates

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Current (0 - 30 days) | 6 070 719         | 5 883 789         |
| 1 to 3 months         | 3 402 630         | 4 846 376         |
| Longer than 3 months  | 25 026 652        | 24 977 075        |
| <b>Total</b>          | <b>34 500 001</b> | <b>35 707 240</b> |

### 5 UNPAID CONDITIONAL GOVERNMENT GRANTS

|                            |          |                  |
|----------------------------|----------|------------------|
| National Government Grants | -        | 4 625 423        |
| <b>Total</b>               | <b>-</b> | <b>4 625 423</b> |

Detail reconciliations of all grants received and grant conditions met are included in note 25.

### 6 TAXES

|                                                    |                  |                  |
|----------------------------------------------------|------------------|------------------|
| VAT Receivable                                     | 4 369 051        | 7 721 185        |
| VAT Payable prior to Allowance for Debt Impairment | (8 939 362)      | (4 037 406)      |
| Less: VAT on Allowance for Debt Impairment         | 13 308 412       | 11 758 591       |
| <b>Total</b>                                       | <b>4 369 051</b> | <b>7 721 185</b> |
| As previously reported                             |                  | 8 326 291        |
| Correction of error restatement - note 48.5        |                  | (605 106)        |
| Restated balance                                   |                  | 7 721 185        |

#### Reconciliation of VAT on Allowance for Debt Impairment

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Balance at beginning of year     | 11 758 591        | 10 415 965        |
| Debt Impairment for current year | 1 549 822         | 1 342 625         |
| Balance at the end of the year   | <b>13 308 412</b> | <b>11 758 591</b> |

### 7 OPERATING LEASES

#### 7.1 OPERATING LEASE ASSET

|                       |         |         |
|-----------------------|---------|---------|
| Operating Lease Asset | 439 966 | 533 076 |
|-----------------------|---------|---------|

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

#### Reconciliation of Operating Lease Asset

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 533 076        | 539 922        |
| Movement during the year             | (93 110)       | (6 846)        |
| Balance at the end of the year       | <b>439 966</b> | <b>533 076</b> |

#### The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Within 1 Year                         | 862 783          | 550 012          |
| Between 1 and 5 Years                 | 596 724          | 873 830          |
| After 5 Years                         | 1 157 618        | 1 300 551        |
| <b>Total operating lease payments</b> | <b>2 617 126</b> | <b>2 724 393</b> |

The prior year's total lease payments indicated an amount of R3 293 277. This amount has been restated to R2 724 393 due to minor calculation errors, duplications and omissions.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 7 OPERATING LEASES (CONTINUED)

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 Municipality leases a number of land and buildings for periods ranging from 1 to 99 years with escalations of between 0% and 20% per annum.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

### 8 LONG-TERM RECEIVABLES

|                                                |            |               |
|------------------------------------------------|------------|---------------|
| Receivables with repayment arrangements        | -          | 23 911        |
| Individual Housing Loans                       | 1 501      | 2 847         |
| <b>Sub-Total</b>                               | 1 501      | 26 759        |
| Less: Current portion of Long-term Receivables | (1 361)    | (14 744)      |
| Receivables with repayment arrangements        | -          | (13 384)      |
| Individual Housing Loans                       | (1 361)    | (1 361)       |
| <b>Total Gross Balance</b>                     | 140        | 12 014        |
| Less: Allowance for Debt Impairment            | -          | -             |
| <b>Total</b>                                   | <b>140</b> | <b>12 014</b> |

#### Receivables with repayment arrangements

As on 30 June 2019, no arrangements with debtors were made. As on 30 June 2018, debtors amounting to R23 911 arranged to settle their account over an re-negotiated period. Total payments to the value of R10 528 have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

#### Individual Housing Loans

Housing loans are not currently granted to officials of the Municipality. The outstanding amount relates to prior years and is still collectable. Staff were entitled to housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years. These loans are repayable up to the year 2020.

#### Reconciliation of Allowance for Debt Impairment

|                                                          |   |             |
|----------------------------------------------------------|---|-------------|
| Balance at the beginning of the year                     | - | 2 726 852   |
| Transfer from Receivables from Exchange Transactions     | - | (1 780 018) |
| Transfer from Receivables from Non-Exchange Transactions | - | (946 834)   |
| Balance at the end of the year                           | - | -           |

The allowance for impairment of long-term receivables has been made for all consumer balances subject to repayment arrangements, due to the low level of repayment.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

|                                                                                                                                         | 2019              | 2018              |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>9 INVENTORY</b>                                                                                                                      |                   |                   |
| Maintenance Materials                                                                                                                   | 5 059 993         | 5 386 995         |
| Water                                                                                                                                   | 687 854           | 553 727           |
| <b>Total</b>                                                                                                                            | <b>5 747 847</b>  | <b>5 940 722</b>  |
| Inventory are disclosed at the lower of cost or net realisable value.                                                                   |                   |                   |
| The Municipality recognised only purification costs in respect of non-purchased purified water inventory.                               |                   |                   |
| No inventory were pledged as security for liabilities.                                                                                  |                   |                   |
| Inventory written down due to losses identified during the annual stores counts                                                         | 7 319             | 27 020            |
| Inventory recognised as an expense during the year                                                                                      | 9 223 877         | 10 907 288        |
| <b>10 INVESTMENT PROPERTY</b>                                                                                                           |                   |                   |
| Investment Property - Carrying Value                                                                                                    | <b>68 105 086</b> | <b>66 564 169</b> |
| As previously reported                                                                                                                  |                   | 66 447 569        |
| Correction of error restatement - note 48.2                                                                                             |                   | 116 600           |
| Restated balance                                                                                                                        |                   | 66 564 169        |
| <b>The carrying value of Investment Property is reconciled as follows:</b>                                                              |                   |                   |
| <b>Opening Carrying Value</b>                                                                                                           | <b>66 564 169</b> | <b>66 883 906</b> |
| Cost                                                                                                                                    | 71 186 654        | 71 445 536        |
| Accumulated Depreciation                                                                                                                | (691 129)         | (630 274)         |
| Accumulated Impairment                                                                                                                  | (3 931 356)       | (3 931 356)       |
| Additions                                                                                                                               | -                 | -                 |
| Reversal of impairment                                                                                                                  | 1 601 772         | -                 |
| Disposals                                                                                                                               | -                 | (258 882)         |
| Cost                                                                                                                                    | -                 | (258 882)         |
| Accumulated Depreciation                                                                                                                | -                 | -                 |
| Accumulated Impairment                                                                                                                  | -                 | -                 |
| Depreciation                                                                                                                            | (60 855)          | (60 855)          |
| <b>Closing Carrying Value</b>                                                                                                           | <b>68 105 086</b> | <b>66 564 169</b> |
| Cost                                                                                                                                    | 71 186 654        | 71 186 654        |
| Accumulated Depreciation                                                                                                                | (751 984)         | (691 129)         |
| Accumulated Impairment                                                                                                                  | (2 329 584)       | (3 931 356)       |
| There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.            |                   |                   |
| There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements. |                   |                   |
| Revenue derived from the rental of Investment Property                                                                                  | 1 596 244         | 1 587 216         |
| Repairs and maintenance incurred on Investment Properties                                                                               |                   |                   |
| Revenue generating properties                                                                                                           | -                 | -                 |
| Non-revenue generating properties                                                                                                       | -                 | -                 |
| <b>Total Repairs and Maintenance</b>                                                                                                    | <b>-</b>          | <b>-</b>          |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 11 PROPERTY, PLANT AND EQUIPMENT

|                                        | Cost<br>R            | Accumulated<br>Depreciation<br>R | Accumulated<br>Impairment<br>R | Carrying<br>Value<br>R |
|----------------------------------------|----------------------|----------------------------------|--------------------------------|------------------------|
| <b>30 June 2019</b>                    |                      |                                  |                                |                        |
| Land and Buildings                     | 117 927 843          | (5 324 687)                      | (2 660 710)                    | 109 942 446            |
| Infrastructure                         | 819 019 862          | (143 311 330)                    | -                              | 675 708 532            |
| Community Assets                       | 763 623              | (429 967)                        | -                              | 333 656                |
| Leased Assets                          | -                    | -                                | -                              | -                      |
| Other Assets                           | 58 616 955           | (19 226 056)                     | -                              | 39 390 900             |
| Capitalised Restoration Cost           | 47 988 462           | (29 428 980)                     | (8 035 788)                    | 10 523 694             |
| <b>Total</b>                           | <b>1 044 316 745</b> | <b>(197 721 020)</b>             | <b>(10 696 498)</b>            | <b>835 899 227</b>     |
| <b>30 June 2018</b>                    |                      |                                  |                                |                        |
| Land and Buildings                     | 104 706 771          | (4 647 817)                      | (5 245 710)                    | 94 813 244             |
| Infrastructure                         | 762 974 592          | (128 635 908)                    | -                              | 634 338 685            |
| Community Assets                       | 763 623              | (407 223)                        | -                              | 356 401                |
| Leased Assets                          | 564 037              | (484 304)                        | -                              | 79 733                 |
| Other Assets                           | 55 056 172           | (18 125 619)                     | -                              | 36 930 553             |
| Capitalised Restoration Cost           | 41 954 024           | (27 850 485)                     | (7 523 941)                    | 6 579 598              |
| <b>Total</b>                           | <b>966 019 220</b>   | <b>(180 151 355)</b>             | <b>(12 769 651)</b>            | <b>773 098 213</b>     |
| As previously reported                 |                      |                                  |                                | 766 263 070            |
| Correction of error restatement - note |                      |                                  |                                | 6 835 143              |
| Restated balance                       |                      |                                  |                                | 773 098 213            |

Repairs and Maintenance were incurred on the following asset classes:

|                    |                   |                   |
|--------------------|-------------------|-------------------|
| Land and Buildings | 8 617 718         | 5 932 804         |
| Infrastructure     | 10 901 354        | 8 854 354         |
| Community Assets   | 549 235           | 437 710           |
| Other Assets       | 5 065 402         | 5 438 535         |
| <b>Total</b>       | <b>25 133 708</b> | <b>20 663 402</b> |

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

The reconciliation of the carrying value of Property, Plant and Equipment is disclosed on the following page:

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Reconciliation of Carrying Value    | Cost               |                   |                    |                    |                  |                      | Accumulated Depreciation and Impairment |                     |                       |                    |                  |                    | Carrying Value     |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|------------------|----------------------|-----------------------------------------|---------------------|-----------------------|--------------------|------------------|--------------------|--------------------|
|                                     | Opening Balance    | Additions         | Disposals          | Contributed Assets | Transfers        | Closing Balance      | Opening Balance                         | Depreciation Charge | Impairment (Reversal) | Disposals          | Transfers        | Closing Balance    |                    |
|                                     | R                  | R                 | R                  | R                  | R                | R                    | R                                       | R                   | R                     | R                  | R                | R                  | R                  |
| <b>30 June 2019</b>                 |                    |                   |                    |                    |                  |                      |                                         |                     |                       |                    |                  |                    |                    |
| <b>Land and Buildings</b>           | <b>104 706 771</b> | <b>37 470</b>     | -                  | <b>13 183 602</b>  | -                | <b>117 927 843</b>   | <b>9 893 527</b>                        | <b>676 870</b>      | <b>(2 585 000)</b>    | -                  | -                | <b>7 985 397</b>   | <b>109 942 446</b> |
| Land                                | 40 284 175         | -                 | -                  | -                  | -                | 40 284 175           | 5 245 710                               | -                   | (2 585 000)           | -                  | -                | 2 660 710          | 37 623 465         |
| Buildings                           | 62 108 572         | -                 | -                  | 13 183 602         | -                | 75 292 174           | 4 647 817                               | 676 870             | -                     | -                  | -                | 5 324 687          | 69 967 487         |
| Work in progress                    | 2 314 025          | 37 470            | -                  | -                  | -                | 2 351 495            | -                                       | -                   | -                     | -                  | -                | -                  | 2 351 495          |
| <b>Infrastructure</b>               | <b>762 974 592</b> | <b>56 045 269</b> | -                  | -                  | -                | <b>819 019 862</b>   | <b>128 635 908</b>                      | <b>14 675 422</b>   | -                     | -                  | -                | <b>143 311 330</b> | <b>675 708 532</b> |
| Roads and Storm water               | 210 285 092        | -                 | -                  | -                  | 11 442 544       | 221 727 636          | 53 400 273                              | 3 603 379           | -                     | -                  | -                | 57 003 652         | 164 723 984        |
| Electricity Network                 | 95 702 734         | -                 | -                  | -                  | 145 864          | 95 848 598           | 15 381 558                              | 2 194 611           | -                     | -                  | -                | 17 576 169         | 78 272 429         |
| Sewerage Network                    | 189 275 577        | -                 | -                  | -                  | 2 226 316        | 191 501 893          | 27 102 725                              | 4 350 576           | -                     | -                  | -                | 31 453 301         | 160 048 593        |
| Water Network                       | 166 557 705        | -                 | -                  | -                  | 8 658 112        | 175 215 816          | 32 382 576                              | 4 354 952           | -                     | -                  | -                | 36 737 528         | 138 478 288        |
| Refuse Removal                      | 5 966 816          | -                 | -                  | -                  | 5 987 021        | 11 953 837           | 368 776                                 | 171 903             | -                     | -                  | -                | 540 680            | 11 413 157         |
| Work in progress                    | 95 186 669         | 56 045 269        | -                  | -                  | (28 459 857)     | 122 772 081          | -                                       | -                   | -                     | -                  | -                | -                  | 122 772 081        |
| <b>Community Assets</b>             | <b>763 623</b>     | -                 | -                  | -                  | -                | <b>763 623</b>       | <b>407 223</b>                          | <b>22 745</b>       | -                     | -                  | -                | <b>429 967</b>     | <b>333 656</b>     |
| Parks and Gardens                   | 561 924            | -                 | -                  | -                  | -                | 561 924              | 205 524                                 | 22 745              | -                     | -                  | -                | 228 268            | 333 656            |
| Cemeteries                          | 201 699            | -                 | -                  | -                  | -                | 201 699              | 201 699                                 | -                   | -                     | -                  | -                | 201 699            | -                  |
| <b>Leased Assets</b>                | <b>564 037</b>     | -                 | -                  | -                  | <b>(564 037)</b> | -                    | <b>484 304</b>                          | -                   | -                     | -                  | <b>(484 304)</b> | -                  | -                  |
| Office Equipment                    | 564 037            | -                 | -                  | -                  | (564 037)        | -                    | 484 304                                 | -                   | -                     | -                  | (484 304)        | -                  | -                  |
| <b>Other Assets</b>                 | <b>55 056 172</b>  | <b>7 266 385</b>  | <b>(4 269 639)</b> | -                  | <b>564 037</b>   | <b>58 616 955</b>    | <b>18 125 619</b>                       | <b>3 136 998</b>    | -                     | <b>(2 520 866)</b> | <b>484 304</b>   | <b>19 226 056</b>  | <b>39 390 900</b>  |
| Vehicles                            | 4 837 788          | 2 140 513         | (247 399)          | -                  | -                | 6 730 903            | 1 536 043                               | 325 547             | -                     | (150 873)          | -                | 1 710 717          | 5 020 186          |
| Tools & Equipment                   | 8 572 046          | 1 041 881         | (1 352 921)        | -                  | (362 794)        | 7 898 211            | 3 975 703                               | 508 330             | -                     | (872 492)          | (50 193)         | 3 561 348          | 4 336 863          |
| Furniture                           | 2 352 054          | 839 550           | (101 490)          | -                  | (11 832)         | 3 078 282            | 1 005 363                               | 161 237             | -                     | (46 660)           | -                | 1 119 940          | 1 958 341          |
| Special Vehicles                    | 28 269 382         | -                 | (720 474)          | -                  | -                | 27 548 908           | 7 015 589                               | 1 324 624           | -                     | (406 520)          | -                | 7 933 694          | 19 615 214         |
| Tables                              | 513 166            | -                 | (39 657)           | -                  | -                | 473 509              | 258 861                                 | 26 234              | -                     | (24 846)           | -                | 260 248            | 213 261            |
| Chairs                              | 1 000 779          | -                 | (81 045)           | -                  | -                | 919 733              | 468 802                                 | 59 423              | -                     | (43 059)           | -                | 485 167            | 434 566            |
| Office Equipment                    | 3 307 469          | 609 839           | (650 797)          | -                  | 374 626          | 3 641 137            | 1 626 313                               | 237 575             | -                     | (332 265)          | 50 193           | 1 581 816          | 2 059 321          |
| Computer Hardware                   | 5 912 597          | 2 634 601         | (1 028 032)        | -                  | 564 037          | 8 083 203            | 2 122 281                               | 476 646             | -                     | (629 672)          | 484 304          | 2 453 560          | 5 629 643          |
| Other                               | 290 892            | -                 | (47 824)           | -                  | -                | 243 069              | 116 664                                 | 17 381              | -                     | (14 479)           | -                | 119 566            | 123 503            |
| <b>Capitalised Restoration Cost</b> | <b>41 954 024</b>  | <b>6 034 437</b>  | -                  | -                  | -                | <b>47 988 462</b>    | <b>35 374 426</b>                       | <b>1 578 495</b>    | <b>511 847</b>        | -                  | -                | <b>37 464 768</b>  | <b>10 523 694</b>  |
| Landfill Site Rehabilitation        | 41 954 024         | 6 034 437         | -                  | -                  | -                | 47 988 462           | 35 374 426                              | 1 578 495           | 511 847               | -                  | -                | 37 464 768         | 10 523 694         |
|                                     | <b>966 019 220</b> | <b>69 383 562</b> | <b>(4 269 639)</b> | <b>13 183 602</b>  | -                | <b>1 044 316 745</b> | <b>192 921 006</b>                      | <b>20 090 530</b>   | <b>(2 073 153)</b>    | <b>(2 520 866)</b> | -                | <b>208 417 517</b> | <b>835 899 227</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Reconciliation of Carrying Value    | Cost               |                   |                    |                    |              |                    | Accumulated Depreciation and Impairment |                     |                       |                  |           |                    | Carrying Value (Restated) |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|--------------|--------------------|-----------------------------------------|---------------------|-----------------------|------------------|-----------|--------------------|---------------------------|
|                                     | Opening Balance    | Additions         | Disposals          | Contributed Assets | Transfers    | Closing Balance    | Opening Balance                         | Depreciation Charge | Impairment (Reversal) | Disposals        | Transfers | Closing Balance    |                           |
|                                     | R                  | R                 | R                  | R                  | R            | R                  | R                                       | R                   | R                     | R                | R         | R                  | R                         |
| <b>Land and Buildings</b>           | <b>104 964 993</b> | <b>547 213</b>    | <b>(895 435)</b>   | <b>90 000</b>      | <b>-</b>     | <b>104 706 771</b> | <b>8 977 177</b>                        | <b>566 513</b>      | <b>349 837</b>        | <b>-</b>         | <b>-</b>  | <b>9 893 527</b>   | <b>94 813 244</b>         |
| Land                                | 41 089 609         | -                 | (895 435)          | 90 000             | -            | 40 284 175         | 5 245 710                               | -                   | -                     | -                | -         | 5 245 710          | 35 038 465                |
| Buildings                           | 60 411 379         | -                 | -                  | -                  | 1 697 193    | 62 108 572         | 3 731 467                               | 566 513             | 349 837               | -                | -         | 4 647 817          | 57 460 755                |
| Work in progress                    | 3 464 005          | 547 213           | -                  | -                  | (1 697 193)  | 2 314 025          | -                                       | -                   | -                     | -                | -         | -                  | 2 314 025                 |
| <b>Infrastructure</b>               | <b>682 853 845</b> | <b>80 120 748</b> | <b>-</b>           | <b>-</b>           | <b>-</b>     | <b>762 974 592</b> | <b>113 622 678</b>                      | <b>15 013 230</b>   | <b>-</b>              | <b>-</b>         | <b>-</b>  | <b>128 635 908</b> | <b>634 338 685</b>        |
| Roads and Storm water               | 202 192 659        | -                 | -                  | -                  | 8 092 433    | 210 285 092        | 47 884 992                              | 5 515 281           | -                     | -                | -         | 53 400 273         | 156 884 819               |
| Electricity Network                 | 81 520 182         | -                 | -                  | -                  | 14 182 552   | 95 702 734         | 13 538 073                              | 1 843 485           | -                     | -                | -         | 15 381 558         | 80 321 176                |
| Sewerage Network                    | 179 179 434        | -                 | -                  | -                  | 10 096 143   | 189 275 577        | 22 702 992                              | 4 399 732           | -                     | -                | -         | 27 102 725         | 162 172 853               |
| Water Network                       | 141 988 651        | -                 | -                  | -                  | 24 569 054   | 166 557 705        | 29 299 280                              | 3 083 296           | -                     | -                | -         | 32 382 576         | 134 175 129               |
| Refuse Removal                      | 5 966 816          | -                 | -                  | -                  | -            | 5 966 816          | 197 341                                 | 171 435             | -                     | -                | -         | 368 776            | 5 598 039                 |
| Work in progress                    | 72 006 103         | 80 120 748        | -                  | -                  | (56 940 182) | 95 186 669         | -                                       | -                   | -                     | -                | -         | -                  | 95 186 669                |
| <b>Community Assets</b>             | <b>763 623</b>     | <b>-</b>          | <b>-</b>           | <b>-</b>           | <b>-</b>     | <b>763 623</b>     | <b>383 843</b>                          | <b>23 379</b>       | <b>-</b>              | <b>-</b>         | <b>-</b>  | <b>407 223</b>     | <b>356 401</b>            |
| Parks and Gardens                   | 561 924            | -                 | -                  | -                  | -            | 561 924            | 182 144                                 | 23 379              | -                     | -                | -         | 205 524            | 356 400                   |
| Cemeteries                          | 201 699            | -                 | -                  | -                  | -            | 201 699            | 201 699                                 | -                   | -                     | -                | -         | 201 699            | 0                         |
| <b>Leased Assets</b>                | <b>572 037</b>     | <b>-</b>          | <b>(8 000)</b>     | <b>-</b>           | <b>-</b>     | <b>564 037</b>     | <b>411 794</b>                          | <b>80 155</b>       | <b>-</b>              | <b>(7 645)</b>   | <b>-</b>  | <b>484 304</b>     | <b>79 733</b>             |
| Office Equipment                    | 572 037            | -                 | (8 000)            | -                  | -            | 564 037            | 411 794                                 | 80 155              | -                     | (7 645)          | -         | 484 304            | 79 733                    |
| <b>Other Assets</b>                 | <b>50 940 431</b>  | <b>6 274 273</b>  | <b>(2 340 289)</b> | <b>181 756</b>     | <b>-</b>     | <b>55 056 172</b>  | <b>15 905 117</b>                       | <b>3 061 538</b>    | <b>-</b>              | <b>(841 036)</b> | <b>-</b>  | <b>18 125 619</b>  | <b>36 930 553</b>         |
| Vehicles                            | 4 945 791          | 161 300           | (269 304)          | -                  | -            | 4 837 788          | 1 252 605                               | 322 670             | -                     | (39 233)         | -         | 1 536 043          | 3 301 745                 |
| Tools & Equipment                   | 8 962 543          | 819 685           | (1 210 183)        | -                  | -            | 8 572 046          | 3 939 502                               | 595 767             | -                     | (559 566)        | -         | 3 975 703          | 4 596 343                 |
| Furniture                           | 2 277 938          | 124 944           | (50 829)           | -                  | -            | 2 352 054          | 867 097                                 | 159 489             | -                     | (21 223)         | -         | 1 005 363          | 1 346 691                 |
| Special Vehicles                    | 24 665 127         | 4 210 106         | (605 850)          | -                  | -            | 28 269 382         | 5 924 237                               | 1 237 015           | -                     | (145 662)        | -         | 7 015 589          | 21 253 793                |
| Tables                              | 521 603            | -                 | (8 437)            | -                  | -            | 513 166            | 235 687                                 | 26 357              | -                     | (3 183)          | -         | 258 861            | 254 305                   |
| Chairs                              | 1 025 216          | -                 | (24 438)           | -                  | -            | 1 000 779          | 422 551                                 | 60 920              | -                     | (14 668)         | -         | 468 802            | 531 976                   |
| Office Equipment                    | 2 992 707          | 386 460           | (77 598)           | 5 900              | -            | 3 307 469          | 1 450 806                               | 201 023             | -                     | (25 516)         | -         | 1 626 313          | 1 681 156                 |
| Computer Hardware                   | 5 212 106          | 571 778           | (47 143)           | 175 856            | -            | 5 912 597          | 1 708 378                               | 438 194             | -                     | (24 290)         | -         | 2 122 281          | 3 790 316                 |
| Other                               | 337 401            | -                 | (46 508)           | -                  | -            | 290 892            | 104 254                                 | 20 105              | -                     | (7 695)          | -         | 116 664            | 174 228                   |
| <b>Capitalised Restoration Cost</b> | <b>39 797 722</b>  | <b>2 156 302</b>  | <b>-</b>           | <b>-</b>           | <b>-</b>     | <b>41 954 024</b>  | <b>30 570 630</b>                       | <b>4 613 546</b>    | <b>190 250</b>        | <b>-</b>         | <b>-</b>  | <b>35 374 426</b>  | <b>6 579 598</b>          |
| Landfill Site Rehabilitation        | 39 797 722         | 2 156 302         | -                  | -                  | -            | 41 954 024         | 30 570 630                              | 4 613 546           | 190 250               | -                | -         | 35 374 426         | 6 579 598                 |
|                                     | <b>879 892 652</b> | <b>89 098 535</b> | <b>(3 243 724)</b> | <b>271 756</b>     | <b>-</b>     | <b>966 019 220</b> | <b>169 871 239</b>                      | <b>23 358 361</b>   | <b>540 087</b>        | <b>(848 681)</b> | <b>-</b>  | <b>192 921 006</b> | <b>773 098 213</b>        |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### INTANGIBLE ASSETS

Intangible Assets - Carrying Value

1 037 629

1 243 880

The carrying value of intangible Assets is reconciled as follows:

#### Opening Carrying Value

1 243 880

1 406 277

Cost

2 242 407

2 242 407

Accumulated Depreciation

(998 528)

(836 131)

Accumulated Impairment

-

-

Additions

-

-

Amortisation

(147 524)

(162 397)

Disposal

(58 726)

-

Cost

(520 892)

-

Accumulated Depreciation

462 166

-

#### Closing Carrying Value

1 037 629

1 243 880

Cost

1 721 516

2 242 407

Accumulated Depreciation

(683 886)

(998 528)

Accumulated Impairment

-

-

The following material intangible assets are included in the carrying value above

#### Description

#### Remaining amortisation period

#### Carrying Value

Computer software/licenses

2 - 10 years

1 037 629

1 243 880

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

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### HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets is that of service delivery and is therefore recognised in Property, Plant and Equipment. The assets are as follows:

Erf 614, Caledon - Utilised as the Town Hall

720 902

720 902

Erven 12 and 14 - Villiersdorp - Utilised as a Restaurant.

290 500

290 500

Bridge at Meul Street, Caledon

14

14

Bridge at Farm 39, Genadendal

163

163

Total carrying value included under Property, Plant and Equipment

1 011 579

1 011 579

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

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### NON-CURRENT INVESTMENTS

Listed shares

241 045

216 096

Fixed Deposits

-

12 352 710

Total

241 045

12 568 806

#### Listed shares

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Listed investments comprise of the following:

Sanlam - Shares Investment

241 045

216 096



# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 14 NON-CURRENT INVESTMENTS (CONTINUED)

#### Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 10.22% per annum.

Fixed deposits consist out of the following:

|                                                                 |              |            |
|-----------------------------------------------------------------|--------------|------------|
| Standard Bank - Account number 088907139005 - 5 year investment | 13 260 197   | 12 352 710 |
| Transferred to Current Investments                              | (13 260 197) | -          |
| Total                                                           | -            | 12 352 710 |

The fixed deposit is ring-fenced for the repayment of stock loans as per note 15.

The fixed deposit will mature in September 2019 and is therefore disclosed as a current asset. A new fixed deposit will thereafter be taken up in order to serve as security for the stock loans as per note .

### 15 LONG-TERM LIABILITIES

|               |            |            |
|---------------|------------|------------|
| Annuity Loans | 73 143 460 | 70 176 818 |
| Stock Loans   | 17 022 969 | 17 022 969 |

#### Sub-Total

90 166 429 87 199 787

Less: Current portion of Long-term Liabilities

7 818 546 7 454 200

|               |           |           |
|---------------|-----------|-----------|
| Annuity Loans | 6 818 546 | 7 454 200 |
| Stock Loans   | 1 000 000 | -         |

#### Total

82 347 883 79 745 587

Long-term Liabilities were utilised as follow:

|                                                       |              |              |
|-------------------------------------------------------|--------------|--------------|
| Total Long-term Liabilities taken up                  | 90 166 429   | 87 199 787   |
| Used to finance Property, Plant and Equipment at cost | (90 166 429) | (87 199 787) |

#### Unspent Borrowings

- -

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

#### Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

| Institution and loan number                                  | Rate   | Maturity Date | Carrying Value of Liability |            |
|--------------------------------------------------------------|--------|---------------|-----------------------------|------------|
| DBSA BANK - 10 & 20 year (Loan No. 102807/1)                 | 10.74% | 30/06/2028    | 6 011 180                   | 6 420 224  |
| DBSA BANK - 10 & 20 year (Loan No. 103108/1)                 | 11.44% | 30/09/2028    | 7 119 182                   | 7 562 393  |
| ABSA BANK - 11 year (10858/1 (Electricity, Water, Sewerage)) | 11.14% | 31/12/2018    | -                           | 109 276    |
| ABSA BANK - 11 year (10858/2 (Sewerage))                     | 11.14% | 31/12/2018    | -                           | 16 707     |
| DBSA BANK - 20 year (13343(Electricity))                     | 16.50% | 31/12/2019    | 16 261                      | 45 167     |
| DBSA BANK - 20 year (13705/102 (Electricity))                | 15.75% | 30/06/2020    | 14 908                      | 27 719     |
| DBSA BANK - 20 year (103313.1)                               | 9.85%  | 31/03/2029    | 16 258 319                  | 17 180 627 |
| DBSA BANK - 15 year (103313.2)                               | 9.97%  | 31/03/2024    | 3 260 385                   | 3 742 635  |
| DBSA BANK - 10 year (103313.3)                               | 10.00% | 31/03/2019    | -                           | 159 045    |
| STANDARD BANK - 10 year (72479981)                           | 11.72% | 31/07/2020    | 695 438                     | 1 097 282  |
| DBSA BANK - 20 year (103817/3)                               | 11.06% | 31/12/2030    | 9 064 443                   | 9 442 617  |
| STANDARD BANK- 15 year (272400572)                           | 12.22% | 30/06/2026    | 5 573 497                   | 6 055 663  |
| ABSA BANK - 15 year (40-7908-8994)                           | 10.79% | 27/06/2027    | 8 446 833                   | 9 086 656  |
| ABSA BANK - 7 year (40-7908-9071)                            | 9.42%  | 27/06/2019    | -                           | 1 555 326  |
| ABSA BANK - 7 year (8259-8788)                               | 8.25%  | 27/06/2019    | -                           | 68 962     |
| ABSA BANK - 7 year (8259-9091)                               | 8.25%  | 27/06/2019    | -                           | 17 764     |
| ABSA BANK - 7 year (8259-9741)                               | 8.25%  | 27/06/2019    | -                           | 109 593    |
| ABSA BANK - 7 year (387230962)                               | 10.09% | 21/06/2021    | 1 076 690                   | 1 540 682  |
| ABSA BANK - 10 year (387230963)                              | 10.63% | 27/06/2024    | 5 186 045                   | 5 938 480  |
| ABSA - 5 year (3050777771)                                   | 8.95%  | 30/06/2024    | 2 000 000                   | -          |
| ABSA - 7 year (3050777789)                                   | 9.19%  | 30/06/2026    | 2 500 000                   | -          |
| ABSA - 10 year (3050777763)                                  | 9.62%  | 30/06/2029    | 3 288 700                   | -          |
| NEDBANK - 15 year (05/78310356050)                           | 10.45% | 30/06/2034    | 2 631 579                   | -          |
| Total                                                        |        |               | 73 143 460                  | 70 176 818 |

All annuity loans are unsecured.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 15 LONG-TERM LIABILITIES (CONTINUED)

Annuity loans are payable as follows:

|                                          |                    |                    |
|------------------------------------------|--------------------|--------------------|
| Payable within one year                  | 14 309 937         | 14 680 101         |
| Payable within two to five years         | 53 462 137         | 47 153 240         |
| Payable after five years                 | 46 113 227         | 50 301 426         |
| <b>Total amount payable</b>              | <b>113 885 301</b> | <b>112 134 766</b> |
| Less: Outstanding Future Finance Charges | (40 741 841)       | (41 957 948)       |
| <b>Present value of annuity loans</b>    | <b>73 143 460</b>  | <b>70 176 818</b>  |

#### Stock Loans

Stock Loans, disclosed at amortised cost, consist out of the following agreements:

| Institution and loan number   | Rate  | Maturity Date | Carrying Value of Liability |                   |
|-------------------------------|-------|---------------|-----------------------------|-------------------|
| DBSA BANK - 15 year (1022754) | 9.39% | 31/03/2022    | 1 553 169                   | 1 553 169         |
| DBSA BANK - 20 year (1022755) | 9.29% | 31/03/2027    | 8 469 800                   | 8 469 800         |
| DBSA BANK - 20 year (1014871) | 9.46% | 31/12/2024    | 6 000 000                   | 6 000 000         |
| DBSA BANK - 15 year (1014872) | 9.77% | 31/12/2019    | 1 000 000                   | 1 000 000         |
| Total                         |       |               | <b>17 022 969</b>           | <b>17 022 969</b> |

The fixed deposit as per note 14 serves as security for the stock loans.

Stock loans are payable as follows:

|                                          |                   |                   |
|------------------------------------------|-------------------|-------------------|
| Payable within one year                  | 2 553 815         | 1 598 596         |
| Payable within two to five years         | 7 266 669         | 8 462 064         |
| Payable after five years                 | 17 116 487        | 18 474 906        |
| <b>Total amount payable</b>              | <b>26 936 971</b> | <b>28 535 567</b> |
| Less: Outstanding Future Finance Charges | (9 914 002)       | (11 512 598)      |
| <b>Present value of stock loans</b>      | <b>17 022 969</b> | <b>17 022 969</b> |

### 16 CONSUMER DEPOSITS

|                                             |                  |                  |
|---------------------------------------------|------------------|------------------|
| Water and Electricity Deposits              | <b>4 750 864</b> | <b>4 832 519</b> |
| As previously reported                      |                  | 4 707 519        |
| Correction of error restatement - note 48.4 |                  | 125 000          |
| Restated balance                            |                  | <b>4 832 519</b> |

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

### 17 PAYABLES FROM EXCHANGE TRANSACTIONS

|                                             |                   |                   |
|---------------------------------------------|-------------------|-------------------|
| Trade Payables                              | 23 955 862        | 20 465 024        |
| Retentions                                  | 7 410 010         | 8 236 802         |
| Payments Received in Advance                | 5 692 828         | 4 772 375         |
| Department of Human Settlements             | 7 030 880         | 2 042 208         |
| Unused Pre-paid Electricity                 | 921 752           | 853 027           |
| Sundry Deposits                             | 2 228 969         | 2 884 962         |
| Accrued Interest                            | 874 617           | 1 018 849         |
| Land Sales Deposits                         | 119 203           | 404 144           |
| <b>Total</b>                                | <b>48 234 121</b> | <b>40 677 390</b> |
| As previously reported                      |                   | 41 446 969        |
| Correction of error restatement - note 48.5 |                   | (769 579)         |
| Restated balance                            |                   | <b>40 677 390</b> |

Payables are being recognised net of any discounts received.

The 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.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            | 2019              | 2018              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|-------------------|
| <b>18</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>               |                   |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | National Government                                        | 29 107 839        | 1 303 675         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Provincial Government                                      | 12 153 673        | 15 519 678        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Other Grant Providers                                      | 380 438           | 273 932           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Total</b>                                               | <b>41 641 950</b> | <b>17 097 285</b> |
| <p>Detail reconciliations of all grants received and grant conditions met are included in note 25. Unspent grant balances are recognised to the extent that conditions are not yet met.</p> <p>No grants were withheld in the current year.</p> <p>Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.</p> <p>Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.</p> |                                                            |                   |                   |
| <b>19</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>UNSPENT PUBLIC CONTRIBUTIONS</b>                        |                   |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Hogeschool van Arnhem en Nijmegen (HAN)                    | 259 792           | 421 637           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Industrial Development Corporation (IDC)                   | -                 | -                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Total</b>                                               | <b>259 792</b>    | <b>421 637</b>    |
| <p>Detail reconciliations of all public contributions received are included in note 26. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.</p> <p>Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.</p>                                                                                                                                                 |                                                            |                   |                   |
| <b>20</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>CURRENT EMPLOYEE BENEFITS</b>                           |                   |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Bonuses                                                    | 4 688 468         | 4 484 454         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Staff Leave                                                | 13 215 605        | 12 723 890        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Performance Bonuses                                        | 466 224           | 715 325           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Pension                                                    | 21 237            | 23 545            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Group Insurance                                            | 241 046           | 216 096           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Overtime                                                   | 712 072           | 720 591           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Current portion of Non-Current Employee Benefits - note 21 | 2 176 324         | 1 932 417         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Post Retirement Medical Benefits                           | 1 415 053         | 1 264 269         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Long Service Awards                                        | 761 271           | 668 148           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Total</b>                                               | <b>21 520 976</b> | <b>20 816 318</b> |
| <p>The movement in current employee benefits are reconciled as follows:</p> <p><b>Bonuses</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                            |                   |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Opening Balance                                            | 4 484 454         | 4 030 661         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Contribution during the year                               | 9 483 894         | 9 285 637         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Payments made                                              | (9 279 881)       | (8 831 844)       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Balance at the end of the year                             | <b>4 688 468</b>  | <b>4 484 454</b>  |
| <p>Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.</p>                                                                                                                                                                                                                                                                                                                                  |                                                            |                   |                   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                                                   | 2019              | 2018              |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>20</b>              | <b>CURRENT EMPLOYEE BENEFITS (CONTINUED)</b>                                                                                                                                                                                                      |                   |                   |
|                        | <b><u>Staff Leave</u></b>                                                                                                                                                                                                                         |                   |                   |
|                        | Opening Balance                                                                                                                                                                                                                                   | 12 723 890        | 11 544 398        |
|                        | Contribution during the year                                                                                                                                                                                                                      | 1 460 685         | 1 863 662         |
|                        | Payments made                                                                                                                                                                                                                                     | (968 970)         | (684 170)         |
|                        | Balance at the end of the year                                                                                                                                                                                                                    | <b>13 215 605</b> | <b>12 723 890</b> |
|                        | Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.             |                   |                   |
|                        | <b><u>Performance Bonuses</u></b>                                                                                                                                                                                                                 |                   |                   |
|                        | Opening Balance                                                                                                                                                                                                                                   | 715 325           | 1 062 639         |
|                        | Contribution during the year                                                                                                                                                                                                                      | 355 149           | 267 451           |
|                        | Payments made                                                                                                                                                                                                                                     | (604 250)         | (614 765)         |
|                        | Balance at the end of the year                                                                                                                                                                                                                    | <b>466 224</b>    | <b>715 325</b>    |
|                        | Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.                                                                            |                   |                   |
|                        | <b><u>Pension</u></b>                                                                                                                                                                                                                             |                   |                   |
|                        | Opening Balance                                                                                                                                                                                                                                   | 23 545            | 31 333            |
|                        | Payments made                                                                                                                                                                                                                                     | (2 308)           | (7 788)           |
|                        | Balance at the end of the year                                                                                                                                                                                                                    | <b>21 237</b>     | <b>23 545</b>     |
|                        | Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement. |                   |                   |
|                        | <b><u>Group Insurance</u></b>                                                                                                                                                                                                                     |                   |                   |
|                        | Opening Balance                                                                                                                                                                                                                                   | 216 096           | 199 843           |
|                        | Fair Value adjustment during the year                                                                                                                                                                                                             | 24 950            | 16 253            |
|                        | Balance at the end of the year                                                                                                                                                                                                                    | <b>241 046</b>    | <b>216 096</b>    |
|                        | Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.                                                 |                   |                   |
|                        | <b><u>Overtime</u></b>                                                                                                                                                                                                                            |                   |                   |
|                        | Balance at beginning of year                                                                                                                                                                                                                      | 720 591           | 467 232           |
|                        | Contribution during the year                                                                                                                                                                                                                      | 712 072           | 720 591           |
|                        | Payments made                                                                                                                                                                                                                                     | (720 591)         | (467 232)         |
|                        | Balance at end of year                                                                                                                                                                                                                            | <b>712 072</b>    | <b>720 591</b>    |
|                        | Overtime for staff worked in current financial year, but paid in next financial year.                                                                                                                                                             |                   |                   |
| <b>21</b>              | <b>EMPLOYEE BENEFITS</b>                                                                                                                                                                                                                          |                   |                   |
|                        | Post Retirement Medical Benefits                                                                                                                                                                                                                  | 38 922 418        | 44 815 773        |
|                        | Long Service Awards                                                                                                                                                                                                                               | 9 684 129         | 7 194 517         |
|                        | <b>Sub-Total</b>                                                                                                                                                                                                                                  | <b>48 606 547</b> | <b>52 010 290</b> |
|                        | Less: Current portion of Employee Benefits                                                                                                                                                                                                        | <b>2 176 324</b>  | <b>1 932 417</b>  |
|                        | Post Retirement Medical Benefits                                                                                                                                                                                                                  | 1 415 053         | 1 264 269         |
|                        | Long Service Awards                                                                                                                                                                                                                               | 761 271           | 668 148           |
|                        | <b>Total</b>                                                                                                                                                                                                                                      | <b>46 430 223</b> | <b>50 077 873</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 21 EMPLOYEE BENEFITS (CONTINUED)

#### 21.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Opening Balance              | 44 815 773        | 43 058 819        |
| Contribution during the year | 7 289 633         | 6 915 551         |
| Current Service Cost         | 3 028 927         | 2 795 800         |
| Interest Cost                | 4 260 706         | 4 119 751         |
| Payments made                | (1 420 922)       | (1 433 017)       |
| Actuarial Loss/(Gain)        | (11 762 066)      | (3 725 580)       |
| Total balance at year-end    | 38 922 418        | 44 815 773        |
| Less: Current portion        | (1 415 053)       | (1 264 269)       |
| <b>Total</b>                 | <b>37 507 365</b> | <b>43 551 504</b> |

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

|                        |            |            |
|------------------------|------------|------------|
| In-service members     | 221        | 217        |
| In-service non-members | 413        | 416        |
| Continuation members   | 35         | 33         |
| <b>Total</b>           | <b>669</b> | <b>666</b> |

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

|              | In-Service<br>Members<br>R | In-Service<br>non-Members<br>R | Continuation<br>Members<br>R | Total unfunded<br>Liability<br>R |
|--------------|----------------------------|--------------------------------|------------------------------|----------------------------------|
| 30 June 2019 | 17 142 566                 | 4 366 349                      | 17 413 503                   | 38 922 418                       |
| 30 June 2018 | 24 701 954                 | 5 513 647                      | 14 600 172                   | 44 815 773                       |
| 30 June 2017 | 21 131 224                 | 5 113 005                      | 16 814 590                   | 43 058 819                       |
| 30 June 2016 | 19 996 232                 | 5 562 422                      | 17 943 240                   | 43 501 894                       |
| 30 June 2015 | 21 438 559                 | 5 273 310                      | 17 770 674                   | 44 482 543                       |

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

|              | Liabilities<br>(Gain) / Loss<br>R | Assets<br>Gain / (Loss)<br>R |
|--------------|-----------------------------------|------------------------------|
| 30 June 2019 | 974 000                           | -                            |
| 30 June 2018 | (781 000)                         | -                            |
| 30 June 2017 | (1 098 000)                       | -                            |
| 30 June 2016 | (1 351 000)                       | -                            |
| 30 June 2015 | (68 000)                          | -                            |

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas  
LA Health  
Hosmed  
Samwumed  
Keyhealth

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### EMPLOYEE BENEFITS (CONTINUED)

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

|                                        |       |       |
|----------------------------------------|-------|-------|
| Discount rate                          | 9.41% | 9.64% |
| Health Care Cost Inflation Rate        | 6.87% | 7.43% |
| Net Effective Discount Rate            | 2.38% | 2.06% |
| Maximum Subsidy Inflation Rate         | 4.78% | 5.20% |
| Net Discount Rate for Capped Subsidies | 4.42% | 4.22% |

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 9.41% per annum has been used. The corresponding index-linked yield at this term is 3.36%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 28 June 2019.

#### ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

#### iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62 (2018: 60), which then implicitly allows for expected rates of early and ill-health retirement.

#### iv) Last Valuation

The last valuation was performed on 30 July 2019.

#### v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

#### Sensitivity Analysis - Liability at year-end

| Assumption                                            | In-service members (R) | Continuation members (R) | Total liability (R) | % change |
|-------------------------------------------------------|------------------------|--------------------------|---------------------|----------|
| Liability                                             | 21 508 915             | 17 413 503               | 38 922 418          |          |
| Health care inflation ( + 1% )                        | 23 474 000             | 18 211 000               | 41 685 000          | 7%       |
| Health care inflation ( - 1% )                        | 18 872 000             | 16 429 000               | 35 301 000          | -9%      |
| Discount rate ( + 1% )                                | 17 809 000             | 15 975 000               | 33 784 000          | -13%     |
| Discount rate ( - 1% )                                | 26 322 000             | 19 096 000               | 45 418 000          | 17%      |
| Post-retirement mortality ( - 1 year )                | 22 044 000             | 17 991 000               | 40 035 000          | 3%       |
| Average retirement age ( - 1 year )                   | 23 604 000             | 17 414 000               | 41 018 000          | 5%       |
| Continuation of membership after retirement ( - 10% ) | 16 543 000             | 17 414 000               | 33 957 000          | -13%     |

#### Sensitivity Analysis - Future Service and Interest Cost

| Assumption                                            | Current Service Cost (R) | Interest Cost (R) | Total Cost (R) | % change |
|-------------------------------------------------------|--------------------------|-------------------|----------------|----------|
| Estimated for 2019/20                                 | 2 119 600                | 3 597 500         | 5 717 100      |          |
| Health care inflation ( + 1% )                        | 2 319 200                | 3 857 100         | 6 176 300      | 8%       |
| Health care inflation ( - 1% )                        | 1 840 500                | 3 257 000         | 5 097 500      | -11%     |
| Discount rate ( + 1% )                                | 1 737 000                | 3 445 100         | 5 182 100      | -9%      |
| Discount rate ( - 1% )                                | 2 622 800                | 3 761 300         | 6 384 100      | 12%      |
| Post-retirement mortality ( - 1 year )                | 2 171 200                | 3 702 200         | 5 873 400      | 3%       |
| Average retirement age ( - 1 year )                   | 2 274 000                | 3 794 700         | 6 068 700      | 6%       |
| Continuation of membership after retirement ( - 10% ) | 1 634 400                | 3 130 200         | 4 764 600      | -17%     |



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### 21 EMPLOYEE BENEFITS (CONTINUED)

#### 21.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Opening Balance              | 7 194 517        | 6 696 850        |
| Contribution during the year | 1 300 709        | 1 188 507        |
| Current Service Cost         | 708 056          | 662 548          |
| Interest Cost                | 592 653          | 525 959          |
| Payments made                | (616 698)        | (1 059 630)      |
| Actuarial Loss/(Gain)        | 1 805 601        | 368 790          |
| Total balance at year-end    | <b>9 684 129</b> | <b>7 194 517</b> |
| Less: Current portion        | (761 271)        | (668 148)        |
| <b>Total</b>                 | <b>8 922 858</b> | <b>6 526 369</b> |

The Long Service Awards plans are defined benefit plans.

|                                                                                         |     |     |
|-----------------------------------------------------------------------------------------|-----|-----|
| As at year end, the following number of employees were eligible for Long Service Awards | 634 | 633 |
|-----------------------------------------------------------------------------------------|-----|-----|

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

|              | Unfunded Liability<br>R |
|--------------|-------------------------|
| 30 June 2019 | 9 684 129               |
| 30 June 2018 | 7 194 517               |
| 30 June 2017 | 6 696 850               |
| 30 June 2016 | 6 299 489               |
| 30 June 2015 | 5 600 712               |

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

|              | Liabilities<br>(Gain) / Loss<br>R | Assets<br>Gain / (Loss)<br>R |
|--------------|-----------------------------------|------------------------------|
| 30 June 2019 | 142 031                           | -                            |
| 30 June 2018 | 482 659                           | -                            |
| 30 June 2017 | 218 446                           | -                            |
| 30 June 2016 | 222 964                           | -                            |
| 30 June 2015 | 125 780                           | -                            |

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

|                                                                           |       |       |
|---------------------------------------------------------------------------|-------|-------|
| Discount rate                                                             | 8.33% | 8.63% |
| General Salary Inflation (long-term)                                      | 5.66% | 6.22% |
| Net Effective Discount Rate applied to salary-related Long Service Awards | 2.53% | 2.27% |

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

The discount rate of 8.33% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the actual term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 3.03%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 28 June 2019.

#### ii) Last Valuation

The last valuation was performed on 30 July 2019.

#### iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

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### EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis on the Unfunded Accrued Liability

| Assumption                           | Current Liability<br>(R) | Liability (R) | % Change |
|--------------------------------------|--------------------------|---------------|----------|
| General salary inflation ( + 1%)     | 9 684 129                | 10 448 000    | 8%       |
| General salary inflation ( - 1% )    | 9 684 129                | 9 002 000     | -7%      |
| Discount rate ( + 1% )               | 9 684 129                | 8 986 000     | -7%      |
| Discount rate ( - 1% )               | 9 684 129                | 10 481 000    | 8%       |
| Average retirement age ( - 2 years ) | 9 684 129                | 8 669 000     | -10%     |
| Average retirement age ( + 2 years ) | 9 684 129                | 10 894 000    | 12%      |
| Withdrawal rates ( - 50% )           | 9 684 129                | 11 387 000    | 18%      |

#### Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

| Assumption                           | Current Service<br>Cost<br>(R) | Interest Cost<br>(R) | Total(R)  | % Change |
|--------------------------------------|--------------------------------|----------------------|-----------|----------|
| Estimated for 2019/20                | 973 100                        | 775 600              | 1 748 700 |          |
| General salary inflation ( + 1%)     | 1 069 900                      | 839 300              | 1 909 200 | 9%       |
| General salary inflation ( - 1% )    | 888 200                        | 718 800              | 1 607 000 | -8%      |
| Discount rate ( + 1% )               | 894 800                        | 803 700              | 1 698 500 | -3%      |
| Discount rate ( - 1% )               | 1 063 600                      | 740 800              | 1 804 400 | 3%       |
| Average retirement age ( - 2 years ) | 883 900                        | 691 700              | 1 575 600 | -10%     |
| Average retirement age ( + 2 years ) | 1 080 400                      | 876 000              | 1 956 400 | 12%      |
| Withdrawal rates ( - 50% )           | 1 223 300                      | 917 500              | 2 140 800 | 22%      |

### 21.3 Other Pension Benefits

#### Defined Benefit Plans

Council contributes to the following defined benefit plans:

|                                                                                                                                                                                                                                                            |                   |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| LA Retirement Fund (Former Cape Joint Pension Fund)                                                                                                                                                                                                        | 138 166           | 148 323           |
| The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2018 revealed that the fund is in an sound financial position with a funding level of 103.7% (30 June 2017 - 102.6%). |                   |                   |
| Consolidated Retirement Fund (Former Cape Retirement Fund)                                                                                                                                                                                                 | 18 265 310        | 16 947 786        |
| The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2016 - 100.6%).  |                   |                   |
| <b>Total</b>                                                                                                                                                                                                                                               | <b>18 403 476</b> | <b>17 096 108</b> |

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.



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### 21 EMPLOYEE BENEFITS (CONTINUED)

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

#### Defined Contribution Plans

Council contributes to the following defined contribution plans:

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Municipal Councillors Pension Fund | 41 956           | 34 552           |
| SALA Pension Fund                  | 118 167          | 146 650          |
| SAMWU National Provident Fund      | 2 243 513        | 2 188 843        |
| IMATU Provident Fund               | 103 715          | 45 606           |
| <b>Total</b>                       | <b>2 507 351</b> | <b>2 415 651</b> |

The retirement benefit funds are 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.

### 22 NON-CURRENT PROVISIONS

|                                                |                   |                   |
|------------------------------------------------|-------------------|-------------------|
| Provision for Rehabilitation of Landfill-sites | <b>94 980 327</b> | <b>83 931 240</b> |
|------------------------------------------------|-------------------|-------------------|

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

|                                                                                 |                   |                   |
|---------------------------------------------------------------------------------|-------------------|-------------------|
| Opening Balance                                                                 | 83 931 240        | 77 229 586        |
| Contribution during the year                                                    | 11 049 086        | 6 701 654         |
| Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset     | 6 034 437         | 2 156 302         |
| Increase/(Decrease) in estimate allocated to Statement of Financial Performance | (148 272)         | (242 353)         |
| Interest Cost                                                                   | 5 162 921         | 4 787 705         |
| Expenditure incurred                                                            | -                 | -                 |
| Total balance at year-end                                                       | 94 980 327        | 83 931 240        |
| Less: Current portion                                                           | -                 | -                 |
| <b>Total</b>                                                                    | <b>94 980 327</b> | <b>83 931 240</b> |

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

| Location        | Site Dimensions | Estimated Decommission Date | Current Cost of Rehabilitation | Current Cost of Rehabilitation |
|-----------------|-----------------|-----------------------------|--------------------------------|--------------------------------|
| Caledon         | 59 661 m2       | 2021                        | 33 206 467                     | 29 307 353                     |
| Genadendal      | 20 490 m2       | 2024                        | 12 676 767                     | 9 448 816                      |
| Greyton         | 16 978 m2       | 2024                        | 10 843 227                     | 9 672 572                      |
| Riviersonderend | 10 720 m2       | 2024                        | 9 780 745                      | 9 021 875                      |
| Villiersdorp    | 21 110 m2       | 2021                        | 13 694 589                     | 12 418 815                     |
| Botriver        | 17 537 m2       | 2021                        | 14 778 532                     | 14 061 810                     |
| <b>Total</b>    |                 |                             | <b>94 980 327</b>              | <b>83 931 240</b>              |

A retrospective calculation of time value of money, based on an average weighted investment rate of prime less 4%, was used. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

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|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>23</b>              | <b>RESERVES</b>                                                                                                                                                                                                                                      |                       |                       |
|                        | Capital Replacement Reserve                                                                                                                                                                                                                          | <b>20 822 188</b>     | <b>12 425 354</b>     |
|                        | The Capital Replacement Reserve is used to finance future capital expenditure from own funds.                                                                                                                                                        |                       |                       |
| <b>24</b>              | <b>PROPERTY RATES</b>                                                                                                                                                                                                                                |                       |                       |
|                        | Rateable Land and Buildings                                                                                                                                                                                                                          | 101 759 520           | 98 144 521            |
|                        | <b>Total</b>                                                                                                                                                                                                                                         | <b>101 759 520</b>    | <b>98 144 521</b>     |
|                        | As previously reported                                                                                                                                                                                                                               |                       | 98 396 554            |
|                        | Correction of error restatement - note 48.1                                                                                                                                                                                                          |                       | (252 033)             |
|                        | Restated balance                                                                                                                                                                                                                                     |                       | 98 144 521            |
|                        | <b>Property rate levied are based on the following rateable valuations:</b>                                                                                                                                                                          |                       |                       |
|                        | Residential (including Residential Vacant)                                                                                                                                                                                                           | 6 421 081 737         | 5 206 211 300         |
|                        | Business and Commercial (Including vacant)                                                                                                                                                                                                           | 1 862 425 500         | 1 205 349 000         |
|                        | Industrial (Including vacant)                                                                                                                                                                                                                        | 298 583 000           | -                     |
|                        | Mining                                                                                                                                                                                                                                               | 3 174 000             | -                     |
|                        | Public benefit Organizations                                                                                                                                                                                                                         | 98 480 000            | 23 825 500            |
|                        | Public Service Infrastructure                                                                                                                                                                                                                        | 51 423 500            | -                     |
|                        | Public Service Purposes (formerly included in State-owned)                                                                                                                                                                                           | 547 618 500           | 366 483 000           |
|                        | Agricultural                                                                                                                                                                                                                                         | 15 891 893 000        | 7 890 329 750         |
|                        | Total Valuation                                                                                                                                                                                                                                      | <b>25 174 679 237</b> | <b>14 692 198 550</b> |
|                        | <b>Rate that is applicable to the valuations above:</b>                                                                                                                                                                                              |                       |                       |
|                        | Residential (including Residential Vacant)                                                                                                                                                                                                           | 0.7924 c/R            | 1.0030 c/R            |
|                        | Business and Commercial (Including vacant)                                                                                                                                                                                                           | 1.5847 c/R            | 2.2376 c/R            |
|                        | Industrial (Including vacant)                                                                                                                                                                                                                        | 1.5847 c/R            | -                     |
|                        | Mining                                                                                                                                                                                                                                               | 1.5847 c/R            | -                     |
|                        | Public benefit Organizations                                                                                                                                                                                                                         | 0.1981 c/R            | 0.2508 c/R            |
|                        | Public Service Infrastructure                                                                                                                                                                                                                        | 0.1981 c/R            | -                     |
|                        | Public Service Purposes (formerly included in State-owned)                                                                                                                                                                                           | 1.5847 c/R            | 2.2376 c/R            |
|                        | Agricultural                                                                                                                                                                                                                                         | 0.1390 c/R            | 0.2508 c/R            |
|                        | Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.                     |                       |                       |
|                        | Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates. |                       |                       |
|                        | Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.                                                                                                 |                       |                       |
|                        | The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.                                                                                            |                       |                       |
|                        | A further R85 000 on the valuation is exempt from property rates for all residential properties valued R200 000 or less.                                                                                                                             |                       |                       |

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### 25 GOVERNMENT GRANTS AND SUBSIDIES

#### Unconditional Grants - National Government

87 385 000

77 911 000

Equitable Share

87 385 000

77 911 000

#### Conditional Grants - National Government

29 692 413

41 055 410

Finance Management Grant (FMG)

1 700 000

1 700 000

Municipal Infrastructure Grant (MIG)

25 927 269

27 043 791

Expanded Public Works Programme (EPWP)

1 451 000

1 622 822

Integrated National Electrification Programme (INEP)

374 577

7 625 424

Municipal Drought Relieve (MDR)

239 567

2 885 764

Public Works

-

177 609

#### Conditional Grants - Provincial Government

32 900 893

27 673 200

Housing

21 771 228

16 440 552

Housing - Title Deeds

934 257

240 258

CDW Contribution

37 467

84 489

Thusong Multi Purpose Centre

64 408

459 704

Main Roads Subsidy

113 370

85 132

Financial Support Grant

1 211 187

330 000

Library Subsidy

8 056 217

7 499 090

Municipal Capacity Building Grant

336 461

363 400

Local Government Graduate Internship Allocation

-

40 000

Municipal Disaster Recovery (Water Supply Grant)

-

2 130 575

Sport and Recreation

376 298

-

#### Conditional Grants - Other Grant Providers

478 133

494 826

DBSA Local Economic Development

-

234 178

SETA

443 046

260 648

SANRAL

29 807

-

Economic Development

5 280

-

#### Total

150 456 439

147 134 436

Disclosed as:

Government Grants and Subsidies - Operating

116 115 262

96 988 944

Government Grants and Subsidies - Capital

34 341 177

50 145 492

#### Total

150 456 439

147 134 436

Grants per Vote (MFMA Sec 123 (c)):

Equitable share

87 385 000

77 911 000

Vote 1 - Budget and treasury office

6 600 062

6 576 376

Vote 2 - Community and social services

8 056 216

7 499 090

Vote 3 - Corporate services

24 517 759

25 720 741

Vote 4 - Electricity

325 719

6 688 968

Vote 6 - Executive and council

37 467

84 489

Vote 7 - Housing

22 705 485

16 858 419

Vote 8 - Planning and development

69 688

693 881

Vote 10 - Road transport

143 177

85 132

Vote 11 - Sport and Recreation

376 298

-

Vote 14 - Water

239 567

5 016 340

#### Total

150 456 439

147 134 436

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

#### 25.01 Equitable Share

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Opening Unspent Balance            | -            | -            |
| Grants Received                    | 87 385 000   | 77 911 000   |
| Transferred to Revenue - Operating | (87 385 000) | (77 911 000) |
| Transferred to Revenue - Capital   | -            | -            |
| Transfer to / (from) Receivables   | -            | -            |
| Closing Unspent Balance            | -            | -            |

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.

#### 25.02 Finance Management Grant (FMG)

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Opening Unspent Balance            | -           | -           |
| Grants Received                    | 1 700 000   | 1 700 000   |
| Transferred to Revenue - Operating | (1 700 000) | (1 700 000) |
| Transferred to Revenue - Capital   | -           | -           |
| Transfer to / (from) Receivables   | -           | -           |
| Closing Unspent Balance            | -           | -           |

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

#### 25.03 Municipal Infrastructure Grant (MIG)

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Opening Unspent Balance            | 910 078      | 1 549 184    |
| Grants Received                    | 25 052 000   | 26 404 685   |
| Transferred to Revenue - Operating | (3 903 557)  | (4 096 520)  |
| Transferred to Revenue - Capital   | (22 023 712) | (22 947 271) |
| Transfer to / (from) Receivables   | -            | -            |
| Closing Unspent Balance            | 34 809       | 910 078      |

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

#### 25.04 Expanded Public Works Programme (EPWP)

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Opening Unspent Balance            | -           | 1 822       |
| Grants Received                    | 1 451 000   | 1 621 000   |
| Transferred to Revenue - Operating | (1 451 000) | (1 622 822) |
| Transferred to Revenue - Capital   | -           | -           |
| Transfer to / (from) Receivables   | -           | -           |
| Closing Unspent Balance            | -           | -           |

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

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|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|
| <b>25</b>              | <b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>                                                                                                                                                         |                   |                  |
| <b>25.05</b>           | <b>Integrated National Electrification Programme (INEP)</b>                                                                                                                                                |                   |                  |
|                        | Opening Unspent Balance                                                                                                                                                                                    | -                 | -                |
|                        | Grants Received                                                                                                                                                                                            | 5 000 000         | 3 000 000        |
|                        | Transferred to Revenue - Operating                                                                                                                                                                         | (48 858)          | (936 456)        |
|                        | Transferred to Revenue - Capital                                                                                                                                                                           | (325 719)         | (6 688 968)      |
|                        | Transfer to / (from) Receivables                                                                                                                                                                           | (4 625 424)       | 4 625 424        |
|                        |                                                                                                                                                                                                            | <u>-</u>          | <u>-</u>         |
|                        | Closing Unspent Balance                                                                                                                                                                                    | <u>-</u>          | <u>-</u>         |
|                        | The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure. |                   |                  |
| <b>25.06</b>           | <b>Municipal Drought Relieve (MDR)</b>                                                                                                                                                                     |                   |                  |
|                        | Opening Unspent Balance                                                                                                                                                                                    | 248 016           | -                |
|                        | Grants Received                                                                                                                                                                                            | -                 | 3 133 780        |
|                        | Transferred to Revenue - Operating                                                                                                                                                                         | -                 | -                |
|                        | Transferred to Revenue - Capital                                                                                                                                                                           | (239 567)         | (2 885 764)      |
|                        | Transfer to / (from) Receivables                                                                                                                                                                           | -                 | -                |
|                        |                                                                                                                                                                                                            | <u>8 449</u>      | <u>248 016</u>   |
|                        | Closing Unspent Balance                                                                                                                                                                                    | <u>8 449</u>      | <u>248 016</u>   |
|                        | The grant will be utilised for boreholes.                                                                                                                                                                  |                   |                  |
| <b>25.07</b>           | <b>Public Works</b>                                                                                                                                                                                        |                   |                  |
|                        | Opening Unspent Balance                                                                                                                                                                                    | 145 581           | -                |
|                        | Grants Received                                                                                                                                                                                            | -                 | 323 190          |
|                        | Transferred to Revenue - Operating                                                                                                                                                                         | -                 | (23 190)         |
|                        | Transferred to Revenue - Capital                                                                                                                                                                           | -                 | (154 419)        |
|                        | Transfer to / (from) Receivables                                                                                                                                                                           | -                 | -                |
|                        |                                                                                                                                                                                                            | <u>145 581</u>    | <u>145 581</u>   |
|                        | Closing Unspent Balance                                                                                                                                                                                    | <u>145 581</u>    | <u>145 581</u>   |
|                        | This grant will utilised for security in Grabouw.                                                                                                                                                          |                   |                  |
| <b>25.08</b>           | <b>Water and Sanitation</b>                                                                                                                                                                                |                   |                  |
|                        | Opening Unspent Balance                                                                                                                                                                                    | -                 | -                |
|                        | Grants Received                                                                                                                                                                                            | 28 919 000        | -                |
|                        | Transferred to Revenue - Operating                                                                                                                                                                         | -                 | -                |
|                        | Transferred to Revenue - Capital                                                                                                                                                                           | -                 | -                |
|                        | Transfer to / (from) Receivables                                                                                                                                                                           | -                 | -                |
|                        |                                                                                                                                                                                                            | <u>28 919 000</u> | <u>-</u>         |
|                        | Closing Unspent Balance                                                                                                                                                                                    | <u>28 919 000</u> | <u>-</u>         |
|                        | This grant will be utilised for the development of water resources.                                                                                                                                        |                   |                  |
| <b>25.09</b>           | <b>Housing</b>                                                                                                                                                                                             |                   |                  |
|                        | Opening Unspent Balance                                                                                                                                                                                    | 7 171 718         | 6 537 963        |
|                        | Grants Received                                                                                                                                                                                            | 17 568 056        | 17 074 307       |
|                        | Transferred to Revenue - Operating                                                                                                                                                                         | (10 658 777)      | (1 119 466)      |
|                        | Transferred to Revenue - Capital                                                                                                                                                                           | (11 112 451)      | (15 321 086)     |
|                        | Transfer to / (from) Receivables                                                                                                                                                                           | -                 | -                |
|                        |                                                                                                                                                                                                            | <u>2 968 546</u>  | <u>7 171 718</u> |
|                        | Closing Unspent Balance                                                                                                                                                                                    | <u>2 968 546</u>  | <u>7 171 718</u> |
|                        | Housing grants was utilised for the development of erven and the erection of top structures.                                                                                                               |                   |                  |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

*Figures in Rand*

2019

2018

### 25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 25.10 Housing - Title Deeds

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Opening Unspent Balance            | 6 415 742 | -         |
| Grants Received                    | 862 176   | 6 656 000 |
| Transferred to Revenue - Operating | (934 257) | (240 258) |
| Transferred to Revenue - Capital   | -         | -         |
| Transfer to / (from) Receivables   | -         | -         |
| Closing Unspent Balance            | 6 343 661 | 6 415 742 |

This grant will be utilised to transfers properties to the respective beneficiaries.

#### 25.11 CDW Contribution

|                                    |          |          |
|------------------------------------|----------|----------|
| Opening Unspent Balance            | 37 467   | -        |
| Grants received                    | -        | 130 000  |
| Transferred to Revenue - Operating | (37 467) | (84 489) |
| Transferred to Revenue - Capital   | -        | -        |
| Transfer to / (from) Receivables   | -        | (8 044)  |
| Closing Unspent Balance            | -        | 37 467   |

The CDW Contribution was used to finance the activities of Community Development Workers.

#### 25.12 Thusong Multi Purpose Centre

|                                    |          |           |
|------------------------------------|----------|-----------|
| Opening Unspent Balance            | 135 001  | 12 705    |
| Grants received                    | -        | 582 000   |
| Transferred to Revenue - Operating | (64 408) | (442 295) |
| Transferred to Revenue - Capital   | -        | (17 409)  |
| Transfer to / (from) Receivables   | -        | -         |
| Closing Unspent Balance            | 70 593   | 135 001   |

The grant is intended to be utilised for the improvement of financial governance.

#### 25.13 Main Roads Subsidy

|                                    |           |          |
|------------------------------------|-----------|----------|
| Opening Unspent Balance            | 51 481    | 31 800   |
| Grants received                    | 117 000   | 104 813  |
| Transferred to Revenue - Operating | (113 370) | (85 132) |
| Transferred to Revenue - Capital   | -         | -        |
| Transfer to / (from) Receivables   | -         | -        |
| Closing Unspent Balance            | 55 111    | 51 481   |

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

#### 25.14 Financial Support Grant

|                                    |             |           |
|------------------------------------|-------------|-----------|
| Opening Unspent Balance            | 350 000     | -         |
| Grants received                    | 1 330 000   | 680 000   |
| Transferred to Revenue - Operating | (1 211 187) | (330 000) |
| Transferred to Revenue - Capital   | -           | -         |
| Transfer to / (from) Receivables   | -           | -         |
| Closing Unspent Balance            | 468 813     | 350 000   |

The grant is intended to be utilised for the improvement of financial governance.



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

### 25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 25.15 Library Subsidy

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Opening Unspent Balance            | 192 244     | -           |
| Grants received                    | 8 326 656   | 7 718 000   |
| Transferred to Revenue - Operating | (7 822 594) | (7 499 090) |
| Transferred to Revenue - Capital   | (233 623)   | -           |
| Transfer to / (from) Receivables   | -           | (26 666)    |
| Closing Unspent Balance            | 462 683     | 192 244     |

The subsidy is utilised for the operational costs of libraries which is a provincial function.

#### 25.16 Municipal Capacity Building Grant

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Opening Unspent Balance            | 576 600   | 700 000   |
| Grants Received                    | 930 000   | 240 000   |
| Transferred to Revenue - Operating | (336 461) | (363 400) |
| Transferred to Revenue - Capital   | -         | -         |
| Transfer to / (from) Receivables   | -         | -         |
| Closing Unspent Balance            | 1 170 139 | 576 600   |

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

#### 25.17 Local Government Graduate Internship Allocation

|                                    |        |          |
|------------------------------------|--------|----------|
| Opening Unspent Balance            | 20 000 | 60 000   |
| Grants Received                    | -      | -        |
| Transferred to Revenue - Operating | -      | (40 000) |
| Transferred to Revenue - Capital   | -      | -        |
| Transfer to / (from) Receivables   | -      | -        |
| Closing Unspent Balance            | 20 000 | 20 000   |

This grant will be utilised for the recruitment of interns.

#### 25.18 Municipal Disaster Recovery (Water Supply Grant)

|                                    |         |             |
|------------------------------------|---------|-------------|
| Opening Unspent Balance            | 569 425 | -           |
| Grants Received                    | -       | 2 700 000   |
| Transferred to Revenue - Operating | -       | -           |
| Transferred to Revenue - Capital   | -       | (2 130 575) |
| Transfer to / (from) Receivables   | -       | -           |
| Closing Unspent Balance            | 569 425 | 569 425     |

This grant will be utilised for boreholes.

#### 25.19 Sport and Recreation

|                                    |           |   |
|------------------------------------|-----------|---|
| Opening Unspent Balance            | -         | - |
| Grants Received                    | 401 000   | - |
| Transferred to Revenue - Operating | -         | - |
| Transferred to Revenue - Capital   | (376 298) | - |
| Transfer to / (from) Receivables   | -         | - |
| Closing Unspent Balance            | 24 702    | - |

This grant will be utilised for boreholes.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                 | 2019          | 2018         |
|------------------------|-------------------------------------------------------------------------------------------------|---------------|--------------|
| <b>25</b>              | <b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>                                              |               |              |
| <b>25.20</b>           | <b>DBSA Local Economic Development</b>                                                          |               |              |
|                        | Opening Unspent Balance                                                                         | -             | 234 178      |
|                        | Grants Received                                                                                 | 141 593       | -            |
|                        | Transferred to Revenue - Operating                                                              | -             | (234 178)    |
|                        | Transferred to Revenue - Capital                                                                | -             | -            |
|                        | Transfer to / (from) Receivables                                                                | -             | -            |
|                        | Closing Unspent Balance                                                                         | 141 593       | -            |
|                        | This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton. |               |              |
| <b>25.21</b>           | <b>SETA</b>                                                                                     |               |              |
|                        | Opening Unspent Balance                                                                         | -             | -            |
|                        | Grants Received                                                                                 | 443 046       | 260 648      |
|                        | Transferred to Revenue - Operating                                                              | (443 046)     | (260 648)    |
|                        | Transferred to Revenue - Capital                                                                | -             | -            |
|                        | Transfer to / (from) Receivables                                                                | -             | -            |
|                        | Closing Unspent Balance                                                                         | -             | -            |
|                        | This grant is for the training and development of municipal officials.                          |               |              |
| <b>25.22</b>           | <b>SANRAL</b>                                                                                   |               |              |
|                        | Opening Unspent Balance                                                                         | 203 757       | -            |
|                        | Grants Received                                                                                 | -             | 356 522      |
|                        | Transferred to Revenue - Operating                                                              | -             | -            |
|                        | Transferred to Revenue - Capital                                                                | (29 807)      | -            |
|                        | Transfer to / (from) Receivables                                                                | -             | (152 765)    |
|                        | Closing Unspent Balance                                                                         | 173 950       | 203 757      |
|                        | This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.          |               |              |
| <b>25.23</b>           | <b>Economic Development</b>                                                                     |               |              |
|                        | Opening Unspent Balance                                                                         | 70 175        | -            |
|                        | Grants Received                                                                                 | -             | 70 175       |
|                        | Transferred to Revenue - Operating                                                              | (5 280)       | -            |
|                        | Transferred to Revenue - Capital                                                                | -             | -            |
|                        | Transfer to / (from) Receivables                                                                | -             | -            |
|                        | Closing Unspent Balance                                                                         | 64 895        | 70 175       |
|                        | This grant will be utilised for local economic development.                                     |               |              |
| <b>25.24</b>           | <b>Total Grants</b>                                                                             |               |              |
|                        | Opening Unspent Balance                                                                         | 17 097 285    | 9 127 652    |
|                        | Grants Received                                                                                 | 179 626 528   | 150 666 120  |
|                        | Transferred to Revenue - Operating                                                              | (116 115 262) | (96 988 944) |
|                        | Transferred to Revenue - Capital                                                                | (34 341 177)  | (50 145 492) |
|                        | Transfer to / (from) Receivables                                                                | (4 625 424)   | 4 437 949    |
|                        | Closing Unspent Balance                                                                         | 41 641 950    | 17 097 285   |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                               | 2019              | 2018              |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>26</b>              | <b>PUBLIC CONTRIBUTIONS AND DONATIONS</b>                                                                                                     |                   |                   |
|                        | Hogeschool van Arnhem en Nijmegen (HAN)                                                                                                       | 603 175           | 1 068 023         |
|                        | Industrial Development Corporation (IDC)                                                                                                      | -                 | 162 158           |
|                        | <b>Total</b>                                                                                                                                  | <b>603 175</b>    | <b>1 230 181</b>  |
|                        | The movements per grant can be summarised as follows:                                                                                         |                   |                   |
| <b>26.01</b>           | <b>Hogeschool van Arnhem en Nijmegen (HAN)</b>                                                                                                |                   |                   |
|                        | Opening Unspent Balance                                                                                                                       | 421 636           | 143 847           |
|                        | Grants Received                                                                                                                               | 441 330           | 1 345 812         |
|                        | Transferred to Revenue - Operating                                                                                                            | (603 175)         | (1 068 023)       |
|                        | Transferred to Revenue - Capital                                                                                                              | -                 | -                 |
|                        | Closing Unspent Balance                                                                                                                       | <b>259 792</b>    | <b>421 636</b>    |
|                        | The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects. |                   |                   |
| <b>26.02</b>           | <b>Industrial Development Corporation (IDC)</b>                                                                                               |                   |                   |
|                        | Opening Unspent Balance                                                                                                                       | -                 | 162 158           |
|                        | Grants Received                                                                                                                               | -                 | -                 |
|                        | Transferred to Revenue - Operating                                                                                                            | -                 | (162 158)         |
|                        | Transferred to Revenue - Capital                                                                                                              | -                 | -                 |
|                        | Closing Unspent Balance                                                                                                                       | -                 | -                 |
|                        | The grant is for the promotion of local economic development and tourism.                                                                     |                   |                   |
| <b>26.03</b>           | <b>Total Public Contributions and donations</b>                                                                                               |                   |                   |
|                        | Opening Unspent Balance                                                                                                                       | 421 636           | 306 005           |
|                        | Grants Received                                                                                                                               | 441 330           | 1 345 812         |
|                        | Transferred to Revenue - Operating                                                                                                            | (603 175)         | (1 230 181)       |
|                        | Transferred to Revenue - Capital                                                                                                              | -                 | -                 |
|                        | Closing Unspent Balance                                                                                                                       | <b>259 792</b>    | <b>421 636</b>    |
| <b>27</b>              | <b>FINES, PENALTIES AND FORFEITS</b>                                                                                                          |                   |                   |
|                        | Overdue Books                                                                                                                                 | 14 826            | 21 295            |
|                        | Traffic                                                                                                                                       | 39 183 500        | 47 949 900        |
|                        | Pound Fees                                                                                                                                    | 349 954           | 244 619           |
|                        | Unclaimed Money                                                                                                                               | 1 759 796         | 19 330            |
|                        | <b>Total</b>                                                                                                                                  | <b>41 308 076</b> | <b>48 235 143</b> |
|                        | As previously reported                                                                                                                        |                   | 48 988 804        |
|                        | Correction of error restatement 48.1                                                                                                          |                   | (772 991)         |
|                        | Correction of error restatement 48.5                                                                                                          |                   | 19 330            |
|                        | Restated balance                                                                                                                              |                   | <b>48 235 143</b> |
|                        | In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.                      |                   |                   |
| <b>28</b>              | <b>ACTUARIAL GAINS</b>                                                                                                                        |                   |                   |
|                        | Post Retirement Medical Benefits                                                                                                              | 11 762 066        | 3 725 580         |
|                        | <b>Total</b>                                                                                                                                  | <b>11 762 066</b> | <b>3 725 580</b>  |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                                 | 2019               | 2018               |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>29</b>              | <b>REVERSAL OF IMPAIRMENTS</b>                                                                                                                                                                                                  |                    |                    |
|                        | Investment Property                                                                                                                                                                                                             | 1 601 772          | -                  |
|                        | Property, Plant and Equipment - Land and Buildings                                                                                                                                                                              | 2 585 000          | -                  |
|                        | <b>Total</b>                                                                                                                                                                                                                    | <b>4 186 772</b>   | <b>-</b>           |
|                        | The reversal of impairment is as a result of an increase in property values as per the latest valuation roll.                                                                                                                   |                    |                    |
| <b>30</b>              | <b>CONTRIBUTED ASSETS</b>                                                                                                                                                                                                       |                    |                    |
|                        | Property, Plant and Equipment                                                                                                                                                                                                   | <b>13 183 602</b>  | <b>271 756</b>     |
|                        | Contributed Assets relates to a Toy Library (R1 383 602) and Resource Centre (R11 800 000) which were donated to the Municipality from an area-based community development organisation (R12 513 602) and suppliers (R670 000). |                    |                    |
| <b>31</b>              | <b>SERVICE CHARGES</b>                                                                                                                                                                                                          |                    |                    |
|                        | Electricity                                                                                                                                                                                                                     | 90 571 983         | 82 618 656         |
|                        | Water                                                                                                                                                                                                                           | 77 365 745         | 66 977 101         |
|                        | Refuse Removal                                                                                                                                                                                                                  | 43 549 828         | 37 009 566         |
|                        | Sewerage and Sanitation                                                                                                                                                                                                         | 40 549 925         | 33 563 461         |
|                        | <b>Total Revenue</b>                                                                                                                                                                                                            | <b>252 037 481</b> | <b>220 168 784</b> |
|                        | Less: Rebates                                                                                                                                                                                                                   | (28 392 805)       | (19 459 117)       |
|                        | Electricity                                                                                                                                                                                                                     | (2 994 536)        | (2 744 337)        |
|                        | Water                                                                                                                                                                                                                           | (4 997 486)        | (3 192 798)        |
|                        | Refuse Removal                                                                                                                                                                                                                  | (10 863 059)       | (7 151 001)        |
|                        | Sewerage and Sanitation                                                                                                                                                                                                         | (9 537 725)        | (6 370 980)        |
|                        | <b>Total</b>                                                                                                                                                                                                                    | <b>223 644 676</b> | <b>200 709 668</b> |
|                        | As previously reported                                                                                                                                                                                                          |                    | 202 204 928        |
|                        | Correction of error restatement - note 48.1                                                                                                                                                                                     |                    | (1 495 260)        |
|                        | <b>Restated balance</b>                                                                                                                                                                                                         |                    | <b>200 709 668</b> |
|                        | Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.                                                                                   |                    |                    |
| <b>32</b>              | <b>RENTAL OF FACILITIES AND EQUIPMENT</b>                                                                                                                                                                                       |                    |                    |
|                        | Buildings and Commonage                                                                                                                                                                                                         | 1 593 711          | 1 587 216          |
|                        | Halls and Sportfields                                                                                                                                                                                                           | 216 881            | 255 638            |
|                        | <b>Total</b>                                                                                                                                                                                                                    | <b>1 810 592</b>   | <b>1 842 854</b>   |
| <b>33</b>              | <b>AGENCY SERVICES</b>                                                                                                                                                                                                          |                    |                    |
|                        | Drivers Licences                                                                                                                                                                                                                | 1 798 295          | 1 848 525          |
|                        | Duplicate Registration                                                                                                                                                                                                          | 94 677             | 92 400             |
|                        | Instructor Certificate                                                                                                                                                                                                          | 1 453              | 2 942              |
|                        | Learners                                                                                                                                                                                                                        | 195 232            | 201 058            |
|                        | Roadworthy Applications                                                                                                                                                                                                         | 271 390            | 310 383            |
|                        | Roadworthy Certificates                                                                                                                                                                                                         | 53 955             | 60 522             |
|                        | Special Permits                                                                                                                                                                                                                 | 31 968             | 31 104             |
|                        | Temporary Permits                                                                                                                                                                                                               | 26 466             | 18 480             |
|                        | Vehicle Licences                                                                                                                                                                                                                | 3 237 822          | 3 123 776          |
|                        | Vehicle Registration                                                                                                                                                                                                            | 1 186 771          | 984 886            |
|                        | <b>Total</b>                                                                                                                                                                                                                    | <b>6 898 029</b>   | <b>6 674 076</b>   |
|                        | As previously reported                                                                                                                                                                                                          |                    | 5 357 963          |
|                        | Correction of error restatement - note 48.5                                                                                                                                                                                     |                    | 1 316 113          |
|                        | <b>Restated balance</b>                                                                                                                                                                                                         |                    | <b>6 674 076</b>   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                                                                                                                                                                        | 2019               | 2018               |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>34</b>              | <b>LICENCES AND PERMITS</b>                                                                                                                                                                                                                                                                                                                                            |                    |                    |
|                        | Trading                                                                                                                                                                                                                                                                                                                                                                | 35 678             | 31 176             |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                           | <b>35 678</b>      | <b>31 176</b>      |
| <b>35</b>              | <b>OTHER INCOME</b>                                                                                                                                                                                                                                                                                                                                                    |                    |                    |
|                        | Building Plan Approval                                                                                                                                                                                                                                                                                                                                                 | 1 229 730          | 1 759 220          |
|                        | Cemetery and Burial                                                                                                                                                                                                                                                                                                                                                    | 585 174            | 599 940            |
|                        | Development Charges                                                                                                                                                                                                                                                                                                                                                    | 973 552            | 147 367            |
|                        | Photocopies and Faxes                                                                                                                                                                                                                                                                                                                                                  | 76 773             | 85 836             |
|                        | Building Plans Clause Levy, Sub-division and Consolidation Fees                                                                                                                                                                                                                                                                                                        | 529 139            | 590 011            |
|                        | Escort Fees                                                                                                                                                                                                                                                                                                                                                            | 40 422             | 51 882             |
|                        | Sundry Income                                                                                                                                                                                                                                                                                                                                                          | 1 334 323          | 1 649 042          |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                           | <b>4 769 113</b>   | <b>4 883 297</b>   |
| <b>36</b>              | <b>EMPLOYEE RELATED COSTS</b>                                                                                                                                                                                                                                                                                                                                          |                    |                    |
|                        | Basic Salaries and Wages                                                                                                                                                                                                                                                                                                                                               | 122 411 269        | 114 804 999        |
|                        | Pension and UIF Contributions                                                                                                                                                                                                                                                                                                                                          | 22 207 429         | 20 710 237         |
|                        | Medical Aid Contributions                                                                                                                                                                                                                                                                                                                                              | 6 861 249          | 6 243 445          |
|                        | Overtime                                                                                                                                                                                                                                                                                                                                                               | 7 644 525          | 6 725 965          |
|                        | Motor Vehicle Allowance                                                                                                                                                                                                                                                                                                                                                | 8 834 074          | 9 182 704          |
|                        | Cellphone Allowance                                                                                                                                                                                                                                                                                                                                                    | 671 935            | 622 815            |
|                        | Housing Allowances                                                                                                                                                                                                                                                                                                                                                     | 1 652 912          | 1 277 643          |
|                        | Other benefits and allowances                                                                                                                                                                                                                                                                                                                                          | 6 332 480          | 5 906 802          |
|                        | Acting Allowance                                                                                                                                                                                                                                                                                                                                                       | 774 253            | 999 096            |
|                        | Bargaining Council                                                                                                                                                                                                                                                                                                                                                     | 68 653             | 68 632             |
|                        | Entertainment Allowance                                                                                                                                                                                                                                                                                                                                                | -                  | 600                |
|                        | Group Life Insurance                                                                                                                                                                                                                                                                                                                                                   | 1 338 629          | 1 341 323          |
|                        | Standby Allowance                                                                                                                                                                                                                                                                                                                                                      | 4 150 945          | 3 497 151          |
|                        | Contributions to Employee Benefits                                                                                                                                                                                                                                                                                                                                     | 15 036 711         | 14 607 647         |
|                        | Bonuses                                                                                                                                                                                                                                                                                                                                                                | 9 839 043          | 9 285 637          |
|                        | Staff Leave                                                                                                                                                                                                                                                                                                                                                            | 1 460 685          | 1 863 662          |
|                        | Long Service Awards                                                                                                                                                                                                                                                                                                                                                    | 708 056            | 662 548            |
|                        | Post Retirement Medical Benefits                                                                                                                                                                                                                                                                                                                                       | 3 028 927          | 2 795 800          |
|                        | Workmen's Compensation                                                                                                                                                                                                                                                                                                                                                 | 1 173 297          | 961 804            |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                           | <b>192 825 882</b> | <b>181 044 060</b> |
|                        | <b>Remuneration of Management Personnel</b>                                                                                                                                                                                                                                                                                                                            |                    |                    |
|                        | The Municipal Manager is appointed until the next local government election. The Director Operational Services contract expires on 31 August 2019. The Director Financial Services is appointed on a 10-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period. Acting allowances are immaterial. |                    |                    |
|                        | <b>Municipal Manager - GF Matthyse (appointed March 2018)</b>                                                                                                                                                                                                                                                                                                          |                    |                    |
|                        | Annual Remuneration                                                                                                                                                                                                                                                                                                                                                    | 1 330 824          | 480 374            |
|                        | Travelling Allowance                                                                                                                                                                                                                                                                                                                                                   | 72 000             | 24 000             |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                                                                                                                                                                        | -                  | -                  |
|                        | Performance Bonus                                                                                                                                                                                                                                                                                                                                                      | 54 628             | -                  |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                           | <b>1 457 452</b>   | <b>504 374</b>     |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                  | 2019              | 2018              |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>36</b>              | <b>EMPLOYEE RELATED COSTS (CONTINUED)</b>                                                                                                                                                                        |                   |                   |
|                        | <b>Municipal Manager - HSD Wallace (contract expired October 2016)</b>                                                                                                                                           |                   |                   |
|                        | Annual Remuneration                                                                                                                                                                                              | -                 | -                 |
|                        | Travelling Allowance                                                                                                                                                                                             | -                 | -                 |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                  | -                 | -                 |
|                        | Performance Bonus                                                                                                                                                                                                | 58 173            | 195 793           |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>58 173</b>     | <b>195 793</b>    |
|                        | <b>Director: Development Services - MH Gxoyiya (contract expired January 2017)</b>                                                                                                                               |                   |                   |
|                        | Annual Remuneration                                                                                                                                                                                              | -                 | -                 |
|                        | Travelling Allowance                                                                                                                                                                                             | -                 | -                 |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                  | -                 | -                 |
|                        | Performance Bonus                                                                                                                                                                                                | -                 | 141 611           |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>-</b>          | <b>141 611</b>    |
|                        | <b>Director: Financial Services - D Louw</b>                                                                                                                                                                     |                   |                   |
|                        | Annual Remuneration                                                                                                                                                                                              | 841 320           | 818 226           |
|                        | Travelling Allowance                                                                                                                                                                                             | 108 000           | 108 000           |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                  | 197 373           | 194 527           |
|                        | Performance Bonus                                                                                                                                                                                                | 252 916           | 138 524           |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>1 399 610</b>  | <b>1 259 277</b>  |
|                        | <b>Director: Operational Services - J Barnard</b>                                                                                                                                                                |                   |                   |
|                        | Annual Remuneration                                                                                                                                                                                              | 1 073 056         | 1 014 901         |
|                        | Travelling Allowance                                                                                                                                                                                             | 62 428            | 62 428            |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                  | 217 900           | 210 381           |
|                        | Performance Bonus                                                                                                                                                                                                | 238 533           | 138 837           |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>1 591 917</b>  | <b>1 426 547</b>  |
|                        | <b>Director: Technical Services - CW van Heerden (contract expired November 2016)</b>                                                                                                                            |                   |                   |
|                        | Annual Remuneration                                                                                                                                                                                              | -                 | -                 |
|                        | Travelling Allowance                                                                                                                                                                                             | -                 | -                 |
|                        | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                  | -                 | -                 |
|                        | Performance Bonus                                                                                                                                                                                                | -                 | 141 611           |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>-</b>          | <b>141 611</b>    |
| <b>37</b>              | <b>REMUNERATION OF COUNCILLORS</b>                                                                                                                                                                               |                   |                   |
|                        | Executive Mayor                                                                                                                                                                                                  | 896 677           | 888 471           |
|                        | Deputy Executive Mayor                                                                                                                                                                                           | 638 415           | 718 722           |
|                        | Speaker                                                                                                                                                                                                          | 712 966           | 691 494           |
|                        | Mayoral Committee Members                                                                                                                                                                                        | 3 389 889         | 3 221 193         |
|                        | Other Councillors                                                                                                                                                                                                | 6 068 959         | 6 018 908         |
|                        | <b>Total</b>                                                                                                                                                                                                     | <b>11 706 906</b> | <b>11 538 787</b> |
|                        | <b>In-kind Benefits</b>                                                                                                                                                                                          |                   |                   |
|                        | The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council. |                   |                   |
|                        | Councillors may utilize municipal transportation when engaged in official duties.                                                                                                                                |                   |                   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                                                                                                                          | 2019              | 2018              |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>38</b>              | <b>DEBT IMPAIRMENT</b>                                                                                                                                                                                                                                                                                                   |                   |                   |
|                        | Receivables from Exchange Transactions                                                                                                                                                                                                                                                                                   | 43 954 671        | 41 243 198        |
|                        | Receivables from Non-Exchange Transactions                                                                                                                                                                                                                                                                               | 31 940 822        | 42 072 859        |
|                        | <b>Total Debt Impairment</b>                                                                                                                                                                                                                                                                                             | <b>75 895 493</b> | <b>83 316 058</b> |
|                        | Movement in VAT included in debt impairment                                                                                                                                                                                                                                                                              | (1 549 822)       | (1 342 625)       |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>74 345 671</b> | <b>81 973 432</b> |
| <b>39</b>              | <b>DEPRECIATION AND AMORTISATION</b>                                                                                                                                                                                                                                                                                     |                   |                   |
|                        | Property, Plant and Equipment                                                                                                                                                                                                                                                                                            | 20 090 530        | 23 358 361        |
|                        | Investment Property                                                                                                                                                                                                                                                                                                      | 60 855            | 60 855            |
|                        | Intangible Assets                                                                                                                                                                                                                                                                                                        | 147 524           | 162 397           |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>20 298 909</b> | <b>23 581 613</b> |
| <b>40</b>              | <b>IMPAIRMENT</b>                                                                                                                                                                                                                                                                                                        |                   |                   |
|                        | Land and Buildings                                                                                                                                                                                                                                                                                                       | -                 | 349 837           |
|                        | Capitalised Restoration Cost                                                                                                                                                                                                                                                                                             | 511 847           | 190 250           |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>511 847</b>    | <b>540 087</b>    |
| <b>41</b>              | <b>ACTUARIAL LOSSES</b>                                                                                                                                                                                                                                                                                                  |                   |                   |
|                        | Post Retirement Medical Benefits                                                                                                                                                                                                                                                                                         | -                 | -                 |
|                        | Long Service Awards                                                                                                                                                                                                                                                                                                      | 1 805 601         | 368 790           |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>1 805 601</b>  | <b>368 790</b>    |
| <b>42</b>              | <b>FINANCE CHARGES</b>                                                                                                                                                                                                                                                                                                   |                   |                   |
|                        | <b>Cash</b>                                                                                                                                                                                                                                                                                                              | 8 682 626         | 9 576 269         |
|                        | Long-term Liabilities                                                                                                                                                                                                                                                                                                    | 8 682 626         | 9 576 269         |
|                        | <b>Non-cash</b>                                                                                                                                                                                                                                                                                                          | 10 016 280        | 9 433 415         |
|                        | Post Retirement Medical Benefits                                                                                                                                                                                                                                                                                         | 4 260 706         | 4 119 751         |
|                        | Long Service Awards                                                                                                                                                                                                                                                                                                      | 592 653           | 525 959           |
|                        | Rehabilitation of Landfill Sites                                                                                                                                                                                                                                                                                         | 5 162 921         | 4 787 705         |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>18 698 906</b> | <b>19 009 684</b> |
| <b>43</b>              | <b>BULK PURCHASES</b>                                                                                                                                                                                                                                                                                                    |                   |                   |
|                        | Electricity                                                                                                                                                                                                                                                                                                              | 61 539 643        | 54 930 226        |
|                        | Water                                                                                                                                                                                                                                                                                                                    | 14 841 878        | 12 161 256        |
|                        | <b>Total</b>                                                                                                                                                                                                                                                                                                             | <b>76 381 521</b> | <b>67 091 482</b> |
|                        | Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including DWA, Overberg Water and a number of private suppliers. |                   |                   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                             | 2019              | 2018              |
|------------------------|-------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>44</b>              | <b>CONTRACTED SERVICES</b>                                                                                  |                   |                   |
|                        | Alien Vegetation Control                                                                                    | 321 773           | 550 990           |
|                        | Business and Financial Management                                                                           | 4 532 653         | 3 433 824         |
|                        | Caledon Solid Waste Site                                                                                    | 3 063 026         | 1 848 922         |
|                        | Clearing and Grass Cutting Services                                                                         | 288 820           | 189 982           |
|                        | Copier Costs                                                                                                | 317 014           | 339 569           |
|                        | Drivers Licence Cards                                                                                       | 508 286           | 522 111           |
|                        | Electrical Contractors                                                                                      | 1 020 681         | 600 520           |
|                        | Engineering - Civil                                                                                         | 778 599           | 484 825           |
|                        | Fire Services                                                                                               | 1 704 217         | 1 750 905         |
|                        | Legal Advice                                                                                                | 979 236           | 938 743           |
|                        | Maintenance Services                                                                                        | 15 319 724        | 13 155 665        |
|                        | Management of Informal Settlements                                                                          | 490 163           | 204 117           |
|                        | Research and Advisory                                                                                       | 717 528           | 548 966           |
|                        | Personnel and Labour                                                                                        | 2 523 841         | 529 545           |
|                        | Security Services                                                                                           | 693 258           | 705 807           |
|                        | Traffic Fines Management                                                                                    | 1 876 365         | 1 674 748         |
|                        | Translators, Scribes and Editors                                                                            | 153 085           | 149 277           |
|                        | Valuation Services                                                                                          | 750 833           | 1 115 714         |
|                        | Water Tests                                                                                                 | 631 154           | 607 020           |
|                        | Other Contracted Services                                                                                   | 1 567 319         | 1 228 076         |
|                        | <b>Total</b>                                                                                                | <b>38 237 575</b> | <b>30 579 325</b> |
|                        | As previously reported                                                                                      |                   | 23 686 752        |
|                        | Correction of error restatement - note 48.5                                                                 |                   | 536 985           |
|                        | Reclassification - note 49.3                                                                                |                   | 6 355 587         |
|                        | Restated balance                                                                                            |                   | 30 579 325        |
|                        | Other Contracted Services consist out of a variety of services, including but not limited to the following: |                   |                   |
|                        | - Animal Care                                                                                               |                   |                   |
|                        | - Catering Services                                                                                         |                   |                   |
|                        | - Human Resources                                                                                           |                   |                   |
|                        | - Audit Committee                                                                                           |                   |                   |
| <b>45</b>              | <b>TRANSFERS AND GRANTS</b>                                                                                 |                   |                   |
|                        | Indigent Subsidies - Electricity                                                                            | 2 510 036         | 2 377 804         |
|                        | Sport Councils                                                                                              | 117 245           | 98 376            |
|                        | Tourism Boards                                                                                              | 15 000            | -                 |
|                        | <b>Total</b>                                                                                                | <b>2 642 281</b>  | <b>2 476 180</b>  |
|                        | As previously reported                                                                                      |                   | 2 377 804         |
|                        | Reclassification - note 49.3                                                                                |                   | 98 376            |
|                        | Restated balance                                                                                            |                   | 2 476 180         |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                | 2019               | 2018               |
|------------------------|----------------------------------------------------------------|--------------------|--------------------|
| <b>46</b>              | <b>OTHER EXPENDITURE</b>                                       |                    |                    |
|                        | Advertising, Publicity and Marketing                           | 518 767            | 624 479            |
|                        | Audit Fees                                                     | 4 081 577          | 2 608 148          |
|                        | Bank Charges                                                   | 571 774            | 508 609            |
|                        | Commission Paid (Electricity)                                  | 1 717 582          | 1 442 392          |
|                        | Electricity - Escom                                            | 8 117 274          | 5 765 525          |
|                        | Computer Services and Licences                                 | 4 461 421          | 5 728 073          |
|                        | Dumping fees (Karwyderskraal)                                  | 1 484 759          | 1 095 651          |
|                        | Fuel Cost                                                      | 5 173 635          | 4 680 080          |
|                        | Full Time Union Representative                                 | 184 388            | 131 510            |
|                        | Hire Charges                                                   | 2 282 120          | 1 062 636          |
|                        | Insurance                                                      | 1 703 891          | 1 364 480          |
|                        | Maintenance Materials                                          | 7 924 192          | 6 469 755          |
|                        | Management Fees                                                | 806 128            | 760 599            |
|                        | Material and protective clothing                               | 904 692            | 1 354 749          |
|                        | Membership fees                                                | 1 975 918          | 1 902 510          |
|                        | Operating Grant expenditure (Housing Top Structures)           | 10 401 990         | 221 784            |
|                        | Postage                                                        | 158 175            | 127 622            |
|                        | Printing and stationery                                        | 908 555            | 847 784            |
|                        | Refuse bags                                                    | 375 825            | 326 406            |
|                        | Skills development levy                                        | 1 613 131          | 1 489 040          |
|                        | Telephone                                                      | 848 773            | 810 224            |
|                        | Training                                                       | 662 623            | 571 863            |
|                        | Travel and subsistence                                         | 643 418            | 465 589            |
|                        | Ward Committees                                                | 173 950            | 188 274            |
|                        | Water Purification                                             | 1 501 658          | 1 386 146          |
|                        | Sundries and Other Consumables                                 | 3 783 776          | 3 073 121          |
|                        | <b>Total</b>                                                   | <b>62 979 990</b>  | <b>45 007 047</b>  |
|                        | As previously reported                                         |                    | 30 354 142         |
|                        | Correction of error restatement - note 48.5                    |                    | 459 530            |
|                        | Reclassification - note 49.3                                   |                    | 14 193 375         |
|                        | Restated balance                                               |                    | 45 007 047         |
| <b>47</b>              | <b>GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS</b>          |                    |                    |
|                        | Proceeds                                                       | 780 337            | 295 000            |
|                        | Less: Carrying value of Investment Property disposed           | -                  | (258 882)          |
|                        | Less: Carrying value of Property, Plant and Equipment disposed | (1 748 773)        | (2 395 043)        |
|                        | Less: Carrying value of Intangible Assets disposed             | (58 726)           | -                  |
|                        | <b>Total</b>                                                   | <b>(1 027 163)</b> | <b>(2 358 925)</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

#### 48.1 Receivables from Exchange and Non-Exchange Transactions

Receivables from Exchange Transactions contained the following errors:

- Industrial flow for both the 2016/17 and 2017/18 financial years was incorrectly calculated, resulting that Receivables from Exchange Transactions was overstated by R1 668 198, while Revenue and Accumulated Surplus were respectively overstated by R311 598 and R1 356 599.
- Internal charges pertaining to June 2018 was not cleared, resulting that Receivables were overstated by R1 675 096, while Revenue and Accumulated Surplus were respectively overstated by R1 467 826 and R207 270.
- Retention Forfeits amounting to R772 991 was incorrectly raised as Revenue, resulting that Revenue and Receivables from Exchange Transactions were overstated.
- Accrued interest amounting to R100 599 on the primary bank account was not recorded resulting in both Receivables from Exchange Transactions and Revenue being understated.

The net effect of the above-mentioned errors were as follow:

|                                                       |             |             |
|-------------------------------------------------------|-------------|-------------|
| - Receivables from Exchange Transactions - note 3     | Overstated  | (3 763 653) |
| - Receivables from Non-Exchange Transactions - note 4 | Overstated  | (252 033)   |
| - Property Rates - note 24                            | Overstated  | (252 033)   |
| - Fines, Penalties and Forfeits - note 27             | Overstated  | (772 991)   |
| - Service Charges - note 31                           | Overstated  | (1 495 260) |
| - Interest Earned - External Investments - note 48.7  | Understated | 100 599     |
| - Interest Earned - Outstanding Debtors - note 48.7   | Overstated  | (32 132)    |
| - Accumulated Surplus - note 48.6                     | Overstated  | (1 563 869) |

#### 48.2 Investment Property

It was noted that properties with a carrying value amounting to R116 600 were not recorded on the asset register.

The net effect of the above-mentioned errors were as follow:

|                                   |             |         |
|-----------------------------------|-------------|---------|
| - Investment Property - note 10   | Understated | 116 600 |
| - Accumulated Surplus - note 48.6 | Understated | 116 600 |

#### 48.3 Property, Plant and Equipment

Property, Plant and Equipment contained the following errors:

- It was noted that movable assets with a carrying value amounting to R255 545 were not recorded on the asset register.
- Capitalised Restoration Cost was previously separately disclosed on the face of the Statement of Financial Position. This was deemed inappropriate in terms of GRAP 17, and subsequently removed to be included in the balance Property, Plant and Equipment.

The net effect of the above-mentioned errors were as follow:

|                                                    |             |             |
|----------------------------------------------------|-------------|-------------|
| - Property, Plant and Equipment - note 11          | Understated | 6 835 143   |
| - Capitalised Restoration Cost (line item removed) | Overstated  | (6 579 598) |
| - Accumulated Surplus - note 48.6                  | Understated | 255 545     |

#### 48.4 Consumer Deposits

Consumer Deposits receipts amounting to R125 000 was previously incorrectly recognised as Revenue, rather than Consumer Deposits.

The net effect of the above-mentioned errors were as follow:

|                                   |             |           |
|-----------------------------------|-------------|-----------|
| - Consumer Deposits - note 16     | Understated | 125 000   |
| - Accumulated Surplus - note 48.6 | Overstated  | (125 000) |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

#### 48.5 Payables from exchange transactions

Payables from Exchange Transactions contained the following errors:

- Expenditure was directly allocated to a creditors control account, rather than to the respective expenditure accounts. Accordingly, Payables from Exchange Transactions were overstated by R516 158, while Taxes and Expenditure were respectively understated by R52 027 and R464 131.
- The agency service control account for the Department of Transport had a balance as on 30 June 2018. The balances was investigated and it was noted that the account contained Revenue, Expenditure and Taxes which were not transacted correctly. Accordingly, Payables from Exchange Transactions were overstated by R1 440 862, while Taxes were overstated by R657 133. Revenue and Expenditure were respectively understated by R1 316 113 and R532 384.
- Unclaimed deposits amounting to R19 330 which were older than 12 months were not recognised as income, resulting that Payables from Exchange Transactions were overstated and Revenue understated.

The net effect of the above-mentioned errors were as follow:

|                                                       |             |           |
|-------------------------------------------------------|-------------|-----------|
| - Receivables from Non-Exchange Transactions - note 4 | Understated | 174 455   |
| - Taxes - note 6                                      | Overstated  | (605 106) |
| - Payables from exchange transactions - note 17       | Overstated  | (769 579) |
| - Fines, Penalties and Forfeits - note 27             | Understated | 19 330    |
| - Agency Services - note 33                           | Understated | 1 316 113 |
| - Contracted Services - note 44                       | Understated | 536 985   |
| - Other Expenditure - note 46                         | Understated | 459 530   |

#### 48.6 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

|                                                                       |                    |
|-----------------------------------------------------------------------|--------------------|
| - Receivables from Exchange and Non-Exchange Transactions - note 48.1 | (1 563 869)        |
| - Investment Property - note 48.2                                     | 116 600            |
| - Property, Plant and Equipment - note 48.3                           | 255 545            |
| - Consumer Deposits - note 48.4                                       | (125 000)          |
| Total                                                                 | <u>(1 316 724)</u> |

#### 48.7 Statement of Financial Performance

|                                             |            |
|---------------------------------------------|------------|
| Interest Earned - External Investments      | 8 258 086  |
| As previously reported                      | 8 157 487  |
| Correction of error restatement - note 48.1 | 100 599    |
| Interest Earned - Outstanding Debtors       | 10 307 713 |
| As previously reported                      | 10 339 844 |
| Correction of error restatement - note 48.1 | (32 132)   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 49 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

#### 49.1 Repairs and Maintenance

The Accounting Standards Board (ASB) issued a FAQ which states that the line item "Repairs and Maintenance" is no longer permitted in the Statement of Financial Performance, and that the said expenditure should be reclassified by its nature. Accordingly all "Repairs and Maintenance" expenditure was respectively reallocated to "Contracted Services" and "Other Expenditure" and classified by their nature as follow:

| Item                   | Previous Classification | Revised Classification | Amount     |
|------------------------|-------------------------|------------------------|------------|
| Maintenance Services   | Repairs and Maintenance | Contracted Services    | 13 155 665 |
| Hire Charges           | Repairs and Maintenance | Other Expenditure      | 1 037 982  |
| Maintenance Materials  | Repairs and Maintenance | Other Expenditure      | 6 441 234  |
| Other immaterial items | Repairs and Maintenance | Other Expenditure      | 12 457     |

#### 49.2 Contracted Services and Other Expenditure

Management reviewed the current classifications in the current year and concluded to reclassify the following items, mainly to be in line with the mSCOA reporting requirements.

| Item                           | Previous Classification | Revised Classification | Amount    |
|--------------------------------|-------------------------|------------------------|-----------|
| Legal Advice                   | Other Expenditure       | Contracted Services    | 938 743   |
| Water Tests                    | Other Expenditure       | Contracted Services    | 607 020   |
| Sport Councils                 | Other Expenditure       | Transfers and Grants   | 98 376    |
| Commission Paid (Electricity)  | Contracted Services     | Other Expenditure      | 1 442 392 |
| Computer Services and Licences | Contracted Services     | Other Expenditure      | 5 728 073 |
| Dumping fees (Karwyderskraal)  | Contracted Services     | Other Expenditure      | 1 095 651 |
| Other immaterial items         | Contracted Services     | Other Expenditure      | 79 725    |

#### 49.3 Summary of Reclassifications

The above mentioned reclassifications effected the following line items:

##### Expenditure

|                                                                                                    |              |
|----------------------------------------------------------------------------------------------------|--------------|
| - Repairs and Maintenance (this line item was removed from the Statement of Financial Performance) | (20 647 338) |
| - Contracted Services                                                                              | 6 355 587    |
| - Transfers and grants                                                                             | 98 376       |
| - Other Expenditure                                                                                | 14 193 375   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 50 NET CASH FROM OPERATING ACTIVITIES

|                                                                        |                    |                   |
|------------------------------------------------------------------------|--------------------|-------------------|
| Net Surplus for the year                                               | 88 636 610         | 67 152 491        |
| Adjusted for:                                                          |                    |                   |
| Non-cash revenue included in Net Surplus                               | (29 187 602)       | (4 232 843)       |
| Actuarial Gains                                                        | (11 762 066)       | (3 725 580)       |
| Reversal of Impairments                                                | (4 186 772)        | -                 |
| Contributed Assets                                                     | (13 183 602)       | (271 756)         |
| Rental of Facilities and Equipment - decrease in operating lease asset | 93 110             | 6 846             |
| Change in Provisions for Restoration of Landfill Site                  | (148 272)          | (242 353)         |
| Non-cash expenditure included in Net Surplus                           | 123 779 204        | 133 868 205       |
| Employee Related Costs - Contributions towards                         | 15 773 733         | 15 611 943        |
| Post Retirement Medical Benefits                                       | 3 028 927          | 2 795 800         |
| Long Service Awards                                                    | 708 056            | 662 548           |
| Bonuses                                                                | 9 483 894          | 9 285 637         |
| Staff Leave                                                            | 1 460 685          | 1 863 662         |
| Performance Bonuses                                                    | 355 149            | 267 451           |
| Group Insurance                                                        | 24 950             | 16 253            |
| Overtime                                                               | 712 072            | 720 591           |
| Debt Impairment                                                        | 74 345 671         | 81 973 432        |
| Depreciation and Amortisation                                          | 20 298 909         | 23 581 613        |
| Impairment                                                             | 511 847            | 540 087           |
| Actuarial Losses                                                       | 1 805 601          | 368 790           |
| Finance Charges                                                        | 10 016 280         | 9 433 415         |
| Post Retirement Medical Benefits                                       | 4 260 706          | 4 119 751         |
| Long Service Awards                                                    | 592 653            | 525 959           |
| Provision for Rehabilitation of Landfill-sites                         | 5 162 921          | 4 787 705         |
| Loss on disposal of Non-Monetary Assets                                | 1 027 163          | 2 358 925         |
| Cash expenditure not included in Net Surplus                           | (13 613 620)       | (13 098 446)      |
| Post Retirement Medical Benefits                                       | (1 420 922)        | (1 433 017)       |
| Long Service Awards                                                    | (616 698)          | (1 059 630)       |
| Bonuses                                                                | (9 279 881)        | (8 831 844)       |
| Staff Leave                                                            | (968 970)          | (684 170)         |
| Performance Bonuses                                                    | (604 250)          | (614 765)         |
| Pension                                                                | (2 308)            | (7 788)           |
| Overtime                                                               | (720 591)          | (467 232)         |
| Operating Surplus before changes in working capital                    | 169 614 592        | 183 689 407       |
| Movement in working capital                                            | (41 958 774)       | (88 354 755)      |
| Long-term Receivables                                                  | 25 257             | 2 704 302         |
| Receivables from Exchange Transactions                                 | (51 242 044)       | (46 757 887)      |
| Receivables from Non-Exchange Transactions                             | (32 401 793)       | (44 963 723)      |
| Unpaid Conditional Government Grants                                   | 4 625 423          | (4 437 948)       |
| Taxes                                                                  | 4 901 956          | (3 675 665)       |
| Inventory                                                              | 192 875            | (877 647)         |
| Payables from exchange transactions                                    | 7 556 731          | 1 568 548         |
| Unspent Conditional Government Grants                                  | 24 544 665         | 7 969 633         |
| Unspent Public Contributions                                           | (161 845)          | 115 632           |
| <b>Cash Flow from Operating Activities</b>                             | <b>127 655 818</b> | <b>95 334 652</b> |

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|------------------------|------|------|

### 51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

|                          |                    |                   |
|--------------------------|--------------------|-------------------|
| Primary Bank Account     | 87 515 246         | 23 234 967        |
| Call and Notice Deposits | 43 414 553         | 40 655 244        |
| Cash Floats              | 10 350             | 10 350            |
| <b>Total</b>             | <b>130 940 149</b> | <b>63 900 561</b> |

Refer to note 2 for more details relating to cash and cash equivalents.

### 52 BUDGET COMPARISONS

#### 52.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

##### Statement of Financial Position

*Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.*

*Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.*

*Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.*

*Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.*

##### Statement of Financial Performance

*The statement of financial performance is comparable on a line by line basis except for the following items:*

*The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.*

*Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance*

*The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.*

*Finance charges pertaining to employee related costs was budget as part of Employee Related Costs, but for GRAP purposes has been disclosed as Finance Charges. For budget comparison purposes, the actual finance charges shall be included as part of Employee Related Costs.*

##### Cash Flow Statement

*The Cash Flow Statement is presented on a comparable basis.*

#### 52.2 Statement of Financial Position

##### Adjustments to Original Budget

*Adjustments to the original budget was mainly to align the amounts with the audit outcomes of 2017/18 and to accommodate any changes to revenue, operating and capital expenditure for the 2018/19 financial year.*

##### Actual Amounts vs Final Budget

*Cash and Call Investment Deposits were more than budget due to the following:*

- underspending of both capital and operating budget
- a grant allocation received from Department of Water and Sanitation was not spent
- higher collections rates on debtors than anticipated
- fixed deposit reclassified from Investments to Cash due to it maturing in 2019/20

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 52 BUDGET COMPARISONS (CONTINUED)

*Consumer Debtors were less than budget due to higher collection rates than anticipated.*

*Other Debtors were less than budget due to less fines issued than anticipated.*

*Investments were less than budget due to the fixed deposit which will mature in 2019/20 and therefore reclassified to Cash.*

*Property, Plant and Equipment was more than budget due to the reassessment of landfill site useful lives which resulted in a lower depreciation charge than expected.*

*Trade and Other Payables were more than budget due to unspent grant allocation from the Department of Water and Sanitation.*

#### 52.3 Statement of Financial Performance

##### Adjustments to Original Budget

*Service Charges - Water Revenue was decreased as a result of water restrictions still applied during the course of the year.*

*Interest Earned - Outstanding Debtors was increased based on actual results of 2017/18.*

*Fines, Penalties and Forfeits was increased due to traffic fines which was based on actual results of 2017/18.*

*Transfer and Subsidies - Operational and Capital were increased due to the roll-over application of grants which approved.*

*Debt Impairment was increased as a result of the increase in fines.*

*Contracted Services and Other Expenditure were increased as a result of the roll-over application of grants which was approved.*

*Transfers Recognised - Capital was decreased due to a decrease in funding from Human Settlements.*

##### Actual Amounts vs Final Budget

*Service Charges - Water Revenue was more than budget due to the removal of water restrictions in the latter part of the year.*

*Fines, Penalties and Forfeits were less than budget due to less fines issued than anticipated.*

*Transfer and Subsidies - Operational and Capital were less than budget due to Housing funding not fully received.*

*Other Revenue was more than budget due to unforeseen Actuarial Gains.*

*Employee Related Costs were less than budget due to not all vacant positions filled.*

*Debt Impairment was less than budget due to less fines issued than anticipated.*

*Depreciation and Amortisation was less than budget due to the extension of the useful lives of landfill sites.*

*Other Material, Contracted Services and Other Expenditure were less than budget due to the Housing funding not fully received.*

*Contributed Assets were not budgeted for.*

#### 52.4 Cash Flow Statement

##### Adjustments to Original Budget

*Service Charges were decreased in anticipation of the drought and also some consumers leaving the electricity grid.*

*Government was decreased due to a decrease in funding from Human Settlements*

*Suppliers and Employees was increase as a result of roll-over grant application approval.*

*Capital Asset payments was decreased as a result of decrease in funding from Human Settlements.*

##### Actual Amounts vs Final Budget

*Property rates, penalties & collection charges were more than budget due to aggressive collection strategy implemented.*

*Interest charged on outstanding debtors was budgeted as part of interest, but is included as part of services for GRAP disclosure.*

*Other Revenue was more than budget due to more monies received from other debtors than anticipated.*

*Suppliers and Employees was less than budget due to grant funding allocations not received.*

*Movement in Non-current assets were more than budget as the maturity of the investment was not taken into account with the budget.*

*Capital Asset payments was less than budget due to not all grant funding received.*

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### 53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 53.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

|                                                         |          |          |
|---------------------------------------------------------|----------|----------|
| Opening balance                                         | -        | -        |
| Unauthorised expenditure current year - operating       | -        | -        |
| Unauthorised expenditure current year - capital         | -        | -        |
| Approved by Council                                     | -        | -        |
| <b>Unauthorised expenditure awaiting further action</b> | <b>-</b> | <b>-</b> |

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

|                                             | 2019<br>(Actual)<br>R | 2019<br>(Final Budget)<br>R | 2019<br>(Unauthorised)<br>R | 2018<br>(Unauthorised)<br>R |
|---------------------------------------------|-----------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Unauthorised expenditure - Operating</b> |                       |                             |                             |                             |
| Vote 1 - Budget and treasury office         | 60 011 185            | 60 385 993                  | -                           | -                           |
| Vote 2 - Community and social services      | 7 745 919             | 9 228 606                   | -                           | -                           |
| Vote 3 - Corporate services                 | 57 064 764            | 80 344 140                  | -                           | -                           |
| Vote 4 - Electricity                        | 77 098 591            | 77 189 149                  | -                           | -                           |
| Vote 5 - Environmental protection           | 243                   | 99 143                      | -                           | -                           |
| Vote 6 - Executive and council              | 39 600 513            | 39 825 536                  | -                           | -                           |
| Vote 7 - Housing                            | 17 800 316            | 46 469 081                  | -                           | -                           |
| Vote 8 - Planning and development           | 11 278 087            | 13 818 026                  | -                           | -                           |
| Vote 9 - Public safety                      | 56 410 785            | 63 481 088                  | -                           | -                           |
| Vote 10 - Road transport                    | 31 851 406            | 31 916 992                  | -                           | -                           |
| Vote 11 - Sport and recreation              | 9 459 352             | 10 508 167                  | -                           | -                           |
| Vote 12 - Waste management                  | 42 927 709            | 53 057 203                  | -                           | -                           |
| Vote 13 - Waste water management            | 35 862 620            | 39 803 954                  | -                           | -                           |
| Vote 14 - Water                             | 54 350 783            | 54 696 613                  | -                           | -                           |
| <b>Total</b>                                | <b>501 462 273</b>    | <b>580 823 691</b>          | <b>-</b>                    | <b>-</b>                    |

#### Unauthorised expenditure - Capital

|                                        |                   |                   |          |          |
|----------------------------------------|-------------------|-------------------|----------|----------|
| Vote 1 - Budget and treasury office    | 23 809            | 26 594            | -        | -        |
| Vote 2 - Community and social services | 233 623           | 358 000           | -        | -        |
| Vote 3 - Corporate services            | 4 989 500         | 5 040 397         | -        | -        |
| Vote 4 - Electricity                   | 4 696 301         | 5 005 092         | -        | -        |
| Vote 5 - Environmental protection      | -                 | -                 | -        | -        |
| Vote 6 - Executive and council         | 1 136 796         | 1 734 113         | -        | -        |
| Vote 7 - Housing                       | 11 112 451        | 18 085 032        | -        | -        |
| Vote 8 - Planning and development      | 13 221 072        | 15 198 612        | -        | -        |
| Vote 9 - Public safety                 | 941 850           | 1 032 360         | -        | -        |
| Vote 10 - Road transport               | 1 007 719         | 1 117 912         | -        | -        |
| Vote 11 - Sport and recreation         | 825 703           | 1 600 000         | -        | -        |
| Vote 12 - Waste management             | 12 046 232        | 12 046 232        | -        | -        |
| Vote 13 - Waste water management       | 18 386 744        | 18 412 512        | -        | -        |
| Vote 14 - Water                        | 7 910 928         | 8 803 155         | -        | -        |
| <b>Total</b>                           | <b>76 532 726</b> | <b>88 460 011</b> | <b>-</b> | <b>-</b> |



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### 53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

#### 53.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

|                                                                   |          |          |
|-------------------------------------------------------------------|----------|----------|
| Opening balance                                                   | -        | -        |
| Fruitless and wasteful expenditure incurred                       | -        | -        |
| Approved by Council                                               | -        | -        |
| <b>Fruitless and wasteful expenditure awaiting further action</b> | <b>-</b> | <b>-</b> |

Details of fruitless and wasteful expenditure incurred:

|              |          |          |
|--------------|----------|----------|
| (a) None     | -        | -        |
| <b>Total</b> | <b>-</b> | <b>-</b> |

#### 53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

|                                                                                     |                    |                   |
|-------------------------------------------------------------------------------------|--------------------|-------------------|
| Opening balance                                                                     | 18 474 751         | -                 |
| Opening balance correction - prior year error                                       | (2 257)            | -                 |
| Irregular expenditure incurred in the current year                                  | 18 747 854         | 1 475 664         |
| Irregular expenditure incurred in the prior year but identified in the current year | 82 537 923         | 17 377 200        |
| Approved by Council                                                                 | (19 367 541)       | (378 113)         |
| <b>Irregular expenditure awaiting further action</b>                                | <b>100 390 730</b> | <b>18 474 751</b> |

Details of irregular expenditure incurred

|                                                                                                                                                                              |                    |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| (a) Supplier in the service of the state (EPWP Worker)                                                                                                                       | -                  | 2 200             |
| (b) Electrical services without a contract                                                                                                                                   | -                  | 60 269            |
| (c) Hiring of 8 ablution facilities for the informal settlement, Madiba Park in Greyton                                                                                      | -                  | 24 307            |
| (d) Overpayment of Acting and Rural Allowances                                                                                                                               | -                  | 291 337           |
| (e) Non-compliance with Preferential Procurement Regulations 2017                                                                                                            | 45 000             | 836 528           |
| (f) Deviations not considered to be impractical or exceptional circumstances                                                                                                 | 1 097 297          | 512 618           |
| (g) Transacted with supplier in service of the state                                                                                                                         | 18 004             |                   |
| (h) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state. | 77 947 155         |                   |
| (i) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13million, and not advertised for 30 days                           | 5 435 719          |                   |
| (j) Suppliers not sole suppliers, goods or services is/are available from other one supplier                                                                                 | 16 742 602         |                   |
| (k) Construction of facility deemed to be out of scope                                                                                                                       | -                  | 17 125 605        |
| <b>Total</b>                                                                                                                                                                 | <b>101 285 777</b> | <b>18 852 864</b> |

The prior year error relates to 2017/18's "Non-compliance with Preferential Procurement Regulations 2017" which was incorrectly recorded as R836 528 rather than R834 271.

Incidents/cases identified in the current year include:

|                                                                                                                                                                              |    |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|
| (a) Supplier in the service of the state (EPWP Worker)                                                                                                                       | -  | 1  |
| (b) Electrical services without a contract                                                                                                                                   | -  | 1  |
| (c) Hiring of 8 ablution facilities for the informal settlement, Madiba Park in Greyton                                                                                      | -  | 1  |
| (d) Overpayment of Acting and Rural Allowances                                                                                                                               | -  | 1  |
| (e) Non-compliance with Preferential Procurement Regulations 2017                                                                                                            | 1  | 10 |
| (f) Deviations not considered to be impractical or exceptional circumstances                                                                                                 | 90 | 3  |
| (g) Transacted with supplier in service of the state                                                                                                                         | 1  |    |
| (h) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state. | 1  | 1  |
| (i) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13million, and not advertised for 30 days                           | 1  |    |
| (j) Suppliers not sole suppliers, goods or services is/are available from other one supplier                                                                                 | 3  | 1  |
| (k) Construction of facility deemed to be out of scope                                                                                                                       | -  | 1  |

No irregular expenditure incurred has been recovered.

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

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|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>54</b>              | <b>MATERIAL LOSSES</b>                                                                                                                                                                                                                               |                  |                  |
| <b>54.1</b>            | <b>Water distribution losses</b>                                                                                                                                                                                                                     |                  |                  |
|                        | Kilo litres disinfected/purified/purchased                                                                                                                                                                                                           | 4 689 683        | 4 628 957        |
|                        | Kilo litres sold and free basic services                                                                                                                                                                                                             | 3 922 752        | 3 777 463        |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | Kilo litres lost during distribution                                                                                                                                                                                                                 | 766 931          | 851 494          |
|                        | Percentage lost during distribution                                                                                                                                                                                                                  | 16.35%           | 18.39%           |
|                        | Normal pipe bursts and field leakages are responsible for water losses.                                                                                                                                                                              |                  |                  |
| <b>54.2</b>            | <b>Electricity distribution losses</b>                                                                                                                                                                                                               |                  |                  |
|                        | Units purchased (Kwh)                                                                                                                                                                                                                                | 63 002 079       | 60 693 803       |
|                        | Units sold, free basic services and standard friction losses                                                                                                                                                                                         | 58 772 382       | 57 142 219       |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | Units lost during distribution (Kwh)                                                                                                                                                                                                                 | 4 229 697        | 3 551 584        |
|                        | Percentage lost during distribution                                                                                                                                                                                                                  | 6.71%            | 5.85%            |
| <b>55</b>              | <b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>                                                                                                                                                                           |                  |                  |
| <b>55.1</b>            | <b>SALGA Contributions [MFMA 125 (1)(b)]</b>                                                                                                                                                                                                         |                  |                  |
|                        | Opening balance                                                                                                                                                                                                                                      | -                | -                |
|                        | Expenditure incurred                                                                                                                                                                                                                                 | 2 161 943        | 1 805 529        |
|                        | Payments                                                                                                                                                                                                                                             | (2 161 943)      | (1 805 529)      |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | <b>Payments in advance</b>                                                                                                                                                                                                                           | -                | -                |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
| <b>55.2</b>            | <b>Audit Fees [MFMA 125 (1)(c)]</b>                                                                                                                                                                                                                  |                  |                  |
|                        | Opening balance                                                                                                                                                                                                                                      | -                | -                |
|                        | Expenditure incurred                                                                                                                                                                                                                                 | 4 081 577        | 2 608 148        |
|                        | External Audit - Auditor-General                                                                                                                                                                                                                     | 4 081 577        | 2 608 148        |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | Payments                                                                                                                                                                                                                                             | (4 081 577)      | (2 608 148)      |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | <b>Outstanding Balance</b>                                                                                                                                                                                                                           | -                | -                |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
| <b>55.3</b>            | <b>VAT [MFMA 125 (1)(c)]</b>                                                                                                                                                                                                                         |                  |                  |
|                        | Opening balance                                                                                                                                                                                                                                      | 4 789 818        | (837 573)        |
|                        | Net amount claimed/(declared) during the year                                                                                                                                                                                                        | 3 332 530        | (988 615)        |
|                        | Net amount paid/(received) during the year                                                                                                                                                                                                           | (5 904 291)      | 6 616 006        |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | <b>Outstanding Balance Receivable/(Payable)</b>                                                                                                                                                                                                      | <b>2 218 057</b> | <b>4 789 818</b> |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | 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. All VAT returns have been submitted by the due date throughout the year. |                  |                  |
| <b>55.4</b>            | <b>PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>                                                                                                                                                                                                           |                  |                  |
|                        | Opening balance                                                                                                                                                                                                                                      | -                | -                |
|                        | Payroll deductions and Council Contributions during the year                                                                                                                                                                                         | 28 391 525       | 25 813 917       |
|                        | Payments                                                                                                                                                                                                                                             | (28 391 525)     | (25 813 917)     |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |
|                        | <b>Outstanding Balance</b>                                                                                                                                                                                                                           | -                | -                |
|                        |                                                                                                                                                                                                                                                      | <hr/>            | <hr/>            |



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|------------------------|---------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>55</b>              | <b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)</b>                  |                   |                   |
| <b>55.5</b>            | <b>Pension and Medical Aid Contributions [MFMA 125 (1)(c)]</b>                                          |                   |                   |
|                        | Opening balance                                                                                         | -                 | -                 |
|                        | Payroll deductions and Council Contributions during the year                                            | 46 474 597        | 43 176 316        |
|                        | Payments made to pension and medical fund                                                               | (46 474 597)      | (43 176 316)      |
|                        | <b>Outstanding Balance</b>                                                                              | <b>-</b>          | <b>-</b>          |
| <b>55.6</b>            | <b>Councillors Arrear Accounts [MFMA 124 (1)(b)]</b>                                                    |                   |                   |
|                        | No Councillors had arrear accounts outstanding for more than 90 days during the year.                   |                   |                   |
| <b>55.7</b>            | <b>Deviations from Supply Chain Management Regulations</b>                                              |                   |                   |
|                        | Deviations from Supply Chain Management Regulations were identified on the following categories:        |                   |                   |
|                        | Section 36(1)(a)(i) - Emergencies                                                                       | 1 771 841         | 3 471 337         |
|                        | Section 36(1)(a)(ii) - Single provider                                                                  | 8 334 518         | 3 482 540         |
|                        | Section 36(1)(a)(iii) - Specialised services                                                            | -                 | -                 |
|                        | Section 36(1)(a)(iv) - Acquisition of animals for zoo's                                                 | -                 | -                 |
|                        | Section 36(1)(a)(v) - Impractical to follow official procurement process                                | 24 015 110        | 21 091 716        |
|                        | <b>Total</b>                                                                                            | <b>34 121 470</b> | <b>28 045 593</b> |
|                        | Deviations from Supply Chain Management Regulations can be allocated as follow:                         |                   |                   |
|                        | MM Office                                                                                               | 34 680            | 103 252           |
|                        | Corporate Services                                                                                      | 2 198 951         | 2 828 908         |
|                        | Development Services                                                                                    | 5 548 761         | 3 436 699         |
|                        | Financial Services                                                                                      | 6 440 665         | 3 347 312         |
|                        | Technical Services                                                                                      | 15 364 928        | 10 982 112        |
|                        | Operations                                                                                              | 4 533 485         | 7 347 310         |
|                        | <b>Total</b>                                                                                            | <b>34 121 470</b> | <b>28 045 593</b> |
|                        | Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories: |                   |                   |
|                        | Less than R30 000                                                                                       | 2 582 680         | 5 176 074         |
|                        | Between R30 001 and R200 000                                                                            | 3 561 886         | 7 707 098         |
|                        | Between R200 001 and R2 000 000                                                                         | 8 916 168         | 9 634 106         |
|                        | More than R2 000 001                                                                                    | 19 060 736        | 5 528 315         |
|                        | <b>Total</b>                                                                                            | <b>34 121 470</b> | <b>28 045 593</b> |
| <b>56</b>              | <b>CAPITAL COMMITMENTS</b>                                                                              |                   |                   |
|                        | Approved and contracted for                                                                             | <b>37 605 205</b> | <b>11 343 906</b> |
|                        | Infrastructure                                                                                          | 37 605 205        | 11 343 906        |
|                        | This expenditure will be financed from:                                                                 |                   |                   |
|                        | External Loans                                                                                          | 5 364 010         | -                 |
|                        | Government Grants                                                                                       | 28 156 681        | 10 780 810        |
|                        | Own Resources                                                                                           | 4 084 514         | 563 096           |
|                        | <b>Total</b>                                                                                            | <b>37 605 205</b> | <b>11 343 906</b> |
|                        | Capital Commitments are disclosed exclusive of Value Added Tax (VAT).                                   |                   |                   |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

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### 57 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 57.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

|                                        |                    |                    |
|----------------------------------------|--------------------|--------------------|
| Cash and Cash Equivalents              | 130 929 799        | 63 890 211         |
| Current Investments                    | 13 260 197         | -                  |
| Receivables from exchange transactions | 33 790 575         | 27 291 557         |
| Unpaid Conditional Government Grants   | -                  | 4 625 423          |
| Long-term Receivables                  | 1 501              | 26 759             |
| Non-current Investments                | 241 045            | 12 568 806         |
| <b>Total</b>                           | <b>178 223 118</b> | <b>108 402 756</b> |

#### Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

#### Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables 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.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are past due, but not impaired:

|                              |                   |                  |
|------------------------------|-------------------|------------------|
| Electricity                  | 1 280 452         | 1 040 386        |
| Water                        | 5 241 187         | 2 394 542        |
| Refuse                       | 1 520 398         | 1 058 648        |
| Sewerage                     | 1 355 956         | 1 595 280        |
| Other                        | 710 079           | 1 093 201        |
| Rates (Statutory Receivable) | 4 385 440         | 2 785 524        |
| <b>Total</b>                 | <b>14 493 512</b> | <b>9 967 580</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

### 57 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 57.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

#### 57.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

|                                                    |                    |                   |
|----------------------------------------------------|--------------------|-------------------|
| Cash and Cash Equivalents (excluding cash on hand) | 130 929 799        | 63 890 211        |
| Long-term Liabilities (including current portion)  | -                  | -                 |
| <b>Net balance exposed</b>                         | <b>130 929 799</b> | <b>63 890 211</b> |

Potential effect of changes in interest rates on surplus and deficit for the year:

|                                           |           |         |
|-------------------------------------------|-----------|---------|
| 1% (2018 - 1%) increase in interest rates | 1 309 298 | 638 902 |
| 0% (2018 - 0%) decrease in interest rates | -         | -       |

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

#### 57.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

|                                     | Within 1 Year     | Between 2 to 5 years | After 5 years     | Total              |
|-------------------------------------|-------------------|----------------------|-------------------|--------------------|
| <b>30 JUNE 2019</b>                 |                   |                      |                   |                    |
| Annuity Loans                       | 14 309 937        | 53 462 137           | 46 113 227        | 113 885 301        |
| Stock Loans                         | 2 553 815         | 7 266 669            | 17 116 487        | 26 936 971         |
| Payables from exchange transactions | 41 500 338        | -                    | -                 | 41 500 338         |
| <b>Total</b>                        | <b>58 364 090</b> | <b>60 728 806</b>    | <b>63 229 714</b> | <b>182 322 609</b> |
| <b>30 JUNE 2018</b>                 |                   |                      |                   |                    |
| Annuity Loans                       | 14 680 101        | 47 153 240           | 50 301 426        | 112 134 766        |
| Stock Loans                         | 1 598 596         | 8 462 064            | 18 474 906        | 28 535 567         |
| Payables from exchange transactions | 34 647 845        | -                    | -                 | 34 647 845         |
| <b>Total</b>                        | <b>50 926 541</b> | <b>55 615 304</b>    | <b>68 776 332</b> | <b>175 318 177</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> | 2019 | 2018 |
|------------------------|------|------|
|------------------------|------|------|

### 57 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 57.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following balance is exposed to price risk:

|                                         |         |         |
|-----------------------------------------|---------|---------|
| Non-current Investments - Listed shares | 241 045 | 216 096 |
|-----------------------------------------|---------|---------|

### 58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

|                                        |                    |                    |
|----------------------------------------|--------------------|--------------------|
| Cash and Cash Equivalents              | 130 940 149        | 63 900 561         |
| Receivables from Exchange transactions | 33 790 575         | 27 291 557         |
| Unpaid Conditional Government Grants   | -                  | 4 625 423          |
| Long-term Receivables                  | 1 501              | 26 759             |
| Investments                            | 13 260 197         | 12 352 710         |
| <b>Total</b>                           | <b>177 992 422</b> | <b>108 197 010</b> |

#### Financial Liabilities

|                                     |                    |                    |
|-------------------------------------|--------------------|--------------------|
| Payables from exchange transactions | 41 500 338         | 34 647 845         |
| Long-Term Liabilities               | 90 166 429         | 87 199 787         |
| <b>Total</b>                        | <b>131 666 767</b> | <b>121 847 632</b> |

The Municipality recognised the following financial instruments at fair value:

#### Financial Assets

|             |         |         |
|-------------|---------|---------|
| Investments | 241 045 | 216 096 |
|-------------|---------|---------|

### 59 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

|                                            |                   |                   |
|--------------------------------------------|-------------------|-------------------|
| Taxes                                      | 4 369 051         | 7 721 185         |
| Receivables from Non-Exchange Transactions | 15 197 585        | 15 021 362        |
| Rates                                      | 9 809 391         | 8 261 155         |
| Fines                                      | 5 388 194         | 6 760 207         |
| <b>Total</b>                               | <b>19 566 636</b> | <b>22 742 547</b> |

The amounts above are disclosed after any provision for impairment has been taken into account.

### 60 EVENTS AFTER REPORTING DATE

The Municipality had no significant events after reporting date.

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

| <i>Figures in Rand</i> |                                                                                                                                                                                                                                                                                                                                                                                    | 2019 | 2018      |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|
| <b>61</b>              | <b>IN-KIND DONATIONS AND ASSISTANCE</b>                                                                                                                                                                                                                                                                                                                                            |      |           |
|                        | Property, Plant and Equipment as per note 30 were donated to the Municipality.                                                                                                                                                                                                                                                                                                     |      |           |
| <b>62</b>              | <b>PRIVATE PUBLIC PARTNERSHIPS (PPP's)</b>                                                                                                                                                                                                                                                                                                                                         |      |           |
|                        | The Municipality did not enter into any PPP's in the current and prior year.                                                                                                                                                                                                                                                                                                       |      |           |
| <b>63</b>              | <b>CONTINGENT LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                      |      |           |
|                        | The Municipality were exposed to the following contingent liabilities at year end:                                                                                                                                                                                                                                                                                                 |      |           |
| <b>63.1</b>            | <b>Overberg Water</b>                                                                                                                                                                                                                                                                                                                                                              | -    | 4 132 692 |
|                        | The Municipality has lodged a dispute in respect of the tariff charged by Overberg Water regarding a capital levy. This dispute has been referred to national Treasury in terms of section 44 of the Municipal Finance Management Act. A letter dated 20 August 2019 was received from Overberg Water indicating that the amount owing has been permanently revoked and suspended. |      |           |
| <b>64</b>              | <b>FINANCIAL SUSTAINABILITY</b>                                                                                                                                                                                                                                                                                                                                                    |      |           |
|                        | Management is of the opinion that the Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.                                                                                                                                                                                                                          |      |           |
|                        | <b>Financial Indicators</b>                                                                                                                                                                                                                                                                                                                                                        |      |           |
|                        | The current ratio increased to 1.68:1 from 1.41:1 in the prior year.                                                                                                                                                                                                                                                                                                               |      |           |
|                        | The Municipality have budgeted for a surplus of R47 254 590 for the 2019/2020 financial year and surpluses of R26 184 584 and R61 420 645 for the 2020/2021 and 2021/2022 years respectively.                                                                                                                                                                                      |      |           |
|                        | Cash and Cash Equivalents have increased during the year.                                                                                                                                                                                                                                                                                                                          |      |           |
| <b>65</b>              | <b>B-BBEE PERFORMANCE</b>                                                                                                                                                                                                                                                                                                                                                          |      |           |
|                        | Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.                                                                                                                                                                                                                                 |      |           |
| <b>66</b>              | <b>RELATED PARTIES</b>                                                                                                                                                                                                                                                                                                                                                             |      |           |
| <b>66.1</b>            | <b>Related Party Loans</b>                                                                                                                                                                                                                                                                                                                                                         |      |           |
|                        | There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.                                                                                                                                                                                                                                     |      |           |
| <b>66.2</b>            | <b>Compensation of management personnel</b>                                                                                                                                                                                                                                                                                                                                        |      |           |
|                        | Remuneration of management personnel are disclosed in notes 36 and 37.                                                                                                                                                                                                                                                                                                             |      |           |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

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### 66 RELATED PARTIES

#### 66.3 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

|                    | Rates  | Service Charges | Other | Outstanding Balance |
|--------------------|--------|-----------------|-------|---------------------|
| <b>2019</b>        |        |                 |       |                     |
| <u>Councillors</u> |        |                 |       |                     |
| Papier K           | 2 040  | 15 986          | -     | 1 349               |
| Arendse JI         | -      | 7 952           | -     | 667                 |
| Nongxaza, R        | -      | 7 288           | -     | -                   |
| Tshabe B           | 4 109  | 6 423           | -     | 865                 |
| Sipunzi U          |        | 6 217           | -     | 522                 |
| C November         | 2 583  | 10 251          | -     | 1 161               |
| Le Roux M          | -      | 4 414           | -     | 368                 |
| Mentile AN         | -      | 6 083           | -     | 507                 |
| Vosloo CJM         | 12 696 | 7 092           | -     | 1 472               |
| Mienies RL         | 487    | 9 771           | -     | 857                 |
| Lampbrecht C       | 4 683  | 6 281           | -     | 913                 |
| Du Toit D          | 22 853 | 7 464           | -     | 2 466               |
| Wood C             | -      | 6 342           | -     | 522                 |
| Plato-Mentoor M    | 3 451  | 3 026           | -     | 890                 |
| Potberg SJ         | 143    | 2 269           | -     | -                   |
| Total              | 53 045 | 106 859         | -     | 12 559              |

#### Municipal Manager and Section 57 Employees

None

#### **2018**

|                    |        |         |   |        |
|--------------------|--------|---------|---|--------|
| <u>Councillors</u> |        |         |   |        |
| Papier K           | 1 851  | 10 226  | - | -      |
| Arendse JI         | 476    | 7 207   | - | -      |
| November C         | 2 894  | 12 348  | - | 1 187  |
| Tshabe B           | 4 609  | 5 457   | - | 931    |
| Sipunzi U          | 140    | 5 363   | - | 452    |
| Le Roux M          | -      | 3 737   | - | -      |
| Mentile AN         | -      | 5 291   | - | 441    |
| Vosloo CJM         | 13 139 | 7 427   | - | 1 568  |
| Mienies RL         | 1 505  | 7 150   | - | 862    |
| Lampbrecht C       | 4 834  | 5 373   | - | 847    |
| Appel DA           | 1 023  | 5 680   | - | 2 288  |
| Du Toit D          | 22 793 | 7 836   | - | 2 443  |
| Wood C             | -      | 5 351   | - | 435    |
| Plato-Mentoor M    | 3 200  | 6 298   | - | 825    |
| Potberg SJ         | 547    | 10 053  | - | 5 224  |
| Total              | 57 011 | 104 796 | - | 17 503 |

#### Municipal Manager and Section 57 Employees

|       |   |   |   |   |
|-------|---|---|---|---|
| None  | - | - | - | - |
| Total | - | - | - | - |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 66 RELATED PARTIES (CONTINUED)

#### 66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

| Company                            | Relationship                                                                                                                                                                                | Position of person in service of the state                                                                                                                                     | 2019      | 2018      |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Tano'Vera                          | Owner Tania Bippert is the domestic partner of Nino Hendrick                                                                                                                                | TWK Manager IT                                                                                                                                                                 | 261 427   | 348 642   |
| Villiersdorp Security              | Director Leon Vosloo is the spouse of Christina Johanna Maria Vosloo TWK Mayor and the father of Chrisme Vosloo                                                                             | TWK H.R. Temp                                                                                                                                                                  | 208 811   | 481 990   |
| Finck Attorneys                    | Owner Ronald Finck is the spouse Gail Finck                                                                                                                                                 | TWK Senior Clerk Clearances                                                                                                                                                    | 123 104   | 7 500     |
| Petrol & Diesel Enjin Sentrum      | Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius                                                                                                                             | TWK Chief Clerk                                                                                                                                                                | 646 186   | 780 842   |
| Marshall Armature Winding          | Owner Gert Koegelenberg is the spouse of Martie Koegelenberg                                                                                                                                | TWK Councillor                                                                                                                                                                 | -         | 120 102   |
| Adenco Construction                | Director Victor Machimana is the parent of Helen Machimana; Director Vuyo Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner            | Helen Machimana, Department of Welfare Limpopo Social Worker; Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher | 711 027   | 6 166 338 |
| WAM Technology                     | Director Willem Botes is the spouse of Stella Botes and Maria le Roux is his daughter                                                                                                       | Spouse - Department of Education Teacher<br>Daughter - Employee at City of Cape Town (Manager of Coastal Engineering Department)                                               | 94 283    | 62 089    |
| Masanda Trading CC                 | Owner Verinica Moos is the parent-in-law of Michelle Thomas                                                                                                                                 | TWK Cashier                                                                                                                                                                    | -         | 81 254    |
| Aurecon SA - Professional Services | Parent of R Mehlala and Son of G Saaiman                                                                                                                                                    | R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General                                                                                           | 4 251 406 | 96 719    |
| Safetech                           | Owner Elizma Goltz is the spouse of Ronald Micheal Goltz                                                                                                                                    | Fireman by the City of Cape Town                                                                                                                                               | 13 500    | 24 824    |
| S'Cees Coffee Shop                 | Owner Esmaralda Dreyer is the spouse of Neville Dreyer                                                                                                                                      | Health Inspector by Overberg District Municipality                                                                                                                             | 26 070    | 51 183    |
| Fairbridges Attorneys              | Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch | Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.                               | 462 925   | 420 261   |
| Die Pienk Bicycle                  | Owner Dianne Phillips is the mother of Eben Phillips                                                                                                                                        | Director at the Municipality of Knysna                                                                                                                                         | -         | 8 250     |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 66 RELATED PARTIES (CONTINUED)

#### 66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

| Company                              | Relationship                                                                                                                                                                                                                     | Position of person in service of the state                                                                                                    | 2019    | 2018    |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| Suid-Kaap Waardeerders               | Owner Stephanus de Swardt is the spouse of Anna de Swardt                                                                                                                                                                        | Professional Nurse at the Provincial Adminstration of Western Cape                                                                            | 639 779 | 987 960 |
| River Transport (Pty) Ltd.           | Owner Brendall Fullard is the son of Brenda Fullard and brother of Joan-Lee Fullard                                                                                                                                              | Education Departmen Teacher and TWK Administrator                                                                                             | -       | 33 106  |
| Carol-Ann Pedro Contractors          | Owner Carol-Ann Pedro is the mother of Wingreen Pedro                                                                                                                                                                            | TWK Records Clerk                                                                                                                             | -       | 61 369  |
| NCC Environmental Services (Pty) Ltd | Director Linden Rhode is the spouse of Cahndre Rhode                                                                                                                                                                             | Clerk at the City of Cape Town                                                                                                                | 103 500 | -       |
| Kemanzi                              | Director Hazel du Toit is the Spouse of Mr. J. du Toit                                                                                                                                                                           | Inspector Driver's Licences at the CoCT                                                                                                       | 220 141 | 230 246 |
| S.C. Martin                          | Owner Stanton Martin is the brother of Annielle Martin                                                                                                                                                                           | TWK, Senior Administrator                                                                                                                     | -       | 27 170  |
| Nova Civils (Pty) Ltd                | Director Areal Andries is the fiance of Derrick Appel                                                                                                                                                                            | TWK Councillor                                                                                                                                | -       | 189 824 |
| JLA Logistics (Pty) Ltd              | Director Janine Cupido is the cousin of Wingreen Pedro                                                                                                                                                                           | TWK Records Clerk                                                                                                                             | 159 332 | 393 892 |
| FCR Abrahams                         | Owner Frank Abrahams is the spouse of Berdine Abrahams                                                                                                                                                                           | TWK Debtors Clerk                                                                                                                             | 118 544 | 25 761  |
| Bergstan South Africa                | Director Cobin Beukes is the spouse of Jacqueline Beukes                                                                                                                                                                         | Social Worker                                                                                                                                 | 169 050 | 926 744 |
| Swartland and West Coast Trading     | Director Lisle Marcus is the spouse of Heinrich Marcus                                                                                                                                                                           | Department of Health Admin Clerk                                                                                                              | -       | 7 200   |
| Greyton Repairs                      | Owner Riaan Groenewald is the spouse of Gail Groenewald                                                                                                                                                                          | TWK Principle Clerk                                                                                                                           | 4 750   | 3 140   |
| Sydney Amanzi Management Solutions   | Member Sydney Armoed is the father of Eslin Armoed                                                                                                                                                                               | Knysna Municipality Supervisor                                                                                                                | 133 381 | 79 883  |
| Democratic Packaging                 | Director Leonard van der Heerden is the spouse of Victoria van der Heerden                                                                                                                                                       | Department of Education Teacher                                                                                                               | 19 458  | 130 587 |
| Theunissen Catering and Supplies     | Director Verity Theunissen is the mother or Kasandra and Renco Theunissen and the mother in law of Inge Theunissen; Director Ranver Theunissen is the brother of Kasandra and Renco Theunissen and the spouse of Inge Theunissen | Kasandra Theunissen, Department of Social Development Administrator; Renco Theunissen, TWK Administrator; Inge Theunissen, Assistant Director | 4 225   | 16 920  |
| Conlog (Pty) Ltd                     | Director Logandhren Moodley is the spouse of Nirvasha Moodley                                                                                                                                                                    | Department of Health Director                                                                                                                 | 109 724 | 28 556  |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 66 RELATED PARTIES (CONTINUED)

#### 66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

| Company                                                     | Relationship                                                                                                                         | Position of person in service of the state                           | 2019              | 2018              |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------|-------------------|
| Ikapa Reticulation and Flow                                 | Director Randal Davids is the spouse of Sophia Davids                                                                                | Department of Education Special Needs Teacher                        | -                 | 26 058            |
| Reginald du Plessis                                         | Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood                                     | Cerhal du Plessis, TWK General Worker; Caroline Wood, TWK Councillor | 27 000            | 16 500            |
| Bosman Smit Pretorius Inc                                   | Owner Marriette Pretorius is the spouse of Gavin Brink                                                                               | SAPS Police Officer                                                  | 39 653            | 6 000             |
| Temmo's Shade Ports and Cleaning Services (Pty) Ltd.        | Director Rapelang Lebsana is the brother of Temoho Lesesana                                                                          | Security - Transnet                                                  | -                 | 6 000             |
| Shyzac 01 Security Solutions & Maintenance                  | Director Bjorn Africa is the second cousin of Annielle Martin                                                                        | TWK - Senior Administrator                                           | 150 359           | 6 000             |
| Berry Bright                                                | Director Nicole Buirman is the sister of Zane Nel-Gagiano and the spouse of CC Buirman; Director Nico Nel is the father of Zanne Nel | Zane Nel, TWK Deputy Director; CC Buirman, Policeman                 | 34 960            | 6 000             |
| Neil Lyners and Associates                                  | Director Neil Lyners is the brother of HG Lyners                                                                                     | Department of Transport and Public Works - Director                  | 1 360 241         | 6 000             |
| Donmic Construction                                         | Director Donovan Thomas is the spouse of Michelle Thomas                                                                             | TWK - Cashier                                                        | 552 598           | 6 000             |
| Kreesan Investments                                         | Director Kreesan Subramoney is the son of Sivalingum Subramoney and the brother of Kubeshnie Subramoney                              | Sivalingum Subramoney, Deputy Director; Kubeshnie Subramoney, Warden | 143 800           | 6 000             |
| Red Ant Security Relocation and Eviction Services (Pty) Ltd | Director: Buthi Lesiela is the spouse of Noxolo Lesiela, employee at Mogale City Local Municipality                                  | Employee at Mogale City Local Municipality                           | 129 000           | -                 |
| Elgin Travel                                                | Director: Deborah Smook is the spouse of Harold Smook, employee at Theewaterskloof Municipality                                      | Temporary Professional Human Settlements                             | 26 950            | -                 |
| Work Dynamics (Pty) Ltd                                     | The chairperson of the audit committee is the spouse of a Director at Work Dynamics (Pty) Ltd.                                       |                                                                      | -                 | -                 |
| <b>Total</b>                                                |                                                                                                                                      |                                                                      | <b>10 945 183</b> | <b>11 876 912</b> |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2019

| INSTITUTION                        | LOAN<br>NUMBER                         | RATE   | MATURITY<br>DATE | OPENING BALANCE<br>1 JULY 2018 | RECEIVED<br>DURING YEAR | REDEEMED<br>DURING YEAR | CLOSING BALANCE<br>30 JUNE 2019 |
|------------------------------------|----------------------------------------|--------|------------------|--------------------------------|-------------------------|-------------------------|---------------------------------|
| <b><u>ANNUITY LOANS</u></b>        |                                        |        |                  |                                |                         |                         |                                 |
| DBSA BANK - 10 & 20 year           | Loan No. 102807/1                      | 10.74% | 30/06/2028       | 6 420 224                      | -                       | (409 044)               | 6 011 180                       |
| DBSA BANK - 10 & 20 year           | Loan No. 103108/1                      | 11.44% | 30/09/2028       | 7 562 393                      | -                       | (443 211)               | 7 119 182                       |
| ABSA BANK - 11 year                | 10858/1 (Electricity, Water, Sewerage) | 11.14% | 31/12/2018       | 109 276                        | -                       | (109 276)               | -                               |
| ABSA BANK - 11 year                | 10858/2 (Sewerage)                     | 11.14% | 31/12/2018       | 16 707                         | -                       | (16 707)                | -                               |
| DBSA BANK - 20 year                | 13343(Electricity)                     | 16.50% | 31/12/2019       | 45 167                         | -                       | (28 906)                | 16 261                          |
| DBSA BANK - 20 year                | 13705/102 (Electricity)                | 15.75% | 30/06/2020       | 27 719                         | -                       | (12 811)                | 14 908                          |
| DBSA BANK - 20 year                | 103313.1                               | 9.85%  | 31/03/2029       | 17 180 627                     | -                       | (922 308)               | 16 258 319                      |
| DBSA BANK - 15 year                | 103313.2                               | 9.97%  | 31/03/2024       | 3 742 635                      | -                       | (482 250)               | 3 260 385                       |
| DBSA BANK - 10 year                | 103313.3                               | 10.00% | 31/03/2019       | 159 045                        | -                       | (159 045)               | -                               |
| STANDARD BANK - 10 year            | 72479981                               | 11.72% | 31/07/2020       | 1 097 282                      | -                       | (401 844)               | 695 438                         |
| DBSA BANK - 20 year                | 103817/3                               | 11.06% | 31/12/2030       | 9 442 617                      | -                       | (378 174)               | 9 064 443                       |
| STANDARD BANK- 15 year             | 272400572                              | 12.22% | 30/06/2026       | 6 055 663                      | -                       | (482 166)               | 5 573 497                       |
| ABSA BANK - 15 year                | 40-7908-8994                           | 10.79% | 27/06/2027       | 9 086 656                      | -                       | (639 823)               | 8 446 833                       |
| ABSA BANK - 7 year                 | 40-7908-9071                           | 9.42%  | 27/06/2019       | 1 555 326                      | -                       | (1 555 326)             | -                               |
| ABSA BANK - 7 year                 | 8259-8788                              | 8.25%  | 27/06/2019       | 68 962                         | -                       | (68 962)                | -                               |
| ABSA BANK - 7 year                 | 8259-9091                              | 8.25%  | 27/06/2019       | 17 764                         | -                       | (17 764)                | -                               |
| ABSA BANK - 7 year                 | 8259-9741                              | 8.25%  | 27/06/2019       | 109 593                        | -                       | (109 593)               | -                               |
| ABSA BANK - 7 year                 | 387230962                              | 10.09% | 21/06/2021       | 1 540 682                      | -                       | (463 992)               | 1 076 690                       |
| ABSA BANK - 10 year                | 387230963                              | 10.63% | 27/06/2024       | 5 938 480                      | -                       | (752 435)               | 5 186 045                       |
| ABSA - 5 year                      | 3050777771                             | 8.95%  | 30/06/2024       | -                              | 2 000 000               | -                       | 2 000 000                       |
| ABSA - 7 year                      | 3050777789                             | 9.19%  | 30/06/2026       | -                              | 2 500 000               | -                       | 2 500 000                       |
| ABSA - 10 year                     | 3050777763                             | 9.62%  | 30/06/2029       | -                              | 3 288 700               | -                       | 3 288 700                       |
| NEDBANK - 15 year                  | 05/78310356050                         | 10.45% | 30/06/2034       | -                              | 2 631 579               | -                       | 2 631 579                       |
| <b>Total Annuity Loans</b>         |                                        |        |                  | <b>70 176 818</b>              | <b>10 420 279</b>       | <b>(7 453 637)</b>      | <b>73 143 460</b>               |
| <b><u>STOCK LOANS</u></b>          |                                        |        |                  |                                |                         |                         |                                 |
| DBSA BANK - 15 year                | 1022754                                | 9.39%  | 31/03/2022       | 1 553 169                      | -                       | -                       | 1 553 169                       |
| DBSA BANK - 20 year                | 1022755                                | 9.29%  | 31/03/2027       | 8 469 800                      | -                       | -                       | 8 469 800                       |
| DBSA BANK - 20 year                | 1014871                                | 9.46%  | 31/12/2024       | 6 000 000                      | -                       | -                       | 6 000 000                       |
| DBSA BANK - 15 year                | 1014872                                | 9.77%  | 31/12/2019       | 1 000 000                      | -                       | -                       | 1 000 000                       |
| <b>Total Stock Loans</b>           |                                        |        |                  | <b>17 022 969</b>              | <b>-</b>                | <b>-</b>                | <b>17 022 969</b>               |
| <b>Total Long-Term Liabilities</b> |                                        |        |                  | <b>87 199 787</b>              | <b>10 420 279</b>       | <b>(7 453 637)</b>      | <b>90 166 429</b>               |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2019

|                                                      | OPENING<br>BALANCE<br>R | GRANTS<br>RECEIVED / (REPAID)<br>R | TRANSFERRED TO<br>REVENUE<br>(OPERATING)<br>R | TRANSFERRED TO<br>REVENUE<br>(CAPITAL)<br>R | TRANSFER<br>TO / (FROM)<br>RECEIVABLES<br>R | CLOSING<br>BALANCE<br>R |
|------------------------------------------------------|-------------------------|------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------|
| <b>NATIONAL GOVERNMENT</b>                           |                         |                                    |                                               |                                             |                                             |                         |
| Equitable Share                                      | -                       | 87 385 000                         | (87 385 000)                                  | -                                           | -                                           | -                       |
| Finance Management Grant (FMG)                       | -                       | 1 700 000                          | (1 700 000)                                   | -                                           | -                                           | -                       |
| Municipal Infrastructure Grant (MIG)                 | 910 078                 | 25 052 000                         | (3 903 557)                                   | (22 023 712)                                | -                                           | 34 809                  |
| Expanded Public Works Programme (EPWP)               | -                       | 1 451 000                          | (1 451 000)                                   | -                                           | -                                           | -                       |
| Integrated National Electrification Programme (INEP) | -                       | 5 000 000                          | (48 858)                                      | (325 719)                                   | (4 625 423)                                 | -                       |
| Municipal Drought Relieve (MDR)                      | 248 016                 | -                                  | -                                             | (239 567)                                   | -                                           | 8 449                   |
| Public Works                                         | 145 581                 | -                                  | -                                             | -                                           | -                                           | 145 581                 |
| Water and Sanitation                                 | -                       | 28 919 000                         | -                                             | -                                           | -                                           | 28 919 000              |
| <b>Total</b>                                         | <b>1 303 675</b>        | <b>149 507 000</b>                 | <b>(94 488 415)</b>                           | <b>(22 588 998)</b>                         | <b>(4 625 423)</b>                          | <b>29 107 839</b>       |
| <b>PROVINCIAL GOVERNMENT</b>                         |                         |                                    |                                               |                                             |                                             |                         |
| Housing                                              | 7 171 718               | 17 568 056                         | (10 658 777)                                  | (11 112 451)                                | -                                           | 2 968 546               |
| Housing - Title Deeds                                | 6 415 742               | 862 176                            | (934 257)                                     | -                                           | -                                           | 6 343 661               |
| CDW Contribution                                     | 37 467                  | -                                  | (37 467)                                      | -                                           | -                                           | -                       |
| Thusong Multi Purpose Centre                         | 135 001                 | -                                  | (64 408)                                      | -                                           | -                                           | 70 593                  |
| Main Roads Subsidy                                   | 51 481                  | 117 000                            | (113 370)                                     | -                                           | -                                           | 55 111                  |
| Financial Support Grant                              | 350 000                 | 1 330 000                          | (1 211 187)                                   | -                                           | -                                           | 468 813                 |
| Library Subsidy                                      | 192 244                 | 8 326 656                          | (7 822 594)                                   | (233 623)                                   | -                                           | 462 683                 |
| Municipal Capacity Building Grant                    | 576 600                 | 930 000                            | (336 461)                                     | -                                           | -                                           | 1 170 139               |
| Local Government Graduate Internship Allocation      | 20 000                  | -                                  | -                                             | -                                           | -                                           | 20 000                  |
| Municipal Disaster Recovery (Water Supply Grant)     | 569 425                 | -                                  | -                                             | -                                           | -                                           | 569 425                 |
| Sport and Recreation                                 | -                       | 401 000                            | -                                             | (376 298)                                   | -                                           | 24 702                  |
| <b>Total</b>                                         | <b>15 519 678</b>       | <b>29 534 889</b>                  | <b>(21 178 521)</b>                           | <b>(11 722 372)</b>                         | <b>-</b>                                    | <b>12 153 673</b>       |
| <b>OTHER GRANT PROVIDERS</b>                         |                         |                                    |                                               |                                             |                                             |                         |
| DBSA Local Economic Development                      | -                       | 141 593                            | -                                             | -                                           | -                                           | 141 593                 |
| SETA                                                 | -                       | 443 046                            | (443 046)                                     | -                                           | -                                           | -                       |
| SANRAL                                               | 203 757                 | -                                  | -                                             | (29 807)                                    | -                                           | 173 950                 |
| Economic Development                                 | 70 175                  | -                                  | (5 280)                                       | -                                           | -                                           | 64 895                  |
| <b>Total</b>                                         | <b>273 932</b>          | <b>584 639</b>                     | <b>(448 326)</b>                              | <b>(29 807)</b>                             | <b>-</b>                                    | <b>380 438</b>          |
| <b>ALL SPHERES OF GOVERNMENT</b>                     | <b>17 097 285</b>       | <b>179 626 528</b>                 | <b>(116 115 262)</b>                          | <b>(34 341 177)</b>                         | <b>(4 625 423)</b>                          | <b>41 641 950</b>       |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                              | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|--------------------------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>Financial Performance</b>                                 |                              |                                 |                           |                             |                              |                               |
| Property rates                                               | 100 604 060                  | -                               | 100 604 060               | 101 759 520                 | 1 155 460                    | 98 144 521                    |
| Service charges                                              | 225 028 410                  | (2 694 810)                     | 222 333 600               | 223 644 676                 | 1 311 075                    | 200 709 668                   |
| Investment revenue                                           | 6 158 600                    | -                               | 6 158 600                 | 10 457 261                  | 4 298 661                    | 8 258 086                     |
| Transfers recognised - operational                           | 146 043 306                  | 5 344 838                       | 151 388 144               | 116 115 262                 | (35 272 882)                 | 96 988 944                    |
| Other own revenue                                            | 54 839 943                   | 26 434 660                      | 81 274 603                | 90 597 364                  | 9 322 761                    | 78 203 438                    |
| <b>Total Operating Revenue (excluding capital transfers)</b> | <b>532 674 319</b>           | <b>29 084 688</b>               | <b>561 759 007</b>        | <b>542 574 083</b>          | <b>(19 184 924)</b>          | <b>482 304 656</b>            |
| Employee costs                                               | 201 997 634                  | 59 128                          | 202 056 762               | 192 825 882                 | (9 230 880)                  | 181 044 060                   |
| Remuneration of councillors                                  | 12 179 060                   | -                               | 12 179 060                | 11 706 906                  | (472 154)                    | 11 538 787                    |
| Debt impairment                                              | 57 890 471                   | 20 498 713                      | 78 389 184                | 74 345 671                  | (4 043 513)                  | 81 973 432                    |
| Depreciation and asset impairment                            | 31 304 799                   | -                               | 31 304 799                | 20 810 756                  | (10 494 043)                 | 24 121 700                    |
| Finance charges                                              | 22 361 693                   | -                               | 22 361 693                | 18 698 906                  | (3 662 787)                  | 19 009 684                    |
| Bulk purchases                                               | 75 374 025                   | -                               | 75 374 025                | 76 381 521                  | 1 007 496                    | 67 091 482                    |
| Other materials                                              | 61 848 990                   | (2 483 531)                     | 59 365 459                | -                           | (59 365 459)                 | -                             |
| Contracted services                                          | 44 695 270                   | 9 218 356                       | 53 913 626                | 38 237 575                  | (15 676 051)                 | 30 579 325                    |
| Transfers and subsidies                                      | 232 260                      | 114 367                         | 346 627                   | 2 642 281                   | 2 295 654                    | 2 476 180                     |
| Other expenditure                                            | 43 298 200                   | 2 234 256                       | 45 532 456                | 64 785 591                  | 19 253 135                   | 45 375 837                    |
| Loss on Disposal of PPE                                      | -                            | -                               | -                         | 1 027 163                   | 1 027 163                    | 2 358 925                     |
| <b>Total Expenditure</b>                                     | <b>551 182 402</b>           | <b>29 641 289</b>               | <b>580 823 691</b>        | <b>501 462 252</b>          | <b>(79 361 439)</b>          | <b>465 569 413</b>            |
| <b>Surplus/(Deficit)</b>                                     | <b>(18 508 083)</b>          | <b>(556 601)</b>                | <b>(19 064 684)</b>       | <b>41 111 831</b>           | <b>60 176 515</b>            | <b>16 735 243</b>             |
| Transfers recognised - capital                               | 47 347 694                   | (4 609 335)                     | 42 738 359                | 34 341 177                  | (8 397 182)                  | 50 145 492                    |
| Contributed Assets                                           | -                            | 140 000                         | 140 000                   | 13 183 602                  | 13 043 602                   | 271 756                       |
| <b>Surplus/(Deficit) for the year</b>                        | <b>28 839 611</b>            | <b>(5 025 936)</b>              | <b>23 813 675</b>         | <b>88 636 610</b>           | <b>64 822 935</b>            | <b>67 152 491</b>             |
| <b>Capital expenditure &amp; funds sources</b>               |                              |                                 |                           |                             |                              |                               |
| <b>Capital expenditure</b>                                   | <b>78 755 666</b>            | <b>9 704 345</b>                | <b>88 460 011</b>         | <b>76 532 726</b>           | <b>(11 927 285)</b>          | <b>87 213 990</b>             |
| Transfers recognised - capital                               | 47 347 695                   | (4 609 335)                     | 42 738 360                | 34 863 044                  | (7 875 316)                  | 46 059 077                    |
| Public contributions & donations                             | -                            | 15 301 142                      | 15 301 142                | 13 213 409                  | (2 087 733)                  | -                             |
| Borrowing                                                    | 10 420 279                   | 3 724 535                       | 14 144 814                | 13 694 993                  | (449 821)                    | 26 260 822                    |
| Internally generated funds                                   | 20 987 692                   | (4 711 997)                     | 16 275 695                | 14 761 281                  | (1 514 414)                  | 14 894 090                    |
| <b>Total sources of capital funds</b>                        | <b>78 755 666</b>            | <b>9 704 345</b>                | <b>88 460 011</b>         | <b>76 532 726</b>           | <b>(11 927 285)</b>          | <b>87 213 990</b>             |
| <b>Cash flows</b>                                            |                              |                                 |                           |                             |                              |                               |
| Net cash from (used) operating                               | 53 731 181                   | 5 073 669                       | 58 804 850                | 127 655 818                 | 68 850 968                   | 95 334 652                    |
| Net cash from (used) investing                               | (78 754 305)                 | 5 507 650                       | (73 246 655)              | (63 501 224)                | 9 745 431                    | (87 570 973)                  |
| Net cash from (used) financing                               | 2 247 264                    | 2 945 002                       | 5 192 266                 | 2 884 994                   | (2 307 272)                  | (8 186 568)                   |
| Net Cash Movement for the year                               | (22 775 859)                 | 13 526 321                      | (9 249 538)               | 67 039 588                  | 76 289 126                   | (422 889)                     |
| Cash/cash equivalents at beginning of year                   | 41 610 837                   | 22 289 724                      | 63 900 561                | 63 900 561                  | -                            | 64 323 450                    |
| <b>Cash/cash equivalents at the year end</b>                 | <b>18 834 978</b>            | <b>35 816 045</b>               | <b>54 651 023</b>         | <b>130 940 149</b>          | <b>76 289 126</b>            | <b>63 900 561</b>             |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                              | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|----------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>REVENUE (STANDARD CLASSIFICATION)</b>     |                              |                                 |                           |                             |                              |                               |
| <b>Governance and administration</b>         |                              |                                 |                           |                             |                              |                               |
| Executive and council                        | 1 130 000                    | 329 383                         | 1 459 383                 | 640 642                     | (818 741)                    | 1 152 512                     |
| Finance and administration                   | 214 661 031                  | 8 773 266                       | 223 434 297               | 255 354 731                 | 31 920 434                   | 216 129 643                   |
| Internal audit                               | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Community and public safety</b>           |                              |                                 |                           |                             |                              |                               |
| Community and social services                | 9 941 824                    | -                               | 9 941 824                 | 8 729 039                   | (1 212 785)                  | 8 202 413                     |
| Sport and recreation                         | 444 460                      | (60)                            | 444 400                   | 428 781                     | (15 619)                     | 76 631                        |
| Public safety                                | -                            | -                               | -                         | -                           | -                            | -                             |
| Housing                                      | 61 255 000                   | (5 237 871)                     | 56 017 129                | 22 705 485                  | (33 311 644)                 | 16 858 419                    |
| <b>Economic and environmental services</b>   |                              |                                 |                           |                             |                              |                               |
| Planning and development                     | 2 557 780                    | (545 159)                       | 2 012 621                 | 2 746 484                   | 733 863                      | 3 374 303                     |
| Road transport                               | 38 524 489                   | 18 673 163                      | 57 197 652                | 46 824 674                  | (10 372 978)                 | 55 042 123                    |
| Environmental Protection                     | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Trading services</b>                      |                              |                                 |                           |                             |                              |                               |
| Energy sources                               | 88 412 678                   | 5 550 000                       | 93 962 678                | 90 897 702                  | (3 064 976)                  | 89 307 959                    |
| Water management                             | 79 969 527                   | (4 993 759)                     | 74 975 768                | 77 669 637                  | 2 693 869                    | 71 994 030                    |
| Waste water management                       | 40 340 544                   | 1 008 236                       | 41 348 780                | 40 551 858                  | (796 922)                    | 33 575 857                    |
| Waste management                             | 42 784 680                   | 1 058 154                       | 43 842 834                | 43 549 828                  | (293 006)                    | 37 008 013                    |
| <b>Other</b>                                 | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Total Revenue - Standard</b>              | <b>580 022 013</b>           | <b>24 615 353</b>               | <b>604 637 366</b>        | <b>590 098 861</b>          | <b>(14 538 505)</b>          | <b>532 721 903</b>            |
| <b>EXPENDITURE (STANDARD CLASSIFICATION)</b> |                              |                                 |                           |                             |                              |                               |
| <b>Governance and administration</b>         |                              |                                 |                           |                             |                              |                               |
| Executive and council                        | 20 851 298                   | 2 078 523                       | 22 929 821                | 21 410 419                  | (1 519 402)                  | 19 171 657                    |
| Finance and administration                   | 140 100 027                  | 15 826 134                      | 155 926 161               | 134 452 783                 | (21 473 378)                 | 125 619 686                   |
| Internal audit                               | 2 311 832                    | -                               | 2 311 832                 | 2 067 749                   | (244 083)                    | 1 861 602                     |
| <b>Community and public safety</b>           |                              |                                 |                           |                             |                              |                               |
| Community and social services                | 10 778 295                   | (307 341)                       | 10 470 954                | 8 327 515                   | (2 143 439)                  | 6 664 048                     |
| Sport and recreation                         | 10 772 090                   | (263 923)                       | 10 508 167                | 9 459 352                   | (1 048 815)                  | 8 105 881                     |
| Public safety                                | 3 239 194                    | 60 000                          | 3 299 194                 | 2 557 587                   | (741 607)                    | 2 605 151                     |
| Housing                                      | 43 587 556                   | 2 881 525                       | 46 469 081                | 17 800 316                  | (28 668 765)                 | 6 457 727                     |
| <b>Economic and environmental services</b>   |                              |                                 |                           |                             |                              |                               |
| Planning and development                     | 10 854 972                   | 660 921                         | 11 515 893                | 9 239 054                   | (2 276 839)                  | 9 582 490                     |
| Road transport                               | 82 989 058                   | 9 109 828                       | 92 098 886                | 85 704 605                  | (6 394 281)                  | 92 303 989                    |
| Environmental Protection                     | 299 143                      | (200 000)                       | 99 143                    | 243                         | (98 900)                     | 182                           |
| <b>Trading services</b>                      |                              |                                 |                           |                             |                              |                               |
| Energy sources                               | 77 609 149                   | (420 000)                       | 77 189 149                | 77 098 591                  | (90 558)                     | 70 727 301                    |
| Water management                             | 54 995 672                   | (299 059)                       | 54 696 613                | 54 350 783                  | (345 830)                    | 49 082 507                    |
| Waste water management                       | 39 149 870                   | 654 084                         | 39 803 954                | 35 862 620                  | (3 941 334)                  | 31 140 302                    |
| Waste management                             | 53 118 966                   | (61 763)                        | 53 057 203                | 42 927 709                  | (10 129 494)                 | 42 099 037                    |
| <b>Other</b>                                 | 525 280                      | (77 640)                        | 447 640                   | 202 947                     | (244 693)                    | 147 856                       |
| <b>Total Expenditure - Standard</b>          | <b>551 182 402</b>           | <b>29 641 289</b>               | <b>580 823 691</b>        | <b>501 462 273</b>          | <b>(79 361 418)</b>          | <b>465 569 416</b>            |
| <b>Surplus/(Deficit) for the year</b>        | <b>28 839 611</b>            | <b>(5 025 936)</b>              | <b>23 813 675</b>         | <b>88 636 588</b>           | <b>64 822 913</b>            | <b>67 152 487</b>             |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                                    | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATEd OUTCOME<br>2018<br>R |
|--------------------------------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>REVENUE AND EXPENDITURE<br/>(MUNICIPAL VOTE CLASSIFICATION)</b> |                              |                                 |                           |                             |                              |                               |
| <b>REVENUE</b>                                                     |                              |                                 |                           |                             |                              |                               |
| Vote 1 - Budget and treasury office                                | 187 973 218                  | 6 663 566                       | 194 636 784               | 224 793 268                 | 30 156 484                   | 188 134 735                   |
| Vote 2 - Community and social services                             | 9 941 824                    | -                               | 9 941 824                 | 8 729 039                   | (1 212 785)                  | 8 202 413                     |
| Vote 3 - Corporate services                                        | 26 687 813                   | 2 109 700                       | 28 797 513                | 30 561 463                  | 1 763 950                    | 27 994 909                    |
| Vote 4 - Electricity                                               | 88 412 678                   | 5 550 000                       | 93 962 678                | 90 897 702                  | (3 064 976)                  | 89 307 959                    |
| Vote 5 - Environmental protection                                  | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 6 - Executive and council                                     | 1 130 000                    | 329 383                         | 1 459 383                 | 640 642                     | (818 741)                    | 1 152 512                     |
| Vote 7 - Housing                                                   | 61 255 000                   | (5 237 871)                     | 56 017 129                | 22 705 485                  | (33 311 644)                 | 16 858 419                    |
| Vote 8 - Planning and development                                  | 2 557 780                    | (545 159)                       | 2 012 621                 | 2 746 484                   | 733 863                      | 3 374 303                     |
| Vote 9 - Public safety                                             | 32 261 100                   | 18 130 700                      | 50 391 800                | 39 783 468                  | (10 608 332)                 | 48 277 576                    |
| Vote 10 - Road transport                                           | 6 263 389                    | 542 463                         | 6 805 852                 | 7 041 206                   | 235 354                      | 6 764 548                     |
| Vote 11 - Sport and recreation                                     | 444 460                      | (60)                            | 444 400                   | 428 781                     | (15 619)                     | 76 631                        |
| Vote 12 - Waste management                                         | 42 784 680                   | 1 058 154                       | 43 842 834                | 43 549 828                  | (293 006)                    | 37 008 013                    |
| Vote 13 - Waste water management                                   | 40 340 544                   | 1 008 236                       | 41 348 780                | 40 551 858                  | (796 922)                    | 33 575 857                    |
| Vote 14 - Water                                                    | 79 969 527                   | (4 993 759)                     | 74 975 768                | 77 669 637                  | 2 693 869                    | 71 994 030                    |
| <b>Total Revenue by Vote</b>                                       | <b>580 022 013</b>           | <b>24 615 353</b>               | <b>604 637 366</b>        | <b>590 098 861</b>          | <b>(14 538 505)</b>          | <b>532 721 905</b>            |
| <b>EXPENDITURE</b>                                                 |                              |                                 |                           |                             |                              |                               |
| Vote 1 - Budget and treasury office                                | 46 719 280                   | 13 666 713                      | 60 385 993                | 60 011 185                  | (374 808)                    | 53 541 038                    |
| Vote 2 - Community and social services                             | 9 317 495                    | (88 889)                        | 9 228 606                 | 7 745 919                   | (1 482 687)                  | 6 527 324                     |
| Vote 3 - Corporate services                                        | 78 085 282                   | 2 258 858                       | 80 344 140                | 57 064 764                  | (23 279 376)                 | 55 135 274                    |
| Vote 4 - Electricity                                               | 77 609 149                   | (420 000)                       | 77 189 149                | 77 098 591                  | (90 558)                     | 70 727 301                    |
| Vote 5 - Environmental protection                                  | 299 143                      | (200 000)                       | 99 143                    | 243                         | (98 900)                     | 182                           |
| Vote 6 - Executive and council                                     | 38 183 742                   | 1 641 794                       | 39 825 536                | 39 600 513                  | (225 023)                    | 35 870 249                    |
| Vote 7 - Housing                                                   | 43 587 556                   | 2 881 525                       | 46 469 081                | 17 800 316                  | (28 668 765)                 | 6 457 727                     |
| Vote 8 - Planning and development                                  | 13 115 905                   | 702 121                         | 13 818 026                | 11 278 087                  | (2 539 939)                  | 11 973 453                    |
| Vote 9 - Public safety                                             | 55 854 349                   | 7 626 739                       | 63 481 088                | 56 410 785                  | (7 070 303)                  | 62 942 421                    |
| Vote 10 - Road transport                                           | 30 373 903                   | 1 543 089                       | 31 916 992                | 31 851 406                  | (65 586)                     | 31 966 719                    |
| Vote 11 - Sport and recreation                                     | 10 772 090                   | (263 923)                       | 10 508 167                | 9 459 352                   | (1 048 815)                  | 8 105 881                     |
| Vote 12 - Waste management                                         | 53 118 966                   | (61 763)                        | 53 057 203                | 42 927 709                  | (10 129 494)                 | 42 099 037                    |
| Vote 13 - Waste water management                                   | 39 149 870                   | 654 084                         | 39 803 954                | 35 862 620                  | (3 941 334)                  | 31 140 302                    |
| Vote 14 - Water                                                    | 54 995 672                   | (299 059)                       | 54 696 613                | 54 350 783                  | (345 830)                    | 49 082 507                    |
| <b>Total Expenditure by Vote</b>                                   | <b>551 182 402</b>           | <b>29 641 289</b>               | <b>580 823 691</b>        | <b>501 462 273</b>          | <b>(79 361 418)</b>          | <b>465 569 415</b>            |
| <b>Surplus/(Deficit) for the year</b>                              | <b>28 839 611</b>            | <b>(5 025 936)</b>              | <b>23 813 675</b>         | <b>88 636 588</b>           | <b>64 822 913</b>            | <b>67 152 490</b>             |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                               | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|-----------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>REVENUE AND EXPENDITURE</b>                |                              |                                 |                           |                             |                              |                               |
| <b>REVENUE BY SOURCE</b>                      |                              |                                 |                           |                             |                              |                               |
| Property rates                                | 100 604 060                  | -                               | 100 604 060               | 101 759 520                 | 1 155 460                    | 98 144 521                    |
| Service charges - electricity revenue         | 85 711 895                   | 1 050 000                       | 86 761 895                | 87 577 448                  | 815 553                      | 79 874 319                    |
| Service charges - water revenue               | 72 707 943                   | (5 811 200)                     | 66 896 743                | 72 368 259                  | 5 471 516                    | 63 784 303                    |
| Service charges - sanitation revenue          | 32 562 028                   | 1 008 236                       | 33 570 264                | 31 012 199                  | (2 558 065)                  | 27 192 481                    |
| Service charges - refuse revenue              | 34 046 544                   | 1 058 154                       | 35 104 698                | 32 686 769                  | (2 417 929)                  | 29 858 565                    |
| Rental of facilities and equipment            | 2 035 200                    | -                               | 2 035 200                 | 1 810 592                   | (224 608)                    | 1 842 854                     |
| Interest earned - external investments        | 6 158 600                    | -                               | 6 158 600                 | 10 457 261                  | 4 298 661                    | 8 258 086                     |
| Interest earned - outstanding debtors         | 8 000 000                    | 8 000 000                       | 16 000 000                | 16 472 261                  | 472 261                      | 10 307 713                    |
| Fines, penalties and forfeits                 | 32 119 060                   | 18 156 940                      | 50 276 000                | 41 308 076                  | (8 967 924)                  | 48 235 143                    |
| Licences and permits                          | 58 300                       | (26 300)                        | 32 000                    | 35 678                      | 3 678                        | 31 176                        |
| Agency services                               | 6 146 389                    | 402 463                         | 6 548 852                 | 6 898 029                   | 349 177                      | 6 674 076                     |
| Transfers recognised - operating              | 146 043 306                  | 5 344 838                       | 151 388 144               | 116 115 262                 | (35 272 882)                 | 96 988 944                    |
| Other revenue                                 | 6 480 994                    | (98 443)                        | 6 382 551                 | 24 072 729                  | 17 690 178                   | 11 112 477                    |
| <b>Total Revenue (excl capital transfers)</b> | <b>532 674 319</b>           | <b>29 084 688</b>               | <b>561 759 007</b>        | <b>542 574 083</b>          | <b>(19 184 924)</b>          | <b>482 304 656</b>            |
| <b>EXPENDITURE BY TYPE</b>                    |                              |                                 |                           |                             |                              |                               |
| Employee related costs                        | 201 997 634                  | 59 128                          | 202 056 762               | 192 825 882                 | (9 230 880)                  | 181 044 060                   |
| Remuneration of councillors                   | 12 179 060                   | -                               | 12 179 060                | 11 706 906                  | (472 154)                    | 11 538 787                    |
| Debt impairment                               | 57 890 471                   | 20 498 713                      | 78 389 184                | 74 345 671                  | (4 043 513)                  | 81 973 432                    |
| Depreciation & asset impairment               | 31 304 799                   | -                               | 31 304 799                | 20 810 756                  | (10 494 043)                 | 24 121 700                    |
| Finance charges                               | 22 361 693                   | -                               | 22 361 693                | 18 698 906                  | (3 662 787)                  | 19 009 684                    |
| Bulk purchases                                | 75 374 025                   | -                               | 75 374 025                | 76 381 521                  | 1 007 496                    | 67 091 482                    |
| Other Materials                               | 61 848 990                   | (2 483 531)                     | 59 365 459                | -                           | (59 365 459)                 | -                             |
| Contracted Services                           | 44 695 270                   | 9 218 356                       | 53 913 626                | 38 237 575                  | (15 676 051)                 | 30 579 325                    |
| Transfers and grants                          | 232 260                      | 114 367                         | 346 627                   | 2 642 281                   | 2 295 654                    | 2 476 180                     |
| Other expenditure                             | 43 298 200                   | 2 234 256                       | 45 532 456                | 64 785 591                  | 19 253 135                   | 45 375 837                    |
| Loss on disposal of PPE                       | -                            | -                               | -                         | 1 027 163                   | 1 027 163                    | 2 358 925                     |
| <b>Total Expenditure</b>                      | <b>551 182 402</b>           | <b>29 641 289</b>               | <b>580 823 691</b>        | <b>501 462 252</b>          | <b>(79 361 439)</b>          | <b>465 569 413</b>            |
| <b>Surplus/(Deficit)</b>                      | <b>(18 508 083)</b>          | <b>(556 601)</b>                | <b>(19 064 684)</b>       | <b>41 111 831</b>           | <b>60 176 515</b>            | <b>16 735 243</b>             |
| Transfers recognised - capital                | 47 347 694                   | (4 609 335)                     | 42 738 359                | 34 341 177                  | (8 397 182)                  | 50 145 492                    |
| Contributed Assets                            | -                            | 140 000                         | 140 000                   | 13 183 602                  | 13 043 602                   | 271 756                       |
| <b>Surplus/(Deficit) for the year</b>         | <b>28 839 611</b>            | <b>(5 025 936)</b>              | <b>23 813 675</b>         | <b>88 636 610</b>           | <b>64 822 935</b>            | <b>67 152 491</b>             |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                             | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|---------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>CAPITAL EXPENDITURE</b>                  |                              |                                 |                           |                             |                              |                               |
| <b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b> |                              |                                 |                           |                             |                              |                               |
| <b>Multi-year expenditure</b>               |                              |                                 |                           |                             |                              |                               |
| Vote 1 - Budget and treasury office         | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 2 - Community and social services      | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 3 - Corporate services                 | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 4 - Electricity                        | 165 000                      | -                               | 165 000                   | 145 864                     | (19 136)                     | 3 642 453                     |
| Vote 5 - Environmental protection           | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 6 - Executive and council              | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 7 - Housing                            | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 8 - Planning and development           | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 9 - Public safety                      | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 10 - Road transport                    | 877 193                      | 100 719                         | 977 912                   | 977 912                     | -                            | 9 880 759                     |
| Vote 11 - Sport and recreation              | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 12 - Waste management                  | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 13 - Waste water management            | 18 686 269                   | (273 757)                       | 18 412 512                | 18 386 744                  | (25 768)                     | 10 889 508                    |
| Vote 14 - Water                             | 3 836 287                    | -                               | 3 836 287                 | 3 755 663                   | (80 624)                     | 4 030 880                     |
| <b>Total Multi-year expenditure</b>         | <b>23 564 749</b>            | <b>(173 038)</b>                | <b>23 391 711</b>         | <b>23 266 183</b>           | <b>(125 528)</b>             | <b>28 443 601</b>             |
| <b>Single-year expenditure</b>              |                              |                                 |                           |                             |                              |                               |
| Vote 1 - Budget and treasury office         | -                            | 26 594                          | 26 594                    | 23 809                      | (2 785)                      | 18 897                        |
| Vote 2 - Community and social services      | 358 000                      | -                               | 358 000                   | 233 623                     | (124 377)                    | 421 142                       |
| Vote 3 - Corporate services                 | 2 402 922                    | 2 637 475                       | 5 040 397                 | 4 989 500                   | (50 897)                     | 5 044 856                     |
| Vote 4 - Electricity                        | 3 350 000                    | 1 490 092                       | 4 840 092                 | 4 550 437                   | (289 655)                    | 10 540 098                    |
| Vote 5 - Environmental protection           | -                            | -                               | -                         | -                           | -                            | -                             |
| Vote 6 - Executive and council              | 3 745 815                    | (2 011 702)                     | 1 734 113                 | 1 136 796                   | (597 317)                    | 1 224 201                     |
| Vote 7 - Housing                            | 24 100 000                   | (6 014 968)                     | 18 085 032                | 11 112 451                  | (6 972 581)                  | 14 937 454                    |
| Vote 8 - Planning and development           | -                            | 15 198 612                      | 15 198 612                | 13 221 072                  | (1 977 540)                  | 17 408                        |
| Vote 9 - Public safety                      | 6 300 000                    | (5 267 640)                     | 1 032 360                 | 941 850                     | (90 510)                     | 400 767                       |
| Vote 10 - Road transport                    | 100 000                      | 40 000                          | 140 000                   | 29 807                      | (110 193)                    | 583 872                       |
| Vote 11 - Sport and recreation              | 1 600 000                    | -                               | 1 600 000                 | 825 703                     | (774 297)                    | 984 866                       |
| Vote 12 - Waste management                  | 10 734 180                   | 1 312 052                       | 12 046 232                | 12 046 232                  | -                            | 1 290 895                     |
| Vote 13 - Waste water management            | -                            | -                               | -                         | -                           | -                            | 1 818 282                     |
| Vote 14 - Water                             | 2 500 000                    | 2 466 868                       | 4 966 868                 | 4 155 265                   | (811 603)                    | 21 487 648                    |
| <b>Total Single-year expenditure</b>        | <b>55 190 917</b>            | <b>9 877 383</b>                | <b>65 068 300</b>         | <b>53 266 544</b>           | <b>(11 801 757)</b>          | <b>58 770 389</b>             |
| <b>Total Capital Expenditure by Vote</b>    | <b>78 755 666</b>            | <b>9 704 345</b>                | <b>88 460 011</b>         | <b>76 532 726</b>           | <b>(11 927 285)</b>          | <b>87 213 990</b>             |



# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                      | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|------------------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b> |                              |                                 |                           |                             |                              |                               |
| <b>Governance and administration</b>                 |                              |                                 |                           |                             |                              |                               |
| Executive and council                                | -                            | -                               | -                         | -                           | -                            | -                             |
| Finance and administration                           | 6 148 737                    | 646 867                         | 6 795 604                 | 6 145 853                   | (649 751)                    | 6 287 955                     |
| Internal audit                                       | -                            | 5 500                           | 5 500                     | 4 252                       | (1 248)                      | -                             |
| <b>Community and public safety</b>                   |                              |                                 |                           |                             |                              |                               |
| Community and social services                        | 358 000                      | -                               | 358 000                   | 233 623                     | (124 377)                    | 421 142                       |
| Sport and recreation                                 | 1 600 000                    | -                               | 1 600 000                 | 825 703                     | (774 297)                    | 984 866                       |
| Public safety                                        | -                            | -                               | -                         | -                           | -                            | -                             |
| Housing                                              | 24 100 000                   | (6 014 968)                     | 18 085 032                | 11 112 451                  | (6 972 581)                  | 14 937 454                    |
| <b>Economic and environmental services</b>           |                              |                                 |                           |                             |                              |                               |
| Planning and development                             | -                            | 15 198 612                      | 15 198 612                | 13 221 072                  | (1 977 540)                  | 17 408                        |
| Road transport                                       | 7 277 193                    | (5 126 921)                     | 2 150 272                 | 1 949 569                   | (200 703)                    | 10 865 399                    |
| Environmental Protection                             | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Trading services</b>                              |                              |                                 |                           |                             |                              |                               |
| Energy sources                                       | 3 515 000                    | 1 490 092                       | 5 005 092                 | 4 696 301                   | (308 791)                    | 14 182 552                    |
| Water management                                     | 6 336 287                    | 2 466 868                       | 8 803 155                 | 7 910 928                   | (892 227)                    | 25 518 528                    |
| Waste water management                               | 18 686 269                   | (273 757)                       | 18 412 512                | 18 386 744                  | (25 768)                     | 12 707 790                    |
| Waste management                                     | 10 734 180                   | 1 312 052                       | 12 046 232                | 12 046 232                  | -                            | 1 290 895                     |
| <b>Other</b>                                         | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Total Capital Expenditure - Standard</b>          | <b>78 755 666</b>            | <b>9 704 345</b>                | <b>88 460 011</b>         | <b>76 532 726</b>           | <b>(11 927 285)</b>          | <b>87 213 990</b>             |
| <b>CAPITAL EXPENDITURE (CONTINUED)</b>               |                              |                                 |                           |                             |                              |                               |
| <b>FUNDING SOURCES</b>                               |                              |                                 |                           |                             |                              |                               |
| National Government                                  | 22 488 695                   | 836 208                         | 23 324 903                | 23 140 673                  | (184 230)                    | 28 973 640                    |
| Provincial Government                                | 24 859 000                   | (5 445 543)                     | 19 413 457                | 11 722 371                  | (7 691 086)                  | 17 085 438                    |
| District Municipality                                | -                            | -                               | -                         | -                           | -                            | -                             |
| Other transfers and grants                           | -                            | -                               | -                         | -                           | -                            | -                             |
| <b>Transfers recognised - capital</b>                | <b>47 347 695</b>            | <b>(4 609 335)</b>              | <b>42 738 360</b>         | <b>34 863 044</b>           | <b>(7 875 316)</b>           | <b>46 059 077</b>             |
| Public contributions & donations                     | -                            | 15 301 142                      | 15 301 142                | 13 213 409                  | (2 087 733)                  | -                             |
| Borrowing                                            | 10 420 279                   | 3 724 535                       | 14 144 814                | 13 694 993                  | (449 821)                    | 26 260 822                    |
| Internally generated funds                           | 20 987 692                   | (4 711 997)                     | 16 275 695                | 14 761 281                  | (1 514 414)                  | 14 894 090                    |
| <b>Total Capital Funding</b>                         | <b>78 755 666</b>            | <b>9 704 345</b>                | <b>88 460 011</b>         | <b>76 532 726</b>           | <b>(11 927 285)</b>          | <b>87 213 990</b>             |

# THEEWATERSKLOOF LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

|                                                   | ORIGINAL BUDGET<br>2019<br>R | BUDGET ADJUSTMENTS<br>2019<br>R | FINAL BUDGET<br>2019<br>R | ACTUAL OUTCOME<br>2019<br>R | BUDGET VARIANCE<br>2019<br>R | RESTATED OUTCOME<br>2018<br>R |
|---------------------------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|-------------------------------|
| <b>CASH FLOWS</b>                                 |                              |                                 |                           |                             |                              |                               |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |                              |                                 |                           |                             |                              |                               |
| <b>Receipts</b>                                   |                              |                                 |                           |                             |                              |                               |
| Property rates, penalties & collection charges    | 87 112 332                   | (3 631 111)                     | 83 481 220                | 100 519 945                 | 17 038 725                   | 93 424 697                    |
| Service charges                                   | 194 850 478                  | (10 358 120)                    | 184 492 358               | 189 972 615                 | 5 480 258                    | 168 548 843                   |
| Other revenue                                     | 19 664 760                   | 828 750                         | 20 493 510                | 30 626 530                  | 10 133 021                   | 18 545 659                    |
| Government - operating                            | 146 043 306                  | (4 854 046)                     | 141 189 260               | 145 285 351                 | 4 096 090                    | 100 520 628                   |
| Government - capital                              | 47 347 694                   | (7 534 389)                     | 39 813 305                | 34 341 177                  | (5 472 128)                  | 50 145 492                    |
| Interest                                          | 13 085 742                   | 6 349 653                       | 19 435 395                | 10 457 261                  | (8 978 134)                  | 8 258 086                     |
| <b>Payments</b>                                   |                              |                                 |                           |                             |                              |                               |
| Suppliers and employees                           | (441 357 893)                | 24 387 299                      | (416 970 594)             | (372 222 155)               | 44 748 439                   | (332 056 303)                 |
| Finance charges                                   | (12 782 977)                 | -                               | (12 782 977)              | (8 682 626)                 | 4 100 351                    | (9 576 269)                   |
| Transfers and grants                              | (232 260)                    | (114 367)                       | (346 627)                 | (2 642 281)                 | (2 295 654)                  | (2 476 180)                   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>         | <b>53 731 181</b>            | <b>5 073 669</b>                | <b>58 804 850</b>         | <b>127 655 818</b>          | <b>68 850 968</b>            | <b>95 334 652</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                              |                                 |                           |                             |                              |                               |
| <b>Receipts</b>                                   |                              |                                 |                           |                             |                              |                               |
| Proceeds on disposal of PPE                       | -                            | -                               | -                         | 780 337                     | 780 337                      | 295 000                       |
| Decrease (increase) other non-current receivables | 1 361                        | 13 384                          | 14 744                    | -                           | (947 181)                    | -                             |
| Decrease (increase) in non-current investments    | -                            | -                               | -                         | (932 436)                   | -                            | (923 739)                     |
| <b>Payments</b>                                   |                              |                                 |                           |                             |                              |                               |
| Capital assets                                    | (78 755 666)                 | 5 494 267                       | (73 261 399)              | (63 349 124)                | 9 912 275                    | (86 942 234)                  |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>      | <b>(78 754 305)</b>          | <b>5 507 650</b>                | <b>(73 246 655)</b>       | <b>(63 501 224)</b>         | <b>9 745 431</b>             | <b>(87 570 973)</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |                              |                                 |                           |                             |                              |                               |
| <b>Receipts</b>                                   |                              |                                 |                           |                             |                              |                               |
| Borrowing long term/refinancing                   | 10 420 279                   | 3 724 536                       | 14 144 815                | 10 420 279                  | (3 724 536)                  | -                             |
| Increase (decrease) in consumer deposits          | 289 716                      | (7 265)                         | 282 451                   | (81 648)                    | (364 099)                    | 2 714                         |
| <b>Payments</b>                                   |                              |                                 |                           |                             |                              |                               |
| Repayment of borrowing                            | (8 462 730)                  | (772 270)                       | (9 235 000)               | (7 453 637)                 | 1 781 363                    | (8 189 282)                   |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>         | <b>2 247 264</b>             | <b>2 945 002</b>                | <b>5 192 266</b>          | <b>2 884 994</b>            | <b>(2 307 272)</b>           | <b>(8 186 568)</b>            |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      | <b>(22 775 859)</b>          | <b>13 526 321</b>               | <b>(9 249 538)</b>        | <b>67 039 588</b>           | <b>76 289 126</b>            | <b>(422 889)</b>              |
| Cash/cash equivalents at the year begin:          | 41 610 837                   | 22 289 724                      | 63 900 561                | 63 900 561                  | -                            | 64 323 450                    |
| Cash/cash equivalents at the year end:            | 18 834 978                   | 35 816 045                      | 54 651 023                | 130 940 149                 | 76 289 126                   | 63 900 561                    |