Theewaterskloof
Municipality

Draft Annual Report 2019/2020

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Chapter 1 Mayor's Foreword and Executive Summary

COMPONENT A: MAYOR'S FOREWORD

a. THE COVID-19 PANDEMIC AND LOCKDOWN IMPACT ON GOVERNANCE

A national disaster in the fourth quarter of the 2019/2020 year changed the entire focus of Theewaterskloof municipality.

The COVID-19 Pandemic, State of Disaster and Lockdown forced the Municipal Council to change its oversight role in terms of the municipal administration and the latter's subsequent focus points and mandates.

The effect of the Pandemic on the municipality and its residents forced the municipality to adapt to the new COVID-19 Pandemic Reality and from my side I adopted an overview function to ensure that the municipal administration continued with its legal mandates, service delivery and COVID-19 related responsibilities.

In his foreword to this annual report the Acting Municipal Manager, Mister Davy Louw, provided a detailed account of the impact of the pandemic on the municipality. I will therefore not elaborate on this matter except to say that I provided guidance and support to the municipal administration as the executive mayor and in terms of mandates given to me by Council.

As the Executive Mayor I ensured that Council exercised its monitoring and guiding role over the municipal compliance with financial and other Acts, policies, strategies and plans.

We ensured that good governance prevailed.

b. VISION

In the fourth quarter of the year, the COVID-19 Pandemic forced Council to shift its focus from its vision to pandemic related issues and threats.

Various levels of success with the implementation of the vision marked the first nine months of the year, but the timeline to finalize the restructuring implemented since 2016 were not entirely 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 year under review.

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."

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."

c. GAME CHANGERS TO ACHIEVE THE VISION

In 2019/2020 Council and the Municipal Administration identified and implemented solutions for several game changing challenges and opportunities. Progress made in the year under review laid the foundation to make the municipality a developmental organ of state. The municipality increased its ability and capacity to deal with various challenges:

- COVID-19 Challenges.
- COVID-19 Municipal recovery in terms of economic development, financial sustainability, functionality, community growth and law enforcement.
- Community based discontent and subsequent actions such as protests.
- The impact of migration to Theewaterskloof.
- Achieving an environment in which all people work together.
- Maintain municipal sustainability.
- Maintain service delivery sustainability.

Progress was 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:

- COVID-19 related Municipal Recovery.
- 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 despite the threats of the COVID-19 Pandemic, national disaster and lockdown.
- 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.

d. 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 since the 2017/2018 years. It was envisaged that the restructuring process would have been completed in 2019/2020 but this did not materialise.

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

- COVID-19 Pandemic.
- COVID19 Pandemic Lockdown
- Land invasions.
- 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.

e. 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 all the 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.

f. 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.

g. 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 Theewaterskloof Municipal Clientcare Charter for 2019/2020.
- Risk based internal audit plan for 2019/2020.

- Supply Chain Management 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 2020/2021 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 2019/2020 financial year.

h. 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 2019/2020 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.

i. 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 those policy frameworks 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.

j. FUTURE ACTIONS

The future of sustainable municipal governance and service delivery in Theewaterskloof hinges on the success of the COVID-19 municipal recovery plan; and 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 2020/2021 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, migration, 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.

k. 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".

_____

Councillor Christelle Vosloo
Executive Mayor
25 August 2020

Government Gazette dated 05 August 2020.

Local Government: Municipal Finance Management Act, 2003 – Exemption from Act

Exemption

Subject to the condition in paragraph 2, municipalities and municipal entities are expected, for the 2019/2020 financial year, from complying with the deadlines in sections 126(1) and (2), 127(1) and 133(2) of the Local Government Municipal Finance Management Act, 2003.(Act No.56 of2003).

Condition

Municipalities and municipal entities must comply with a provision referred to paragraph 1 within two months after the deadline in the applicable provision.

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

1.1.1 MUNICIPAL MANAGER FOREWORD

COMPLYING WITH LEGAL MANDATES AND SERVICE DELIVERY

Theewaterskloof Municipality had in terms of effective, efficient and equitable performance on all its mandates and functions, complied with the Local Government: Municipal Systems Act 32 of 2000 and the Local Government: Municipal Structures Act 117 of 1998.

CHALLENGES OF THE COVID-19 PANDEMIC AND NATIONAL DISASTER AND LOCKDOWN

For the period under review, the municipality had to assimilate and mitigate the adverse effects that the COVID-19 Pandemic and Lockdown had on the organization in terms of especially:

- Holistic municipal sustainability and the financial wellbeing of the authority.
- Compliance with good governance practices and especially in regards to Financial Management, the MFMA and SCM.
- The sharp decline in income sources and especially government grants and taxes and tariffs.
- The reduction in debt collection from a budgeted 90% to actual of 84%.
- Reprioritizing the budget for 2020/2021.
- Rapidly increasing poverty and hunger and a decline in the socio-economic and welfare profiles in the collective Theewaterskloof community.
- The shift of administrative attention towards the mitigation of COVID-19 Pandemic related poverty and hunger due to job losses and unemployment.
- Provision of effective service delivery under the lockdown conditions.
- Managing the municipality in lockdown conditions and through the Theewaterskloof Municipal COVID-19 Pandemic Joint Operational Committee (JOC).
- Linking the municipal COVID-19 response with that of the Overberg District Joint Operational Committee, the Provincial JOC and the National Command Centre.
- Responding to National, Provincial and District disaster, poverty and hunger projects and programs.
- Minimizing the effect of the COVID-19 Pandemic on the municipality and the people of Theewaterskloof.
- Creating a relatively safe internal and external environment for employees and the public.
- Sensitizing the public of the dangers of the Corona-virus and how to prevent spreading and flattening and reducing the infection and mortality percentages.

RESPONSE TO THE COVID-19 PANDEMIC AND NATIONAL DISASTER AND LOCKDOWN REGULATIONS

Immediately after President Cyril Ramaphosa announced a National Disaster and Lockdown regulations level 5 the municipality:

- Developed a strategic Council Adopted Plan to mitigate the Pandemic and Lockdown effects on the municipality.
- Adopted a service delivery capacity assessment and plan in terms of the principle of essential staff.
- Established a Theewaterskloof Municipal COVID-19 Pandemic Joint Operational Committee (JOC) that functioned as the interim management of the municipality.

- Linked the Municipal JOC with the JOCS of Overberg District and Province.
- Provided guidance on poverty and hunger mitigating interventions.
- Coordinated and facilitated national, provincial, district and municipal relief interventions.
- Formed public/private compacts to limit the manifestations of hunger and poverty.
- Put into place special and legal measures to ensure good financial and general management and good governance.
- Developed plans and approaches to adapt to the new normal.
- Adopted a recovery plan to guide the municipality in the aftermath of the COVID-19 Pandemic, National Disaster and Lockdown.
- Developed public/private task teams to guide municipal recovery in terms of financial sustainability, functionality, community health and welfare, law and order and the restoring of /municipal productivity.
- Reprioritized the budget to deal with the COVID-19 Pandemic challenges and to fund delivery of services, projects, sound municipal administration, compliance with mandates and good governance.

The municipality's response to the COVID-19 Pandemic, National Disaster and Lockdown; and moderate return to the old normal was effective and at the end of the year under review the municipality was still capable of good governance and the provision of good municipal services. The municipality laid a foundation to strengthen the organization's sustainability in the next financial year.

KEY INFLUENCES ON THE MUNICIPALITY

The 8 most critical internal and external influences on the municipality were escalated by the COVID-19 Pandemic effects and remains:

1. Reduced national government subsidies for indigent families who are now probably representing 60% of the Theewaterskloof population.
2. Reduced government contributions to the Indigent Funding Scheme; Municipal Infrastructure Grant (MIG); and Housing.
3. Public dissatisfaction and related community displeasures that manifested in protests and a relatively low debt collection rate.
4. A rapidly deteriorating infrastructure and the lapses in service delivery that results from this.
5. Extensive migration of people to Theewaterskloof and the broadening of the gap between public expectations and municipal abilities to comply with the demands.
6. Rapidly expanding informal settlements and land invasions – there are 24 informal settlements in Theewaterskloof.
7. Adverse social behaviors, especially the vandalizing of municipal assets, as a result of escalating poverty.
8. Deviation from Council's growth and development vision due to the COVID-19 related new normal realities and urgencies.

AUDIT OUTCOME OF THE AUDITOR GENERAL

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.

The municipality responded to this and regained a clean audit outcome for the 2018/2019 financial year. Another clean audit was obtained for the 2019/2020 financial year.

IDP AND SDBIP

In the financial year under review the municipality developed an SDBIP that reflected the organizational Micro and Macro structure. The organizational restructuring has still not been concluded and this might impact on SDBIP compliance.

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 into the budgets capture the needs of the broader Theewaterskloof community. This is exceptional if considered that comments and participation had to be obtained through methodologies dictated by the COVID-19 Pandemic.

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 be accommodated and reflected 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's Performance and Audit Committee (PAC) added to clean governance in the municipality and the members' experience in the fields of internal audit, performances monitoring and holistic municipal governance again proofed to be an essential tool in good governance.

The internal audit function conducted its tasks in terms of a risk based audit plan approved by the municipal management and the PAC.

Due to the COVID-19 Pandemic and lockdown and the fact that one of the staff members were on maternity leave for a period, the audit plan had to be adopted to focus on the most critical audit matters.

The AG uses internal audit outcomes to find high risk 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.

The fact that the paying public does not receive services that reflect their contributions to municipal income caused relationship issues between them and the municipality and between the paying and non-paying public.

Indigent families also belief that the basic services they receive for free are not adhering to minimum norms and as a result there are 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 municipality's interaction with stakeholders increased and strengthened substantially due to the integrated private/public approach to the COVID-19 Pandemic challenges. One of the positive effects of the Pandemic is the close ties that developed between the municipality and its stakeholders and the fact that stakeholders more than ever understand their importance in the delivery on municipal mandates and service delivery.

FINANCIAL SUSTAINABILITY

COVID-19 threatened municipal sustainability like never before and in this regard the municipality took the right approaches and steps to limit the damage. This matter is more fully discussed elsewhere in the foreword.

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 kept its financial sustainability indicators to acceptable levels.

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.

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 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 managed to continue to deliver on its primary mandate of basic 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 and distribution losses within its area of distribution is limited and far below the norm. However, we are aware of the loss 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

Looking at the future the municipality identified several key matters to be dealt with in 2020/2021:

1. Mitigate the challenges of the COVID-19 Pandemic effects on municipalities.
2. Support and facilitate community and economic growth and development.
3. Create an environment in which people can live peacefully and in safety.
4. 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.
5. Deal effectively with the migration of people from other provinces and districts to Theewaterskloof.
6. Deal effectively with ageing infrastructure as to ensure continued service delivery.
7. Down manage the gap between municipal abilities and capacities and public expectations from the authority.

Final remarks

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

_____

Davy Louw
Acting Municipal Manager
2020/08/25

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 administrations financial, operational, social and environmental performance for the 12 months under review namely 01 July 2019 to 30 June 2020, it also focuses on progress made against the Integrated Development Plan objectives, a new version which is compiled every 5 years and thereafter annually review.

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.

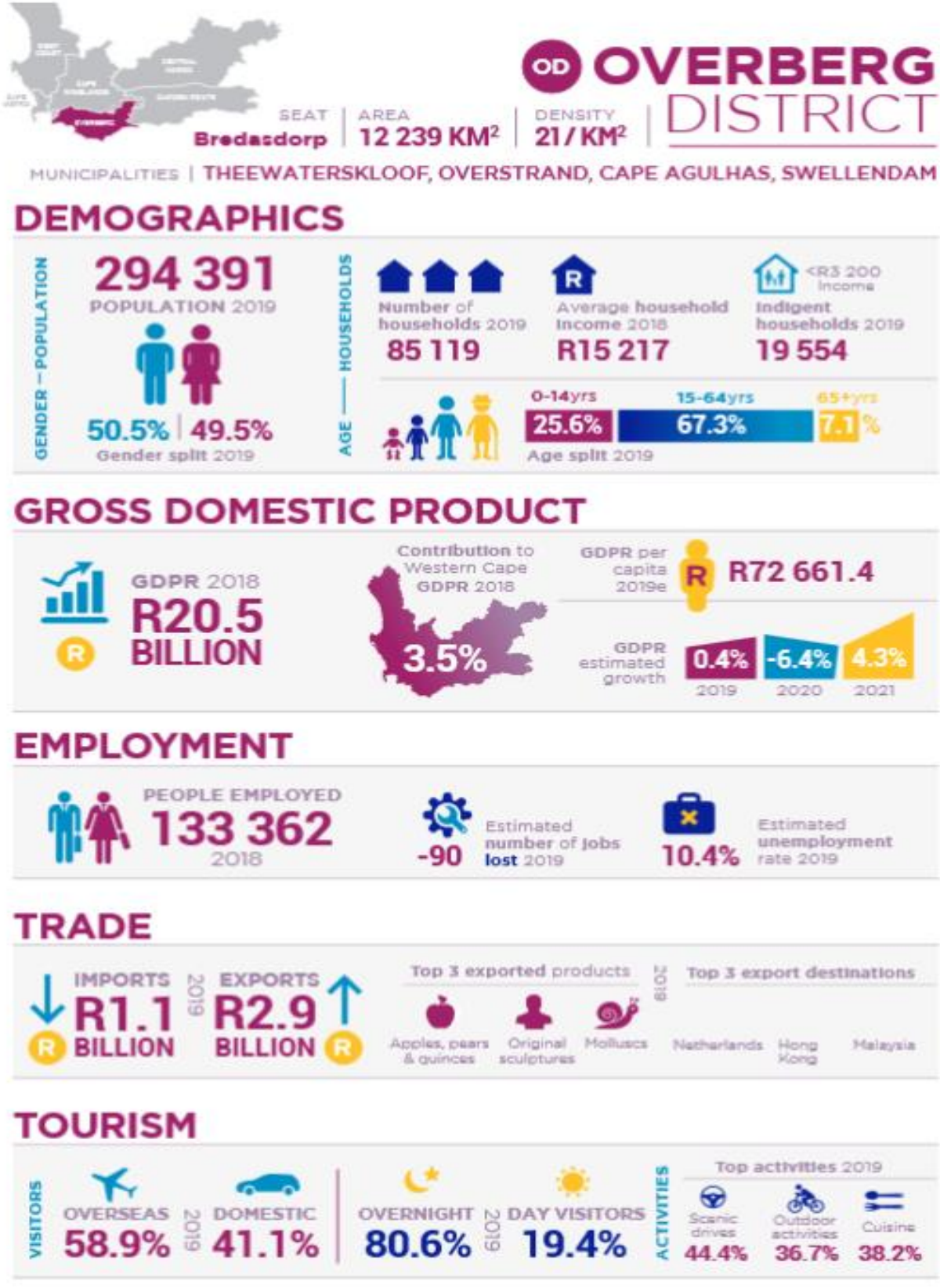
The constitution schedule 4(B) and 5(B) outlines specific municipal functions, it is therefore important for a municipality to reflect within its annual report on the functions applicable to them.

MUNICIPAL FUNCTIONS	Function Applicable to Theewaterskloof (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No

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

1.2.1 INTRODUCTION TO BACKGROUND DATA

The Overberg District (OD) is well known for its coastline, the southernmost tip of Africa and vast farmlands, especially grain farming. Bordering the City of Cape Town, the Cape Winelands District, and the Garden Route District, the OD covers 12 241 square kilometres, which constitute 9.5 per cent of the Western Cape Province's total area, and comprises four local municipal areas, namely the Theewaterskloof, Overstrand, Cape Agulhas and Swellendam municipal areas. The OD Municipality's headquarters is in Bredasdorp, and other large towns in the District include Grabouw, Caledon, Hermanus and Swellendam.



ANNUAL REPORT AND DATA SOURCES

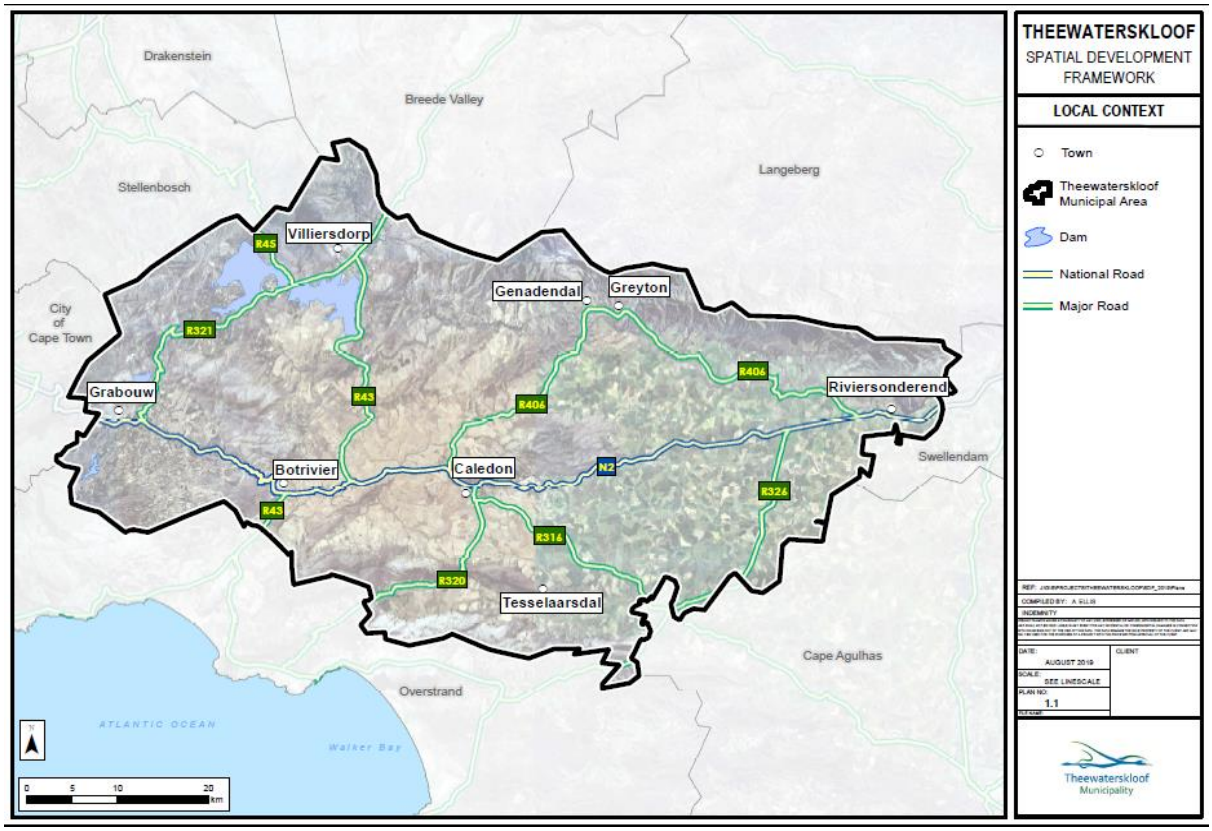
The 2019/20 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2019 to 30 June 2020.

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 2019 (SEP 19) and The Municipal Economic Review Outlook 2020 (MERO). A good indication of misalignment between sources when it comes to population data is when one simply compares the MERO estimate for the Overberg district to the SEP 2019. The SEP 2019 estimates the total population of the district to be in the region of 299 842 whilst the MERO estimate the population for the same period (2019) to be in the region of 294 391.

A further challenge that is experienced with data sources is the fact that 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.

Theewaterskloof

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.



The Theewaterskloof municipal area covers 3 259 square kilometres, which constitute approximately 26.6 per cent of the OD's geographical area1. It borders the Cape Metro, the Cape Winelands District, and is traversed by the N2, which is a valuable transit link for tourists and goods. The Theewaterskloof municipal area is a popular tourism destination and is well known for its natural assets such as the Kogelberg Biosphere, Theewaterskloof Dam, blue cranes, various mountain ranges and fynbos. The main towns in the municipal area include Botrivier, Caledon, Genadendal, Grabouw, Greyton, Riviersonderend, Tesselaarsdal, and Villiersdorp.

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 (Please note that the LED strategy is being reviewed and adoption is scheduled for October 2020).

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

[1] (Municipal Demarcation Board, 2018).

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 Tesselaarsdal.

Municipal Demarcation Code: WC031.

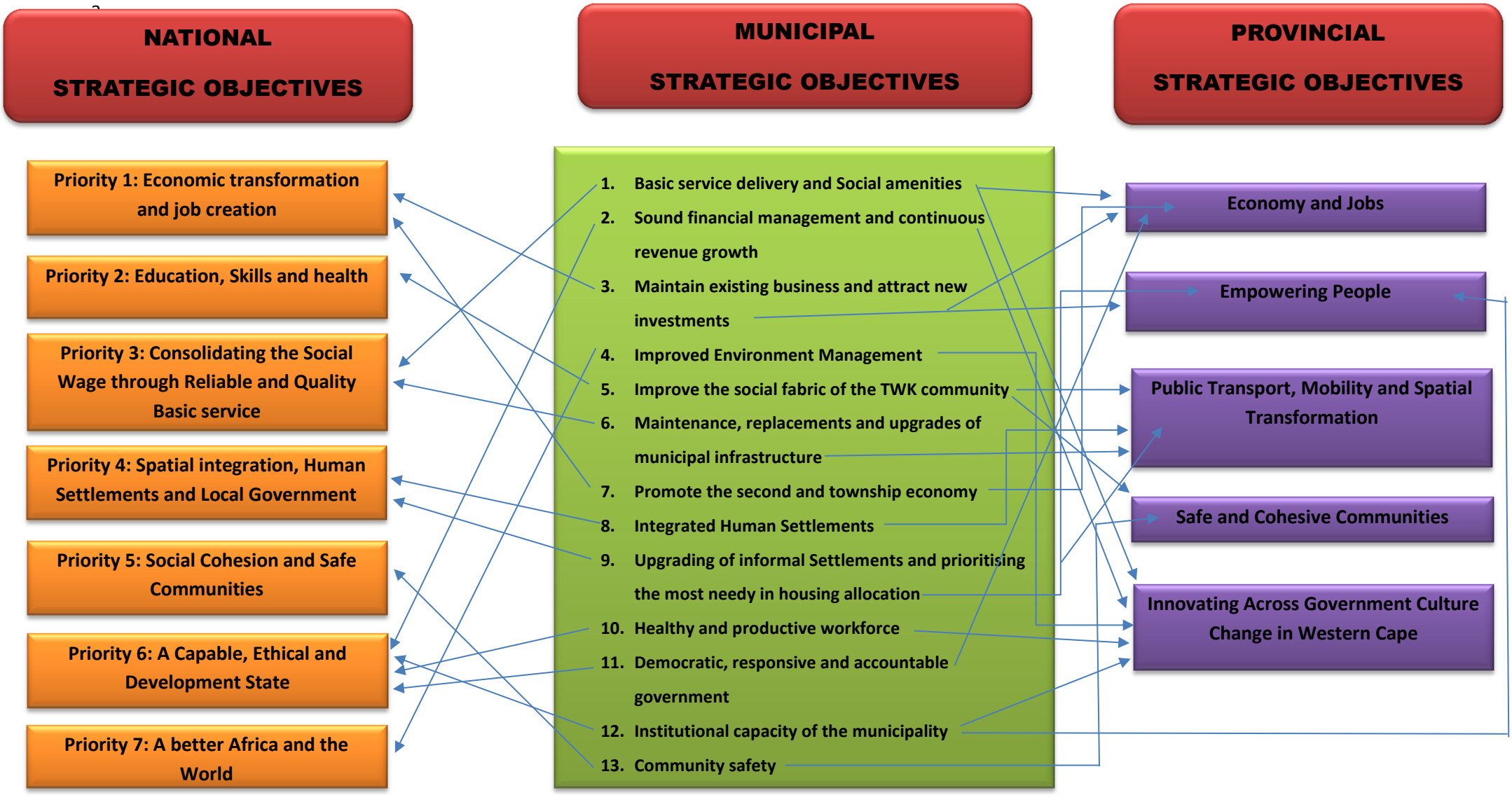
Location of Head Office: 6 Plein street Caledon.

Theewaterskloof jurisdiction area: 3 258km².

District Municipality: Overberg District Municipality.

Theewaterskloof Municipality committed itself to the following vision:

THEEWATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT

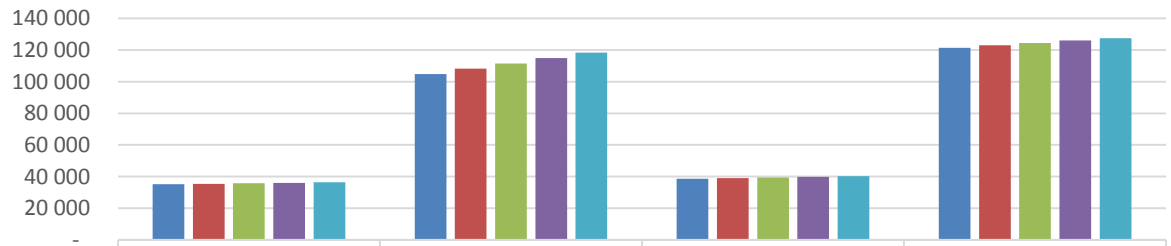


1.2.2 POPULATION

Accurate and reliable population data lies at the heart of the municipal budget and planning process as it is the primary variable informing the demand for basic services and the subsequent allocation of resources. Changes in population figures can mostly be attributed to three broad demographic processes namely, fertility, mortality and migration rates. Gathering data relating to the before mentioned is challenging at both municipal and national level.

Most Recent Population Data

Department of Social Development most recent estimates (as contained the SEP 2019) indicates that Theewaterskloof's population will grow from 120 823 in 2019 to 125 285 in 2023. This is in sharp contrast to last year's estimate by the same source estimating the population will grow from 124 374 in 2018 to 148 419 in 2024. Taking the totals contained in SEP 2019 this total equates to average annual growth of 0.9% percent and a 3.5 percent increase over the before mentioned period using 2019 as the base estimate. SEP 2018 contained growth rates of 3 percent and a 16.2 percent respectively over similar period but using 2018 as the base estimate. The Census 2011 estimates the population Growth of Theewaterskloof to be 1.54 percent, higher than SEP 2019 but lower considerably lower than SEP 2018.

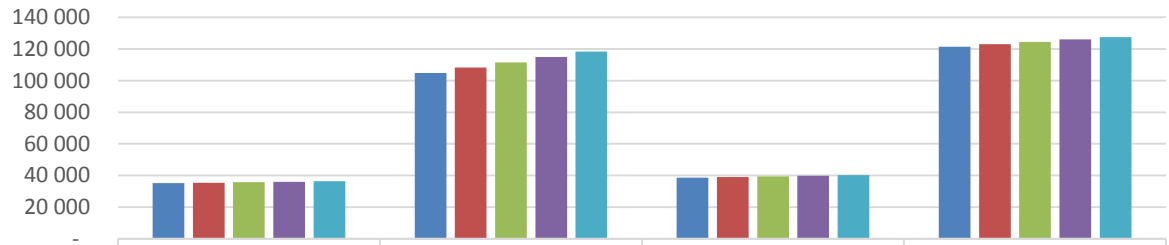


	Cape Agulhas	Overstrand	Swellendam	Theewaterskloof
2020	35 143	104 748	38 679	121 479
2021	35 457	108 228	39 032	123 037
2022	35 785	111 544	39 448	124 527
2023	36 102	114 907	39 849	125 984
2024	36 409	118 316	40 237	127 411

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

The table above indicates that Theewaterskloof has approximately 15 838 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 (2019 – 2023) continuously representing above 40% of the population in the region. Certain sources contradict the above mentioned data e.g. the Municipal Economic Review Outlook ((2020) MERO) indicating that Overstrand has a higher population growth than that of Theewaterskloof, it estimates Overstrand to grow at a rate of 3.1% annual followed by TWK and Swellendam woth growth rates of 1.2% and 1% respectively, however all sources and research indicate that TWK will continuously host the largest part of the district population.

The table below indicate the population Estimates as Contained in The MERO 2019:



	Cape Agulhas	Overstrand	Swellendam	Theewaterskloof
2020	35 143	104 748	38 679	121 479
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2022	35 785	111 544	39 448	124 527
2023	36 102	114 907	39 849	125 984
2024	36 409	118 316	40 237	127 411

The above estimate is closely in line with an estimate from IHS Information and Insight (Pty) Ltd that states "Based on the present age-gender structure and the present fertility, mortality and migration rates, Theewaterskloof's population is projected to grow at an average annual rate of 1.4% from 119 000 in 2018 to 127 000 in 2023".[2]

All local intelligence indicate that even those of our sources that contains 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 (2018) 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. If we take the growth rate of the only acceptable statistical source 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. Building 450 houses per annum is challenging to even the most financial viable municipalities in the country and would be close to impossible for TWK to keep up with this rate of expansion. The problem is intensified when one takes into consideration the pressure that this puts on your bulk capacity not to mention the social economic challenges that comes with this growth.

[2] *IHS Markit Regional eXplorer version 1870*

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 Government 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 2001 to 2016 (15 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 2017 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.

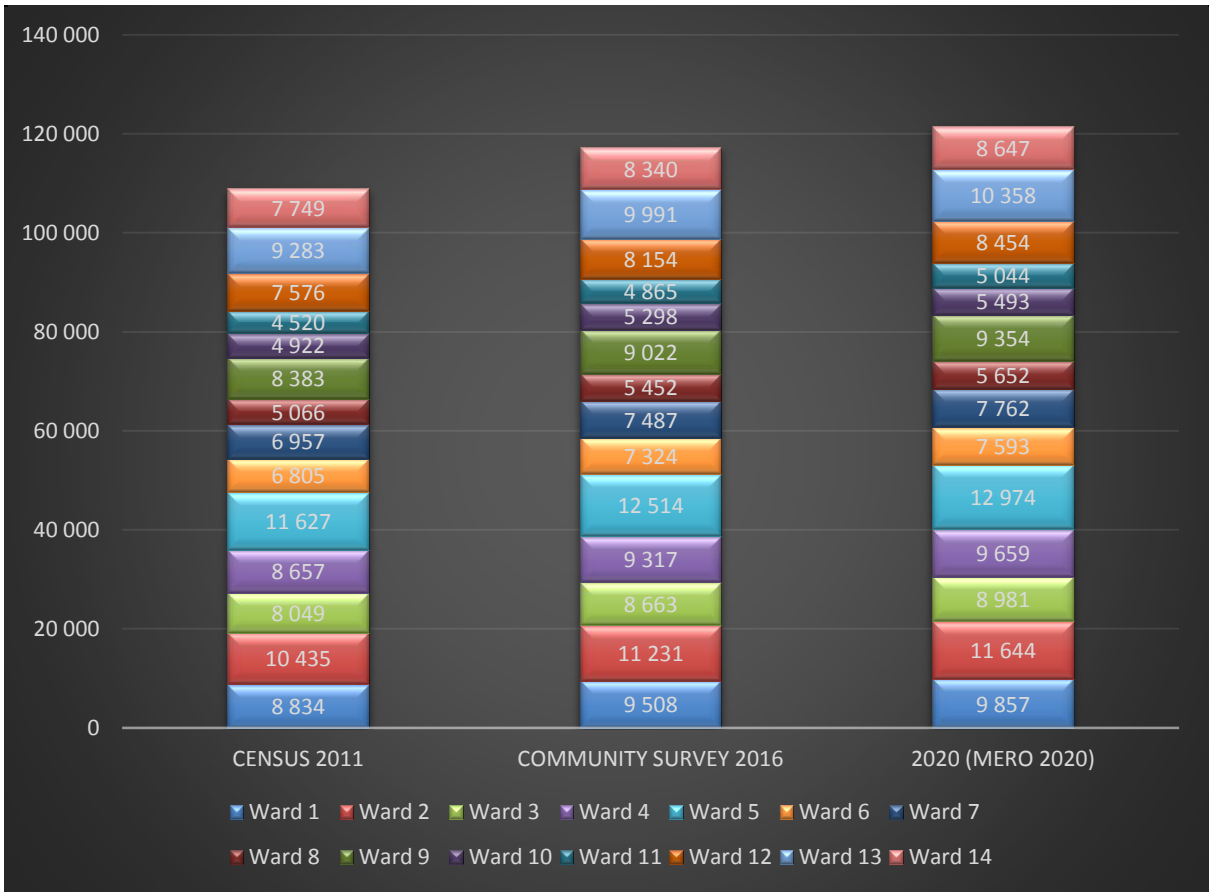
Ward	Black	Coloured	Indian or Asian	White	Other	Grand Total
1	1 395	6 222	38	1 535	65	**9 256**
2	312	7 246	41	697	148	**8 443**
3	1 402	9 277	24	398	74	**11 174**
4	1 180	3 348	29	2 487	59	**7 102**
5	4 188	5 369	101	1 868	101	**11 627**
6	2 711	3 846	18	85	146	**6 805**
7	1 685	5 806	28	620	83	**8 223**
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**
Grand Total	**28 757**	**68 478**	**387**	**10 173**	**995**	**108 790**[3]

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 and MERO 2020 a calculation could be made to provide comparative figures throughout the years where we have data available.

[3] 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.

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	2020 (MERO 2020)
Ward 1	**Riviersonderend**	8 834	9 508	9 857
Ward 2	**Greyton/Genadendal**	10 435	11 231	11 644
Ward 3	**Caledon**	8 049	8 663	8 981
Ward 4	**Caledon**	8 657	9 317	9 659
Ward 5	**Villiersdorp**	11 627	12 514	12 974
Ward 6	**Villiersdorp**	6 805	7 324	7 593
Ward 7	**Botrivier**	6 957	7 487	7 762
Ward 8	**Grabouw**	5 066	5 452	5 652
Ward 9	**Villiersdorp**	8 383	9 022	9 354
Ward 10	**Grabouw**	4 922	5 298	5 493
Ward 11	**Grabouw**	4 520	4 865	5 044
Ward 12	**Grabouw**	7 576	8 154	8 454
Ward 13	**Grabouw**	9 283	9 991	10 358
Ward 14	**Grabouw**	7 749	8 340	8 647
TOTALS		**108 864**	**117 167**	**121 473**



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 2019: 0.9% (2019 – 2023)

MERO 2020: 1.4%

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	37 persons km[4]				

Community survey 2016 is the latest available data on population per race group.

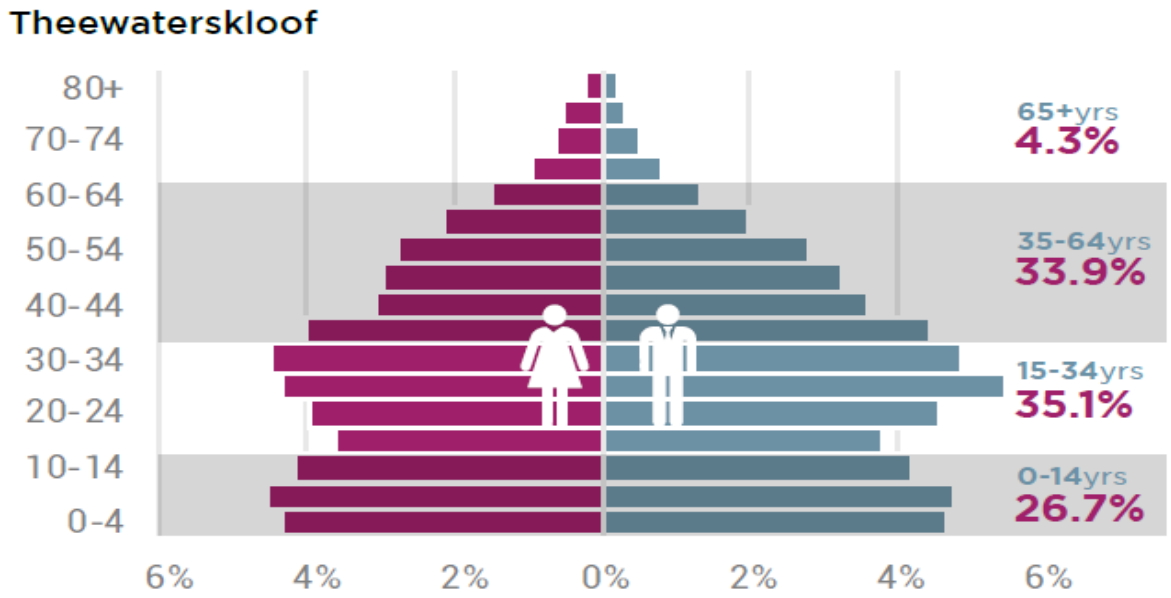
The Coloured racial group was the largest group within the municipality in both 2001(61 370) and 2016(76374), showing a 24.45 percent growth rate (2001 – 2016). The Indian/ Asian Population group has the largest growth rate in the municipal area at 250.3%, followed by the African population group at 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			

[4] SEP 2019 latest available data on Population Density

The following figures were obtained from MERO 2020:



Males remain the largest gender group within the municipal area (51.6%) despite females having a larger growth rate over the 15 year period (STATS 2001 vs Community Survey 2016). Assuming this trend continues, females could soon overtake the male population in the region. The largest share of the population is between 15 and 34 years old (35.1 per cent), followed by those aged between 35 and 64 years (33.9 per cent). The municipal area's economically active age cohort, individuals aged between 20 and 49 years, is characterised by a larger representation of males (26.2 per cent) than females (22.9 per cent)

Age Distribution and Cohorts

AGE PROFILE	2011	2016	2018	2020
0-14	25%	28%	25%	26.7%
15-64	69%	68%	68%	69%
65+	6%	5%	7%	4.3%

Theewaterskloof's age profile remained relatively consistent from 2011 through to 2020. 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 46.5 in 2019. This is estimated to remain stable estimate at 46.4 in 2023. 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

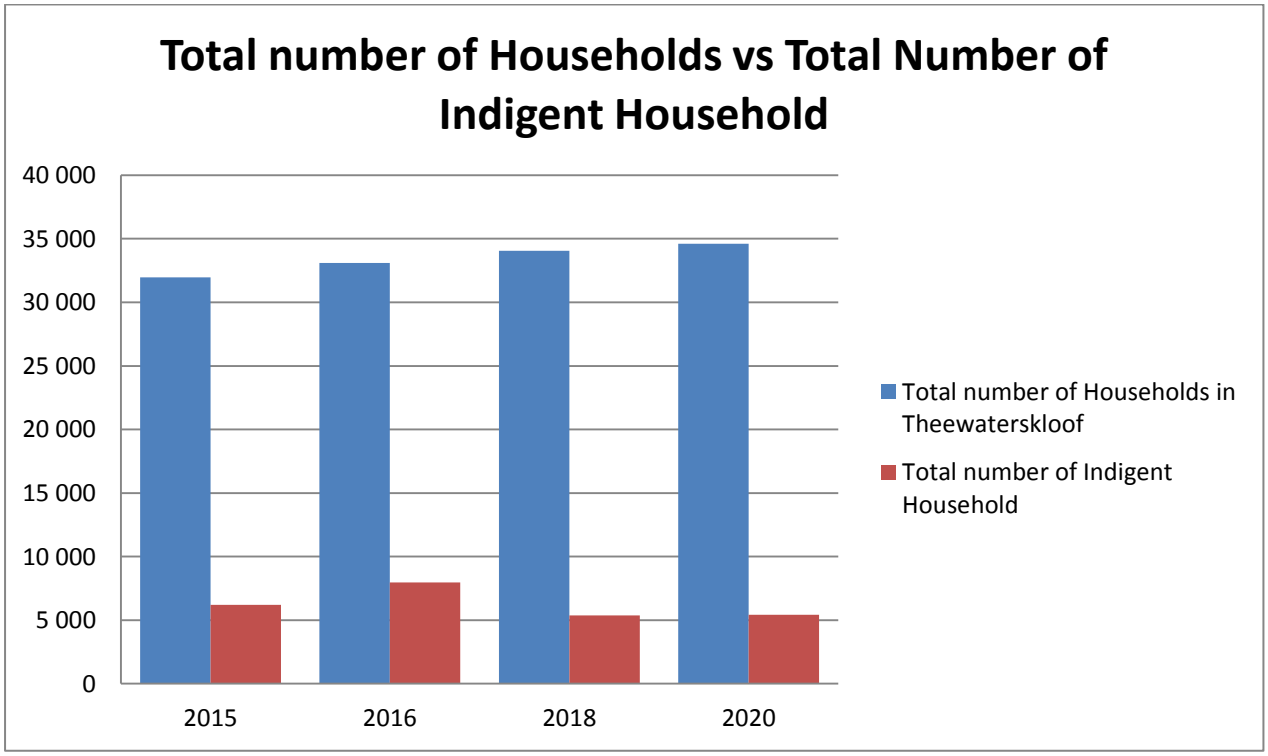
order to ensure that the municipality remains financially sustainable and avoid overburdening the social systems with the region.

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 34 045 in 2017/18 financial year.

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 2018 the projected household growth rate was used. The MERO estimate the number of household to only reach 33 000 beyond 2025, this figure simply can't be accurate as the Community survey already had the number of households at 33 097 in 2016. The below mentioned data is the most accurate recent data on household that we possess.

	2015	2016	2018	2020
Total number of Households in Theewaterskloof	31 952	33 097	34 057	34 610
Total number of Indigent Household	6 200	7 959	5 372	5 435
Indigent household as percentage as total households	19%	24%	16%	16%



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		
Indicator	**Overberg**	**Theewaterskloof**
GDPR growth (2014 -2019)	1,4 %	2,2 %
Population 2020	300 043	121 473
Unemployment 2018	9,4 %	8,1 %
Population growth (2019 – 2023)	3,1 %	1,2 %
Real GDPR per capita (2019)	R 72 661	R 60 067 (Latest Data available 2018)
Gini coefficient (2013 – 2019)	Increase	Increase
Household income	R 15 217	R 13 965
HDI (2019)	0 , 708	0,67
Matric pass rate	85,9 %	81,4 %
Retention Rate (2019)	66.1%	71.2% [5]
Informal dwelling	14129 (MERO 2020 figures)	8 351 (TWK informal dwelling figures)
Indigent households (2019)	19554	6706
[6]Free basic water households (2019)	19297	2 390
Free basic electricity households (2019)	20077	4248
Free basic refuse removal households (2019)	16 799	4 162
Free basic sanitation households (2019)	16 733	4096
Main causes of death (%)	Ischaemic heart disease	
Age group with highest death rate	65+	

[5] The learner retention rate is determined by obtaining theproportion of Grade 12 learners in a particular year compared with the number of Grade 10 learners two years previously. This shows the proportion of students who progressed to Grade 12, compared with those enrolled in Grade 10 two years before.

[6] Basic service statistics have been derived from both the MERO 2020 and the SEP 2019

Theewaterskloof: At a Glance

POPULATION

121 473

HOUSEHOLDS

34 610

Education 2019

Matric pass Rate	81.4%
Learner – Retention Ratio	71.2%
Learner – Teacher Ratio	30.6%

Poverty 2018

Gini Coefficient	0.58
Human Development Index	0.75

Health 2019

Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U18
18	84.6%	0.0	13.1%

Safety and Security

Actual number of reported cases in 2019/20

Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
718	205	920	50	101

Access to Basic Service Delivery

Percentage of households with access to basic services, 2019

Water	Refuse Removal	Electricity	Sanitation	Housing
96.6%	79.3%	88.0%	86.0%	78.7%

Road Safety 2019/20

Fatal Crashes	37
Road User Fatalities	43

Labour 2019

Unemployment Rate

11.3%

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, 2018

Wholesale and retail trade, catering and accommodation	Finance, insurance, real estate and business services	Agriculture, forestry and fishing
19.8%	**19.7%**	**13.9%**

[7] 2020 Socio-economic Profile;Theewaterskloof Municiaplity

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

1.2.5 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY JURISDICTION[8]

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.

[8] 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, Riversonderend is classified as an agricultural service centre with medium human needs and low to very low development potential.

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 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.

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 Elandskloof 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.

1.2.6 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

Elandskloof Dam Villiersdorp

Theewaterskloof Dam

BASIC SERVICE DELIVERY

Total number of households

34 610	85 754
Theewaterskloof Municipality	Overberg District

Formal main dwelling

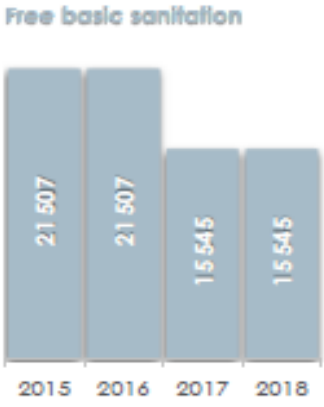
78.7 %

27 234	68 894
Theewaterskloof Municipality	Overberg District

80.3 %

69.9% Theewaterskloof 78.2% Overberg House/brick structure on separate stand/yard	1.8% Theewaterskloof 1.3% Overberg Traditional dwelling	7.6% Theewaterskloof 6.3% Overberg Flat/simplex/duplex/ triplex or room/flat on shared property	2.4% Theewaterskloof 1.9% Overberg Other/Unspecified
1.2% Theewaterskloof 1.5% Overberg House/flat/room in backyard	4.8% Theewaterskloof 6.8% Overberg Informal dwelling in backyard	12.3% Theewaterskloof 10.8% Overberg Informal dwelling not in backyard	

Piped water inside dwelling/within 200m		Electricity as primary source of lighting		Flush/chemical toilet		Refuse removed at least once a week	
Theewaterskloof	96.6%	Theewaterskloof	88.0%	Theewaterskloof	86.0%	Theewaterskloof	79.3%
Overberg	97.3%	Overberg	90.3%	Overberg	88.8%	Overberg	82.8%



Source: SEP 2020

1.3 SERVICE DELIVERY OVERVIEW

Service delivery is one of Government's eight priorities as set out in the White Paper on the Transformation of the Public Service. To this effect, government has launched an initiative in South Africa under the banner of Batho-Pele – meaning 'People First' in Sesotho – aimed at improving the delivery of public services. Batho-Pele further aims to ensure that attitudes, systems and procedures are capable of delivering enhanced public services. Batho-Pele is also about ensuring that the resources available are used to the best possible extent, eliminating wasteful and expensive procedures and reducing unnecessary expenditure on inefficient processes and systems.

The municipality is continuously striving to deliver on its core functions of delivering basic services to the whole of Theewaterskloof with the limited available resources. The Municipality has come to a point where it would like to look at Service Delivery indicators like housing, Sanitation, Water, electricity, Sewerage, storm water drainage and Refuse removal.

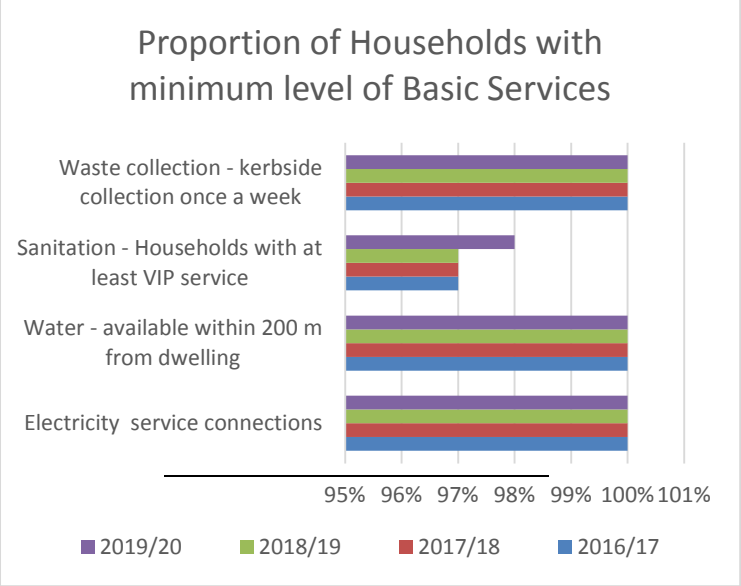
Theewaterskloof Municipality is doing its utmost best to provide these services to all the inhabitants within the Theewaterskloof municipal area. Many housing projects have been completed successfully and new housing projects are in the process of being completed.

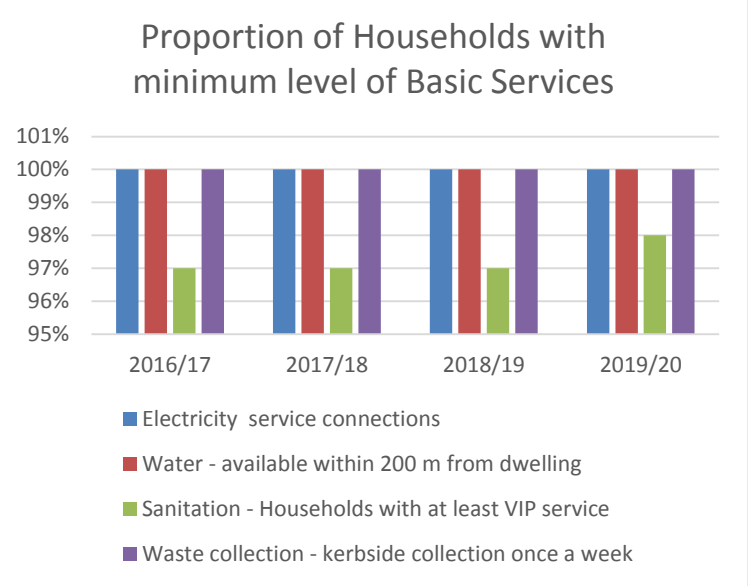
Reconstruction and Development Programme (RDP) houses are fitted with prepaid electricity meters and solar geysers to improve the living standards of the indigents. Free basic services are rendered and funded through the equitable share grant.

1.3.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

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

Proportion of Households with minimum level of Basic services[9]				
	2016/17	2017/18	2018/19	2019/20
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%	98%
Waste collection - kerbside collection once a week	100%	100%	100%	100%





9 - These figures does not correspond to those provided on page 28 and 36 as these are internal projections/calculation vs external departmental projections and calculations such as department social development and provincial treasury.

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL OVERVIEW 2019/20

Financial Overview -2019/20			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	(208 648)	(231 536)	(175 611)
Taxes, Levies and tariffs	(355 696)	(368 698)	(364 846)
Other	(57 495)	(63 259)	(59 520)
Sub Total	**(621 839)**	**(663 493)**	**(599 978)**
***Less* Expenditure**	574,585	612,889	519,020
Net Total*	**(47 255)**	**(50 604)**	**(80 958)**
**** Note: (surplus)/deficit***			T1.4.2

1.4.2 COMMENT ON OPERATING RATIOS

Operating Ratios	
Detail	%
Employee Cost	40%
Repairs & Maintenance	5%
Finance Charges & Depreciation	8%
	T1.4.3

The payroll report is required by section 66 of the MFMA. The active employees on the Payday system are 855, of which 182 are temporary workers, 27 council members and 646 permanent workers. The active employees include 6 new appointments, 0 retirement and 31 contracts which expired for the month of June 2020. The total Salary, allowances & benefits for managers and staff amounts to R 18,435 million for the month June 2020. Overtime for June 2020 amounts to R 953 458.

The norm for Employee Related Cost to the Total Operating Budget range between 25% and 40% depending on various factors and circumstances. The 40% 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 no movement from the 5% in 2018/19.

The ratio of finance charges and depreciation as a percentage of operating expenditure showed no movement from the 8% in 2018/19. The municipality has recently realised that it

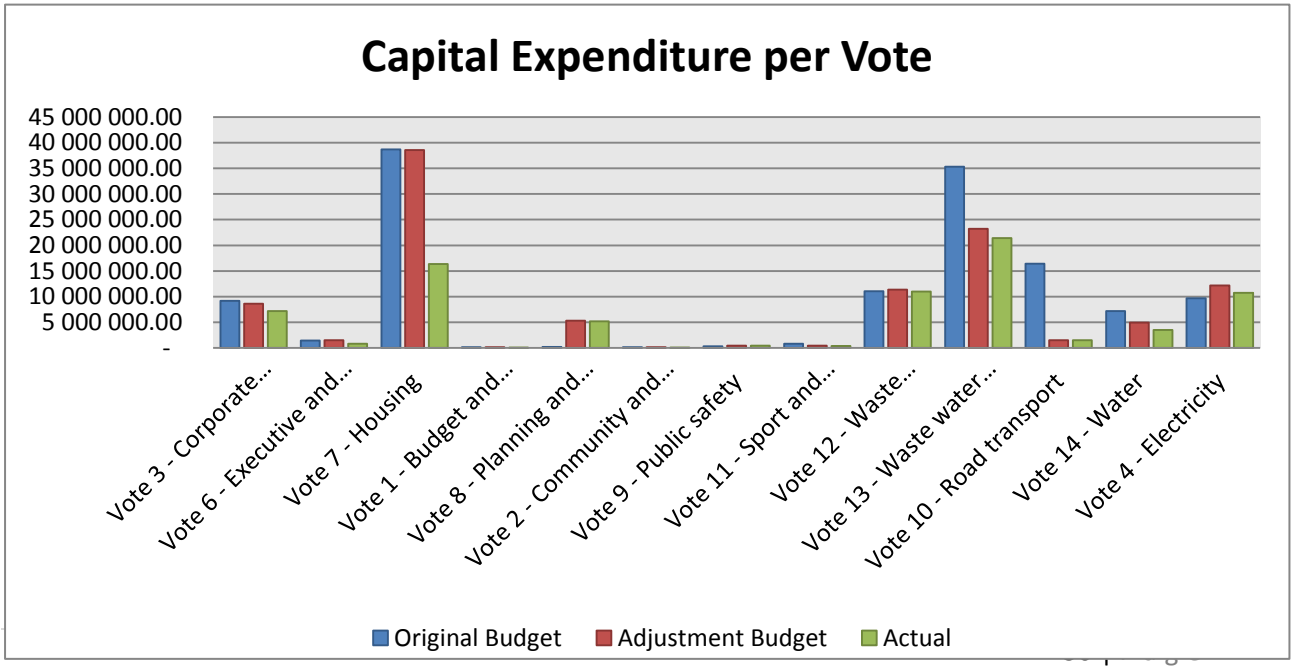
will in all probability need to take up loans if it want to address its backlogs, however as can been seen from the finance charges ratio, it remained consistent from the prior year.

1.4.3 TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure: 2017 to 2020			
			R'000
Detail	**2017/18**	**2018/19**	**2019/20**
Original Budget	108,936	78,756	130,593
Adjustment Budget	130,284	88,460	108,566
Actual	87,214	76,533	78,723
		T1.4.4	

1.4.4 CAPITAL EXPENDITURE PER FUNCTION

Vote	Original Budget	Adjustment Budget	Actual	% Spent
Corporate services	9 203 151.00	8 616 073.00	7 213 857.48	84%
Executive and council	1 458 000.00	1 504 500.00	811 667.21	54%
Housing	38 699 000.00	38 558 082.00	16 348 157.31	42%
Budget and treasury office	146 000.00	146 000.00	78 418.46	54%
Planning and development	200 000.00	5 350 000.00	5 188 520.00	97%
Community and social services	150 000.00	150 000.00	28 554.00	19%
Public safety	320 500.00	485 398.00	484 317.34	100%
Sport and recreation	820 000.00	473 000.00	367 170.00	78%
Waste management	11 055 839.00	11 393 463.00	11 008 507.81	97%
Waste water management	35 308 795.00	23 223 289.00	21 390 475.37	92%
Road transport	16 397 514.00	1 521 885.00	1 515 178.69	100%
Water	7 176 134.00	4 959 411.00	3 541 906.62	71%
Electricity	9 658 174.00	12 185 363.00	10 746 126.14	88%
Total	**130 593 107.00**	**108 566 464.00**	**78 722 856.43**	**73%**



1.4.5 CAPITAL EXPENDITURE COMMENT

In 2019/20 Theewaterskloof municipality approved a capital budget of R 130,593m which was adjusted to R 108,566m. The Total Capital Expenditure for the year ended 30 June 2020 amounts to R 78,722 million against the adjustment budget of R 108,566 million and the percentage spend is 73% 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 2019/20 financial year and funds allocated must be rolled over.

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

Provincial Housing Capital - Low Cost Housing Project:

The contractor is paid by the Provincial department directly. Recon has been requested but is not forthcoming. Additionally, the consultant appointed by the municipality could not be paid since November 2019 since the deviation has not yet been approved/rejected.

Twk Housing Capital : Low Cost Housing Project: Grabouw Siyayanzela

The spending is on track. Project due for completion end July 2020 after COVID-19 delays A claim for Extension of time and Proven cost are pending to go to BAC.

Capital - Low Cost Housing: Riviersonderend 72 Sites

Contractor could not be appointed as contractual issues with previous contractor not yet resolved. Facilitator blocked appointment based on available amounts. New contractor can only be appointed in the 2020 /2021 financial year after consultation with remaining 48 beneficiaries.

Capital - Low Cost Housing: Villiersdorp Destiny Farm

No activity due to unresolved issues on Asla contract that was only resolved 26 May 2020.

Capital - Waste drop off

The consultant produced technical report, presented report to MIG for approval, also produced the tender document that must be advertised. Due to COVID-19 Lock down a delay was experienced in advertising the document.

Upgrade of Fleet

Due to COVID-19 pandemic the manufacturing factories for vehicles was closed. Negative impact on delivery dates of vehicles thus a rollover of the funds was requested as the funds are already committed for the following outstanding vehicles not yet deliver:

- 2 x Ford Figo (Order out - Committed) - R349 thousand
- 23 1 x Ford D./C Bakkie (Order Out - Committed) - R345 thousand
- Sewerage Truck (Order Out - Committed) - R1 million
- Chassis Cab - not committed

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

During the previous financial year, 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 2020/21 and 2022/23 financial years. Chapter 4 provides detailed information on the Municipalities organisational development.

1.6 STATUTORY ANNUAL REPORT PROCESS

PROCESS	Timeframe
AR & FS to AG · Submit 2019/2020 Draft Annual Performance Report and Financial statements to Auditor General. · Compile and submit Municipal Audit file to the Auditor General	31 October 2020
Submit 2019/2020 Annual Report (as per agreement with AG) to Auditor General	18 January - 2021
Audit Report Receive audit report on annual financial statements from the Auditor General	28 February 2021
Table Draft AR & AFS Mayor tables draft AR and AFS at council	18 March 2021
Advertise draft AR & AFS for public input and place on municipal website	18 March 2021- 11 April 2021
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	23 March 2021
Portfolio Committee Meeting Submit Draft Annual Report to Portfolio Committees for inputs	16 February 2021, 02 and 03 March 2021
1st Oversight Committee Meeting Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	01 April 2021
2nd Oversight Committee Meeting Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	20 April 2021
3rd Oversight Committee Meeting 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)	28 April 2021
Oversight & Annual Report Adoption of Oversight report on AR & AFS by council	11 May 2021
Advertise approved Annual report- Place on Municipal Website	18 May 2021
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	31 May 2021
Annual Report Guidelines Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info	16 June 2021

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

2. 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.

As stipulated above, participation is a key component of good governance. The Theewaterskloof Municipality ensures that communities are involved in decision-making processes. The Municipality undertakes regular participation on key strategic documents such as the IDP, Budget and Annual Report.

Feedback from the community on the services rendered by the Municipality also filters through the planning processes.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution states that the Council of a Municipality has the right to govern, on its own initiative, the local government affairs of the local community.

At Theewaterskloof Municipality a clear distinction is made between the politically elected structure, namely Council, which is responsible for the oversight and legislative function of the Municipality, and the Administration.

The Council is chaired by the Speaker. The executive is headed by the Executive Mayor together with the Deputy Executive Mayor and a Mayoral Committee of six (6) members who are full-time Councillors involved in the day-to-day running of Council from the political perspective.

The Administration is headed by the Municipal Manager, who is also the organisation's Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision making powers are clear and unambiguous.

2.1 POLITICAL GOVERNANCE

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

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 2019/20 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

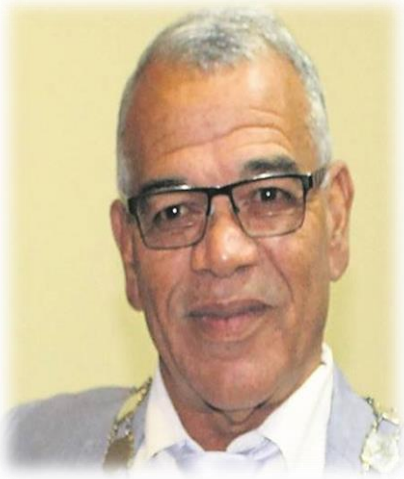
The Executive Mayor of the Municipality Alderman, Christelle Vosloo assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. She has an overarching 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 Karel Papier**	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 MR Nongxaza (ANC)	Leads the Caucus meetings before Council meetings.
MAYORAL COMMITTEE: Deputy Mayor Alderman 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

PEARL STANFLIET
TECHNICAL AND ELECTRICAL SERVICES

KAREL PAPIER
PLANNING SERVICES

FINANCIAL SERVICES COMMITTEE		TECHNICAL AND ELECTRICAL SERVICES COMMITTEE		PLANNING SERVICES COMMITTEE	
MM Koegelenberg – Chairman	**DA**	**PU Stanfliet – Chairman**	**DA**	**KIJ Papier - Chairman**	**DA**
CM Lamprecht	DA	R Brinkhuys	DA	N Pieterse	DA
S Fredericks	DA	CM Lamprecht	DA	PU Stanfliet	DA
AN Mentile	ANC	UT Sipunzi	ANC	UT Sipunzi	ANC
RL Mienies	ANC	MR Nongxaza	ANC	SJ Potberg	ANC
T Mangcayi	EFF	TF Tshungwana	UFEC	M Mathews	ICOSA

JANE ARENDSE
CORPORATE SERVICES

NICO PIETERSE
COMMUNITY SERVICES

MEKIE PLATO-MENTOOR
COMMUNITY DEVELOPMENT COMMITTEE

CORPORATE SERVICES COMMITTEE		COMMUNITY SERVICES COMMITTEE		COMMUNITY DEVELOPMENT COMMITTEE	
JI Arendse – Chairman	**DA**	**N Pieterse - Chairman**	**DA**	**M Plato-Mentoor – Chairman**	**DA**
S Fredericks	DA	N Mgqweto	DA	D Jooste	DA
MB Tshabe	DA	R Brinkhuys	DA	MB Tshabe	DA
M le Roux	ANC	C Wood	ANC	AN Mentile	ANC
M Bhangazana	ANC	MR Nongxaza	ANC	T Ndlebe	ANC
T Mangcayi	EFF	TF Tshungwana	UFEC	M Mathews	ICOSA

2.1.1 COUNCILLOR PROFILE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	**Ward Represented/ Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
D DU TOIT	FT	None	Ward Represented	100%	0%
C VOSLOO	FT	Executive Mayoral Committee	Party Represented	100%	0%
M NONGXAZA	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	100%	0%
J ARENDSE	FT	Corporate Services Committee	Ward Represented	100%	0%
M BHANGAZANA	PT	Corporate Services Committee	Ward Represented	90%	10%
R BRINKHUYS	PT	Technical and Electrical Services Committee; Community Services Committee	Ward Represented	95%	5%
S FREDERICKS	PT	Financial Services Committee; Corporate Services Committee	Party Represented	95%	5%
D JOOSTE	PT	Community Development Committee	Ward Represented	100%	0%
M KOEGELENBERG	FT	Financial Services Committee	Ward Represented	95%	5%
C LAMPRECHT	PT	Financial Services Committee; Technical and Electrical Services Committee	Ward Represented	90%	10%
M LE ROUX	PT	Corporate Services Committee	Party Represented	100%	0%
T MANGCAYI	PT	Financial Services Committee; Corporate Services Committee	Party Represented	70%	30%

A MENTILE	PT	Community Development Committee	Ward Represented	95%	5%
R MIENIES	PT	Financial Services Committee	Party Represented	85%	15%
T NDLEBE	PT	Community Development Committee	Ward Represented	100%	0%
C NOVEMBER	PT	Financial Services Committee	Party Represented	90%	10%
K PAPIER	FT	Planning Committee	Party Represented	100%	0%
N PIETERSE	FT	Community Services Committee; Planning Committee	Ward Represented	100%	0%
M PLATO-MENTOOR	FT	Community Development Committee	Ward Represented	95%	5%
S POTBERG	PT	Planning Committee	Ward Represented	100%	0%
N MGQWETO	PT	Community Services Committee	Party Represented	100%	0%
U SIPUNZI	PT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	75%	25%
P STANFLIET	FT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	100%	0%
H SYSTER (until December 2019)	PT	Community Development Committee; Planning Committee	Party Represented	90%	10%
M Mathews (from January 2020)	PT	Community Development Committee; Planning Committee	Party Represented	100%	0%
B TSHABE	PT	Corporate Services Committee; Community Development Committee	Party Represented	100%	0%

T TSHUNGWANA	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	65%	35%
C WOOD	PT	Community Services Committee	Party Represented	90%	10%
					T A

2.1.2 POLITICAL DECISION-TAKING

Meetings of Council were scheduled as follows for the 2019/2020 financial year:

1. First Quarter:

1.1 Council Meetings = 2
1.2 Council In-Committee Meetings = 2

2. Second Quarter:

2.1 Council Meetings = 2
2.2 Council In-Committee Meeting = 2
2.3 Special Council Meetings = 2

3. Third Quarter:

3.1 Council Meetings = 4
3.2 Council In-Committee Meetings = 2
3.3 Special Council Meetings = 1
3.4 Special Council In-Committee Meetings = 2

4. Fourth Quarter:

4.1 Council Meetings = 1
4.2 Council In-Committee Meetings = 1
4.2 Special Council Meetings = 4

Although the Municipality also experienced the lock-down situation, the administration ensured that all legislative compliance meetings of Council were scheduled and that the 2020/2021 Budget and IDP was approved before the end of May 2020.

Agenda-items submitted to Council for discussion:

1. First Quarter = 53
2. Second Quarter = 72
3. Third Quarter = 74
4. Fourth Quarter = 61

Out of the 260 Agenda-items submitted to Council for discussion, 2 Agenda-items were withdrawn during the meeting due to various reasons and 2 Agenda-items were referred back to the item Author for additional information/comments before it was resubmitted to Council for discussion.

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

According to Section 60 (b) of the MFMA, the Municipal Manager as the accounting officer of the municipality must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality. The Municipal Manager is the head of the administration and primarily serves as the chief custodian of service delivery and the implementation agent of political priorities. He is assisted by his management team.

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Management Team Structure is outlined in the table below:

Deputy Director Strategic Support and IDP SP Cronje

Municipal Manager G Matthyse (July 2019 – March 2020)

Chief Audit Executive JPA Opperman

Director: Finance D Louw

Director: Technical Services and Planning Vacant

Director: Development and Community Services Vacant

Deputy Director Financial Accounting F v/d Westhuizen

Deputy Director Cost and Management Accounting A Riddles

Deputy Director Electrical FH du Toit

Deputy Director Technical Services D Damons

Deputy Director Planning K Nontshiza

Deputy Director Community Services J Barnard

Deputy Director Corporate Services Z Nel- Gagiano

Deputy Director Community Development Vacant

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 (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: • a real-time platform for information exchange, networking and collaboration for ICT Managers in local government. • 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".
	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 Reflect on the impact of the IDP Analysis process; Discuss processes and methodologies that should guide the annual IDP review; 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 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	• A platform for Councillors within the Province to give input into collective bargaining as well as policy issues. • This forum also receives feedback from National and Provincial Bargaining Forums. • It is also a platform for information sharing and to discuss issues of mutual interest;
	HR Practitioners Forum	• A forum used to draft policy, give input into various topics such as legislation, agreements etc. • This forum also serves as a platform for HR managers to network and share best practice • Receive feedback from SALGA in respect of negotiations etc.
	Risk Management Forum	This is where the uniformity of risk implementation is confirmed, new challenges and benchmarking takes place. Training needs are identified and conducted within the district level which is cost effective. The strategic decisions on risk management

		anything and else that the district might require from the CRO are discussed in the risk management forum.
	Skills Development Form	The Skills Development Forum is where we discuss the training that is offered by LGSETA like learnerships, study bursaries, skills programs according to the IDP objectives and even the payment of Mandatory, Discretionary grant as municipality is paying levy of 1% to SARS in terms of skills and development.
	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	• To create a platform for ICT Managers to discuss ICT- specific issues • To create a space for information sharing, knowledge exchange and inter-provincial cross pollination • To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication • To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and • To achieve standardization for benchmarking and reporting purposes on critical activities.
DISTRICT INTERGOVERNMENTAL STRUCTURES	District IDP Managers Forum	• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • 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
	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

	• Gerald Wright Thusong Stakeholders Forum consist of Local and District Representatives of government departments, non- profit organisations, Businesses, community members and faith based organisations. • 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. • Thusong Programme Forum is held twice a year where the whole province Thusong centres get together with provincial and national departments	• The Thusong Stakeholders Forum is a consultative platform aimed at increasing co-ordination and communication through information sharing, dialogue, capacity building and consultation. • Social integration and inclusion in communities and society at large • Mutual solidarity finds expression among individuals and communities • Social Cohesion as a cohesive society that works toward the well - being of all its members • Fights exclusion and marginalization • Creates a sense of belonging • Promotes trust
	IDP Rep/PPCOM Forum	• A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning
	Overberg ICT (OICT) Managers Forum	• A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
	District IDP Managers Forum	• A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • 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
	IDP Rep/PPCOM Forum	• A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning
	Overberg ICT (OICT) Managers Forum	• A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
	Overberg LED/Tourism Forum	• Platform for LED/Tourism practitioners • Joint Planning • Share best practices
	District Joint Operational And Intelligence Structure (Clusterjoints) Structure	• Coordination of crime combating operations
	District Road Traffic Management Coordinating Committee (Drtmcc)	• Coordination of traffic operations
	District Disaster Safety Committee Meeting	• Discussion on all safety aspects in local and district Mun.
	Interdepartmental Steering Committee – Villiersdorp	• Representing municipality as Town Manager on ISC to ensure that Government departments include Villiersdorp community action items on their IDP budgets.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance and
- Preparation of the municipal budget.

2.4 COMMUNICATION, PARTICIPATION AND FORUMS

A Public Participation Plan has been approved by council during September 2019. 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 and on the Municipal Website to inform the broader community that the meetings are open for Public attendance.
- IDP Consultation took place during October 2019 through Ward Committee meetings to give the community the opportunity to influence the IDP.
    - A Draft Budget Summit were conducted on 26 February 2020 to consult Stakeholders of the Business, Rate Payers Association, Agriculture Sectors and Non-Governmental and Non-Profit Organisations on the Draft Budget and to give them the opportunity to give input and raise concerns. Due to Covid19, we could not proceed with the consultations with Ward Committees which was scheduled for April 2020. The Draft Budget was then forwarded to the Stakeholders and a notice was also placed on the Municipal Website and Municipal Facebook page to inform the community that they may give their input on the Draft Budget 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 2018/ 2019
- 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. This process was conducted between September and October 2019. A Housing deed of Sale drive also took place during November 2019.

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 13 Ward Operational Plans as prescribed by the Provincial Department: Local Government.

Before we commenced with the Draft IDP and Budget process, an Information session or workshop was conducted with ward committees which purpose was to refresh them on the Purpose of the IDP and the role that the ward committees should play in the process. These information sessions took place between 25 September and 3 October 2019.

The Ward Councillor together with his/ her ward committees then embarked on a process of consulting with their constituencies before they gave their input and prioritise projects on the IDP during 15 and 23 October 2019.

Ward 14 has been dissolved by Council due to non-functionality and will the ward committee be re-established in due time.

Due to Covid19, no ward committee meetings took place between March and June 2020.

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 (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One (1)	COUNCILLOR S POTBERG	Yes	3	1	2
	A Appel				
	F Roux				
	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	4	1	6
	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	3	0	2
	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	3	0	1
	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	3	0	2
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
Seven (7)	ALDERMAN P STANFLIET	Yes	4	0	1
	M Goniwe				
	C Afrika				
	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				
	J Faroa				
	E Herman				
Eight (8)	COUNCILLOR A MENTILE	Yes	2	0	1
	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	2	0	2
	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-MENTOOR	Yes	2	0	1
	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	2	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	2	0	1
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				

	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
Thirteen (13)	**COUNCILLOR M BHANGANZANA**	**Yes**	**2**	**0**	**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			1

2.4.3 PUBLIC MEETINGS

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

- IDP/Budget Information Sessions with ward comms: 25 September – 3 October 2020
- Ward Councillor Report Back Meeting 7 – 17 October 2020
- IDP Public Participation 2020/2021 15 – 23 October 2020
- Budget Stakeholder Engagement 26 February 2020
- Ward Councillor Report Back: 3rd Quarter 2 - 19 March 2020

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
Ward Councillor Report Back Meeting: 2nd Quarter	**7 - 17 October 2019**				
Ward 1	7-Oct-20	1 Cllr	5 Officials	71 Com Members	7 October 2019 via Public meeting
Ward 2: Greyton and Heuwelkroon		1 Cllr	6 Officials	34 Com Members	8 October 2019 via Public meeting
Ward 2: Voorstekraal		1 Cllr	2 Officials	12 Com Members	9 October 2019 via Public meeting
Ward 3: Bergsig		2 Cllrs	3 Officials	6 Com Members	7 October 2019 via Public meeting
Ward 4		2 Cllrs	3 Officials	20 Com Members	9 October 2019 via Public meeting
Ward 5		1 Cllr	4 Officials	33 Com Members	14 October 2019 via Public meeting

Ward 6		1 Cllr	5 Officials	52 Com Members	15 October 2019 via Public meeting
Ward 7		1 Cllr	3 Officials	98 Com members	10 October 2019 via Public meeting
Ward 8					7 October 2019 did not take place due to non-attendance of community
Ward 9		1 Cllr	7 Officials	34 Com Members	10 October 2019 via Public meeting
Ward 10		1 Cllr	2 Officials	18 Com Members	7 October 2019 via Public meeting
Ward 11					10 October 2019 did not take place due to non-attendance of community
Ward 12		1 Cllr	2 Officials	19 Com Members	15-Oct-19
Ward 13					16 October 2019 did not take place due to non-attendance of community
Ward 14 Town					17 October 2019 did not take place due to non-attendance of community
Budget Stakeholder Engagement	**26 February 2020**	5 Cllrs	20 Officials	12 Members of Sectors	26 February 2020 - Two separate engagements with the Rate Payers Association and Business Sectors + Agriculture Sector. All sectors on our Organization database was invited though
Ward Councillor Report Back: 3rd Quarter	**2 - 19 March 2020**				
Ward 1		1 Cllr	7 Official	138Com Members	9 March 2020 via Public meeting
Ward 2		1 Cllr	3 Officials	13 Com members	2 March 2020 via Public Meeting
Ward 3					3 March 2020 did not take place
Ward 4		2 Cllrs	7 Officials	59 Com Members	4 March 2020 via Public meeting
Ward 5					17 March 2020 could not take place due to Covid19
Ward 6		2 Cllrs	3 Officials	103 Com members	12 March 2020 via Public meeting
Ward 7					18 March 2020 could not take place due to Covid19
Ward 8					17 March 2020 could not take place due to Covid19
Ward 9		1 Cllr	4 Officials	28 Com Members	3 March 2020 via Public meeting
Ward 10					4 March 2020 did not take place
Ward 11					16 March 2020 could not take place due to Covid19
Ward 12		1 Cllr	3 Officials	21 Com members	12 March 2020 via Public meeting

Ward 13		1 Cllr	2 Officials	62 Com Members	3 March 2020 via Public meeting
Ward 14 Molteno Farm					9 March 2020 Did not take place due to non-attendance by community
Ward Councillor Report Back: 4th Quarter	**15 June - 16 July 2020**				
Ward 1	23-Jun-20				Did not take place due to Covid19
ward 2	15-Jun-20				Did not take place due to Covid19
Ward 3	25-Jun-20				Did not take place due to Covid19
Ward 4	17-Jun-20				Did not take place due to Covid19
Ward 5	30-Jun-20				Did not take place due to Covid19
Ward 6	25-Jun-20				Did not take place due to Covid19
Ward 7	1-Jul-20				Did not take place due to Covid19
ward 8	30-Jun-20				Did not take place due to Covid19
Ward 9	16-Jun-20				Did not take place due to Covid19
ward 10	17-Jun-20				Did not take place due to Covid19
Ward 11	29-Jun-20				Did not take place due to Covid19
ward 12	2-Jul-20				Did not take place due to Covid19
Ward 13	16-Jun-20				Did not take place due to Covid19
Ward 14	15-Jun-20				Did not take place due to Covid19

2.4.3.1 COMMENT ON THE EFFECTIVENESS ON THE PUBLIC MEETINGS HELD

The public is updated through public meetings of municipal processes such as the IDP and the budgeting processes. In this way they are also enabled to participate in them. The public meetings provide an effective platform to communicate service delivery issues and changes that directly affect the public, such as the tariff increases.

We also use the Ward Councillor Report Back meetings, to give feedback on the status of Housing in the different wards. Some meetings was however not well attended and therefore all our communities are not informed. Through these meetings, the Municipality is then placed in a position to identify gaps and issues which frustrate the public so that it can improve on them. The meetings also serve to identify the areas in which it does well.

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 grassroot issues
- It builds ownership

2.5 IDP PARTICIPATION AND ALIGNMENT

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

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 rule underlie the implementation of risk management at Theewaterskloof Municipality. Risk management is part of the drive that ensures the municipality meets the obligation to use the resources effectively, efficiently and economically.

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 was proposed on the intent to deliver a uniform service under a shared cost model.

This model resulted in considerable cost-savings as it meant that skills and resources were now available in-house and the need for external service providers for the establishment and maintenance of fraud and risk management structures and processes had reduces correspondingly. At local level, the Theewaterskloof Municipality has a local risk champion.

The initiatives and actions performed by the Fraud and Risk Management Unit during 2019/20 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.
- 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.

2.6.1 RISK MANAGEMENT COMMITTEE

The Municipal Manager recognized a Fraud and Risk Management Committee (FARMCO) 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 Terms of Reference.

The FARMCO also oversees that risk management processes are implemented are implemented effectively, identified risks are managed effectively and provides timely and valuable reports on enterprise risk management 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	**07 August 2019**
Administrator: OHS & Risk Official	**18 September 2019**
Director: Finance	**04 December 2019**
Deputy Director: Community Services	**10 March 2020**
Deputy Director: Technical and Planning	**11 June 2020**
Deputy Director: Corporate Services	
Deputy Director: Planning	
Manager: Human Resources	**Specialised Contribution**
Manager: Information Technology	**Specialised Contribution**
Member of Performance and Audit Committee/	**Observer / 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

2.6.2 RISK ASSESSMENTS

The risk assessment process for 2019/20 commenced in February/ March 2019. 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 FARMCO on 07 August 2019. 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.

2.6.3 STRATEGIC RISKS FOR THE MUNICIPALITY

Risk Description	Current Controls	Residual Risk	Risk Actions
Sustainable institutional capacity	o HR Policies o Staff Structure o Training opportunities (Work skills plan)	Medium	1. Developing an appropriate and aligned organizational structure. 2. Explore the possibility of launching a productivity assessment (Funding) and assess the optimal utilization of current capacity.
Lack of understanding of Local Government's developmental mandate and unwillingness to cooperate by National Departments	o Various provincial and national plat forums attended by senior managers, municipal manager and council. o Various communication mediums and structures available for IGR related issues	Medium	1. Respond to any breach of significant and strategic intergovernmental relations issues between National, Provincial and the Municipality. 2. Record audit trail of correspondence between government spheres.
Limited Economic Growth and Over-reliance on the Agricultural sector	o Outdated LED strategy	High	1. Update LED Strategy
Management of Housing Demands	o WC Housing Department - agent agreement. o Housing Project Budget System o Housing Application Process and Validation. o Housing Committee and Public Participation. o TWK housing unit - internal processes.	High	1. Review of Housing Pipeline 2. Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline 3. Implementation of Housing Pipeline
Increase Demand for Basic Services within existing Informal Settlements	o Municipal Capital and Operational Budget. o Public Participation o Operations Department's maintenance teams.	Medium	1. Draft an Informal Settlements Operational Plan and Submit to Council.
Inadequate Capital Funding to eradicate Infrastructure Backlog Timeously	o Maintaining Status Quo (Make due with available resources)	High	1. Upgrade The Bulk Outfall Sewer In Caledon (Phase 3). 2. Construct A New Waste Transfer Station In Caledon (Phase 2).

			3. Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1). 4. Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp. 5. Replace And Upgrade MV And LV Networks –RSE.
Bulk water provision / Water Sustainability	o Technical Drought Plan o General communication - Printed media and radio o Notifications (Possible Water restrictions) o Alternative provision through boreholes o Explore Water Source Alternatives on continuous basis	High	1. Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp. 2. Upgrade The Waste Water Treatment Works At Caledon Phase 1 (Inlet Works). 3. Develop Bulk contribution policy and submit to council by end May 2019.
Ageing and deterioration of fleet and small plant.	o Vehicle monitoring system in place to prevent abuse/misuse of vehicles._Repairs and Maintenance Budget. o Annual limited Capital Acquisitions	High	1. Upgrade Of Fleet (Detailed budget linked to procurement of specific vehicles in 2018-2019). 2. Report on Procurement Plan (Acquisition of Vehicles). 3. Appoint Service Providers for maintenance and Repairs of fleet.
Slow Recovery of Potential Revenue	o Data Cleansing Project. o Credit control and Debt Collection unit	High	1. Implementation of Revenue Enhancement Framework. 2. Report on Debt Collection Ratio and Credit Control Initiatives.
Non-Compliance with Permit Conditions	o Existing Infrastructure _ o Limited Supervision	High	1. Manage the SLA's pertaining to Waste, Water and Sewerage 2. Report on Operations as so far as budgeting & supervision and maintenance / replacements / upgrades. 3. Explore better allocation of budget and resources to meet compliance requirements (Staff capacity and OPEX).
Unlawful Land Invasion	o Squatter control policy o Land Invasion Unit	High	1. Implementation of SOP for Land Invasions and Illegal Structures.

2.6.4 RISK POLICIES AND STRATEGIES

The Municipality has a Fraud and Risk Management Policy, Fraud and Risk Management Strategy, Fraud, and Risk Management Charter in place that was reviewed by FARMCO on 13 June 2019, see Council approval below:

TABLE: RISK POLICIES AND STRATEGIES

NAME OF DOCUMENT	DEVELOPED YES/NO	COUNCIL APPROVAL
RMC Terms Charter	Yes	25 April 2019 (Council Resolution C71/2019)
Risk Management Policy	Yes	25 April 2019 (Council Resolution C71/2019)
Risk Management Strategy	Yes	25 April 2019 (Council Resolution C71/2019)

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 Yes/No	COUNCIL APPROVAL
Fraud Prevention and Anti-Corruption Strategy	Yes	31 October 2019 (Council Resolution C139/2019)
Fraud Prevention and Anti-Corruption Policy	Yes	31 October 2019 (Council Resolution C139/2019)
Fraud Prevention and Anti-Corruption Plan	Yes	31 October 2019 (Council Resolution C139/2019)

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
Policy	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: · What is fraud and corruption? · How do we deal with it when it arises? · What are the roles and responsibilities? · What are the sanctions?
Institutional arrangements	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.
Systems and control	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
Fraud and corruption risk management	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
Training, awareness and communication	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.

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 organisation 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.

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during 2019/2020**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
30-Aug-19	Audit work completed and planned	Yes
30-Aug-19	Compliance Fourth Quarter Audit	Yes
30-Aug-19	Solid Waste Fourth Quarter Audit	Yes
30-Aug-19	Inventory Audit	Yes
30-Aug-19	Performance Management Fourth Quarter Audit	Yes
30-Aug-19	Land invasion audit	Yes
30-Aug-19	Cash Management and Investment Audit	Yes
30-Aug-19	Internal Audit Follow-up Reports	Yes
30-Aug-19	Top Layer SDBIP Report	Yes
30-Aug-19	Fourth Quarter Internal Audit SDBIP Report	Yes
30-Aug-19	Feedback on the Section 56/57 Performance Evaluations	Yes
30-Aug-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
30-Aug-19	Progress Report – Risk Management Implementation Plan	Yes

30-Aug-19	Quarterly Budget Statement for the fourth quarter ending 30 June 2019	Yes
30-Aug-19	Draft Financial Statements for the year ending 30 June 2019	Yes
30-Aug-19	Auditor General Report – Follow-Up	Yes
22-Nov-19	PAC & AC Resolutions followed-up	Yes
22-Nov-19	Audit work completed and planned	Yes
22-Nov-19	Compliance First Quarter Audit	Yes
22-Nov-19	Risk Management Audit	Yes
22-Nov-19	Traffic Fines Audit	Yes
22-Nov-19	Internal Audit First Quarter Follow-up Report	Yes
22-Nov-19	Revised Internal Audit Charter	Yes
22-Nov-19	First Quarter 2019/2020 SDBIP Report of the Office of the Chief Audit Executive	Yes
22-Nov-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
22-Nov-19	Progress Report – Risk Management Implementation Plan	Yes
22-Nov-19	Quarterly Budget Statement for the first quarter ending 30 September 2019	Yes
22-Nov-19	Status of ICT in Theewaterskloof Municipality	Yes
22-Nov-19	Performance Management First Quarter Audit	Yes
22-Nov-19	First Quarter Top Layer SDBIP Report	Yes
17-Jan-20	2018/2019 Draft Annual Report	Yes
17-Jan-20	Supply Chain Management first quarter audit	Yes
06-Mar-20	PAC & AC Resolutions followed-up	Yes
06-Mar-20	Audit work completed and planned	Yes
06-Mar-20	Safety of Bulk Infrastructure Audit	Yes
06-Mar-20	Civil Unrest Audit	Yes
06-Mar-20	Solid Waste Second Quarter Audit	Yes
06-Mar-20	Waste Water Treatment Audit	Yes
06-Mar-20	Compliance Second Quarter Audit	Yes
06-Mar-20	Performance Management Second Quarter Audit	Yes
06-Mar-20	Internal Audit Second Quarter Follow-up Report	Yes
06-Mar-20	Auditor General Report – Follow-Up	Yes
06-Mar-20	Revised annual risk based internal audit plan 2019/2020	Yes
06-Mar-20	Second Quarter Top Layer SDBIP Report	Yes
06-Mar-20	Second Quarter 2019/2020 SDBIP Report of the Office of the Chief Audit Executive	Yes
06-Mar-20	Minutes of the Fraud & Risk Management Committee Meetings	Yes
06-Mar-20	Progress Report – Risk Management Implementation Plan	Yes
06-Mar-20	Cash Management and Investment Policy	Yes
06-Mar-20	Quarterly Budget Statement for the second quarter ending 31 December 2019	Yes

06-Mar-20	Status of ICT in Theewaterskloof Municipality	Yes
05-Jun-20	Audit work completed and planned	Yes
05-Jun-20	Maintenance on Proclaimed Roads Audit	Yes
05-Jun-20	Supply Chain Management second quarter audit	Yes
05-Jun-20	Annual Internal Audit Plan 2020/2021	No, the plan should be revised to include Covid 19 Risks
05-Jun-20	Performance- and Audit Committee Evaluations	Yes
05-Jun-20	Internal Audit Evaluations	Yes
05-Jun-20	Minutes of the Fraud & Risk Management Committee Meetings	Yes
05-Jun-20	Progress Report – Risk Management Implementation Plan	Yes

2.8.1 PERFORMANCE AND AUDIT COMMITTEE REPORT

2019/2020 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 2020.

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 three (3) independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The PAC conducted self-assessments during March 2020 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 5 June 2020. The outcome of the review was satisfactory.

The PAC held 5 (five) 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:

- 30 August 2019
- 22 November 2019
- 17 January 2020
- 6 March 2020
- 5 June 2020 (virtual meeting)

Name of Member	Number of Meetings Attended
R Gani (Chairperson)	5
EP Lakey	5
W Zybrands	5

Internal Audit

In terms of the IIA (Institute of Internal Auditors) standards, the Internal Audit unit must undergo an internal quality assessment. In March 2020 the PAC and the Management Team evaluated the Internal Audit unit. The results of the evaluations were discussed at the PAC meeting of 5 June 2020.

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

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 Unit conducted 16 planned internal audits during the year under review and completed 67% (16 out of 24) of the audits identified on the risk based internal audit plan for 2019/2020. All audits were not completed due to the National Lockdown:

- 114 findings were made;
- 13 of these finding were regarded as significant (serious). Three of these findings were resolved and ten are still in progress.
- The remaining 101 findings were regarded as housekeeping (minor transgressions which could easily be rectified) and remains 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 2018/2019
- Performance Management 4th Quarter 2018/2019
- Compliance to Acts Assessment 4th Quarter 2018/2019
- Safety of Bulk Infrastructure Audit
- Civil Unrest Audit
- Traffic Fines Audit
- Supply Chain Management 1st Quarter 2019/2020
- Compliance to Acts Assessment 1st Quarter 2019/2020
- Solid Waste 2nd Quarter 2019/2020
- Waste Water Audit
- Performance Management 1st Quarter 2019/2020
- Risk Management Audit
- Supply Chain Management 2nd Quarter 2019/2020
- Performance Management 2nd Quarter 2019/2020
- Compliance to Acts Assessment 2nd Quarter 2019/2020
- Maintenance on Roads

The following internal audits were planned and not completed (due to the National Lockdown) during the year under review:

- Supply Chain Management 3rd Quarter 2019/2020
- Performance Management 3rd Quarter 2019/2020
- Inventory Audit
- Land Invasions Audit

- Power Outages Audit
- Compliance to Acts Assessment 3rd Quarter 2019/2020
- Solid Waste 4th Quarter 2019/2020
- Cash Management and Investment 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. Solid Waste (4 findings; and
2. Waste Water (9 findings)

Significant Findings made were:

1. <u>Solid Waste:</u>

- Villiersdorp Transfer Station: At the time of the audit it was observed that sanitation facilities are on site, but there was no running water.

- Villiersdorp Transfer Station: At the time of the audit, it was observed that none of the persons reclaiming waste had suitable PPE

- Genadendal Waste Disposal Facility: At the time of the audit it was observed that there was waste burning.

- Caledon Waste Disposal Site: At the time of the audit Internal Audit could not drive to the entrance of the landfill site as there was a lot of exposed and wind-blown waste outside of the entrance that blocked the road. There were a lot of flies and baboons at the site.

2. <u>Waste Water:</u>

- Villiersdorp Waste Water Treatment Works: According to the evidence provided to Internal Audit the last calibrations were done in 2014 thus, the flow metering devices have not been calibrated within the last two years as required by the Licence condition.

- Villiersdorp Waste Water Treatment Works: Internal audit inspected the 2018/2019 Annual Report issued by AL Abbott and found that not all the Special Limits as required by the Licence was tested.

- Villiersdorp Waste Water Treatment Works: At the time of the audit a groundwater monitoring network was not developed as required by the Licence condition.

- The Riviersonderend waste water works does not comply with Table 2.1 of Government Notice 665 (2018/2019 report from AL Abbott used) not all the limits, as required, are tested.

- Caledon Waste Water Treatment Works: Internal Audit found that most of the variables of waste water discharged are not within the limits as prescribed by Table 3 of the Licence.

- Caledon Waste Water Treatment Works: At the time of the audit a groundwater monitoring programme was not established as required by the Licence.

- Caledon Waste Water Treatment Works: At the time of the audit, toxicity of the wastewater discharged had not been tested / determined.

- Grabouw Waste Water Treatment Works: The AL Abbott report was inspected and it was found that the quality of water discharged does not comply with all the variables as per Regulation 99118.

- Grabouw Waste Water Treatment Works: At the time of the audit a groundwater monitoring network had not been established as required by the Licence.

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.

The municipality has updated Strategic and Operational Risk Registers.

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

The following risks were identified by the PAC and referred to the Fraud and Risk Management Committee for further action:
Understaffed Supply Chain Management Unit
The Directors' posts being vacant for more than a year and the impact it has on the Deputy Directors who have to perform the tasks of the Directors
The position of the Municipal Manager having been vacant since April 2020 and at the time of writing this report, still not permanently filled.
ICT Security in particular cyber-attacks.
Various risks posed by Waste Management and rehabilitation costs.
Covid-19 risks

Performance Management

The PAC reviewed the 2019/2020 Draft Annual Performance Report of the municipality as well as the quarterly SDBIP Performance Reports submitted to it by the Internal Audit Department.

The PAC raised its concern regarding the setting of targets and the possibility of setting targets too low resulting in over performance.

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 it 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 21 September 2020 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 with the Auditor-General:

- The report of the Auditor-General for the 2018/2019 audit.
- High audit costs / saving options

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 2018/2019 Management Report)

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 PAC's concern regarding the vacancies in the ICT Department.

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
November 2020

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.

In order to supply goods or provide services to the municipality, the business needs to be registered on the Supplier Database and also on the CSD. 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.

A quotation is also often known as a quote. It is a document that a supplier will submit to a potential client that lists the proposed prices for the supplier's goods or services. The quotation is normally created based on certain conditions stipulated by the client.

Generally, if the supplier had fixed rates, there would be no need for a quotation. Therefore, a quotation is often required for services but is also commonly used by businesses that sell goods.

By sending the quotation to the potential client, the supplier is committing to the proposed price. The quotation, then, is quite different from an estimate, as an estimate is not binding for the supplier. Because the quotation is binding, it should take into consideration all the costs associated with the job and be calculated with a markup in order for the business to make a profit.

Quotations usually include quite a bit of details. In the quotation, the supplier will include a breakdown of the factors that have led to the specific price, such as taxes/VAT, material

costs, labor, etc. Also included is the time frame for when a service will be completed or for when the goods will be delivered.

Quotations may often also include the time period for when it is valid (after the period is expired, a new quotation will be required), as well as a clarification of changes in price due to adjustments or modifications to the original invoice.

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.

A tender is an invitation to bid for a project or accept a formal offer such as a takeover bid. Tendering usually refers to the process whereby governments and financial institutions invite bids for large projects that must be submitted within a finite deadline.

> **Important:** In the private sector, requests for tenders are referred to as requests for proposals (RFP)—which allows potential bidders to respond to the defined needs of the issuer.

Get registered

In order to register on the Prospective Database of the Municipal, you will need the following:

- A prospective Supplier Registration form received from:
  - Municipal Website
  - SCM Office
- A valid Tax Compliance Status Pin Certificate obtainable from the Receiver of Revenue (SARS).
- A credible bank account. (Bank Verification)
- Registered with the appropriate Industry Regulatory body for your specific industry (e.g. attorney with the law society), where applicable.
- BEE Certificate, where applicable

CSD (Central Supplier Database):

The Central Supplier Database (CSD) is a single database to serve as the source of all supplier information for all spheres of government. The purpose of centralising government's supplier database is reducing duplication of effort and cost for both supplier and government while enabling electronic procurement processes.

In order to register on the CSD, you will need the following:

- Supplier information i.e. supplier type, identification number, Supplier name, trading name and country of origin etc.;
- Bank Account information;
- Supplier Tax Information;
- Ownership Information, i.e. name and identification number of directors, members etc.;
- Association to any other suppliers i.e. branch, consortium member etc.; and

- Commodities the Supplier can Supply.

From 1 September 2015 prospective suppliers will be able to self-register on the CSD website www.csd.gov.za

Access bids or quotations via:

- Our website
- Notice boards
- Newspapers

Tips for Completing/Submitting Your Offer

1. Obtain the actual tender document as quickly as possible

Once you have identified a tender that you would like to try and win, obtain the tender documents (these are usually downloadable from the relevant website) as quickly as possible and ascertain if \and when there is a compulsory briefing meeting. Some tenders have a compulsory briefing meeting, if you miss this meeting you can be disqualified from competing for the tender.

2. Read the terms and conditions of the tender carefully

Read the entire tender document carefully. If there is a compulsory meeting, make sure you attend the meeting and sign the meeting register, and make sure that you have read the Terms of Reference for the tender before attending the meeting. This is your opportunity to raise any issues with the relevant people.

If the meeting is not compulsory, we suggest you attend the meeting nevertheless, as you will gain insight into what is expected of the successful bidder and you can then

make an informed decision as to whether to apply for the tender and what to highlight in your application in order to increase your chances of success.

Identify the process of responding; be it by hard copy to be delivered at a tender box or an electronic submission. Most tenders require a hard copy to be physically delivered to a tender box before a specified closing date and time.

Read the tender document from beginning to end, then, complete the tender documents carefully and attach all required supporting documents.

If your tender documents are not filled in properly, of if any of the accompanying documents such as your BEE certificate or Tax Clearance Certificate are not supplied, you will be disqualified from the adjudication process.

3. Submit before closing date

Failure to submit a tender on time is grounds for disqualification. Tender officials will not even open your tender if it is not received on time. Make sure you allow sufficient time for your tender to be delivered to the relevant tender box; this may be in a different city to where you live. If you intend to use a courier service to deliver your tender allow a minimum of 48 hours for them to deliver.

4. Price Competitively - Demonstrate you competency

Generally speaking, price is the number one consideration in the awarding of tenders. There are of course other factors that need to be focused on to increase the chances of success these are; demonstrating innovativeness, capacity to deliver by submitting a picture gallery of your previous work, or testimonials of satisfied customers.

Make sure that you show proof of your ability to deliver on the work you have tendered for.

5. Confirm that your tender documents have been received

There have been numerous instances where tender boxes have been tampered with. Our recommendation is to call and ensure that the person, for whom the tender was intended, has in fact received it, then follow your call up with a confirmatory email.

6. Keep a copy of your submitted tender document with all its attachments

This is necessary for your own records and knowledge base for future tenders. It is also a vital back-up should the documents you submitted go missing.

2.10 BY-LAWS

There were no new by-laws passed or by-laws amended for during the financial year of 2019/2020.

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) as well as other relevant legislation from the South African legal framework.

The municipal website strives to be a mechanism to promote accountability and transparency to communities and share relevant information which is accurate and timeously updated according to our internal capacity and available information. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation and remains a constantly changing and dynamic mechanism for community engagement and communication

The municipal website serves as an integral part of the Municipality's communication strategy along with other forms of communication media.

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

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	Draft Budget 19/20 - 13/05/2019 Final Budget 19/20 - 05/08/2019 Adjustment Budgets 19/20 - 17/09/2019 - 29/11/2019 - 04/02/2020 -11/03/2020 -19/06/2020
All current budget-related policies	Yes	Final Budget 19/20 - 05/08/2019
The previous annual report (Year 2018/19)	Yes	Draft : 05/11/2020
The draft annual report (Year 2019/20) published/to be published	Yes	Draft: 18 March 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2018/19) and resulting scorecards	Yes	Director: Financial Services - 09/07/2019 Director: Community Services - 09/07/2019 Municipal Manager - 09/07/2019
All service delivery agreements (Year 2019/20)	Yes	Monthly as per policy
All long-term borrowing contracts (Year 2019/20)	Yes	06/08/2019
All supply chain management contracts above a prescribed value for Year (2019/20)	Yes	Monthly as per policy
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 (2019/20)	No	
Contracts agreed in Year (2019/20) to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year (2019/20)	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year (2019/20)	Yes	Quarter 1 -11/10/2019 Quarter 2 -04/02/2020 Quarter 3 -07/04/2020 Quarter 4 -22/07/2020
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. **T2.10.1**		

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Funding was received from provincial treasury to conduct a client satisfaction survey.

The project was due to be launched in April. However, with the outbreak of the corona virus and the subsequent national lockdown no surveys could be conducted. The survey would mean sending field workers into communities to gather information and this would have been counterproductive and against the regulations of trying to minimise human contact and stop the spread of the virus.

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

Introduction

This Chapter provides an overview of the service delivery performance of the Municipality for the 2019/20 financial year, and includes all services rendered by the Municipality. The Chapter concludes with the Municipality's Annual Performance Report which was compiled in terms of Section 46 of the Municipal Systems Act. It sets out the Key Performance Indicators (KPI's), targets and actual performance of the Municipality in relation to the strategic objectives of the Municipality as set out in the Integrated Development Plan (IDP). It also includes a service provider's performance evaluation report.

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 2019 to 30 June 2020 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 2019/2020. 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:

<u>The adjustment budget</u>:

1. Numerous Adjustments during the 2019/2020 Financial Year (resulting from national lockdown and impact of covid-19)
2. Auditor General's recommendation on the 2018/19 Performance Audit.
3. Comments Received from Internal Audit who assessed KPI's based on SMART principle.
4. The revision process was as follows:
5. One on one sessions were held with all the directors and their heads of departments were 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

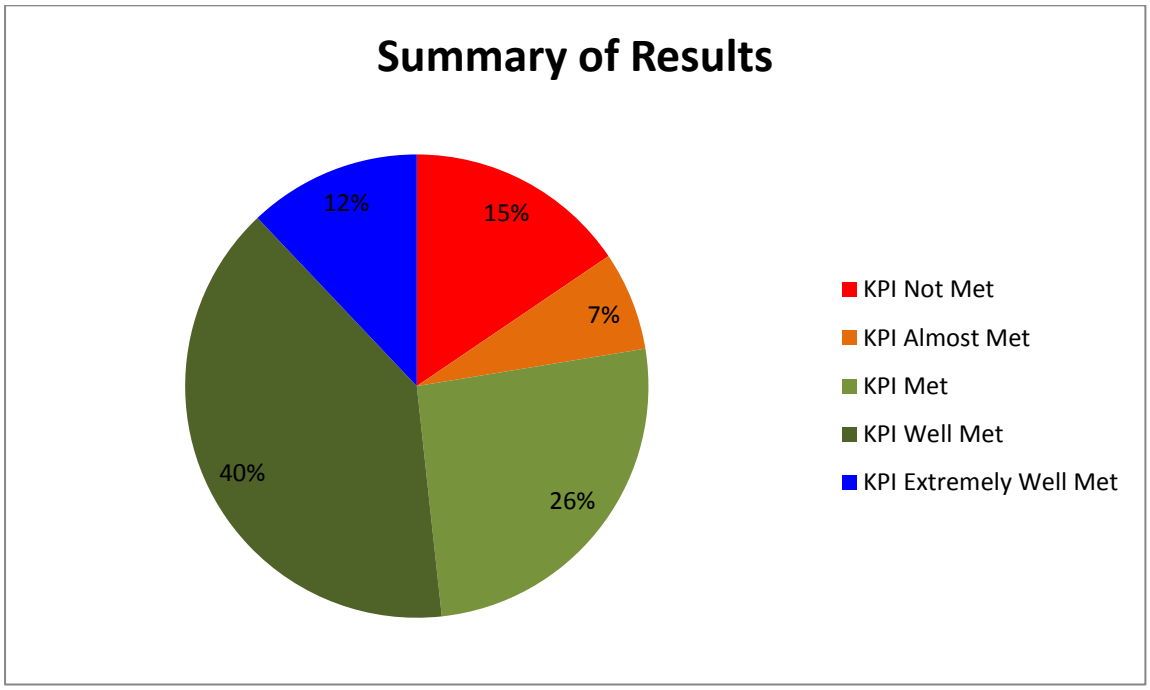
Category	Colour	Explanation
KPI Removed during Adjustment Budget		KPI's with no targets or actuals in the selected period
KPI Not Met		0% >= Actual/Target < 75%
KPI Almost Met		75% >= Actual/Target < 100%
KPI Met		Actual Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met	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

2019/2020 Performance Results

The following section will focus on the performance results achieved during the 2019/20 financial year.

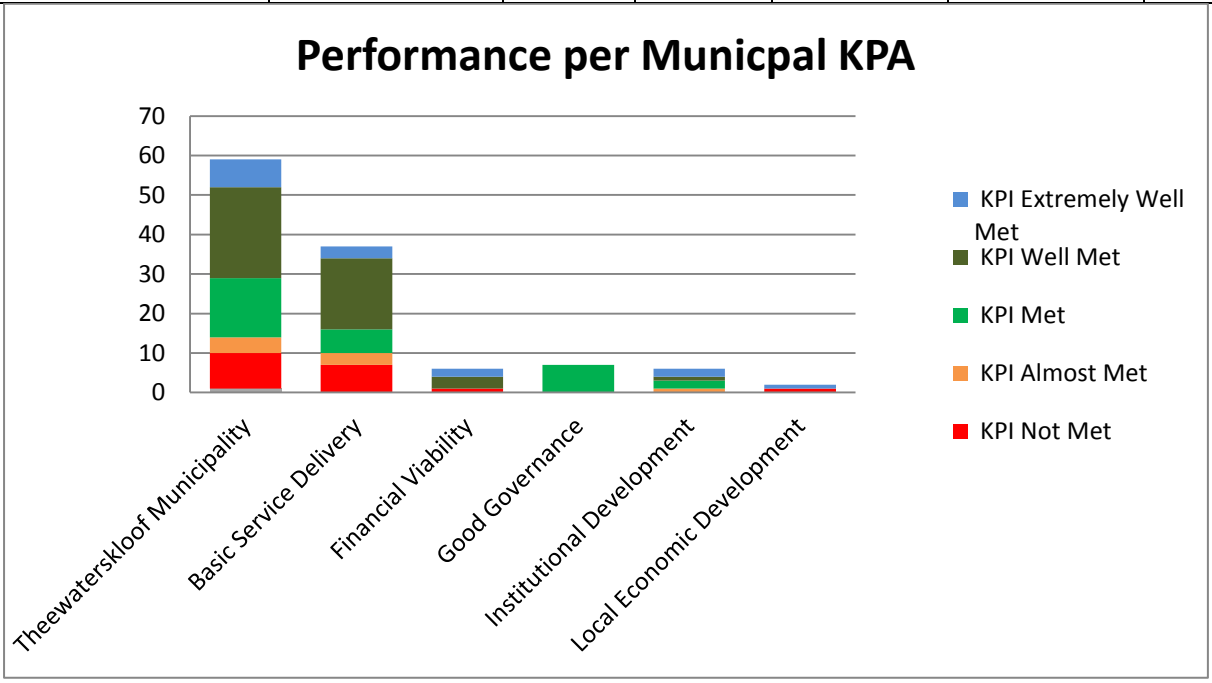
Summary of Results

KPI Not Met	9
KPI Almost Met	4
KPI Met	15
KPI Well Met	23
KPI Extremely Well Met	7
Total	**58**



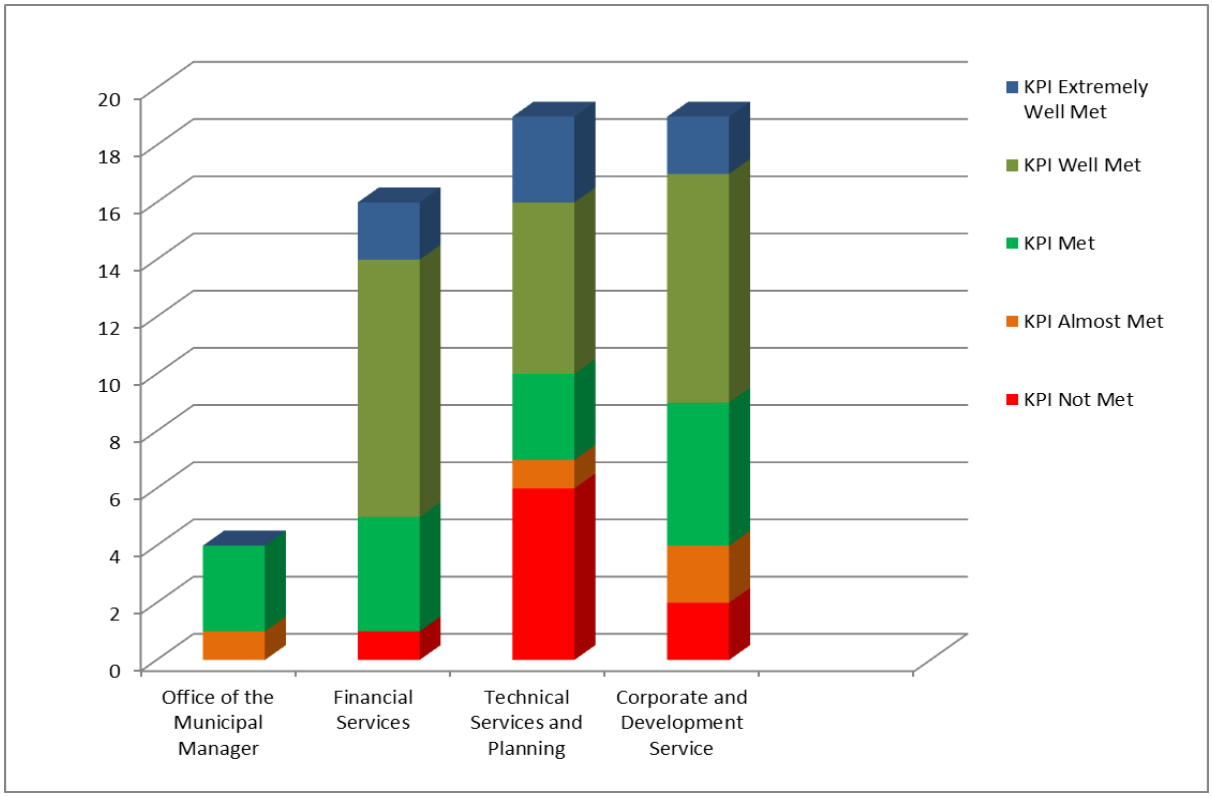
Theewaterskloof had a total of 58 Top layer KPI's that was measured during the 2019/20 financial year. 78% of all KPI's were either achieved or achieved above the expected target, 7% was almost achieved whilst 15% was not achieved. This is an improvement on the performance of 2018/19 (70%) increasing achievement by 8%.

Municipal KPA						
	Theewaterskloof Municipality	**Basic Service Delivery**	**Financial Viability**	**Good Governance**	**Institutional Development**	**Local Economic Development**
KPI Not Met	9	7	1	0	0	1
KPI Almost Met	4	3	0	0	1	0
KPI Met	15	6	0	7	2	0
KPI Well Met	23	18	3	0	1	0
KPI Extremely Well Met	7	3	2	0	2	1
Total:	**58**	**37**	**6**	**7**	**6**	**2**



The Table above is indicatives that during the target setting the municipality placed it largest focused on Basic Service Delivery and Good Governance with 37 and 7 targets set respectively. The municipality achieved more than 75% of the targets in all of its key performance areas except in Local Economic Development where it only achieved one of the two targets set. The lowest percentage achievement was in the Local Economic Development category, where the municipality only achieved 50% of the targets set.

	Office of the Municipal Manager	**Financial Services**	**Technical Services and Planning**	**Corporate and Development Service**
KPI Not Met	0	1	6	2
KPI Almost Met	1	0	1	2
KPI Met	3	4	3	5
KPI Well Met	0	9	6	8
KPI Extremely Well Met	0	2	3	2
Total	**4**	**16**	**19**	**19**



The Financial Services was the best performing department in terms of the KPI's set by achieving 94% of their targets set, followed by the Corporate and Development with 78% achievement.

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

Theewaterskloof Municipality

Office of the Municipal Manager

SDBIP 2019/2020: Top Layer SDBIP Report

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL1	To provide democratic, responsive and accountable government for the local communities	Good Governance	Develop a Risk Based Audit Plan and submit to the MM and Audit Committee by 30 June 2020	Risk Based Audit Plan developed and submitted to MM and AC	1	1	Submission of the Risk Based Audit Plan to MM and Minutes of AC meeting during which risk based audit plan was discussed	1	1	Carry Over	1	1	G	
TL3	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	The percentage of the municipal capital budget spent on projects as at 30 June 2020 {(Actual amount spent on capital projects excluding orders/Total amount budgeted for capital projects)X100}	% of capital budget spent	87.00 %	87.00%	S71 Report And Financial Statements	95.00 %	85.00%	Last Value	85.00%	72.50 %	O	The lockdown had major impact on municipality's ability to spend its capital budget. It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown. The municipality however monitor its procurement plan strictly to ensure capital spending targets are met

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL66	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit the final IDP to Council by 30 May 2020	IDP submitted to Council	1	1	Council minutes	1	1	Carry Over	1	1	G	
TL67	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit the Draft Annual Report to Council by 31 January 2020	Draft Annual Report submitted to Council	1	1	Council minutes	1	1	Carry Over	1	1	G	

	KPI Not Yet Applicable	0
	KPI Not Met	0
	KPI Almost Met	1
	KPI Met	3
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs:	**4**

Technical Services

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL19	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Limit unaccounted electricity to less than 8.4% as at 30 June 2020 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) X 100}	% unaccounted electricity captured in the report	6,71%	6,71%	Distribution Losses Report	9.00%	8.40%	Reverse Last Value	8.40%	7.07%	B	
TL20	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 85% of the 2019/2020project budget approved for the upgrade of the Waste Water Treatment Works at Caledon (Phase 3) by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	85.00%	Last Value	85.00 %	91.80 %	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL21	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the upgrade of the Bulk Outfall Sewer in Caledon (Phase 3) by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New Measurement	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	103.00%	G2	
TL22	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the approved 2019/2020 project budget for the construction of a new Waste Transfer Station in Caledon (Phase 3) by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	96.70 %	G2	
TL23	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the construction of Riviersonderend Waste Transfer Station and Material Recovery Facility by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00 %	99.90%	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL27	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the construction of stormwater system in Grabouw (Rooidakke) by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	87.30 %	O	95% spending milestone was not reached due to the delay suffered by the lock down. Additional work, meant to augment the spending could not be carried out It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown
TL28	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the project budget approved for the construction of high mast lights by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	70.10 %	R	The project was delayed due to the lockdown. We applied to PT to roll the funds over to the 2020/2021 year and are still waiting for the reply. It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown. The contractor was appointed and contract will be completed in the first few months of the financial year
TL29	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the upgrade of the bulk electricity supply and internal electrification of Destiny Development in Villiersdorp by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	99.60%	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 30	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Construct the ring feeder in Van Schalkwyk Street Greyton (Phase 2) by 30 June 2020	Project completed	0	New KPI	Completion Certificate for phase 2	1	1	Carry Over	1	1	G	
TL 31	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Replace the Pole Mounted Transformer in Uitsig Caledon (SSK1) by 30 June 2020	Project completed	0	New KPI	Completion Certificate	1	1	Carry Over	1	1	G	
TL 57	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Construct 100 top structures for Grabouw Rooi Dakke by 30 June 2020	Number of top structures constructed Grabouw Rooi Dakke	0	New KPI	Completion certificate	100	100	Last Value	100	68	R	Eskom infrastructure in phase 5b in footprint of project that resulted in four months suspension of works. It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown The backlog will be addressed in the new financial year.
TL 58	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Construct 24 top structures for Grabouw Hillside by 30 June 2020	Number of top structures constructed Grabouw Hillside	0	New KPI	Completion certificate	25	24	Last Value	24	0	R	Project sponsored and managed by Department Human Settlements. Project suspended due to payment dispute. Role of municipality was merely to oversee. Province to resolve the payment issues with the contractor they appointed and work to resume. The municipality will have to address the issue of budget allocated to the municipality where the municipality have no control over the process
TL 59	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Basic Service Delivery	Construct 85 top structures for Riviersonderend by 30 June 2020	Number of top structures constructed Riviersonderend	0	New KPI	Completion certificate	85	85	Last Value	85	85	G	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 61	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Spend 95% of the capital budget allocated for the extension of Grabouw Rooi Dakke, Irak by 30 June 2020 [(Amount actually spent on the project/ Amount budgeted for the project)x100]	% budget spent	0	New KPI	Capital Expenditure Report	95.00 %	95.00%	Last Value	95.00%	36.30%	R	The projects requires more oversight from provincial team as the project managers. TWK to aid in relocations and a planned programme for the site going forward.
TL 63	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Transfer subsidised houses successfully by 30 June 2020	Number of subsidised houses transferred	348	348	Attorney confirmation letter of the number of title deeds successfully transferred	600	95	Accumulative	95	185	B	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 64	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Complete 268 serviced sites as per approved business plan by 30 June 2020	Number of serviced sites completed	0	0	Practical Completion Certificate	350	268	Accumulative	268	38	R	1. When the contract was signed for the establishment of the TRA sites on Iraq it was envisioned that the appointed contractor will complete all 456 sites and that TWK will take occupation of the sites once completed. 2. For that reason the contract only makes provision for a completion certificate once all 456 sites are delivered. 3. During the construction it also became clear that various informal structures were erected on the Iraq site and decanting had to take place to move informal structures to allow access to certain areas of the site. 4. During construction is also became evident that the Rooidakke project cannot continue without TWK decanting the informal settlement area to allow the appointed contractor to proceed with the civils and top structures of Rooidakke Phase 4 and Phase 5. 5. TWK then requested that we take occupation of the completed sites to allow Rooidakke to proceed. 6. This however posed new problems on Iraq as the contractor could not complete the project in the time allowed in the contract and for that reason initial targets could not be met. TWK requested previously that the DoHS amend the contract to allow for Phased completion but due to other factors that could not be achieved and the contract remains unchanged. All informal structures were removed from the area and full access was given to the contractor in September 2020 only. We would like to confirm that due to the number of challenges the completion date of the project have now moved to 15 December 2020.

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 71	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the upgrade of roads in Riviersonderend by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00 %	Last Value	95.00%	149.90%	B	
TL 72	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Spend 95% of the 2019/2020 project budget approved for the upgrade of roads in Botriver by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00 %	95.00 %	Last Value	95.00%	100.40%	G2	
TL 73	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Complete the construction of Botriver Community Hall	Botriver Community Hall Constructed (project completed)	0	New KPI	Completion certificate	1	1	Accumulative	1	0	R	Target not met. National Lockdown delayed implementation. Target will be completed in July 2020

	KPI Not Yet Applicable	0
	KPI Not Met	6
	KPI Almost Met	1
	KPI Met	3
	KPI Well Met	6
	KPI Extremely Well Met	3
	Total KPIs:	19

Community and Development Services

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 24	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Spend 77% of the project budget approved for the procurement of new fleet vehicles by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New Measurement	Capital Expenditure Report	95.00%	77.00%	Last Value	77.00%	95.80%	G2	
TL 32	Improved Environment Management	Basic Service Delivery	Maintain 32km of fire breaks for the TWK region by 30 June 2020	Number of kilos fire breaks maintained	0	New KPI	Google earth maps and Fire Breaks Report	32	32	Accumulative	32	32	G	
TL 35	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	65% of effluent samples comply with permit values {(% compliance of all WWTW's achieved / the number of WWTW's tested)}	Average % Achieved	65%	65%	Independent Laboratory Test Results (IRIS System)	70.00%	65.00%	Last Value	65.00%	56.37%	0	Compile SLA with Technical Service on how to improve achievements, address upgrades where need in the new financial year to ensure targets are met. Large amount of money already spent on the upgrade of Wastewater treatment works.
TL 36	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Achieve an average of 90% water sample compliance with SANS 241 micro biological indicators Water Treatment Works {(% achievement all WTW's/WTW's tested)	Average % Achieved	98%	98%	Independent Laboratory Test Results (IRIS System)	90.00%	90.00%	Last Value	90.00%	96.90%	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 37	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Spend 66% of the project budget approved for the upgrade of the Grabouw Pineview Sport Grounds By 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	37%	37%	Capital Expenditure Report	95.00%	66.00%	Last Value	66.00 %	66.00%	G	
TL 38	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Spend 60% of the project budget approved for the upgrade of the Dennekruin Sport Grounds by 30 June 2020 {(Total actual expenditure for the project/Total amount budgeted for the project)x100}	% budget spend	0	New KPI	Capital Expenditure Report	95.00%	60.00%	Last Value	60.00 %	63.00%	G2	
TL 39	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Spend 75% of the library grants by 30 June 2020 {(Total actual expenditure /Total amount budgeted)x100}	% library grant spend	87%	87%	Expenditure Report on Libraries	95.00%	75.00%	Last Value	75.00 %	87.30%	G2	The national lockdown because of covid-19 suspended operations at libraries for a number of months. No operations at libraries meant no expenditure on library budgets. It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown. The municipality have however applied for the rollover to ensure that the funding allocated for 2019/2020 will be spent in 2020/2021. Procurement processes to start early

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 40	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Limit unaccounted water to less than 18% as at 30 June 2020 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified _ 100}	% unaccounted water captured in the report	18%	18%	Report from Technical Services to Director Operational/Community services	18.00%	18.00%	Reverse Last Value	18.00%	34.50%	R	Stricter implantation of water loss reduction plan. Operational department to have monthly feedback sessions with Deputy Director regarding the implementation of water loss reduction plan
TL 41	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Collect revenue from traffic related fines by 30 June 2020 (R-value collected less the amount of fines impaired)	R-value collected	R 8 240 105.00	R8 240 105.00	Contravention Management System Report (CMS) and Financial Statements	R6 000 000.00	R4 200 000.00	Accumulative	R4 200 000.00	R4 815 455.00	G2	
TL 42	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Install and replace utility water meters (SMART Meters) by 30 June 2020	Number of utility SMART meters installed	1803	1803	Signed off job cards of installations	1 000	761	Accumulative	761	936	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 47	Refine and improve the institutional capacity of the municipality	Institutional Development	Spend 95% of the capital budget allocated for ICT equipment by 30 June 2020 [(Capital budget actually spent / Capital budgeted allocated)x100]	% of budget spent	0	New KPI	Phoenix financial system Capital budget expenditure report	95.00%	95.00 %	Carry Over	95.00 %	94.13%	O	COVID19 pandemic introduced some difficulties making it almost impossible for service providers to obtain required stock in time. It is extremely difficult to plan or put preventative measures in place for such an unpredictable and unprecedented virus and lockdown. Stricter compliance with procurement plan to ensure that spending start earlier in the financial year.
TL 48	To provide democratic, responsive and accountable government for the local communities	Institutional Development	Complete the annual risk assessment and submit to the Risk Committee by 30 June 2020	Completed risk assessment submitted to the Risk Committee	1	1	Minutes of Risk Management Committee with Assessment	1	1	Last Value	1	1	G	
TL 49	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2020 [(Actual amount spent on training/total personnel budget)x100]	% of the personnel budget spent on implementing the workplace skills plan	80.04 %	80.04% (New Measurement)	Budget Expenditure Report	0.10 %	0.50%	Last Value	0.50%	0.73 %	G2	
TL 50	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan by 30 June 2020	Number of people employed	1	1	Appointment letters	2	2	Accumulative	2	3	B	
TL 51	To provide democratic, responsive and accountable government for the local communities	Good Governance	Review the Public Participation Plan and submit to Council by 30 October 2019	Public Participation Plan reviewed and submitted to Council	1	1	Council meeting minutes	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 52	Improve the social fabric of the TWK community	Local Economic Development	Create temporary work opportunities in terms of EPWP by 30 June 2020	Number of temporary work opportunities created	684	684	Participants list	490	330	Accumulative	330	333	G2	
TL 54	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area	Local Economic Development	Review the LED Strategy and submit to Council by 30 May 2020	LED Strategy reviewed and submitted to Council	0	New KPI	Council meeting minutes with reviewed LED Strategy	1	1	Last Value	1	0	R	Strategy completed late due to delay in public participation and consultation that was prevented due to the National Lockdown. This could not be foreseen and as a result difficult to put in place preventative measures. In future different modes of public participation will be explored e.g. digital platforms.
TL 55	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Limit quarterly vacancy rate to less than 15% of funded posts [(Number of funded posts vacant / number of funded posts) x100]	% quarterly vacancy rate	7.5 %	7.5%	Reconciliation between Budget and Salary Budget /Report from Payday	15.00 %	15.00 %	Reverse Last Value	15.00 %	8.60 %	B	
TL 56	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Review the Organisational Structure and submit to Council by 30 June 2020	Organisational Structure reviewed and submitted to Council	1	1	Council meeting minutes with Organisational Structure	1	1	Last Value	1	1	G	

	KPI Not Yet Applicable	0
	KPI Not Met	2
	KPI Almost Met	2
	KPI Met	5
	KPI Well Met	8
	KPI Extremely Well Met	2
	Total KPIs:	19

Financial Services

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL4	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Achieve a debtor payment percentage of 85% as at 30 June 2020 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	85%	85%	Section 71 Report/Financial Statements	88.00%	85.00%	Last Value	85.00%	88.00%	G2	
TL5	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 its service debt obligations as at 30 June 2020 ((Total Operating Revenue-Operating Grants)/Debt Service Payments (i.e. interest + redemption) due within one year)	% of debt coverage	19.4	19.4	Section 71 Report	45	11	Last Value	11	28.35	B	
TL6	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 as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	3.9	3.9	Section 71 Report	1.20	1.20	Last Value	1.20	3.71	B	
TL7	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 as at 30 June 2020 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors	59.39	59.39	Section 71 Report	11.00%	70.00%	Reverse Last Value	70.00%	74.48%	R	During lockdown no credit control could be done. Debt collection system implementation as soon as possible to be able to begin legal action on outstanding debtors.
TL8	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 households during the 2019/20 financial year	Number of indigent households receiving free basic water	5 463	5463	Report From The Financial System With Registered Indigent Households	4 800	4 800	Last Value	4 800	5 252	G2	
TL9	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 households(excluding Eskom) during the 2019/20 financial year	Number of indigent households receiving free basic electricity	5 519	5519 (Different Calculation)	Report From The Financial System With Registered Indigent Households	1 700	1 700	Last Value	1 700	2 373	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 10	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide free basic refuse removal to indigent households in terms of the equitable share requirements during the 2019/20 financial year	Number of indigent households receiving free basic refuse removal	5 437	5437	Report From The Financial System With Registered Indigent Households	4 100	4 100	Last Value	4 100	5 354	G2	
TL 11	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide free basic sanitation to indigent households in terms of the equitable share requirements during the 2019/20 financial year	Number of indigent households receiving free basic sanitation	5 449	5449	Report From The Financial System With Registered Indigent Households	4 000	4 000	Last Value	4 000	5 299	G2	
TL 12	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 2019/20 financial year	Number of residential properties which are billed for water or have prepaid meters	15 991	15991	Report From The Financial System Indicating Billed Debtors	14 900	14 900	Last Value	14 900	15 469	G2	
TL 13	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (excluding ESKOM areas) and billed for the services during the 2019/20 financial year	Number of residential properties which are billed for electricity or have prepaid meters (excluding ESKOM areas)	7 348	7348	Report From The Financial System Indicating Billed Debtors	7 000	7 000	Last Value	7 000	7 452	G2	
TL 14	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 2019/20 financial year	Number of residential properties which are billed for refuse removal once a month	15 707	15707	Report From The Financial System Indicating Billed Debtors	15 200	15 200	Last Value	15 200	15 894	G2	

Ref	Strategic Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Annual Target	Calculation Type	Period-To-Date As At June 2020			
											Target	Actual	R	Departmental KPI: Corrective Measures
TL 15	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Purchase smart (utility) water meters by 31 December 2019	Number of smart water meters purchased	0	New Measurement	Invoices and Goods Received Note	1 200	1 200	Accumulative	1 200	1 200	G	
TL 16	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number of formal residential properties 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 2019/20	Number of formal residential properties which are billed for sewerage	15 026	15026	Municipal Accounts Report Of Registered Debtors On The Financial System On 30 June 2019	14 000	14 000	Last Value	14 000	15 268	G2	
TL 17	To provide democratic, responsive and accountable government for the local communities	Good Governance	Achieve an unqualified audit opinion for the 2018/19 financial year	Unqualified audit opinion achieved	0	0	Signed Audit Report	1	1	Last Value	1	1	G	
TL 68	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit the final annual budget to Council by 30 May 2020	Final budget submitted to Council	1	1	Council minutes	1	1	Carry Over	1	1	G	
TL 69	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit the Annual Financial Statements to the Auditor General (AG) by 31 August 2019	Annual Financial Statements submitted to the AG	1	1	Acknowledgement of receipt	1	1	Carry Over	1	1	G	

	KPI Not Yet Applicable	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	4
	KPI Well Met	9
	KPI Extremely Well Met	2
	Total KPIs:	16

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 2019/20 financial year.

…… ……

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

3.1.1 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.

Water Service Levels:

None or inadequate
This refers to the number of consumer units (or households) that do not have access to basic water supply or sanitation.

Basic water supply comprises:

- the provision of appropriate education in respect of effective water use;
- a minimum quantity of potable water of 25 litres per person per day;
- at a minimum flow rate of not less than 10 litres per minutes;
- within 200 metres of a household, and
- With an effectiveness of not more than 7 days interrupted supply to any consumer per year.

Communal water supply
See 'basic water supply' explained above.

Controlled volume supply
E.g. Yard Tanks
Each house is provided with a tank, which holds about 200 litres. The tank is filled up once a day. This type of service is often referred to as an intermediate level of supply.

Uncontrolled volume supply
There are generally two types: either the tap stands outside the house on its own or on the wall of an outside toilet (yard tap) or water is piped into the house to take water to taps in the kitchen, bathroom, toilet etc.

3.1.2 WATER SERVICE DELIVERY LEVELS

Water Service Delivery Levels				
				Households
Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: **(above min level)**				
Piped water inside dwelling	29 745	29 745	29 745	27 052
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200m from dwelling)	1 840	1 840	1 840	7 536
Other water supply (within 200m)	-	-	-	–
Minimum Service Level and Above sub-total	31 585	31 585	31 585	34 588
Minimum Service Level and Above Percentage	87.00%	87.00%	87.00%	87.38%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	-	-	-	90
Other water supply (more than 200m from dwelling	4 907	4 907	4 907	4 907
No water supply	-	-	-	-
Below Minimum Service Level sub-total	4 907	4 907	4 907	4 997
Below Minimum Service Level Percentage	13.45%	13.45%	13.45%	12.62%
Total number of households*	**36 492**	**36 492**	**36 492**	**39 585**
*** - To include informal settlements**				T3.1.3

3.1.3 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

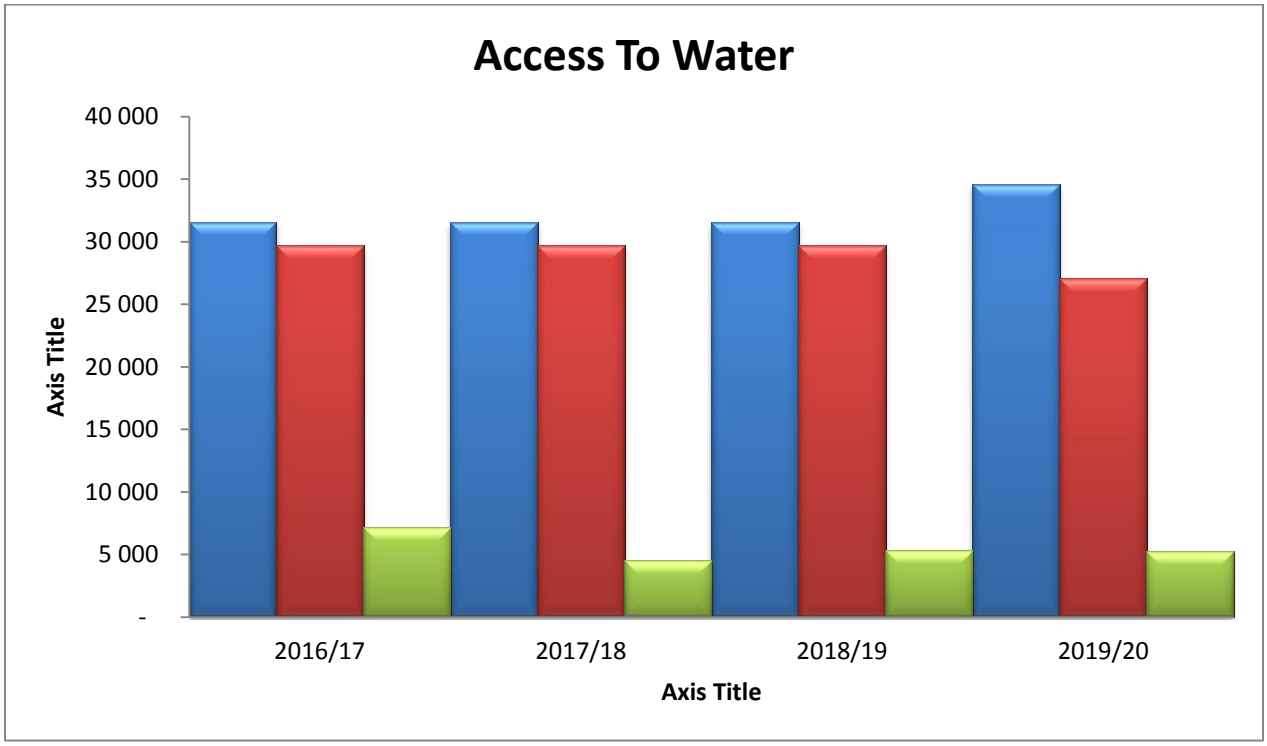
Households - Water Service Delivery Levels below the minimum						
						Households
Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	29 745	29 745	29 745	27 052	27 052	27 052
Households below minimum service level	-	-	-	-	-	-
Proportion of households below minimum service level	-	-	-	-	-	-
Informal Settlements						
Total households	6 747	6 747	6 747	6747	6747	8779
Households ts below minimum service level	4 907	4 907	4 907	4997	4997	4997
Proportion of households ts below minimum service level	13.45%	13.45%	13.45%	12.62%	12.62%	12.62%
						T3.1.4

** Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute*

 # 6,000 litres of potable water supplied per formal connection per month

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#
2016/17	31 585	29 745	7 154
2017/18	31 585	29 745	4 530
2018/19	31 585	29 745	5 319
2019/20	34 588	27 052	5 252



3.1.5 EMPLOYEES WATER SERVICES

Employees: Water					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts Budgeted	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	26	26	26	0	0%
4 - 6	8	8	8	0	0%
7 - 9	6	6	6	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	42	42	42	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. T3.1.7

3.1.6 FINANCIAL PERFORMANCE: WATER SERVICES

Financial Performance: Water Distribution					
					R'000
Details	Year 2018/19	Year 2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(77 670)	(69 710)	(76 757)	(81 684)	6%
Expenditure:					
Employees	9,844	10,700	11,191	10,911	-3%
Repairs and Maintenance	3,874	5,018	4,715	3,410	-28%
Other	40,632	39,594	44,315	45,807	3%
Total Operational Expenditure	54,351	55,312	60,220	60,128	0%
Net Operational Expenditure	(23 319)	(14 398)	(16 537)	(21 556)	30%
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.					T3.1.8

3.1.7 CAPITAL EXPENDITURE: WATER SERVICES

Capital Expenditure Year: Water Distribution				
				R' 000
Capital Projects	2019/2020			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	7,176	4,959	3,542	-51%
Capital: Water Pipe replacement	,400	–	,2	-99%
Capital: Water Meters - Replacement	3,000	3,228	2,419	-19%
Bulk water upgrade phase 2	,435	,435	,433	0%
Beaumont low cost housing bulk services	,90	–	–	-100%
Grabouw bulk water	,550	,550	,152	-72%
Pipe Replacement	,800	–	,3	-100%
Pipe Replacement	,931	–	,7	-99%
Capital - Drought Relief: Ground water monitoring infrastrucre	–	,500	,112	0
Capital - WTW upgrade	,435	,247		-100%
Capital - Botrivier water network upgrade	–	–	,166	0
Capital - Bulk water upgrade (incl WTW)	,535	–	,247	-54%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				T3.1.9

3.1.8 COMMENT ON WATER SERVICE PERFOMANCE OVERALL EXPENDITURE: WATER SERVICES

Pipe Replacement -Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 62 717.08.

Pipe Replacement -Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 211 370.66.

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

TOWN	OWNER	VENDOR/SHOP	ADDRESS	CONTACT NUMBERS
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	MARSVELD STREET	061 044 6453
BEREAVILLE	PAM VAN WYK		LONGSTREET	061 212 0154 (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

The majority of the erven in Bot River are served by a waterborne sewer system while the remainder of the households makes use of conservancy tanks or a septic tank/soak away system. The existing sewer system is in a fair condition. A pump station and a rising main were installed to allow for future low lying developments to connect to the WWTW.

The design for the reticulation of those households still making use of the septic tank system has been completed. The installation of a waterborne sewer system for households in Eerste Laan, Tweede Laan, Derde Laan, Garden Cres, Rose Cres and a portion of Fontein Street was completed. Future phases are planned to be rolled out in accordance to the dictates of the budget.

Caledon is served in its entirety by a waterborne sanitation system, except some households in Riemvasmaak that have shared services. The sewer system is in a fair condition, but the system is under pressure due to the high wastewater flows generated by SABM. The municipality is currently busy with the upgrading of the WWTW and the bulk outfall sewer pipeline. A phased replacement program for the bulk sewer pipeline has been initiated and is rolled out in accordance with the dictates of the budget.

All the households in Genadendal are connected to the waterborne sewer system. Most of the households in Voorstekraal are connected to the waterborne sewer system, with a small number of households that still make use of conservancy tanks. Bereaville has no formal sewer reticulation system. Conservancy tanks or septic tanks with soak-a-way drains are generally in use and a tanker discharge the sewerage from Bereaville at the Genadendal WWTW.

All formal erven in Grabouw are connected to a waterborne sewer system.

Heuwelkroon, Boschmanskloof and Caledon Street in Greyton are supplied with a waterborne sewer system while the remainder of the households makes use of conservancy tanks. Although Boschmanskloof is reticulated, a significant proportion of the households is still using conservancy tanks and has not connected to the sewer system. The sewer system is in a fair condition, but requires significant upgrades in order to provide the entire settlement with waterborne sanitation. Due to community objection, the new pump station and rising main planned to connect Greyton's sewer system to the Genadendal WWTW has been cancelled and a new Package Plant is planned for Greyton.

The entire Riviersonderend is connected to a waterborne sewer system. There are however still a number of farms with conservancy tanks that are pumped by the Municipality.

The low cost housing development in Tesselaarsdal is connected to the waterborne sewer system that drains towards the Tesselaarsdal WWTW, while the remainder of the households makes use of either septic tanks or conservancy tanks. Tankers discharge the sewage from the conservancy tanks at the Caledon WWTW.

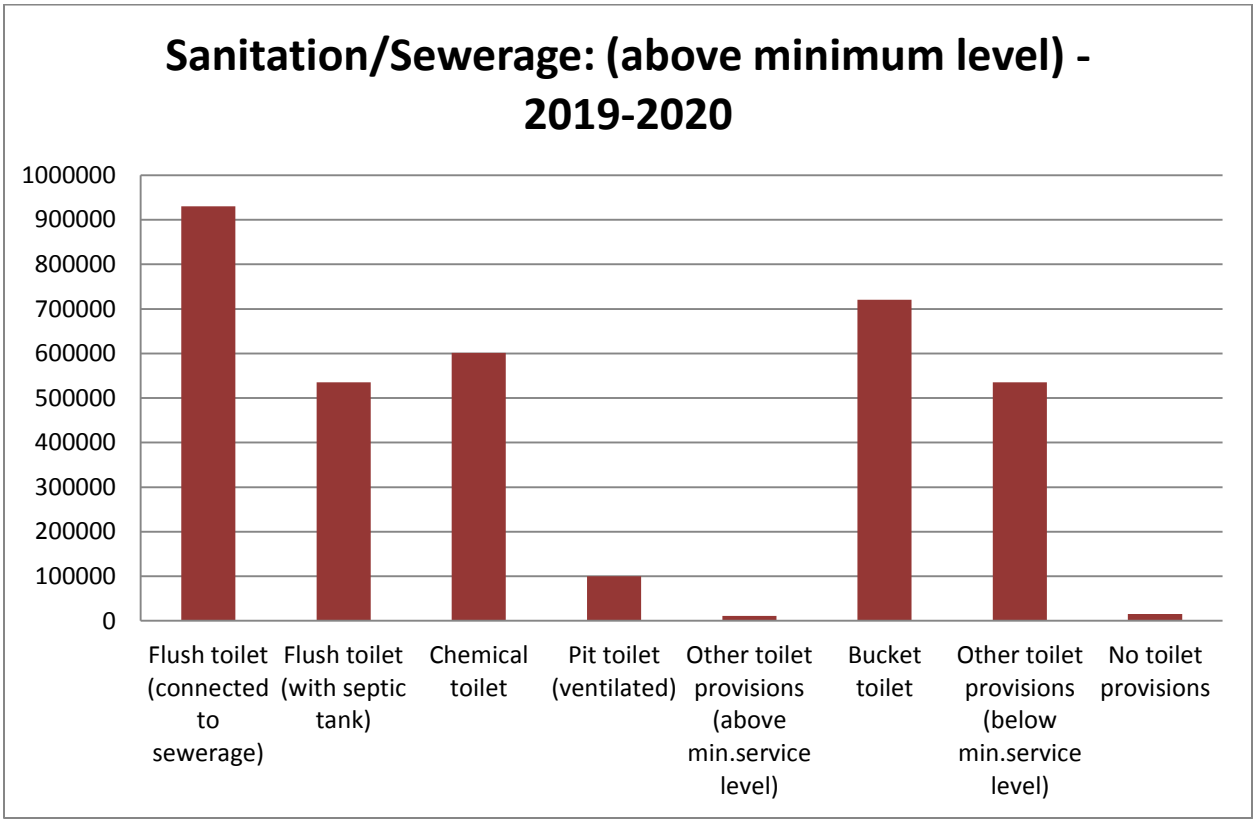
The majority of erven in Villiersdorp are connected to a waterborne sanitation system while the remaining households make use of septic tanks. There are also some farms with conservancy tanks that are pumped by the Municipality. The sewer system is in a fair condition. A phased replacement program has been initiated and is rolled out in accordance with the dictates of the budget.

3.2.2 SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels

Description	Year 2016/17	Year 2017/18	Year 2018/19	*Households Year 2019/20
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	14 222	14 745	15 353	15 752
Flush toilet (with septic tank)	8 353	8 660	8 876	8 876
Chemical toilet	75	75	75	75
Pit toilet (ventilated)	140	140	140	140
Other toilet provisions (above min.service level)	7 368	7 368	7 368	7 368
Minimum Service Level and Above sub-total	30 158	30 988	31 812	32 211
Minimum Service Level and Above Percentage	95%	95%	95%	95%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	70	70	70	70
Other toilet provisions (below min.service level)	159	159	159	159
No toilet provisions	1 373	1 373	1 373	1 373
Below Minimum Service Level sub-total	1 602	1 602	1 602	1 602
Below Minimum Service Level Percentage	5%	5%	5%	5%
Total households	**31 760**	**32 590**	**33 414**	**33 813**

Total number of households including informal settlements T3.2.3

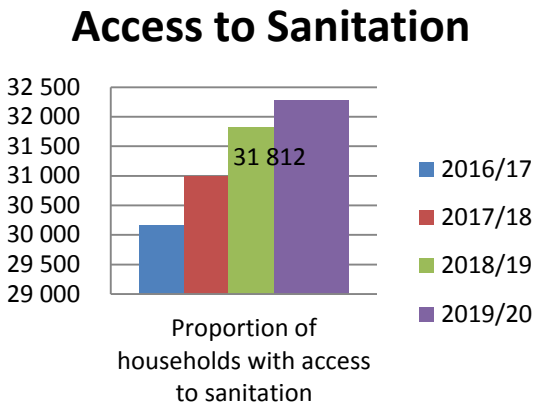


3.2.3 HOUSEHOLD: SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	–	–	–	–	–	–
Total households	22 575	23 405	24 229	24 628	24 628	24 628
Households below minimum service level	1 602	1 602	1 602	1 602	1 602	1 602
Proportion of households below minimum service level	0	0	0	12%	12%	12%
Informal Settlements	–	–	–	–	–	–
Total households	6 747	7 368	7 368	7 368	7 368	7 368
Households ts below minimum service level	0	0	0	0	0	0
Proportion of 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
2016/17	30 158
2017/18	30 988
2018/19	31 812
2019/20	32 271



3.2.5 WASTEWATER TREATMENT WORKS

3.2.5.1 BOTRIVIER WASTEWATER TREATMENT WORKS (WWTW)

DATE	RAS SUMP	AERATION BASIN	CLARIFIER	DE-SLUDGE	ANOXIC ZONE
22.05.2020				Cable of the submersible pump were stolen and had to be repaired due to vandalism.	
15.07.2020		Aerator Nr.3 removed for repairs. Bearings on motor were damage.			
03.06.2019				Belt press were vandalised due to theft. All electrical wiring stolen as well the installation of a new motor and submersible pump and sludge pump.	

3.2.5.2 CALEDON WASTEWATER TREATMENT WORKS (WWTW)

DATE	RAS SUMP	AERATION BASIN	CLARIFIER	DE-SLUDGE	ANOXIC ZONE
14.08.2019			The Clarifier stack bridge motor is faulty both of them and needs to be repaired.		
18.12.2019	RAS pump Nr. 1 and Nr.2 faulty. Guardrails of RAS pumps broke off and needed to be replaced. Pump Nr.2 must be repaired as well.				
16.01.2020				Balancing tank out of order. Guiderail and duct foot need to be replaced. Flow meter level sensor to be repaired and sloose gate need to be repaired.	

28.04.2020		Replace motor on Aerator 1 and replace motor and gearbox Aerator 2.			
25.05.2020					Mixer 1 – the gearbox is faulty. Mixer 2 – motor and gearbox faulty.
03.06.2019				Beltpress were vandalised due to theft. All electrical wiring stolen as well the lever arm that is aligning the belt is also broken.	

3.2.5.3 TESSELAARSDAL WASTEWATER TREATMENT WORKS (WWTW)

DATE	RAS SUMP	AERATION BASIN	CLARIFIER	DE-SLUDGE	ANOXIC ZONE
07.01.2020	Blower motor Nr. 2 was faulty and had to be removed in order to repair it.				

3.2.5.4 GENADENDAL WASTEWATER TREATMENT WORKS (WWTW)

Date	Inlet works	Aeration Basin	Clarifier	De-sludge	Disinfection
July 2019	Truck Off load sump – concrete surface cracks	Horizontal brush aerators – gearbox and motor repairs	Slip ring – supplying electricity to rotation motor replaced after vandalism		Chlorine booster pumps – due to vandalism
October 2019		Aerators gearboxes and electrical motors damage due to vandalism	WAS pumps electrical cables replaced due to vandalism		Piping and fittings vandalized and stolen
October 2019		RAS pumps – cables stolen and pumps refurbishments			Electrical boxes vandalized – no electrical supply
					Service intervals and upgrades done annually

3.2.5.5 GREYTON WASTEWATER TREATMENT WORKS (WWTW)

Date	Inlet works	Primary Ponds	Secondary Ponds	Tertiary Ponds	Disinfection
July 2019		De-sludge annually	Float aerator electrical cable stolen and motor damaged		Install new pump for chlorination
July 2019					Irrigation pump installation and refurbishment of existing feed pipe line
July 2019	Repair of existing road to Waste Water Treatment Works				
July 2019	Fencing of working and gate control to be improved				

3.2.6 EMPLOYEES: SANITATION

Employees: Sanitation Services (Water and Sewage Purification Works) incl. Suction Tank Services					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	23	23	23	0	0%
4 - 6	16	16	16	0	0%
7 - 9	13	13	12	1	8%
10 - 12	5	5	4	1	20%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	58	58	56	2	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. **T3.2.7**

Myddleton to Caledon: Upgrade Main Link sewer Pipe Line

3.2.7 FINANCIAL PERFORMANCE: SANITATION SERVICES

Financial Performance : Waste Water Management					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(40 552)	(42 761)	(44 385)	(43 784)	-1%
Expenditure:					
Employees	11,922	12,104	13,715	12,902	-6%
Repairs and Maintenance	4,056	5,249	5,763	4,836	-16%
Other	19,884	20,135	22,785	20,871	-8%
Total Operational Expenditure	35,863	37,489	42,263	38,609	-9%
Net Operational Expenditure	(4 689)	(5 272)	(2 122)	(5 175)	144%
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					

3.2.8 CAPITAL EXPENDITURE: SANITATION SERVICES

Capital Expenditure: Waste Water Management				
				R' 000
Capital Projects	Year 2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**35,309**	**23,223**	**21,390**	**-39%**
IDP Public Toilets	,300	–	,43	**-86%**
Waste water treatment works	,347	,347	,347	**0%**
Rooidakke Storm water	1,617	1,617	1,617	**0%**
Rooidakke Storm water	,991	,991	,659	**-34%**
WWTW upgrade	10,104	10,292	10,213	**1%**
WWTW upgrade	3,260	,845	,199	**-94%**
Bulk outfall sewer	1,413	1,413	1,413	**0%**
Bulk outfall sewer	,287	,287	,29	**-90%**
Bulk outfall sewer	2,804	1,730	1,763	**-37%**
Beaumont low cost housing bulk services	5,200	,167	,167	**-97%**
Bulk Sewer Destiny Villiersdorp	2,800	–	–	**-100%**
Capital - Buk Sewer	4,429	4,429	4,687	**6%**
Upgrading of Sewer Network	1,755	,254	,254	**-86%**
Capital - Bulk Sewer Destiny Villiersdorp	–	,850	–	**0%**
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate T3.2.9				

3.3 ELECTRICITY

Theewaterskloof municipality is responsible for distribution of electricity and reticulation in the towns of Caledon, Greyton, Riviersonderend and Villiersdorp. Eskom directly supplies electricity to Botrivier, Genadendal, Grabouw, Tesselaarsdal and the agricultural areas. Theewaterskloof's biggest challenge remains the fact that Theewaterskloof does not supply electricity in all of its towns and to some of the biggest industrial consumers e.g. SAM.

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.

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:

Vendor Name	Address	Suburb
Al-Baraka Shop	1214 Goniwe Park	Villiersdorp
Alex Robot Shop	Oosteroload	Riviersonderend
Amano Shop	34 3rd Avenue	Caledon
Annes House Shop	275 Amarilla Street	Villiersdorp
Backstage Shop	Bosduif Street	Caledon
Beehive Supermarket	15 Plein Street	Caledon
Big Time Tuckshop	38 5de Laan	Caledon
Bismillah Superette	8 Plein Street	Caledon
Bot River Mini Mark	14 Hawthorn Street	Bot River
Caledon Mini Market	11 Plein Street	Caledon
Carica Cash n Carry	15 Hoofweg Street	Riviersonderend
Carica Superette	06 Alpha Street	Riviersonderend
Continental Café	22 Main Road	Riviersonderend
Continental Superette	11 Main Road (N2)	Riviersonderend
Corner Mini Shop	10 Reierlaan	Caledon
Danny's Bazaars	George Grey Straat	Genadendal
Discount Mini Market	1 Price Street	Riviersonderend
Discount Store Caledon	44 Ster Street Bergsig	Caledon
Esethu Spaza Shop	2 De Laan , No 26 Goniwe Park	Villiersdorp
Fathi General Dealer	24 Rooivaal Street	Caledon
Gerald Tuck Shop	66 Fullard Street	Riviersonderend
Hiron Spaza Shop Caledon	4 Kwartel Street, Uitsig	Caledon
Hirshabelle Shop	78 Protea Heights	Villiersdorp
Hoosain Tuckshop	41 Hoof Street	Caledon
Juba tuckshop PC	27 Sabbatini Avenue , Golf City	Riviersonderend
M. K Wholesaler	21 Plein Street	Caledon
Mama Africa	G76 Revesemke Informal	Caledon
Mega sweets cash&carry	No 2 Haw Street	Caledon
N.E Stores 2	179 Disa Street	Villiersdorp
Nasir Shop	135 Disa Street	Villiersdorp
Nasir Shop No2	145 Disa Road	Villiersdorp
Olympia Supermarket & Take Away	49 Main Road	Grabouw
On The Mark Trade & Investments	43 Oak Street	Greyton
One Price Store TWK	14 Main Road	Villiersdorp
Ons Winkel	205 Disa Straat	Villiersdorp
Rainbow Shop	29 Heideweg	Riviersonderend
Scuba Scuba Spaza Shop	No 1 Mcnolia Street , Goniwe Park	Villiersdorp
SH Superette & Halaal Take Aways	20 Main Street	Caledon
Shoprite Grabouw	Cnr of Caledon and Ryke Street	Grabouw
Small Town Shop	110 Disa Laan	Riviersonderend
SonaStraat No.5	Dahlia Cres & Begonia street	Riviersonderend
Sonstraal Cafe PC	19 Main Road	Riviersonderend
Sonstraal No.1 Tuck Shop PC	Matuwane Street	Riviersonderend

Tawakal Tuckshop PC	7 Player Street	Riviersonderend
Tohow Spaza Shop	Annes Shop 4	Caledon
Tuck Shop No 1	195 Jo Slovo Square	Riviersonderend
Uitsig Supermarket	23 Sayes Street	Caledon
Usave Caledon	25 Prince Alfred Street	Caledon
Valostar Supermarket	19 Voortrekker Road , On the Main Road	Riviersonderend
Village Vinos	32 Main Street	Greyton
Vleiview Café	22 2de Laan, Vlei View	Caledon
Yellow Spaza Shop	340 Erf Goniwe Park	Villiersdorp
Yona Yethu Behchew Shop	296 Shack , Goniwe Park	Villiersdorp
Yone Yethu Spaza Shop	289 Main Street , Goniwe Park	Villiersdorp
Zippy's Supermarket	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 2019/20

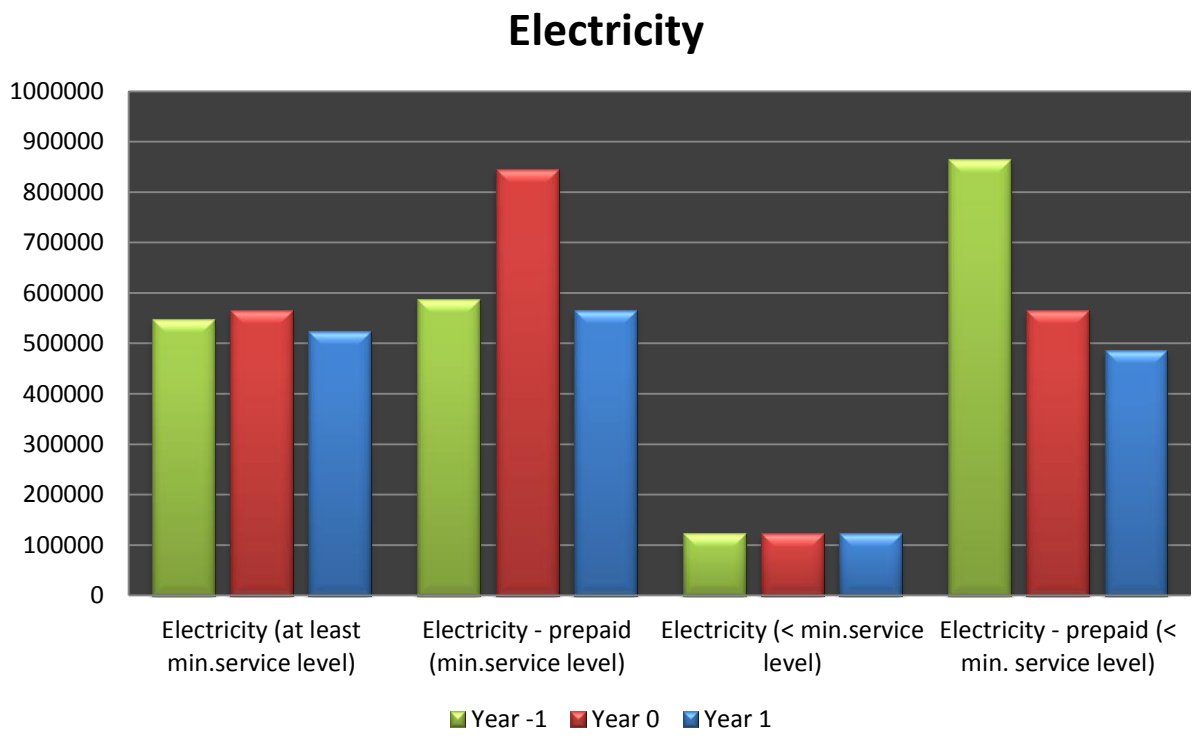
1. The project to install an 11kV ring feed to Van Schalkwykstreet in Greyton and upgrading of Low Voltage network in De La Vigne and Queen street were completed.
2. Phase 2 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp was completed.
3. The polemounted transformer SSK1 in Uitsig was replaced with a miniature substation and a security fence installed.
4. Five additional highmast lights were installed in Grabouw and after a grant from province was received in January an additional project to install another eight masts commenced in May 2020.
5. Maintenance remains a priority. Unforeseen damages to our networks during severe winter weather storms occurred in Greyton and Caledon.
6. The maintenance of streetlights in towns where Eskom distributes electricity remain a challenge.

Projects for 2019/20

1. Completion of phase 3 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp.
2. Replace and upgrade Transformer SSK2 in Uitsig Caledon.
3. Replace Conventional streetlight luminaires with LED technology.
4. Install Highmast Lights in Grabouw.
5. Upgrade HV and LV networks in Caledon and Villiersdorp.

3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels				
				Households
Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: **(above minimum level)**				
Electricity (at least min.service level)	1 174	32	25	53
Electricity - prepaid (min.service level)	4 864	7 700	7 721	7 637
Minimum Service Level and Above sub-total	6 038	7 732	7 746	7 690
Minimum Service Level and Above Percentage	100%	100%	100%	100.0%
Energy: **(below minimum level)**				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	-	-	-	-
Below Minimum Service Level Percentage	-	-	-	-
Total number of households	6 038	7 732	7 746	7 690
				T3.3.3



3.3.2 EMPLOYEES ELECTRICITY SERVICES

Employees: Electricity Services					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	8	8	0	0%
4 - 6	1	1	1	0	0%
7 - 9	5	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	0%
Total	21	21	21	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.*
T3.3.6

3.3.3 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

Financial Performance : Electricity Distribution					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(90 898)	(108 285)	(112 361)	(105 193)	-6%
Expenditure:					
Employees	6,760	7,326	7,396	7,363	0%
Repairs and Maintenance	2,150	4,315	3,005	1,400	-53%
Other	68,189	81,767	82,062	77,643	-5%
Total Operational Expenditure	77,099	93,407	92,463	86,406	-7%
Net Operational Expenditure	(13,799)	(14,878)	(19,898)	(18,786)	-6%

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 2019/20: Electricity Services				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**9,658**	**12,185**	**10,746**	**11%**
high mast lighting	652	707	663	**2%**
Replace Pole Mounted transformer Uitsig.SS K1	577	577	505	**-13%**
Destiny Infrastructure	654	654	635	**-3%**
Destiny Infrastructure	4 365	4 365	4365	**0%**
Ringfeed Van Schalkwyk Street Phase 2	3250	3 250	2872	**-12%**
Machinery & Equipment	47	,47	39	**-16%**
Machinery & Equipment (upgrade)	97	140	122	**26%**
Furniture & Office Equipment	5	5	1	**-73%**
Capital - Machinery and Equipment (Renewal)	12	12	10	**-16%**
Capital - Grabouw highmast lighting	–	–	–	**0**
Capital - Grabouw highmast lighting	–	196	196	**0**
Capital - High mast Lightning	–	2 233	1340	**0**
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				**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.

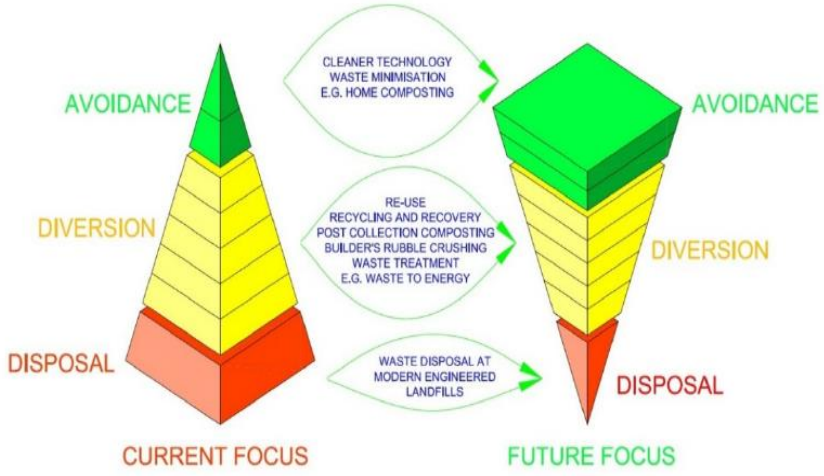


Figure 3-1: Waste Hierarchy

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 2024.
- All collected municipal waste in the Genadendal and Greyton service areas are disposed at the municipality's Greyton waste disposal sites. These sites have received closure licenses and are due closure by 2024 and 2025 respectively.
- 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.
- Recycling and waste recovery is currently done in Grabouw, Villiersdorp, Caledon, Greyton and RSE.
- waste avoidance is not currently addressed by Municipal intervention but by national through the promulgation of legislation.

- Caledon, Greyton, Genadendal and RSE landfill, Villiersdorp and Grabouw Transfer Stations are currently audited internally and externally for permit/license compliance
- the Villiersdorp and Botrivier landfill sites 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 containerised waste from RSE, Grabouw, Villiersdorp, Botrivier and Tesselaarsdal and delivered to the Regional Landfill Karwyderskraal.

Top priorities for Waste Management are the establishment of transfer stations and MRF's in Caledon, RSE and a Drop off in Greyton. Rehabilitation of landfill sites at Riviersonderend, Villiersdorp, Botrivier, Greyton and Genadendal is also a top priority for the municipality although funding is a challenge. Public awareness and education was done at schools by an external organisation and ODM. Awareness on recycling is also done by the recyclers.

3.4.2 SOLID WASTE SERVICE DELIVERY LEVELS

Solid Waste Service Delivery Levels

Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20
				Households
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	36 492	36 492	36 492	36 492
Minimum Service Level and Above sub-total	36 492	36 492	36 492	36 492
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: **(Below minimum level)**				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total	-	-	-	-
Below Minimum Service Level percentage	-	-	-	-
Total number of households	**36 492**	**36 492**	**36 492**	**36 492**

T3.4.2

3.4.3 HOUSEHOLDS: SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	Year 2016/17	Year 2017/18	Year 2018/19	Year 2019/20		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	26 938	29 745	29 745	29 745	29 745	29 745
Households below minimum service level	–					
Proportion of households below minimum service level	-	-	-	-	-	-
Informal Settlements						
Total households	26 938	6 747	6 747	6 747	6 747	6 747
Households ts below minimum service level						
Proportion of households ts below minimum service level	-	-	-	-	-	-
						T3.4.3

3.4.4 EMPLOYEES SOLID WASTE MANAGEMENT (STREET CLEANSING)

Employees: Solid Waste Management Services (Transfer and Street Cleansing)					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	75	75	74	1	1%
4 - 6	4	4	3	1	25%
7 - 9	12	12	11	1	8%
10 - 12	4	4	4	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	95	95	92	3	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.
T3.4.5

3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

Financial Performance : Solid Waste Management Services					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(43 743)	(45 352)	(46 112)	(49 544)	7%
Expenditure:					
Employees	14,932	16,218	16,297	15,554	-5%
Repairs and Maintenance	3,429	4,131	4,012	2,001	-50%
Other	28,253	29,911	30,318	28,843	-5%
Total Operational Expenditure	46,614	50,260	50,627	46,398	-8%
Net Operational Expenditure	(622)	4,909	4,515	(3 146)	-170%
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.					T3.4.7

3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

Capital Expenditure : Solid Waste Management Services				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**11,056**	**11,393**	**11,009**	**0%**
Waste drop off	,348	,150	–	**-100%**
Waste Transfer Station	3,151	3,151	3,151	**0%**
Waste Transfer Station	2,631	2,631	2,397	**-9%**
Waste Drop-off station	3,557	3,628	3,627	**2%**
Capital - Transfer Station	1,369	1,369	1,369	**0%**
Capital - Waste drop off	–	,464	,464	**0%**
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				T3.4.9

3.4.7 COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Phase 2 of the Caledon Waste Transfer Station and Material Recovery Facilities was completed. Phase 2 of the RSE Waste Transfer Station and Material Recovery Facilities is currently under construction and should be completed by Feb 2021. Phase 3 tenders for both of the above mentioned project was advertised and closed on 11 December 2020. The tender for the Greyton Drop Off is currently being evaluated and is it envisaged that the project will be completed by 30 June 2021.

3.5 HUMAN SETTLEMENTS

3.5.1 INTRODUCTION TO HUMAN SETTLEMENTS

The Human Settlements Department of the Theewaterskloof Municipality is responsible for facilitating the development of sustainable integrated human settlements in the municipal area. This is made possible through the Human Settlements Development Grant allocated to the municipality annually. For the 2019/20 financial year R 25 980 104.18 was spent on human settlements delivery and 461 opportunities was created. Additionally, a number of projects was brought into planning and feasibility phases.

The municipal human settlements department does much more than just the delivery of housing opportunities. Throughout the year an active registration and verification programme of the Housing Demand Database is managed. This provides information on the number of people waiting on housing opportunities and demonstrates the housing demand in the municipal area. Apart from the ongoing programme the targeted Roadshow of September 2019 resulted in 2 187 persons from across the municipal area being assisted with updating, verifying or registering on the database. A great part of the programme going forward will be to reach farm workers, informal settlements and backyard dwellers.

Additionally, the department is also responsible for the administration and management of the Title Deeds Restoration Programme. The grant funding associated with this programme is aimed at expediting the eradication of the backlog in the transfer of ownership of houses in subsidy built human settlements. Theewaterskloof Municipality has a backlog of 6 133 title deeds. The backlog stems from challenges in tracing original beneficiaries and outstanding documents. During this financial year 185 transfers was concluded. The department is currently conducting verifications and signing of deed of sales in all towns and will intensify tracing activities going toward.

3.5.2 HUMAN SETTLEMENTS DELIVERY DURING 2019/20

During the 2019/20 financial year the human settlements department challenged itself by setting ambitious targets. These targets are not always tangible but ultimately contribute to the delivery of liveable neighbourhoods that are sustainable and dignified. Some of these targets are not only depicted in the municipal Service Delivery Improvement Plan but also linked to the provincial departments' annual delivery. The delivery highlight of some of the human settlement projects are illustrated below;

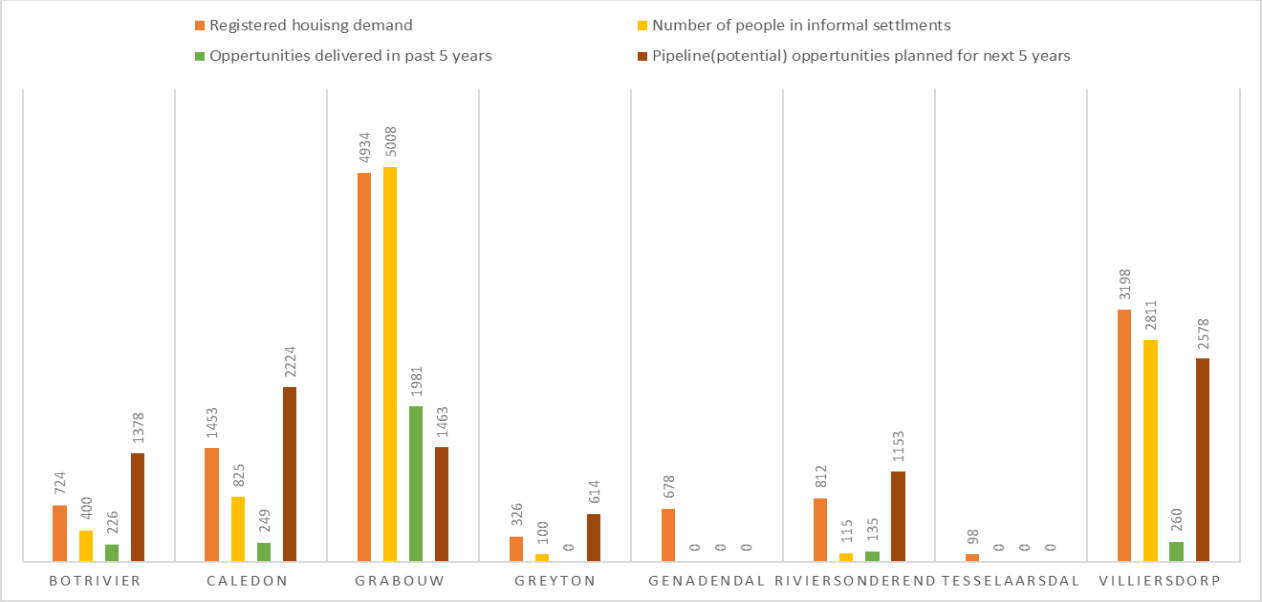
Town	Project	Delivery highlights
Botrivier	Beaumont New France Extension IRDP (Integrated Human Settlements Development Programme)	Commenced with planning activities. In May 2020 a draft lay out was circulated and is being consulted.
	Beaumont New France Extension TRA (Transitional Housing Area)	Lay out of the Transitional Housing Area was completed and a preliminary funding commitment for implementation received.
	Botrivier Community Hall	The completion was due at the end of June2020, but delayed due to the National lockdown. However the handover was concluded in late August 2020.
Caledon	Caledon Extension IRDP	Project Feasibility Application submitted. Land

	(Integrated Human Settlements Development Programme)	Use Application served at Municipal Planning Tribunal.
Grabouw	Siyanyanzela Interim Services	A contractor was appointed for the installation of interim services and at the end of the 2019/20 financial year was 80% complete with the work package.
	Rooidakke 1169 Top Structures PHP	44 top structures completed and handed over in the 2019/20 financial year.
	Grabouw Rooidakke Extension (Integrated Human Settlements Development Programme)	NGO appointed to assist with enumeration, participatory planning and community participation. Tender document drafted to be advertised in new financial year.
	Iraq 456 (ESS) Enhanced Serviced Sites (Provincial Project)	268 sites were completed and relocations to these sites activated.
	Hillside PHP (Provincial Project)	24 top structures completed during 2019/20 financial year and is pending handed over. Previously constructed 52 units was electrified.
Greyton	Erf 595 IRDP (Integrated Human Settlements Development Programme)	Approval received for increased project footprint to allow for holistic planning and phased implementation.
Riviersonderend	Joe Slovo 38 Serviced Sites	All 38 serviced sites completed. Town Office assisted with additional plots and services.
	Joe Slovo PHP 135 Top Structures	87 Top Structures completed by December 2019.
Villiersdorp	Destiny IRDP (Integrated Human Settlements Development Programme)	Project feasibility stage reached and final costing in submission. Housing Demand Database exercises intensified and ongoing.
Title Deeds Programme	All towns	185 Title Deeds transferred Land Surveyor and Town Planner appointed for production and approval of general plans for registration purposes.

HOUSING OPPORTUNITIES VS DEMAND

The latest figures reflect that the Theewaterskloof Municipality has a registered housing demand of 12 232. This is the highest demand in the Overberg District.

Managing our Housing Demand Database ensures that we understand the housing need within our communities and can accordingly plan. The chart above demonstrates the reality of the housing demand versus the delivery over the past 5 years and the future delivery/housing pipeline. The chart also shows the number of people living in informal settlments compartaive to these figures, but may be affected if persons do not indiate their current living condition/setting.



The Human Settlement Project Pipeline was approved in April 2015 and provides a list of possible projects, along with background information relating to each of the projects, that can be considered for implementation. Projects not approved on the Human Settlement Project Pipeline will not be considered for funding on the business plan. A credible pipeline speaks to availability of funding, the provision and roll out of bulk infrastructure, alignment to Socio economic opportunities, schooling, and healthcare as well as feasibility.

The housing demand or need will always exceed the rate of supply. Thus, it is a fact that without a focused and innovative approach it is impossible for the municipality or the National or Provincial departments of human settlements to deliver housing opportunities to all persons registered the housing demand database. Additionally, there must be a prioritization mechanism applied to ensure the most deserving receives an opportunity. It also means that we must do more with less and focus on the provision of the most basic services within our communities to ensure that people wait in a dignified manner while we incrementally plan and finance human settlements development.

CHALLENGES AND STRATEGY

The continued protests, along with illegal land invasions highlighted the demand for housing. This tells us that things cannot be business as usual and that a shift is needed if we are to address the various challenges that the housing sector is faced with. In this regard, key areas that will need to be addressed going forward are:

1. A radical acceleration of housing opportunities;
2. Densification;
3. Partnership development;
4. A radical implementation of innovative self-sustaining solutions; and
5. An integrated approach to human settlements, closely aligned with local economic development.

This does not mean a diversion from our other priorities as aligned to the Provincial Department of Human Settlements, as they still are:

1. Directing more resources for the Upgrading of Informal Settlements and the provision of basic services;
1. Increasing Affordable/Gap Housing; and
2. Prioritising the most deserving people in relation to the allocation of free Breaking New Ground (BNG) houses.

Furthermore, the municipality realises the dehumanising and unhealthy conditions our people live in in informal settlements and acknowledges that provision of formal houses for informal settlement residents is not moving fast enough. In this regard the municipality work hand in hand with the provincial department to realise the goals of its' Informal Settlement Support Plan (ISSP) – a transversal plan, which provides a clear roadmap on how to address the challenges faced by informal settlement residents in a systematic way, and collectively, across sector Departments.

IMPACT OF COVID-19 ON HUMAN SETTLEMENTS

Local government is at the heart of service delivery, with municipalities having to provide basic services such as water, electricity, basic infrastructure and refuse removal, making financial sustainability and good governance practices fundamental. Given the absolute scale of the Covid -19 catastrophe immersing the societies and economies of the world, it's easy to believe, and almost undoubtedly true, that in the aftermath of this pandemic will change how we do things forever.

For the housing department the initial impacts of the pandemic were felt most in the informal settlements. The pandemic exposed the need for increased access to basic services as well as intensified efforts to educate and involve our communities in the upkeep and management of informal settlements. The municipality in this regard was fortunate to receive support from the National Department in the form of water tanks. These tanks were all deployed to informal settlements and successfully installed.

Furthermore, the national lockdown undoubtedly affected delivery, as additional safety measures on sites meant at first a total standstill in many projects and later operating on a limited workforce impacting many of the targets and outputs we set out to achieve. However, against this setting much efforts were re- directed to what could be done, such as desktop work, planning reports etc.

Lastly, we recognise now more than ever, the delivery of human settlements and related opportunities should also follow a data-driven decision making methodology. We require and must manage the data sets that is often underutilised in decision-making to speak to the realities our communities face. It will require broader and meaningful citizen participation that is based on promoting transparency and open governance. For this reason, the emphasis for human settlements must be on coherent data collection, participatory planning and innovative and creative citizen engagement.

Housing Delivery

Handovers in Rooidakke Grabouw, Caledon and Riviersonderend

Interim Services Siyanyanzela

Participatory Planning Caledon and Botrivier

Housing Demand Database and Roadshow programme

Registering and verifications of the Housing Demand Database

Title Deeds Programme

3.5.3 EMPLOYEES HUMAN SETTLEMENTS

Employees: Human Settlements (Including Informal Settlements)					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
7 - 9	3	3	2	1	33%
10 - 12	8	8	7	1	13%
13 - 15	1	1	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	12	13	9	4	31%

*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.* T3.5.4

3.5.4 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(21 771)	(63 349)	(81 427)	(26 126)	-68%
Expenditure:					
Employees	5,354	5,626	6,702	5,694	-15%
Repairs and Maintenance	225	828	533	353	-34%
Other	11,287	26,706	39,589	12,142	-69%
Total Operational Expenditure	16,866	33,159	46,824	18,189	-61%
Net Operational Expenditure	(4,905)	(30,190)	(34,604)	(7,937)	-77%
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 .					T3.5.5

3.5.5 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure : Housing Services				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**38,699**	**44,680**	**16,348**	**-58%**
Capital - Low Cost Housing Project: Grabouw Hillside 348	1,000	1,000	,7	**-99%**
Capital - Grabouw Hillside Civils (Sanitation)	1,000	1,000	–	**-100%**
Capital - Grabouw Hillside Civils (Roads)	1,000	1,000	–	**-100%**
Capital - Grabouw Hillside Civils (Stormwater)	1,000	1,000	–	**-100%**
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Water)	–	1,353	1,274	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Sanitation)	–	1,353	,603	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Roads)	–	1,353	,603	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Stormwater)	–	1,353	,155	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	,250	,375	,250	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	,250	,375	,250	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	,250	,375	,250	**0%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	,250	,375	,250	**0%**
Capital Botrivier Community Hall SEF	–	3,897	3,645	**0%**
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Water	,500	,614	,580	**16%**
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Sanitation	,500	,614	,580	**16%**
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Roads	,500	,614	,571	**14%**
Capital - Low Cost Housing Project:	,500	,614	,611	**22%**

Grabouw Siyayanzela - Stormwater				
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Water	1,875	1,875	,337	**-82%**
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Sanitation	1,875	1,875	–	**-100%**
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Roads	1,875	1,875	–	**-100%**
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Stormwater	1,875	1,875	,15	**-99%**
Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition	2,000	,440	1,070	**-46%**
Capital - Low Cost Housing: Riviersonderend 72 Sites - Water	,750	,750	,348	**-54%**
Capital - Low Cost Housing: Riviersonderend 72 Sites - Sanitation	,750	,750	,104	**-86%**
Capital - Low Cost Housing: Riviersonderend 72 Sites - Roads	,750	,750	–	**-100%**
Capital - Low Cost Housing: Riviersonderend 72 Sites - Stormwater	,750	,750	–	**-100%**
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Water	,500	,500	–	**-100%**
Capital - Low Cost Housing: Villiersdorp Destiny Farm - Sanitation	,500	,500	–	**-100%**
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Roads	,500	,500	–	**-100%**
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Stormwater	,500	,500	–	**-100%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Water	3,945	3,195	2,967	**-25%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Sanitation	3,945	3,195	,952	**-76%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Roads	3,945	3,195	,784	**-80%**
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Stormwater	3,945	2,695	(250)	**-106%**
Capital - Low Cost Housing Project: Caledon Riemvasmaak Planning	1,000	1,652	,289	**-71%**
Capital - Low Cost Housing Project: Greyton Erf 595 Planning	,419	,419	,101	**-76%**
Machinery and Equipment (New)	–	,120	–	**0%**
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				

3.5.6 COMMENT ON HOUSING SERVICE PERFORMANCE OVERALL

Generally, all the housing projects in both planning and implementation has severely been affected by the Covid-19 pandemic and the resultant lockdown restrictions/regulations on construction activities. All projects had to be placed on limited operational capacity to ensure compliance with health and safety regulations and as a result spending was very slow and in some cases even stagnant.

There are also many project specific factors and context that has impacted on the spending related to housing and these are outlined below.

Hillside Civils - This project could not commence as the tender in still in draft. The primary reason for the delay in this process has been since many site specific issue was identified that impacts on the cost of the project. These all need to quantified and factored into the process. Additionally, this project precedes the top structure project.

Siyanyazela - Apart for the delays caused by limited capacity on site (regulated) the project also experienced delays in the form of safety issues (loss and theft of equipment) and sensitive community dynamics that had to be resolved before work could commence. Due to this spending was not on track and resulted in delays.

Grabouw Waterworks: Beverley Hills – this site has been invaded and after numerous failed attempts to successfully relocate the invaders the project could not commence as planned. It has been discussed and resolved that this project must be relooked; a process that will form part of the Greater Grabouw (7000) project.

Botrivier Beaumont Land acquisition – The land acquisition has been concluded. The funding refers to the planning activities for the housing development project. As already alluded to planning project has been delayed, however a ream has been appointed and a working on planned deliverables that will improve the spending pattern for this project.

Riviersonderend 72 Sites - This is a PHP project and there was a delay in the appointment of a committee elected contractor, this has since been resolved and a contractor has been appointed to complete the remainder of the units.

Villiersdorp Destiny Farm – This project is in an advanced stage of planning and certain portion is implementation ready. The primary delay in spending has been that the implementation application is undergoing scrutiny in respect of cost, engineering and designs. This is part of an important step before implementation can be operationalised.

Grabouw Rooidakke Exten Iraq - Continuous spending in this project does occur but since the project is managed and paid at province it does not reflect.

Caledon Riemvasmaak Planning - The planning and spending has been delayed due to the environmental authorisation public participation plan that was set as a requirement.

Greyton Erf 595 Planning – The project footprint has been expanded to insure more coherent planning - as a result the contracts of all service providers had to be changed. This has caused some delays as proper processes in this must be followed.

In respect of the Title Deeds Project aimed at appointing attorneys for the transferring of historic low cost houses into the names of the beneficiaries many delays had impacted negatively on the spending and progress. Firstly, there is still a number 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 were the municipality is the land owner, town planning approvals lapsed and general plans were not registered this also has in impact on the spending. The municipality has appointed a town planner and a land surveyor to address these issues in order to ensure that the transfer pertaining can be expedited. The municipality also intends to embark on a major tracing project to trace beneficiaries and conclude transfers.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The objective of the Theewaterskloof Municipality is to ensure that the procedures and guidelines, regarding indigent and poor household subsidies, are known to all. This is done by having permanent offices in different areas where applications for a subsidy can be made with the assistance of a person in charge of the office.

During the Covid-19 period expired subsidies were rolled over automatically. In other words no subsidies expired.

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.

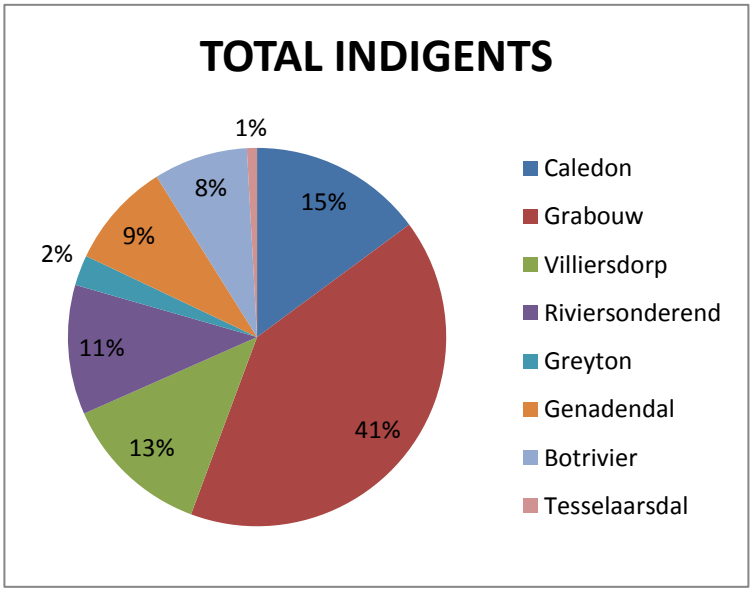
- **Targeting through lack of credit control:** in this case consumers of the service are billed but there is inadequate follow up to ensure payment. This non-sustainable approach is unfortunately widely applied, particularly in low cost housing areas where poverty prevail and lack of credit control 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
- 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
- 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; and
- An application on the prescribed form, fully completed with the required Information and signed, must be provided.

TOWN	TOTAL INDIGENTS	DEEMED
Caledon	808	49
Grabouw	2 218	644
Villiersdorp	690	19
Riviersonderend	602	51
Greyton	141	7
Genadendal	492	226
Botrivier	437	227
Tesselaarsdal	47	14
TOTALS	**5 435**	**1 237**



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 3 200 per month (Registered Indigents)								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2017/18	33 097	5372	2391	45%	4097	76%	2076	39%	4163	77%
2018/19	33 899	5519	5473	99%	5370	97%	2258	41%	5431	98%
2019/20	34 610	5435	5252	97%	5299	97%	2373	44%	5354	99%

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	2018/19	2019/20			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	4,997	5,377	6,900	6,927	0%
Waste Water (Sanitation)	9,538	8,240	10,073	10,139	1%
Electricity	2,995	2,402	2,402	3,316	38%
Waste Management (Solid Waste)	10,863	9,262	11,500	11,473	0%
Total	**28,393**	**25,281**	**30,875**	**31,856**	**3%**
					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.

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**

2019/2020 INDIGENT COST

Indigent			
Services	**Tariff**	**Equitable Share Allocation**	**Total Cost per Indigent**
Sewerage	183.60	101.32	82.28
Water	200.70	134.87	65.83
Electricity (70 free units)	151.90	87.48	64.42
Refuse	206.40	84.94	121.46
Total Cost per Indigent	**742.60**	**408.61**	**333.99**

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 R 333, 99 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 28,393 m to 31,856 m in 2019/20.

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

3.7.1 INTRODUCTION TO ROADS

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.

Roads that have been upgraded from gravel (with no storm water infrastructure) to a paved/surfaced road with drainage facilities are;

Capital - Beverly hills: reinstatement of Bos Street road surface	Grabouw	Roads	Loans	500 000
Capital - Upgrading of Streets - Grabouw - Beverly Hills	Grabouw	Roads	Capital out of Revenue	1 066 000
Capital - Grabouw pick up and drop off zone	Grabouw	Roads	SANRAL	4 310 998
Capital - Upgrade Disa Street	Riviersonderend	Roads	MIG	430 627
			Capital out of Revenue	221 547
Capital - Upgrading of De LA Vigne - Riviersonderend	Riviersonderend	Roads	Capital out of Revenue	2 021 567
Capital - Roads & SW upgrade - Rose Crescent	Botrivier	Roads	MIG	782 609
			Capital out of Revenue	521 739

3.7.2 GRAVEL ROAD INFRASTRUCTURE

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2016/17	93.30	0.00	1.50	98.30
Year 2017/18	91.80	2.20	0.30	100.30
Year 2018/19	93.70	0.00	0.00	103.30
Year 2019/20	93.70	0.00	1.50	103.30
				T3.7.2

3.7.3 TARRED ROAD INFRASTRUCTURE

Asphalt Road Infrastructure					
					Kilometres
	Total tarred roads	**New tar roads**	**Existing tar roads re-tarred**	**Existing tar roads re-sheeted**	**Tar roads maintained**
2016/17	164	1.50	0.00	0.00	operations
2017/18	164.03	0.30	0.00	0.00	operations
2018/19	164.30	0.00	0.20	0.00	operations
2019/20	164.30	0.00	1.50	0.00	operations
					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**
2016/17	0	0	operations	2500	0	operations
2017/18	0	620	operations	0	0	operations
2018/19	no budget operational budget applies	no budget operational budget applies	operations	no budget operational budget applies	no budget operational budget applies	operations
2019/20	no budget operational budget applies	no budget operational budget applies	operations	no budget operational budget applies	no budget operational budget applies	operations
						T3.7.4

3.7.5 EMPLOYEES: ROAD SERVICES

Employees: Road Services (Streets and Storm water) - including building maintenance					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	48	48	45	3	6%
4 - 6	14	14	12	2	14%
7 - 9	10	10	9	1	10%
10 - 12	9	9	8	1	11%
13 - 15	5	5	5	0	0%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	88	88	81	7	8%

*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*

3.7.6 FINANCIAL PERFORMANCE: ROAD SERVICES

Financial Performance : Road Services					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(7 041)	(11 063)	(7 379)	(5 826)	-21%
Expenditure:					
Employees	17,757	20,369	19,395	18,723	-3%
Repairs and Maintenance	,721	2,090	1,816	,910	-50%
Other	13,373	13,993	13,325	12,022	-10%
Total Operational Expenditure	31,851	36,452	34,537	31,655	-8%
Net Operational Expenditure	24,810	25,389	27,157	25,829	-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 .					T3.7.8

3.7.7 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Expenditure: Road Services				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**16 398**	**1 233**	**1 515**	**-91%**
roads & SW upgrade	783	783	783	**0%**
roads & SW upgrade	522	–	3	**-99%**
Upgrade Disa Street	431	430	416	**-3%**
Upgrade Disa Street	222	–	190	**-14%**
Beverly hills: reinstatement of Bos Street road surface	500	20	3	**-99%**
Upgrading of Streets - Grabouw	1 066	–	-	**-100%**
Upgrading of Streets - Riviersonderend	2 022	–	22	**-99%**
Grabouw Pick up and Drop off zone	4 311	–	-	**-100%**
Capital - Grabouw traffic Department	6 542	–	97	**-99%**
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. **T3.7.9**				

3.7.8 COMMENT ON ROAD MANAGEMENT SERVICE PERFORMANCE OVERALL

Roads & SW upgrade - Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 222 415.08.

Upgrade Disa Street- Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council.

Beverly Hills: reinstatement of Bos Street road surface- Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 335 608.27.

Upgrading of Streets – Grabouw - Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 509 288.12.

Upgrading of Streets – Riviersonderend - Due to covid-19 pandemic and national lockdowns the project was put on hold and could the funding not be spent by June 2020. Funding has been rolled-over to 20/21 financial year as approved by council. Current available budget R 1 551 535.00 (tender for materials to be awarded).

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, Bersgig 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.

3.9.2 STORMWATER INFRASTRUCTURE

Stormwater Infrastructure				
				Kilometres
	Total Stormwater measures	**New stormwater measures**	**Stormwater measures upgraded**	**Stormwater measures maintained**
2016/17	163	2.00	1.0	operations
2017/18	165	0.0	0.3	operations
2018/19	165	0	0	operations
2019/20	165.20	0.2	0	operations
				T3.9.2

3.9.3 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	**Upgraded**	**Maintained**
2016/17	100	0	operations
2017/18	0	300.0	operations
2018/19	0	0	operations
2019/20	200	0	operations
			T3.9.3

3.9.4 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.

Council approved a final, single land use scheme for the whole of the municipal area, in accordance with the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) in June 2020. Following the approval, the document will be published in the Provincial Gazette and implemented in the 2020/2021 financial year.

The municipality was 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). Following the appointment of a service provider, the required processes in terms of the applicable legislation was completed. A final document was presented to Council in December 2019. The document was in principle accepted by Council and was finally adopted, along with the Integrated Development Plan in May 2020.

Following the national lockdown as a result of the COVID-19 pandemic, the functioning of the section was greatly hampered. Town planning, building control and GIS services are not regarded as essential municipal services. The employees of the section were therefore not allowed to be at the office during the lockdown period. This has resulted in a number of KPI's that were revised, taking into consideration the limited operations of the department.

However, the necessary interventions have been identified and implemented to ensure that the department functions normally following the lockdown period.

3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development									
Planning applications finalised	**Departure**	**Consent use**	**Rezoning**	**Subdivision**	**ROR**	**Permission ito zoning scheme**	**Amendment of conditions of approval**	**Occasional land use**	**Consolidation**
July 2019	6	2	1	-	-	1	1	-	-
August 2019	3	1	3	-	-	-	-	-	-
September 2019	7	2	-	-	-	-	1	1	-
October 2019	2	3	1	-	-	-	-	-	-
November 2019	5	5	3	1	-	-	-	-	-
December 2019	4	2	1	-	-	-	-	-	-
January 2020	2	1	1	1	1	-	-	-	1
February 2020	1	1	1	-	-	-	-	-	-

March 2020	4	6	2	3	-	-	-	-	1
April 2020	-	-	-	-	-	-	-	-	-
May 2020	-	-	-	-	-	-	-	-	-
June 2020	4	1	1	2	-	-	-	-	-

T 3.10.2

Planning Policy Objectives									
Service Objectives	**Outline service targets**	**2017/2018**		**2018/2019**		**2019/2020**		**2020/2021**	
		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%	50%	54%	85%	-
	Process land use applications within 60 days (delegated official) after receipt of all outstanding and relevant information and documents.	100%	66%	85%	96%	50%	58%	85%	-
	Process land use applications within 120 days (MPT) after receipt of all outstanding and relevant information and documents.	100%	85%	85%	100%	60%	66%	85%	-

T 3.10.3

3.10.3 EMPLOYEES: PLANNING SERVICES

Employees: Planning Services (Building Control)					
Job Level	**2018/2019**	**YEAR 2019/2020**			
	Employees	**Posts**	**Employees**	**Vacancies (Budgeted)**	**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	3	3	5	0	0%
10 - 12	4	4	3	1	25%
13 - 15	3	3	3	0	0%
16 - 18	1	2	1	1	50%
19 - 20	0	0	0	0	0%
Total	11	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	2018/2019	YEAR 2019/2020			
	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	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	3	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	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(2 746)	(2 728)	(2 828)	(2 367)	-16%
Expenditure:					
Employees	8,794	10,242	10,130	8,994	-11%
Repairs and Maintenance	11	–	–	–	0
Other	2,473	3 430	3 801	3,353	-12%
Total Operational Expenditure	11,278	13,671	13,931	12,348	-11%
Net Operational Expenditure	7,082	10,943	11,103	9,981	-10%
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 .					T3.10.5

3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure : Planning Services				
				R' 000
Capital Projects	2019/2020			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	200	200	39	-81%
Capital - Construction of new Public Toilets in CBD	200	200	39	-81%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. **T3.10.6**				

3.10.6 COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

The 16% variance on the operating revenue can be attributed to the hard lockdown that we experienced during the 2019/2020 financial year. Town Planning was not regarded as an essential service and therefore the offices were closed during this period. We were therefore not in a position to receive any new land use applications for this period in time. Subsequently no application fees could be charged for submitted applications during this period, resulting in the loss in income as reflected in the table.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

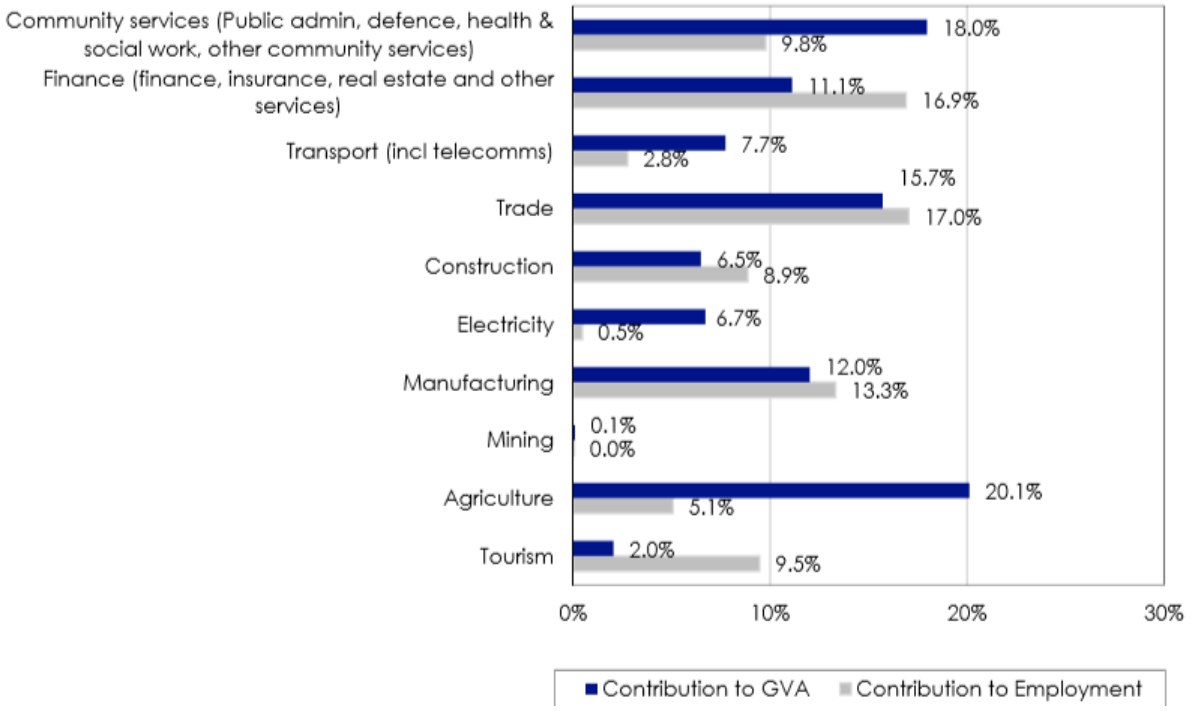
3.11.1 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

The COVID-19 crisis is having a deep effect on local governance and government, around the world, with no exception of Theewaterskloof Local Municipality. This combined health and economic crisis has a profound effect on the local governance structures and local democracies.

IMPACT OF COVID-19 LOCKDOWN ON THE LOCAL ECONOMY 2.1 2019 GVA and Employment CONTRIBUTIONS

GVA provides a picture of the state of economic activity from the producers' side or supply side, while the GDP gives the picture from the consumers' side or demand perspective. Both measures need not match because of the difference in treatment of net taxes. GVA is GDP in addition to subsidies on products, less taxes on products. A sectoral breakdown provided by the GVA measure can better equip policymakers to decide which sectors need incentives/stimulus. The figure below illustrates the breakdown of the sectors' contribution to the GDPR and the employment base of the Theewaterskloof municipal area.

Figure 1 Theewaterskloof Municipality: Sectoral GVA and employment contribution, 2019

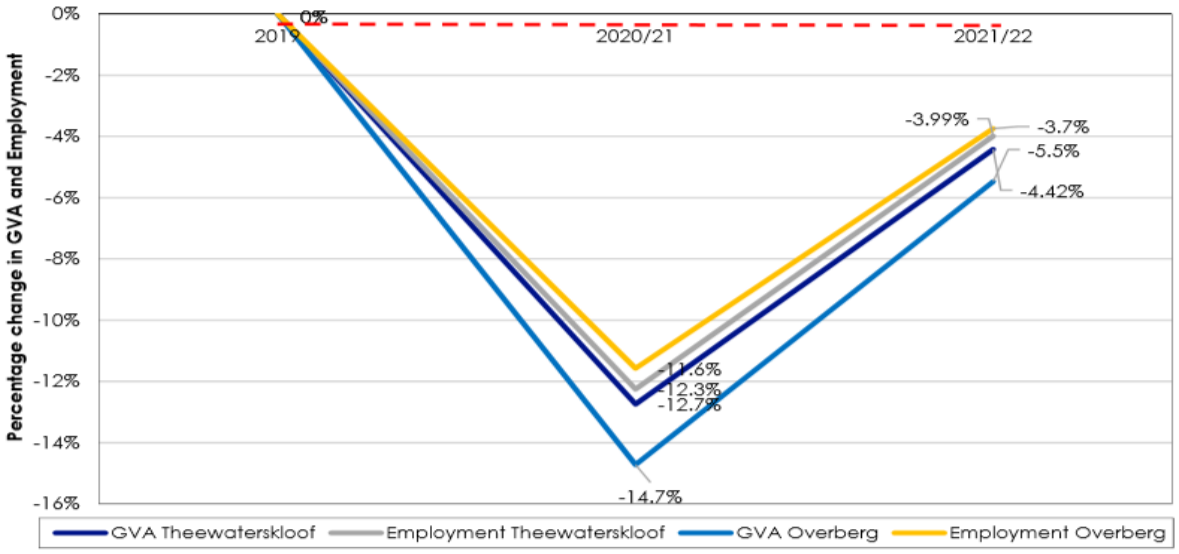


The economy of the Theewaterskloof municipal area is driven by the agriculture, community services and trade sectors, which accounted for 20.1 per cent, 18.0 per cent and 15.7 per cent of GVA in 2019 respectively. The trade sector is the third biggest contributor to GVA, but the predominant contributor of employment in the region – 17.0 per cent of all employment in the region is concentrated in this sector. This is followed by the finance sector (16.9 per cent) and manufacturing sector (13.3 per cent). Whilst being one of the biggest contributors to GVA, the agriculture sector only contributes 5.1 per cent to employment.

Sectors that are more labour intensive have a relatively larger socio-economic impact when confronted with adverse economic conditions. Job losses in such sectors negatively affect the income of the employees, which has the knock-on effect of lower demand for goods and services produced across all sectors. Furthermore, strong linkages in activities between sectors result in multiple sectors being affected when any one sector is shut down or when economic activity is limited.

The overall anticipated impact of the lockdown and consequent easing of restrictions on the Theewaterskloof Municipality and Overberg District (OD) economies and employment is reflected in the figure below.

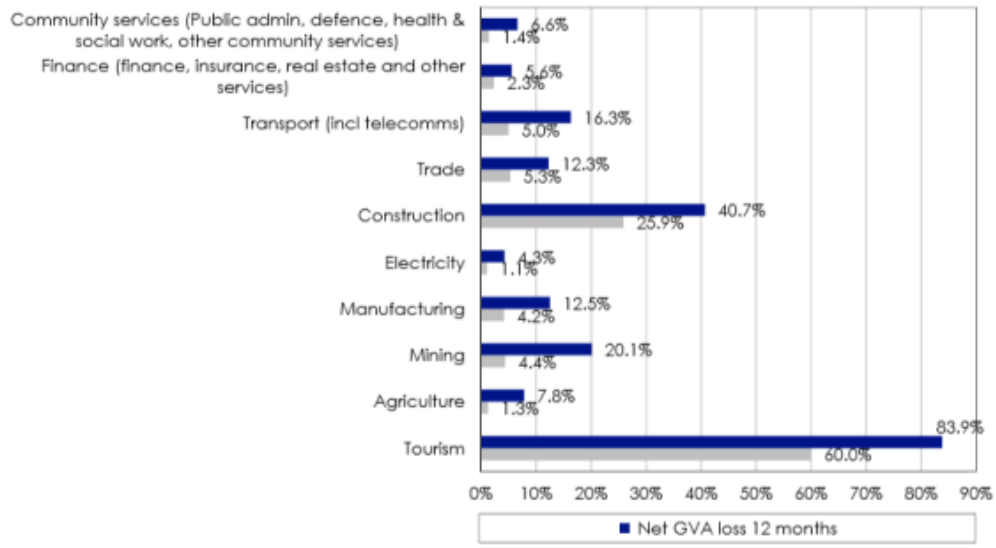
Figure 2 GVA and Employment forecast



The OD economy is projected to experience a larger contraction of 14.7 per cent in the first-year post lockdown, with employment falling (in total by 11.6 per cent cent) by a slightly smaller percentage than that of the Theewaterskloof local economy. The District's economic recovery in the second-year post lockdown is projected to be slightly weaker than that of Theewaterskloof District employment also sees employment still 3.7 per cent lower than its 2019 figure. 3.1 Sectoral impact

The sectors where GVA will be hardest hit by the lockdown restrictions over the initial 12-month period is tourism (83.9 per cent), construction (40.7 per cent), mining (20.2 per cent) and transport and telecoms (16.3 per cent). In terms of employment, the majority of job losses will come from the tourism (60.0 per cent), construction (25.9 per cent) and the informal sector (12.7 per cent).

Figure 3 Theewaterskloof Municipality: Net Employment and GVA losses within one-year post-lockdown



Source: Western Cape Department of Economic Development and Tourism, 2020; own calculations

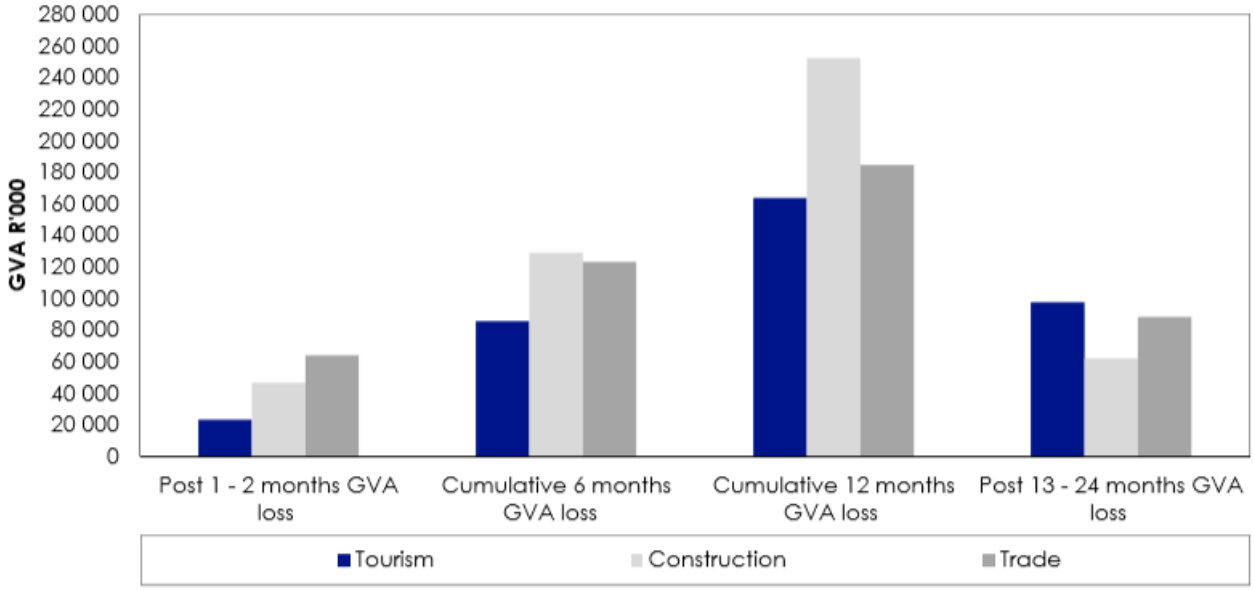
Below is a brief analysis of a few key affected sectors within the Theewaterskloof economy. See Annexure A for a detailed breakdown of the effects of the lockdown on GVA and employment. Impact on Gross Value Added (GVA) and Employment.

Overall, it is estimated that in the first 2 months of the lockdown, total GVA output will decline by 3.7 per cent. For months 3 – 6 months, an additional 4.6 per cent decline is expected and within 7 - 12 months post-lockdown, an additional 4.5 per cent decline. This brings the total economic decline for the 12-month post-lockdown period at 12.7 per cent. In months 13 – 24 post - lockdown, GVA will still be 4.4 per cent lower than its 2019 pre-lockdown level.

The larger sectors will all see double digit declines 12-months after lockdown, with construction and manufacturing declining by 40.7 per cent and 12.5 per cent respectively in the 12-month post - lockdown period. Other relatively small sectors which will take significant knocks include the transport (16.3 per cent), tourism (83.9 per cent) and mining (20.1 per cent) sectors.

In terms of employment, it is estimated that within the first 2 months of the lockdown, total employment will decline by 2.5 per cent. For 3 – 6 months, the decline will be an additional 4.7 per cent and in months 7 - 12 post - lockdown, it is likely to result in a further decline of 5.1 per cent in employment. Overall, employment is estimated to fall by 12.3 per cent within the 12 months post - lockdown. In months 13 – 24 post - lockdown, employment will still be 4.0 per cent lower than its 2019 level.

Figure 4 Theewaterskloof Municipality: Sectoral Analysis and forecast scenarios for GVA



Source: Western Cape Department of Economic Development and Tourism, 2020; own calculations

There is likely to be lesser proportional impact on the high employment sectors (finance, manufacturing and community services) relative to the number of persons in these sectors in the Theewaterskloof area. The largest job losses expected within 12-months after lockdown are in the tourism, construction and informal sectors.

TOURISM

The tourism industry will be the hardest hit by COVID-19 and its associated restrictions as travel bans and social distancing negatively impact on people's ability travel and visit tourist destinations. People are likely to also remain cautious in the months to come, which could see

this sector make a slower recovery than others. Although the tourism sector has a small (2.0 per cent) contribution to total 2019 GVA, a large proportion of the GVA of this sector is projected to have been wiped out within 12 months after lockdown, with considerable losses for employment. Within 13 – 24 months after lockdown, most sectors would have in large part regained losses suffered in the first-year post-lockdown; tourism being the exception, estimated to have recovered to only approximately 50 per cent of its 2019 GVA value.

The impact on employment for this sector which employs only 9.5 per cent of Theewaterskloof's 2019 workforce is also severe, with 60.0 per cent (2 718) of workers in this sector losing their jobs within one year from lockdown. It is encouraging that in the second year after lockdown, there is likely to be substantial recovery however still falling significantly (24 per cent) short of its 2019 employment figure. This indicates a long and slow recovery for this sector and its employment prospects.

Construction

After tourism, the construction industry is estimated to be the hardest hit by the effects of the lock down restrictions. This stems from the inability of the construction industry to operate during the initial lock down period. Demand for construction activities is also likely to decline when COVID-related stimulus and reduced government revenues will lead to lessened spending on infrastructure going forward. This is particularly concerning as infrastructure is seen as an economic enabler.

Theewaterskloof's construction sector is projected to take a 40.7 per cent (R252.255 million) dive in the 12-month post-lockdown period. Recovery in this sector is expected in the 13 - 24 months post - lockdown period, bring the shortfall to 10 per cent of its 2019 GVA sectoral value.

CONSTRUCTION

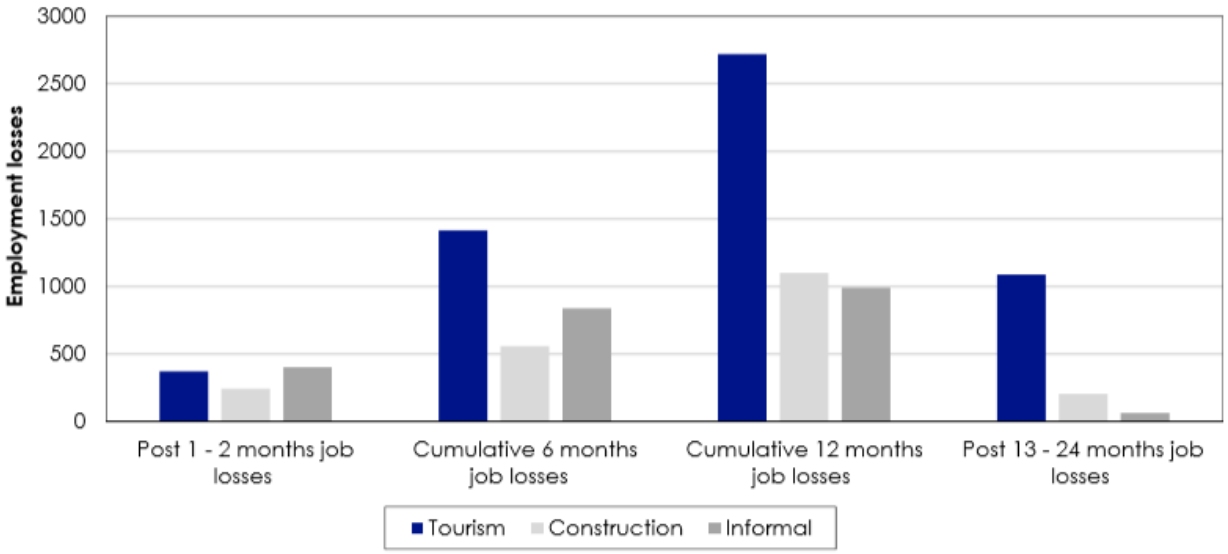
The construction sector, which makes up 8.9 per cent of total Theewaterskloof employment is expected to lose 25.9 per cent (or 1 099) of jobs within 12 months after lockdown, but is likely to recover within 13 – 24 months of the lockdown, but still leaves this sector with a 4.8 per cent employment shortfall compared to its 2019 pre-lockdown employment figure.

TRADE

The trade sector (wholesale and retail trade, catering and accommodation) is a key contributing sector contributing (contribution of 15.7 per cent of 2019 GVA) to the Theewaterskloof local economy. This sector suffered significantly under the COVID-19 imposed restrictions, with non-essential retailers having to close down operations during the hard lock-down and catering and accommodation also severely impacted, even as economic easing has come into play. Losses in household income further reduces the demand for this sector's goods and services.

The impact of COVID-19 and its related restrictions is expected to strip R184.466 million off this sector within the 12- month post lockdown period. The loss presents a 12.3 per cent contraction to this key sector in terms of GVA in the local economy. Although there is some recovery in the 13 - 24 months post lockdown, it is still forecasted to fall 5.9 per cent (or R88.242 million) short of its 2019 GVA level. Employment losses for this sector are estimated in the region of 434 or 5.3 per cent for the 12-month period, with recovery in the 13 - 24 months' economic recovery period bringing employment losses to 2.7 per cent (218) in comparison with its 2019 employment level

Figure 5 Theewaterskloof Municipality: Sectoral Analysis and forecast scenarios for Employment



Source: Western Cape Department of Economic Development and Tourism, 2020; own calculations

INFORMAL SECTOR

Employment in the informal sector provides some alternative to the limited opportunities available in the formal sector. However, informal sector work is often a survivalist strategy that assists those who are often unable to find formal sector employment with some income.

Within Theewaterskloof, the informal sector provides employment to 16.3 per cent of the workforce. It is expected that this sector will register a 12.7 per cent (991 jobs) decline in this sector's jobs within one year after lockdown. The impact of the losses on this largely financially vulnerable group may require some intervention to keep these households afloat for a period, until such time where they could regain some income. Most of these jobs lost is likely to be recovered within the 13 – 24 months post lockdown, registering 0.8 per cent (62) less jobs than the sector's 2019 employment figure. 3.2 COVID-19: Revenue implications.

The knock-on effect of the lockdown measures and general subdued restrictions placed on the regional economy will place a massive strain on municipal finances.

To explicitly link the core revenue stream of a municipality to the overall economic performance of a region is best captured through the economic implications (sector performance and employment prospects) of expansion/contraction of GVA and anticipated consumption of municipal services. This implies that as disposable incomes decline across a specific region, the knock-on effect will be absorbed by lower than normal demand for basic services (although there will be increase during the lock down as citizens are confined to their homes), an increase in the number of households that need to be subsidized with free basic services, and an increase in households that are unable to pay for property rates and services consumed.

For Theewaterskloof Municipality, service charges make-up approximately 62.2 per cent of total revenue for 2020/21 (draft budget), with electricity revenue accounting for 42.1 per cent of this bundle of services. Given the shutdown of industrial activity, especially in the sectors of manufacturing, construction and trade, the overall consumption of this key line item (electricity and to a lesser extent water) is sure to constrain municipal finances in the short-term with annual projections severely impacted in this regard.

The Municipality will operate in a fiscally constrained environment over the medium term. The Municipality, together with other spheres of Government, should however balance sustainable budgeting with the provision of quality services, supporting economic activity and providing alleviation for those living in poverty.

CONCLUSION

In closing, the COVID-19 pandemic is simultaneously a health crisis and a far-reaching global economic crisis. As per the information presented above, the short-term impact on the Theewaterskloof local economy is likely to be harsh, with significant declines in both GVA and employment and with a lengthy recovery period.

The general recessionary and high unemployment environment which existed pre-COVID has further been hit hard by interlocking shocks to supply and demand. The immediate priority is to, as far as possible, support economic activity and alleviate hardship.

2019/2020 LED PERFORMANCE

Enterprise Development, which focusses on

- **Enterprise Development Initiative**

The objectives of this initiative is to provide ongoing business support and development services (e.g. Business Registration, compliance, Business training, Mentoring & Coaching, etc.) to the whole TWK region across all sectors/industries. Building partnerships with enterprise development agencies such as SEDA, NYDA, DTI, DRDLR, etc. to leverage support and implementation of their services to entrepreneurs in the Theewaterskloof region.

INITIAIVE	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Provide Business Support Development Services To Local New & Existing SMME's	• Assist through providers support critical to small businesses.	• Assist with Business Compliance (Registration & Certification), Business Advisory services.	• 80 Local SMME's Assisted (4x Business registration, 2x BBBEE Certification, 26x business advisory support • 13x youth entrepreneurs (investment opportunity via NYDA)

- **Youth Entrepreneurship and Development**

The Biggest Deal Youth Entrepreneurship competition has been implemented and this year has been the sixth year, since its inception in 2013. This initiative is a result of the twin town cooperation between Tyresö Municipality and Theewaterskloof Municipality with the objectives to encourage mutual learning, cooperation and development that will affect the lives of youth.

The Biggest Deal Challenge, calls for youngsters between the age of 14-18 to mobilise themselves into teams and register in the challenge. Teams are to operate and complete in series of activities in a real business environment and while doing so, build up stamina and creativity towards formalising a business idea. The business idea generated has to be

implemented during the last stage of the challenge where the team will be required to generate profit. The team with the highest profit wins the challenge.

The competition spans over the June/July Holidays and targets kids ages from 14-18 years of age. Participants are required to organize themselves into teams, with minimum three (3) and max of six (6) players. Each team is to give themselves a name and enter under the team's name.

The 2019 Biggest Deal Challenge kicked off on 06 June 2019, with a mayoral cocktail event for local businesses. The objective of the cocktail was to solicit business as sponsors for the biggest deal through financial and non-financial contributions e.g. act as mentors to the students. In total hundred (100) local businesses was invited and fifty-five (55) attended the cocktail. As part of the Biggest Deal launch 2019, a radio interview was scheduled on 16 June 2019 on Caledon FM to explain the concept of Biggest Deal and to encourage local learners to enter the Biggest Deal Youth Entrepreneurship Competition for 2019.

Learners from the various schools in TWK on Induction Day, 23 July 2019 at Victoria Hall

In 2019, 29 teams entered the Biggest Deal Competition, whereby 15 teams completed the competition. This was the highest number of which entries since the previous years and teams which completed the competition. This final closeout stage of the Biggest Deal 2019

Competition was concluded with a prize giving ceremony, co-funded by Provincial Government: Department of Economic Development and Tourism.

The winning categories were as follow:

1st Place	**Fantastic Four**	**Grabouw High School**	**R10 000**
2nd Place	Sweet Cake Whisper	De Rust Futura	R 6 000
03rd Place	Young Diverse Entrepreneurs	De Villiers Graaff	R 4 000

The fact that over 30 local and Province wide corporates and private sector partners have actively become involved in this initiative over the past 4 years proves that the concept is an attractive one and suited for replication.

The program will be reviewed in the new financial year. Although it is, a concept that works the length of the program is very demanding on the TWK staff, teachers and mentors. The fact that fifteen teams out of the 26 that have completed, is a reflection of the commitment and capacity required.

The length of the program will be addressed in 2020, as well as the concept. More input will be given to the winning ideas over a period of time to measure the sustainability of those businesses.

- **Economic Development Stakeholder Engagements & Consultations**

The objective is to establish a strong partnership with the public and private sector and involve these key stakeholders in the consultation and implementation process. This will allow for better planning and implementation of various economic development initiatives within the Theewaterskloof Municipal Area.

Collectively 7 engagement and consultation sessions has been held

- An engagement session with SEDA on making their business development services more widely available and accessible to local entrepreneurs. Various joint initiatives was discussed including hosting of business support roadshows within the TWK region, available office of facility spaces for SEDA business advisors within the region and signing of a service level agreement between the municipality and SEDA outlining goals and objectives as well as roles and responsibilities.

- An engagement session was held by the LED department with CIDB and department of public work regarding the establishment of a contractor development programme: The objectives are to increase the number of black, women, disabled and youth owned companies in the construction industry. Improve the grading status. Improve the performance of previously disadvantage contractors. Improve the business management and technical skills of these contractors and labour. Use our SCM policy and processes to develop local contractors and make local enterprises more

11 tydskrifte • 35 koerante

Theewaterskloof & Kaap Agulhas

Gazette

15 teams win Biggest Deal

competitive against outside businesses.The status to date is that a number of stakeholder sessions has been held with local contractors, internal departments and government departments to determine the status quo of local contractors and establish a SWOT analysis. This initiative is currently in its concept phase and consultation regarding this programme continues. A workshop with internal departments, government departments as well as support agencies were planned for 24 March 2020 in Caledon. The objective of this session was to get more support form department and agencies as well as establish a proposed implementation plan moving forward. Due to the COVID pandemic all workshops was postponed.

- An engagement session was held by TWK municipality with ASLA and department of human settlement to discuss training and business opportunities within the destiny farm housing project. The LED department was task to recruit unemployed youth and to provide a list of SMME's that could take part in the sub-contracting of the development. The department provided recruited 30 young people interested in taken part in the skills development initiative that the department of human settlement would have provided. Currently this initiative is still pending on the side of ASLA and department of human settlement.

- Two stakeholder engagement sessions was held with Department of Rural Development and Land Reform as well as WCDoA. Regarding strengthening the relationship between the municipality and these two departments. In order to provide better support to small farmers in the Theewaterskloof area. These departments committed to improve communication with the municipality and to have regular sessions on areas of collaboration.

- Internal and external sessions where held with relevant departments within the municipality and informal traders regarding the informal trading development initiative. The objectives are to improve the informal trading sector in the TWK area. Provide trading facilities that enable informal traders to be economically active and empowered. Increase tourism activities. Provide business development services to informal traders. The status to date is that the LED department has reviewed the informal trading policy and management framework in consultation with the town managers, town planning department and public safety. It was recommended that the informal trading application process be taken over by the LED department and provide business development support as well. LED department is proposing to add additional trading spaces for the increase demand in the Theewaterskloof region. Through consultation with informal traders. It has been determined that there is a need for more informal trading spaces or expand existing ones.

- A consultation session was held with the informal traders, the Villiersdorp Taxi Association and VPUU. This is with regards to development of the Villiersdorp market upgrade and taxi rank. VPUU presented the draft layout of the project to the stakeholders and get final approval. These stakeholders has expressed their dissatisfaction with the layout plans and consultation process and requested amendments to the proposed plans. The municipality is still awaiting feedback from VPUU regarding this in order to move forward.

INITIATIVE	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Establish strong partnerships and consultation opportunities for	• Build relationships & Partnerships with government support agencies	• Number engagement sessions on partnerships	• 4 x Sessions (1 x SEDA & 1 x NDPW/CIDB, 1 x ASLA & WCDoHS, 1 x DRDLR)

next and existing economic development initiatives	& departments. • Build relationships with private sector and create consultation opportunities.	• Number of engagement and consultation sessions	• 3 x Sessions (1 x Grabouw Construction Forum, 1 x informal traders, 1 x VPUU & Villiersdorp Taxi Assoc.)

- **Economic Empowerment & Training Opportunities**

Part of the department's efforts to enhance the local economic and empower the local labour force and businesses is to create and facilitate economic empowerment and training opportunities. Information and training sessions is vital to uplift and empower small businesses and unemployed people.

Two opportunities were facilitated in quarter three. An outreach session that was held in Villiersdorp for local SMME's and a training opportunity for youth from Theewaterskloof, hosted by ASLA with the LED department recruiting unemployed youth for this opportunity. Learners took part in a two week arts and crafts training opportunity in Cape Town. 12 young people were recruited from various towns in Theewaterskloof including Caledon, Grabouw, Riviersonderend and Genadendal.

STRATEGY	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Create and facilitate opportunities that uplift and empower role-players in the local economy	• Provide and facilitate training and information sharing opportunities	• Number of training and information sharing sessions	• 2 x session (1x Villiersdorp Outreach & 1 x youth training opportunity)

INFORMAL TRADING MANAGEMENT

The informal trading function was moved to the LED Department in the second half of the financial year (February 2020), whereby the department is in a process of collating information on current informal traders.

Revised the informal trading permit system, by-law and policy. Currently piloting the revitalisation of the Donkin Square Informal trading area. Consultation with town managers to establish status quo of informal trading per town and through this develop an informal trading management plan per town. Revised allocation criteria and investigation into feasible tariffs for informal traders.

- **Contractor Development Programme**

In collaboration with national, provincial departments, CIDB, the housing department and SCM, the department had preliminary consultations on the development of a contractor development programme for TWK, by utilising the current SCM process to afford local contractors to participate in the tender process. A working session has been scheduled for 25

March 2020 in Caledon to an action plan for implementation. This will be done concurrently with the awareness and training sessions for local smme's and contractors.

- **Farmer Development & Support**

Considerable time has been spend with local small farmers in terms of consultation on current needs and to formalise these local small farmers into a representative forum. In collaboration with the Dept of Agriculture and Rural Development and Land Reform, investigation for land is also underway. The key challenge experienced by local small farmers is access to agricultural land for production purpose. In collaboration with Dept Agriculture, training commenced with the marking of stock in order to curb the challenge of stray animals. Coupled with this, application for marking tools at national has commenced.

The objective of the farmer development and support programme is to derive at a cohesive action plan for assistance to small farmers to become semi-commercial and commercial to participate in the formal agricultural economy. Concurrently, in collaboration with Dept of Afgriculture, a programme for utilisation of municipal owned agricultural land is also currently under investigation, which will form part of the farmer development and support programme.

- **Revision of the LED Strategy**

The 2014 LED Strategy has been revised, which will incorporate the above focus areas, but also investigate an investment framework to attract investment to the area, ascertaining business retention and expansion opportunities and the revitalisation of township economies in the respective towns.

In response to the existing economic situation, the draft strategic framework sets the key priorities for local economic development for Theewaterskloof Local Municipal Area.

The strategic pillars listed here recognise the TWK economy's reliance on agriculture and tourism, but also the inherent vulnerability of not shifting to more sector inclusive growth in a post-covid-19 world. The pillars thus seek to reinforce the TWK LM's role and function as an enabler, facilitator and most importantly partner of community—driven and private sector-led development.

The pillars represent clustering of projects, these each being initiatives or approaches which will support economic growth in the area. In all these projects, it is important to note the importance of TWK LM undertaking its developmental mandate by creating and sustaining relationships with formal and informal business as well as community structures in order to unlock investment, facilitate entrepreneurship and leverage alignment of local and government priorities.

Figure 5.1 TWK LED Strategic Framework

- **Holding of Evens / Events Management 2019/2020**

The holding of events by-law, policy was revised and still needs to be workshopped and follow the public participation process in order to be adopted by Council.
in total 25 events applications have been assessed and approved.

In collaboration with the Department of Economic Development and Tourism, an events portal, which is an electronic portal designed. This forms part of ease of doing business to reduce red tape in the approval process of events.

A public participation process will follow the events committee workshop on the by-law, policy and standard operating procedure, which the department revised, based on the working sessions with the events committee.

Due to COVID-19 all events post March 2020 was cancelled as per government regulations. The impact of the latter caused that annual tourism events cancelled and due to the uncertainty of the pandemic, there is no clarity when events could continue.

- **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.

TABLE

Job creation through Expanded Public Works Progamme (EPWP) Projects			
Financial Year	**Conditional Grant Received**	**Job Opportunity targets set by National Department**	**Number of job opportunities achieved through EPWP Projects (TWK)**
2017/2018	R1 621 000.00	478	664
2018/2019	R1 451 000.00	502	684

2019/2020	R1 857 000.00	314	333 (revised target due to non-implementation of all projects within the financial year due to unprecedented health crisis)

In terms of the funding agreement, the conditional grant covers program and projects as submitted in the Business Plan for 2019/20, which covers the infrastructure, environmental and social sectors.

Overall impact

Town Managers and Managers regard the opportunity to participate in the EPWP program and provide additional capacity for better service delivery. Areas such as maintenance of stormwater systems and plumbing, would not have received any attention, would it not be for the program.

Challenges

The compliance and administrative requirements linked to the program are increasingly taxing, creating much frustration around compliance. The municipality managed to developed a streamlined reporting system for town managers, managers and their EPWP champions to simplify and standardise the reporting process.

Another challenge is that the recruitment and selection process taking too long thus affecting the start date and budget of projects. The Municipality as a response develop an unemployment database from which we appointed the participants directly.

The lack of national government to provide the required legal documents, like Phase 4 Protocol Agreement, National EPWP Policy and Phase 4 EPWP Directive, also placed the municipality under pressure in terms of ensuring compliance with national criteria and implementation at the same time.

The slow response from contractors, in some cases inadequate support and ownership from the individuals designated to assist project managers with administration of housing and MIG projects, low commitment to record keeping and filing and seemingly little attempt to take ownership of the HR files i.e. signed contracts, certifies id's, copies of supporting documents etc. The challenges facing the municipality affects the achieving of work opportunity targets in the municipality and investigations are underway to address this specific challenge.

Successes	- Town based vote system seem to work better for the project champions as it allows for greater control over project expenditure in their own town. - Unemployment Data Base used successfully for recruitment and appointment of participants - Grant projects branded (site as well as participants) and the issuing of the necessary protective clothing, which resulted in excellent service delivery in the towns.
Achievements	- All 8 grant funded projects implemented and reported, - EPWP site branding at all sites provided, and - EPWP Induction to all participants.
Improvements for the next financial year	- Sharpen the internal controls so that underspending is not happen again, on monthly basis, - Strict implementation of the project list avoid not implementing all aspects of the project, for example training, - More site verification processes to record better best practices and achievements, etc.

- **Tourism Development & Marketing**

Initiatives to promote, develop and market tourism in the area were as follow:

- **Branding & Marketing**

INITIATIVE	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Social media(Facebook) is active	Shared relevant information to Tourists and locals who follow the Facebook page. Update our followers on tourism matters	Increase the number of followers Increase visibility of tourism	The followers are 2063 following the page and there is a possibility of growth.
Destination branding	Build relationship with tourism stakeholders	To market all the tourism products and services	Joint marketing of events in social media platform.
World Travel Market		To create marketing	

Tourism signage applications	Engaging with stakeholders about the products to be displayed for Cape Country Tourism follow-up on outstanding signage applications with RTLC	platform for tourism Give full report of signage application outcome to the applicants	WTM postponed to 2021 Seven Spring Vineyards application was approved and the owner was informed of the outcome Elgin Vintners application was carried out of the RTLC meeting due to no one from the Municipality to present the application. They are due to re-apply again Cyril rose B&B is in a process of applying for the tourism signage, awaiting for a completed application form.

- **Information collection and dissemination.**

INITIATIVE	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Create tourism database.	Currently collecting database for tourism products and services for each town.	To have an updated database to improve the communication levels between the tourism office and tourism stakeholders.	All existing Local Tourism Organisations are in the database, such as Greyton, Elgin, Riversonderend, & Villiersdorp. Caledon, Tesselaarsdal, Botrivier and Genadendal do not have the formal structure and still working on building one
Capacity building	NDT visited 2 towns , Villiersdorp and Elgin to get the idea of tourism in the area	Product development	Capacity building workshop was underway in Hermanus on the 11 & 12 March to introduce the 3 year programme that National Department of Tourism (NDT) will facilitate to assist the Overberg municipality to grow and realise tourism to its

			potential. Events committee will be established to ensure that all events in the Overberg area are marketed properly.
Stakeholder meeting	Promote key events that will attract the global market. To create a working relationship with stakeholders Town visits to establish tourism status and to create a working relationship.	Create conducive working relationship with all tourism stakeholders. Establish tourism status	Visited all the 8 towns to get information on how tourism is operating and how we can work together to revive tourism in the area. Challenge that were identified through the engagement with tourism stakeholders : Funding of local tourism offices Cape country meander as a brand Tourism website Product development Developing of tourism routes

- **Route / Product Development**

STRATEGY	ACTIONS	DELIVERABLES	PROGRESS TO DATE
Events Marketing	Facilitate events sponsorship grant that is offered by WESGRO Tourism officer will attend all the events to show visibility of tourism and to assist in marketing the events	3 events applied. Stokefees in Villiersdorp, Elgin winter festival, Elgin blossom weekend. Attend at least 2 events per town in a month	Stokefees cancelled due to COVID 19.
Events attendance			No events attended yet.

3.11.2 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Employees: Local Economic Development Services (LED)					
Job Level	Year 2018/2019	Year 2019/2020			
	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	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	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. T3.11.8

3.11.3 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Financial Performance : Local Economic Development Services					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(5)	–	–	–	0
Expenditure:					
Employees	1,262	1,656	1,976	1,791	-9%
Repairs and Maintenance	–	–	–	–	0
Other	195	416	493	341	-31%
Total Operational Expenditure	1,457	2,072	2,469	2,132	-14%
Net Operational Expenditure	1,451	2,072	2,469	2,132	-14%
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**					

3.11.4 COMMENT ON THE PERFORMANCE OF LOCAL ECONOMIC DEVELOPMENT SERVICES OVERALL

The vote: Other consists of various categories i.e. printing, publications and books, travelling and subsistence, advertising etc. The under expenditure on these votes was due to Covid 19, whereby spending on these vote could not take place due to projects could not be implemented because of its public participation nature. It was resolved that the projects be revised with amended budgets for assessment and approval. This has been done in the new financial year (2020/2021).

COMPONENT D: COMMUNITY & SOCIAL SERVICES

June 2019 marked the official formalization of the Community Development unit by Council adoption of the revised Organogram.

The road map ahead was already set by the earlier approved Community Development Strategy of 2018 and the team has set off to work.

The below table of activities provides an insight into the various elements and interventions undertaken to complement the vision of building a "strengthened and resilient society, able to withstand challenges and stresses brought by the socio-economic realities".

What started off as an optimistic stroll towards building resilient communities, by March 2020, took on a very real and unexpected turn of setting up emergency support networks to deal with the socio-economic devastation of COVID-19 pandemic.

Partnerships established with NGOs, PBOs and Community Structures in the months preceding the pandemic, become the central thread that supported our operational base. From there, smaller coordinating structures were activated and developed into support systems for community soup kitchens and humanitarian relief centres.

The speed, ingenuity, and ability of the local organizations to mobilize resources and self-organize, proved to be the ultimate demonstration of strength and resilience.

At the end of June 2020, over 591 000 meals and more than 5000 parcels have been distributed within the Theewaterskloof area.

Meal distributions, supported by over 40 community kitchens, were slowly augmented by sustainable livelihood programs, further enhancing the resilience and self-sufficiency in the time of disaster. Those programs have already been implemented in Greyton, Grabouw and Villiersdorp.

With the conversations shifting from humanitarian relief to economic recovery, so is our department's position, transforming from one of initiator and driver, to supporting partner and a value adding conduit, to further opportunities and strengthen local networks.

Summary of activities for the Community Development unit for 2019/2020:

FOCUS AREA	INPUTS	OUTCOMES
VILLIERSDORP RESOURCE CENTRE	➢ 25 meetings hosted with variety of stakeholders, such government departments, NGOs, training institutions and community members	➢ 365 attendees in total ➢ Villiersdorp Youth & Education Networking Group established ➢ Joint ventures between government & civil society organisations were initiated
	➢ Various services were offered by government departments, the municipality, Villiersdorp Youth Café	➢ Monthly Unemployment Insurance Fund support & assistance with new applications offered with 1670 people reached ➢ SASSA provided monthly support services and assistance with new applications to pensioners and persons with disabilities and 1390 people were reached

	and other NGOs	➢ The Villiersdorp Clinic provided health care services to youth - 177 youth benefited from this service ➢ The CCMA had arbitrations sessions for employers & employees within the Theewaterskloof area and 144 were reached ➢ Tools for life provided recreational and life skills services to 32 persons with disabilities. ➢ Flourish offered Post and antenatal classes for pregnant women for free and 35 participated in these classes ➢ The Villiersdorp Youth Café implemented various afterschool activities (sports, arts, life skills) and reached 438 young kids
	➢ 12 Training programmes were implemented by internal & external service providers for the community members or for their own employees as part of skills development	➢ A total of 622 persons were reached through - Business training for cooperatives and individuals - Basic Computer training - Health & Safety + First Aid training - Personal Financial management - Leadership training - Learners-license training
	➢ Villiersdorp Youth Café(VYC)	➢ 9 new youth interns were appointed for the 2020/2021 ➢ Various afterschool and life skills programs were implemented to over 400 children and youth per annum
	➢ The municipality offered free shuttle services to newly registered or current students from Theewaterskloof to UWC & CPUT (Bellville Campus)	➢ This service was offered for 3 consecutive days at the end of January 2020 for 16 students to attend orientation week at the various tertiary institutions.
YOUTH	➢ Youth in Business workshops in partnership with the National Youth Development Agency (NYDA)	➢ In January 2020, the NYDA conducted co-operative training with 15 youth ➢ 2 cooperatives from Elandskloof were registered with CIPC by end of May ➢ Cooperatives were donated land to use for their agricultural activities ➢ They submitted applications for funding to both NYDA and the Thusano Fund in June 2020.
	➢ Job readiness workshops in partnership with NYDA, Department of Employment & Labour and Libraries.	➢ This joint venture reached 87 youth during March 2020 ➢ CV writing, applying for work and interviewing skills were covered ➢ All 87 youth were also registered on the Department of Employment & Labour's unemployment database.

	➢ Youth month social media campaign on our Facebook page, where we showcased positive stories about Theewaterskloof' s youth. (June 2020)	➢ The campaign ran from 16 – 30 June 2020 ➢ 12 stories of youth from all our 8 towns were posted – these stories focused on young people's initiatives during lockdown. ➢ Stories were shared on various TWK community Facebook pages and during managed to reach about 14 000+ people reading these stories. ➢ The purpose of showcasing our youth, was to share a more positive view of our young people.
LOCAL DRUG ACTION COMMITTEES (LDACS)	➢ Municipal LDAC Executive meetings ➢ Local LDAC activities based on Matrix model: 12 steps treatment	➢ 3 meetings were held ➢ 35 nominations received for counselling training that would have commenced at the end of March and due to national lockdown was postponed until level 1 ➢ LDAC operational plan for 2020/21 was drafted ➢ Local LDACs are operational in 7 towns, with counselling and support group + life skills services offered. ➢ Solution Base (Riviersonderend) received a donation of container from BioTherm. ➢ On International Substance Abuse awareness day (26 June) was promoted on social media as no events could be hosted.
GENDER MAINSTREAMING	➢ Municipal steering committee ➢ Social media campaigns	➢ The steering committee had their 1st meeting on 30 January 2020 & finalised the Terms of Reference
EARLY CHILDHOOD DEVELOPMENT	➢ ECD Policy	➢ The policy was adopted on 23 January 2020
EVENTS	➢ Heart FM Radio station 16 days of Youth: Villiersdorp	➢ On 5 June 2020 the radio station visited Villiersdorp: over 2000 people were fed; non-perishable goods, raincoats for the children and a new jungle gym was put up at the Noncedo Crèche.
	➢ Young Women's Brunch	➢ 35 young women from Villiersdorp – town & farms – attended this event done in partnership with NYDA focused economic development of young women.
	➢ Villiersdorp Career day	➢ The Resource Centre hosted 24 institutions and 479 persons attended and as a result: 5 women enrolled into ECD NQF4 course; 25 youth applied for Environmental Learnership and started course in November 2019
	➢ Department of Local Government: Thusong Outreach	➢ Community Outreach to Villiersdorp with all relevant government departments & stakeholders – service to the public hosted on 12 & 13 February 2020 at the Resource Centre and 726 people were in attendance.
PARTNERSHIPS, MARKETING & BRANDING	➢ A number of engagements were had with various government structures	➢ The National Youth Development Agency: National Youth Service & Youth Patriot programme ➢ The Department of Women, Youth & Persons with Disabilities: Professionalisation of Youth Work

	with the aim of establishing strategic partnerships	➢ BOWL Community Centre (Worcester): expansion of community based services wrt to substance abuse to Villiersdorp ➢ Other partnerships include government departments – provincial & regional as well as NGOs, training institutions and businesses within the Overberg district.
	➢ Community development Facebook page to keep TWK informed.	➢ TWK Resource Network: Stay-in-know Facebook page has 1200+ followers and reach between 2000 to 5000 viewers per day - job, training, bursaries and business opportunities as well as relevant community related information are shared.

LIBRARIES 2019/20

FOCUS AREA	INPUTS	OUTCOMES
RIVIERSONDEREND – REFURBISHMENT	The final upgrade of Riviersonderend library was done completed with new vinyl floor and custom-made shelves in the children's section.	Before After
LIBRARY AWARDS	➢ Best displays ➢ Best Outreach programmes ➢ Best Innovation ➢ Employer of the year ➢ Resilience ➢ Reading programmes ➢ Contribution to the Youth ➢ Collaboration	➢ Villiersdorp Library received the award for Library of the Year –in the Categories: Best Outreach programmes, Best Innovation, Best Displays. ➢ Bereaville library was awarded for The Best Reading program and received second place for Innovation. ➢ Botriver library was awarded the prize of best contributing space to Youth Development. ➢ Caledon Library received second place for Best Displays. ➢ Abigal Adendorf was acknowledged for 100% attendance at work from 2018-2019.
EVENTS	➢ Oral History Roll-out ➢ Caledon Library ➢ Greyton library ➢ Genadendal Library ➢ Riviersonderend library ➢ Tesselaarsdal Library ➢ Library Week ➢ Career Expo	➢ The Oral History Roll out was implemented in partnership with the Provincial Library Services and DCAS. Minister Anroux Marais acknowledged the contribution of community elders to the living histories of our towns in a commemoration ceremony in Genadendal. ➢ Annual Library week held at Villiersdorp Library with guest speaker Christine Barkhuizen –Le Roux & launch of her new book " My naam is

		Prins ,ek slaap met die lig aan " – high-lighting the traumas of child abuse. ➢ Villiersdorp library held a Career Expo in partnership with the Resource Centre. The expo provided matriculates & the unemployed youth the chance to access resources and information needed to decide on career choices.
ACTIVITIES OF LIBRARIES	➢ Circulation ➢ Exhibitions ➢ Outreaches ➢ Patrons	➢ Book Circulation for all 11Libraries was a total of 150 813 ➢ Total of Exhibition reported on SDBIB -33 ➢ 99 Outreaches held from July 2019- March 2020 ➢ Number of active patrons 9783 ➢ Total grant expenditure :
OUTREACH PROGRAMMES	➢ Women's month ➢ Heritage Day ➢ 16 Days of Activism ➢ World Read Aloud Day	➢ Job readiness and self-empowerment workshops in Villiersdorp, Grabouw & Tesselaarsdal. ➢ Promoting local entrepreneurs by celebrating community's heritage in Genadendal with over 1500 attendees. ➢ 16 days of activism hosted in partnership with Social Development Department of Education,SAPD ➢ ➢ World Read Aloud Day activated at 11 libraries, reaching over 3000 children with read aloud stories.
NEW NORMAL RE-OPENING OF LIBRARIES DURING LOCKDOWN LEVEL 3	➢ Outreach Services ➢ Communication with the Public	➢ Staff posts virtual storytelling sessions, prepares literacy support material, and engages with patrons on social media. ➢ Libraries continue advertising services and literacy information & continue with display boards ➢ Villiersdorp library expanding services to digital platforms and celebrates front line workers on Mandela Day ➢ Most of the Libraries set up Facebook pages for easier communication with patrons.

SPORT & RECREATION 2019/20

FOCUS AREA	INPUTS	OUTCOMES
Greyton Mountain Bike and Trails Project	➢ Application to fund the upgrading of the Greyton Mountain Bike Trails submitted to DCAS (Department Cultural Affairs and Sport)	➢ Mountain Biking has become one of the sports that create an economic boost to the area where ever this activity takes place. Greyton town is one of the destinations visited by mountain

		bike riders as it already does have an active Mountain Bike Club with international standard trails. ➢ Department Cultural Affairs and Sport (DCAS) has made available the total amount of R220 000.00 for upgrading of the existing Greyton Mountain Bike Trails. This project is well underway but could unfortunately not been completed due to Covid19 lockdown. An application to rollover the outstanding amount will be submitted to DCAS in order to complete this project.
Bergsig Mini-Sport Ground - Sport Trust Project	➢ Construction of a Recreational facility at the Bergsig Mini Sport Grounds	➢ Sport Trust a NPO has made available the amount of R531 168.85 for the construction of a recreational facility that can be used by the darts, pool as well as other recreational codes. The grass surface at the current facility will also be upgraded. The project is funded by Sport Trust SA. ➢ This project will be completed by November 2020.
Lotto Workshop for Sport Codes	➢ Training for all sport codes in the completion of Lotto Applications.	➢ The National Lotto does allow for inter alia Sport Clubs to apply for funding in order to improve their capacity. ➢ One of the main concerns of the Lottery Department in the Western Cape was the small number of as well as the poor standard of the applications received. As a result a workshop was held with the National Lottery in October 2019 to capacitate all sport clubs/ codes in the Theewaterskloof area in the application process and submission requirements.
Caledon Sport Forum Re-established	➢ Caledon Sport Forum	➢ Caledon Sport Forum has been out of operation for more than a year despite efforts to have meetings with the different sport codes. Finally a meeting was held on 04 December 2019 which was well attended by the different sport codes in this town. Unfortunately no

		more meetings were held due to COVID19 regulations.
Villiersdorp Sport Grounds High Mast Lights	➢ VPUU support at Villiersdorp Sport Facility	➢ Funding has been made available by VPUU for the construction of high mast lighting at Villiersdorp Sport grounds. This investment makes it possible for the community to use the sport facility after sunset which creates more opportunities for local leagues to enjoy the facilities.
Sports Equipment	➢ VPUU sponsor to Villiersdorp sport codes.	➢ The following sporting equipment was secured for the rugby, soccer, and netball codes in Villiersdorp. Rugby balls Soccer balls Netball Netting

Thusong Centre

Focus Area	Activities & Inputs	Outcomes
Permanent Service Providers **Services Rendered and Target Services received**	Services were rendered to beneficiaries by:	The total services rendered by each Service Provider for the Grabouw Elgin Community during this financial year were as follow:
	Cape Access – Access to computer, internet, printing and scan	9133
	SASSA – Access to social grants	9345
	Community Development Workers – Access to and training from government services by Department of Employment and Labour, Public Protector, SEDA	193
	Department of Home Affairs – Access to personal documentation	12 962
	Youth Clinic operated by Right to Care and Grabouw Community Day Centre	449
	Overberg District Municipality – Access to Occupational Health Services	No statistics submitted
	Right to Care- Access to medical screenings and testing	72 340
	Child Welfare – Child Protection services	721
	Pineview Library – Access to copy and books	4010

Temporary Service Providers	Department recreation and sport – Indigenous games	3080
	GECO Victim Empowerment Programme – Therapeutic Counselling in partnership with the Youth Clinic	31
	Vision without Borders – Access to eye screening, testing, spectacles	149
	Samuria Karate Club –Karate Skills and Self protection	77
	Department of Labour – Access to labour related services eg, UIF,	2472
	Physiotherapist – Rehabilitation	8
	Military Veterans – Meetings, special joint projects	110
	Helderberg Stroke Rehabilitation Group – Rehabilitation, medical services, socialising and support	306
	Elgin Seldo Karate – Self Protection	4
	Changing Lives – Substance Abuse Support Group, Prevention and After Care services	30
	Community Fundraising Events – Community members use facility to raise funds in the form of dances, concerts, shows, dinners	1828
	Grabouw Community Aerobic Club – Exercise and fitness	45
	Community Private Celebrations – Community members use facility for birthdays, weddings, reunions	220
	Church Services – Community members use facility for church ceremonies, funerals, prayer groups	120
	Sport practice and games from community clubs as well as Sport Forum Meetings	90
	Education	• Online services on Saturdays in June/July 2019 from 09:00 till 11:00 to only support youth with tertiary online applications. This was done in partnership with Cape Access. 55 Youth made use of this services. • Study Groups of CPUT students were provided with space to attend online classes from April – June 2020 • Grabouw High school distribute homework for learners from out the centre to keep occupied during lockdown period, every third Friday for May and June 2020. • NSFAS online support service point for youth

Training and Skills Development	Basic Computer Training by Cape Access	102
	Woman Empowerment by Glen Elgin Community Organisation and Woman of Grace	50
	Klipheuwel Funding Workshop	8
	South Africa Police Department, Skills test	247
	Overberg District Municipality Youth COVID 19 screenings	35
	Planning ahead career guidance	2
	Grant in Aid support and guidance to organisations	4
	Miss Teen Modelling techniques and skills by Miss South Africa Junior coordinated by Farron Middleway.	15
	National Lottery Workshop to complete funding applications	Stats not confirmed
	Entrepreneurship and Lifeskills training by National Youth Development Agency from 8 till 1 July 2019 and 19 August 2019.	33
	Department of Labour career choices and unemployment database applications.	78
Track Employment	Planning ahead career guidance	2
	Changing lives rehabilitation programme for substance abuse/Client employment aftercare	2
	Theewaterskloof Municipality – Graduates Temporary Employment	1
	Working on Fire Learnerships	21
	Youth Entrepreneurship/Self Employment	1
	Overberg District Municipality Employment	35
Lease Agreements	Rental received and Lease agreements concluded	• Lease agreements extended till 2023 and rental received from SASSA, Overberg District Municipality, Department of Home Affairs • Lease agreements extended till 2021 and rental received from Right to Care • Lease agreements extended of municipal partnerships and support with Department Recreation and Sport, Pineview Library and Community Development Workers • Use of facilities for hiring in support with Department of Health and GECO/Youth Clinic Operation
Projects Implemented	Mandela Day in partnership with Local Drug Action Committee and Public Works on 18 July 2019.	135 community members were reached through the LDAC We Care Project and served with a meal and also capacitated with knowledge and information on substance

		abuse services.
	Woman's Day Celebration was held on 9 August 2019, with the theme, It starts with ME in partnership with Soulfood Community Organisation, Glen Elgin Community Organisation, Pineview Library, African Bank,Two-a-Day, Fruitways Afterschool, Noble perfumes, Overberg Cricket Academy, Department of Health, Right to Care, Woman of Grace, Siphila Sonke, Crafting Hope, Boland College, Herbalife, Grabouw High School, Hope for Life.	436 Adult and Teenagers woman were reached and served with motivation and self-empowered techniques to promote independence.
	Career Expo and Guidance held on 26 September 2019 in partnership with various tertiary institutions, Pineview Library, Soulfood community organisation and DCAS.	265 Youth attended the Career Expo and guided by tertiary institutions on the requirements, personal characteristics and fees to pursue their career of choice.
	Elderly Week Celebration on 3 October 2019 with Pikkewyne Service Centre, Department of Health, Helderberg Stroke Group, Age in Action, Pineview Library, Department of Social Development, Monteith Older Persons, Botrivier Older persons.	336 Elderly people from the Grabouw farms and Botriver attended the Elderly Week celebration on Molteno Farm. Elderly people were informed on the rights, health risks and prevention, elderly abuse and reporting, storytelling and nice entertainment by MC Reagan.
	Big Walk was done on 5 October 2019 in partnership with DCAS.	213 Community members attended the Big Walk event host by DCAS. Community members participated as a family or individuals and increased their health and strengthen family relationships.
	Local Drug Action Committee Outreach to Helderberg Correctional Service for youth at risk on 13 November 2019.	26 Youth at risk attended an awareness (skok terapie) session at Helderstroom Correctional Services. Youth gained knowledge and motivation towards personal change. Youth at risk was identified by Child Welfare, Two-a-Day, Soulfood Community Organisation, RIET and Glen Elgin Community Organisation.
	16 Days of Activism on 26 November 2019 in partnership with Two-a-Day, Child Welfare, DCAS, GECO, RAN, ACVV, Soulfood Community Organisation, Pineview Library, Saartjie Baardman, Rape Crises and Human Rights Commission.	184 Community Members were informed on the services within social crime and victim empowerment of Saartjie Baardman, Rape Crisis, GECO, SAPS, ABBA and Human Rights Commission. A beneficiary feedback session was done during

		the event and will be used as a need assessment to roll out services for 2020.
	HIV/AIDS Day awareness on 2 December in partnership with Agape ECD Centre, Western Cape Education Department, DCAS, Pineview Library, Department of Health and Cape Access.	80 ECD learners from Agape Creche was made aware of HIV/AIDS storytelling and puppet show based on the book "Brenda het `n Drakie in haar bloed".
	Graduation Ceremony by Cape Access on 31 January 2020	Acknowledge the achievement of 9 learners who completed the Computer Training facilitated by Cape Access.
	Community Wellness on Fridays morning from 09:00 ill 10:00 by Department Recreation and Sport	Improved health and fitness of employees, housewives and the elderly to decrease and prevent chronic illnesses.
	Thusong Programme Provincial Outreach by DLG on 12 and 13 February 2020 in Villiersdorp	Integrated Service delivered to 726 community members in Villiersdorp to improved livelihoods and well-being.
	Victim Empowerment Outreach in Hillside on 14, 15, 16 February 2020 by Western Cape Education Department, Department. Recreation and Sport, South Africa Police Services, Health and GECO.	42 Woman of Hillside were capacitated with legislation and policies related to social crime and prevention, victimization, inclusive education, indigenous games and therapeutic interventions. The Woman identified own needs in their community and ways to address these needs through collaboration and own personal talents and role-modelling.
	Waste Hackathon in partnership with Cape Peninsula University of Technology	5 Youth was enrolled in the Waste Hackathon and shared the experience via w/app and guidance from CPUT on how they will address the waste challenge faced in Grabouw. The data will be used as guidance to form partnership for implementation to address needs identified.
	Career Open Day on 29 February 2020 at Stellenbosch University attended by Umyezo High School, De Rust Futura and Groenberg Secondary School.	120 Grade 12 learners were informed on the various career choices and requirements. Learners could identify possible career choices to pursue through tertiary education.

	Afterschool Activities for Ward 11 in partnership with Child Welfare, Pineview Library, Right to Care, Cape Access and Department Recreation and Sport.	Thusong zone afterschool activities started in March 2020 and reached 37 learners from Ward 11 Waterworks and Beverley Hills. The Afterschool activities included computer training, sport, reading, karate and fire awareness.
	Fundraising and donations for special projects and calendar awareness days and celebrations.	Applied for funding from DLG for 21/22. Funding was approved for Youth Green and Clean Project and withdrawn in June 2020 to reallocate funds to the COVID 19 relief fund. Donations in kind received towards calendar awareness days, Woman's day, 16 Days of Activism, HIVAIDS Day, Elderly Week and Library Week.
	Child Protection Week from 31 May till 7 June 2020	11 Children and their parents participated in the Children Rights and Responsibilities video clip by sharing their understanding on Child Protection.
	COVID 19 Medical Screenings	Support Right to Care and Department of Health with the set-up of COVID 19 community screenings hubs by providing 5 gazebo's, 10 tables and 30 chairs.
	Early Childhood Development Needs and Challenges to comply with Covid 19 Regulations for a facility.	Partnership has been formed with Western Cape Education department/SLES, Elgin Learning Foundation, First National Bank identify needs and ways to support ECD Centres.
	Youth at Risk	Partnership has been formed with SAPS, Overberg Cricket Academy, GECO, DCAS, TWK Senior Development Officer and GW Private Practice to render services to 30 Male Youth at risk. Youth transformation, empowerment and capacity building. Social and economic interventions to decrease social crime and victimization.
Stakeholders Management	Quarterly Stakeholders Meeting Project Team Meetings Project Identification Project Evaluation Stakeholders Acknowledgement	Quarterly Stakeholders meetings held on 17 October 2019. Special Joint projects were planned and needs identified to address. Networked and formed partnerships. Annual Integrated Planning meeting was held on 30 January 2020 whereby community needs was

		identified and an Annual Activity Plan was formulated, circulated among the Stakeholders and captured in the Integrated Development Plan of Theewaterskloof Municipality. A Project Database of collaboration formulated and used to facilitate project team meetings and social media interactions and planning during the lockdown. The projects identified are Child development, Green and Clean, Human Empowerment/Gender Equality, Youth Development, Entrepreneurship & Business Opportunities. On 12 February 2020, the Thusong Afterschool activity for ward 11 children was presented to the ward Counsellor and ward committee members and it was approved by the meeting and commitment to support the project was guaranteed. Project team meetings were held on 25 July 2019, 1 August 2019, 10 September 2019, 16, 23 October 2019 and 19 February. Project team members planned the activities and actions of each project to get consent and permission from the departments or organisation management before pursue with implementation. Detailed actions and tasks allocation for project implementation. Engaged with Stakeholders via email and whats app from April 2020 to continue with partnership and support towards each other.
Marketing and Communication Initiatives	Design and Print of pamphlets and posters Whatsapp communication Newsletter of Helderberg Stroke Rehabilitation Group and Thusong. Word of mouth by all officials at the Centre and via ward committee members	Community members or specific target groups are informed on all the activities and services rendered via the Thusong Zone. A checklist is submitted to Government Communication and Information System to upgrade the branding of the Thusong Zone.

	Email Radio adverts and talks with Radio DISA Branding with GCIS	Back drop, tear drops, table clothes, trestle tables in place for Thusong Outreach activities. Partnership is formed with Radio DISA to advertise projects and share information on calendar awareness days.
Tenants -Surveys and Interaction	Maintenance Complaints Occupational Health and Safety concerns General Houserules and welfare COVID 19 regulations and rules Service delivery	Maintenance checklist compiled and completed by Tenants to identify defects in offices and also to align with expenditures for budgeting 2020/2021.
Beneficiary Service Delivery Feedback	Quarterly surveys done with beneficiaries per service providers on the Thusong Zone.	Thusong Programme are informed on the positives and the development areas within service delivery, and the data are used to improve service delivery and to address community needs. Needs and challenges identified by woman from Hillside during 16 Days of Activism Speak Out Event on 26 November 2019. Challenges formed part of 2020 services delivery in partnership with WCED, SAPS, HEALTH, GECO.
Infrastructure	Includes all defects on: • Maintenance, • Occupational health and safety • Safety and security	Applied for maintenance funding from Department Local Government and amount of R150 000.00 was approved for 21/22 to add towards the repair of the roof leakage of the Thusong Centre. Stage curtains installed in May 2020. Perimeter fence done around the Thusong Zone. Palisade fence in front and brick wall fence at the back with entrance and exit gates. Partnership established with the security officials of SASSA, served by Eastern Guard Security company to manage and control the entrance/access of the Thusong Centre. Department of Community Safety supported with guidelines and

		adjustments to upgrade the security risks at the Centre. All recommendations attend too, for except security cameras.
Occupational Health and Safety	Quarterly meetings with OHS team to identify defects and monitor the implementation and feasibility of it. Compliance in terms of Electricity, Fire, Plumbing	Thusong service Centre self-inspection form for buildings and ground compile and completed to identify major maintenance requirements Occupational Health and Safety Team is nominated in August 2019 consist out of staff from Right to Care, SASSA, DCAS, Pineview Library, Thusong, Overberg District Municipality and Cape Access. Process is co-ordinated in partnership with the Health and Safety Manager of Theewaterskloof Municipality. OHS activities in place are evacuation drills, evacuation plan, fire extinguishers and emergency signs. Certificate of Compliance received in 2019 in accordance with regulation 7(1) of the Electrical Installation Regulation, 2009. OHS Meetings were held on 12 November 2019.
Staff Development	Thusong Provincial Forum (TPF)Meetings District Thusong Meetings Trainings and courses	Attend TPF meeting in March 2020 to gain information and knowledge on Thusong Programme operation, programmes and policies of government departments and to network to bring services TWK Municipal area. Attend District Thusong Meetings to share operational plans, to plan outreaches, to network and form partnerships. Received highest percentage in Integrated Community Development Planning Course and received acknowledgment from University of Stellenbosch Business School, facilitated by Prof Theron. The Administrator: Thusong, was nominated to attend follow up

course in Public Participation, was sadly declined due to unfunded mandate and cost containment.

Women's day Brunch

Villiersdorp Career Day

MTB Greyton

Oral History Roll

Bergsig mini Sport

Youth Education Network Group Meeting

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

3.12.1 EMPLOYEES: LIBRARY SERVICES

Employees: Libraries					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	13	13	12	1	8%
7 - 9	6	6	5	1	17%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	22	23	20	3	13%

*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	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(8 144)	(9 596)	(9 667)	(8 207)	-15%
Expenditure:					
Employees	5,207	7,380	7,380	6,712	-9%
Repairs and Maintenance	542	255	225	204	-9%
Other	1609	1214	1302	730	-44%
Total Operational Expenditure	7,357	8,849	8,907	7,646	-14%
Net Operational Expenditure	(787)	(748)	(759)	(561)	-26%

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	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	150	150	29	-81%
Capital - Furniture and Equipment (New)	85	85	-	-100%
Capital - Furniture and Equipment (New)	65	65	25	-61%
Furniture and Equipment	-	-	3	0%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. **T3.52.6**				

3.12.4 COMMENT ON THE PERFORMANCE OF LIBRARIES SERVICES OVERALL

Reasons for under-expenditure:

Since the commencement of the National Lockdown, Libraries were non-operational until September 2020.

This has translated into under expenditure due to non-operational function.

Stationary, consumables, refreshments and vacant positions were not filled, and maintenance projects were put on hold.

The procurement of capital items was also suspended due to Lockdown. Purchasing of furniture and equipment although already in the procurement process via formal quotations, had to be cancelled.

NATIONAL LIBRARY WEEK 16 - 22 MARCH

3.13 CEMETORIES AND CREMATORIUMS

3.13.1 INTRODUCTION CEMETORIES AND CREMATORIUMS

Although all the towns in TWK area consist of at least one cemetery, at present Tesselaarsdal does not have a municipal cemetery and the function of a cemetery is being done by the community on private land.

Being a small local municipality we are struggling to keep up with the basic requirements of maintaining our cemeteries. Due to lack of funds to fence off cemeteries properly there are constant cases of vandalism in cemeteries and trespassing by stray animals. Another major challenge is that almost all our cemeteries are filled at and beyond capacity and we are experiencing delays in environmental impact assessments, in order to set aside land for burial sites.

Below is a table of the burial sites for the last 4 years, in the majority of cases the burial numbers declined and this can be due to private burials or cremation.

TWK Cemetery Data for 2015/16 to 2018/19

TOWNS	YEARS				TOTALS PER TOWN
	2015/16	2016/17	2017/18	2018/19	
BOTRIVER	33	45	47	47	172
CALEDON	120	83	61	49	313
GREYTON	23	13	23	1	60
GRABOUW	225	105	138	66	534
GENADENDAL	32	16	37	8	93
BEREAVILLE	8	11	8	0	27
RIVERSONDEREND	28	42	63	45	178
VILLIERSDORP	124	107	124	49	404
TOTAL EACH YEAR	593	422	501	265	1781

Given the statistics above, below is a table indicating the availability and capacity in years for each of the cemeteries.

CEMETERY	AVAILABILITY	CAPAITY IN YEARS/LIFESPAN
Chavonnis Caledon	Yes	30 Years
Villiersdorp	Yes	12 Years
Botriver	Yes	2 Years
Greyton	Full - Busy Extending	12 Years In The Extended Area
Genadendal	Private Farm 39	Unknown
Tesselaarsdal	Private	Unknown
Middelton	Private	Unknown
Grabouw	Full	0

We need to find new ways to encourage communities to do away with the traditional ways of buried people, which need a lot of space. The Department currently investigate different alternative ways to save space and do it in a more environmentally friendly way.

3.13.2 FINANCIAL PERFORMANCE: CEMETORIES

Financial Performance: Cemeteries and Crematoriums					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(585)	(630)	(630)	(604)	-4%
Expenditure:					
Employees	1	–	–	–	–
Repairs and Maintenance	290	528	414	303	0%
Other	98	321	304	181	-40%
Total Operational Expenditure	389	849	717	484	-33%
Net Operational Expenditure	(196)	219	88	(120)	-237%
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 . **T3.55.5**					

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. Certain cemeteries are reaching crisis status and the municipality are exploring every possible method to address the issue of available land space.

Variances due to the following:

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

Large part of expenditure was planned for the latter part of the financial year, with the announcement of national lockdown, the required functions could not be performed and fund could not be spent.

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 are 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

Environmental pollution control is one of the functions of Municipal Services and it's been regulated by a different set of legislation. Pollution can be related to air pollution, spillages, dust pollution or pollution by littering and illegal dumping. Theewaterskloof Municipality developed its own Air Quality Plan in conjunction with Provincial Government. The Pollution Control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan.

YOUTH AND ENVIRONMENTAL COORDINATOR

The National Department of Environment Forestry and Fishery has appointed a Municipal Environmental Coordinator to Theewaterskloof Municipality to assist in pollution control, and for the past year was busy with a team of 22 people to attend to various pollution awareness programmes such as:

- Environmental Awareness
- Clean-up Campaigns
- Pollution Control Education

POLLUTION CONTROL

For the period of 2019/20 the Environmental and Disaster Management Department conducted environmental awareness workshops with EPWP's and CWP's on waste and how to handle waste, and the recycling of waste.

Through the help of the 22 EPWPs deployed in all the different towns in TWK, illegal dumpsites have been identified and cleaned regularly. The EPWPs also assist with the cleaning of streets, parks and open spaces. The Environmental Educators target schools, libraries and communities as a basis for environmental awareness and education.

The Environmental and Disaster Management Department together with the Caledon Roundtable (Community, Faith and Social Structures Body) and Caledon Protocol (Interdepartmental body), hosts several meetings and events together of which a successful sports day was held to create more awareness.

With regards to littering and illegal dumping, the Department distributed wheelie bins to schools and libraries for recycling purpose and further educational sessions were held to raise awareness on waste management i.e. not to burn waste, climate change and how it affects our everyday life, recycling economy and how it influences lifestyles at home.

Sewer network challenges from the informal settlements, people throwing foreign objects i.e. stones, plastics, wood etc. into sewer networks, which create constant blockages and sewer spillages, affects nearby water streams and is a challenge for town offices and the environmental office are faced with. Awareness campaigns were driven to educate

communities on what to dispose in their toilets and sewer networks, to prevent blockages and sewer spillages.

3.15.2 FINANCIAL PERFORMANCE: POLLUTION CONTROL

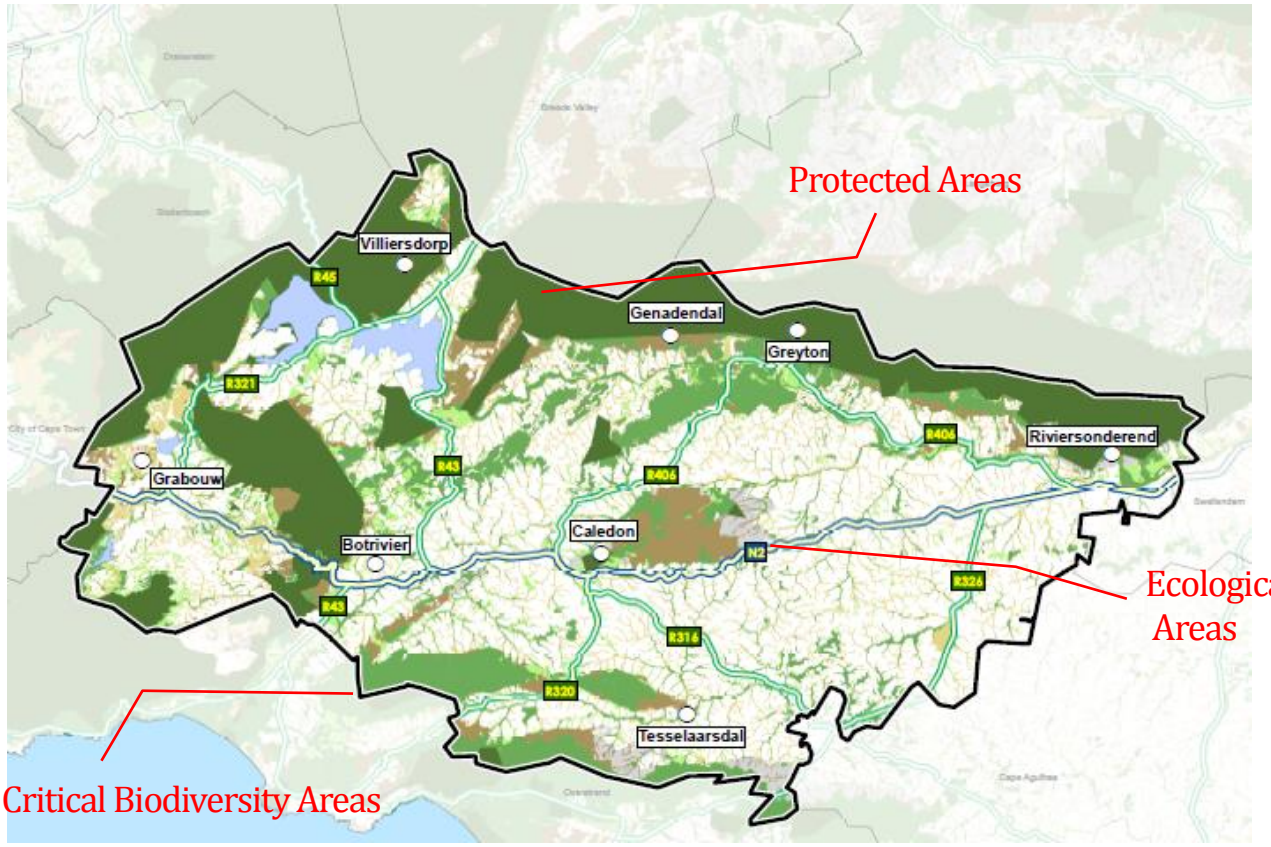
Financial Performance: Pollution Control					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	0	290	155	0	-100%
Total Operational Expenditure	0	290	155	0	-100%
Net Operational Expenditure	0	290	155	0	-100%
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 . **T3.59.5**					

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

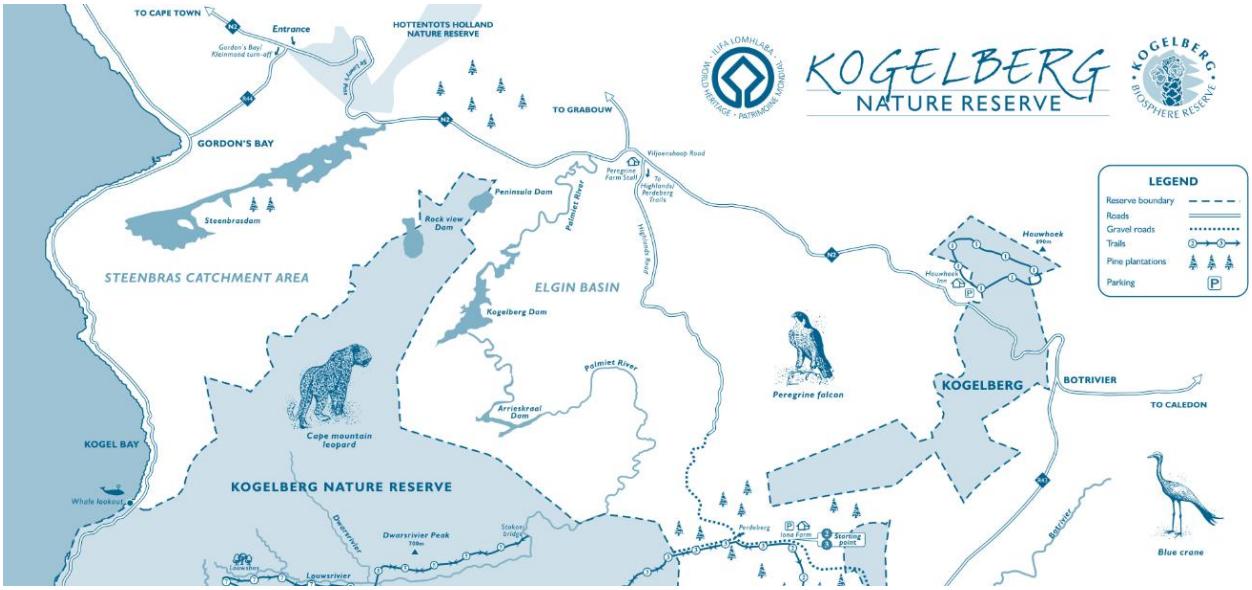
Biodiversity can simply be described and referred to as the variety of life (or biological diversity) that can be found on earth, ranging from plant and animal species to water bodies. With Theewaterskloof being a biodiversity rich habitat, which is home to one of Cape Town's biggest water supply sources– the Theewaterskloof Dam as well as the Kogelberg Biosphere, we take it upon ourselves to manage and protect our natural resources.

Environmental protection within TWK municipal jurisdiction is managed and protected in terms of Section 24 of the Constitution, the National Environmental Management Act, 1998 [Act 107 of 1998 (NEMA)], the National Environmental Management Waste Act, 2008 (Act 59 of 2008), the Environmental Management Air Quality Act, 2004 (Act 39 of 2004) and the National Health Act, 2003 (Act 61 of 2003).

Hereby is a map indicating the environmentally protected areas within the TWK municipal area, ecological support areas and critical biodiversity areas:



The Cape Floral Kingdom (Fynbos) is in the heart of the Kogelberg Biosphere Reserve (KBR). Although it is the smallest of the world's floral kingdoms, it is the richest by far with 9,087 different plant species of which 6,218 are endemic (found nowhere else in the world) compared to the 20 endemics of the British Isles. It is with great pride that we can announce that parts of the Kogelberg Nature Reserve falls within our TWK region. The TWK Environmental and Disaster Management Manager sits on the Kogelberg Biosphere Advisory board and is also involved with many of their projects representing the municipality.



We have an established Alien Vegetation Control Plan implemented to protect our natural resources by controlling alien vegetation and conserve our indigenous biodiversity in our various nature reserves i.e. the Greyton Nature Reserve, Villiersdorp Nature Reserve as well as Caledon Botanical Gardens. Our Wild Flower Botanical Garden in Caledon hosts fields of different fynbos species, indigenous daisies, plants, and aloes that leads up into the Swartberg Mountains. We have a dedicated Parks and Garden Team that maintains the garden and are available as Info Guides during hikes or scenic walks in the garden.

In TWK we have a wide range of Major Natural Resources which serve our communities as water sources as well as sports and recreational purposes namely ranging from :

- ✓ Kommieskraal Rivier
- ✓ Elandskloof River
- ✓ Tesselaarsdam Mountain Stream
- ✓ Bethoeskloof Mountain Stream
- ✓ Greyton Nature Reserve in the Mountains of Greyton
- ✓ Caledon Wild Flower Garden and Nature Reserve
- ✓ Kogelberg Biosphere Reserve
- ✓ Basil Newmark Dam
- ✓ Riviersonderend River system
- ✓ Theewaterskloof Dam
- ✓ Kommieskraal Rivier

In 2018, our TWK Dam was on the verge of reaching Day Zero at a point with only 12% water capacity of the dam being filled at one stage. In October 2020 we were proud to announce that the dam is at 100% capacity and overflowing. Comparing to last year October 2019, the level of the Theewaterskloof dam was ranging around 88.7%. Below is a table adapted from City of Cape Town's dam level report illustrating the dam levels over the past 4 years.

Major Dams in TWK	Capacity (Ml)	29 September 2020 %	Previous week %	2019	2018	2017	2016
Steenbras Lower	33 517	101.7 %	101.0 %	98.1 %	91.5 %	46.3 %	67.8 %
Steenbras Upper	31 767	98.5 %	99.4 %	86.8 %	90.7 %	100.3 %	96.1 %
Theewaterskloof	480 188	99.6%	98.1%	88.7%	57.2%	28.4%	53.3%

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

3.20.1 PUBLIC SAFETY

VISION

We are determined to be a professional Traffic -, Law Enforcement - and Registration & Licensing Services, dedicated to excellence and committed to work in partnership with the people of Theewaterskloof to enhance the safety and security of our community.

MISSION

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	ACHIEVMENTS	FOCUS AREAS
TRAFFIC SERVICES	Lack of resources; vehicles, equipment and human resources. No radio communication system. Inadequate budget provision. The ongoing postponement of the implementation of the Administrative Adjudication of Road Traffic Offences Act, 1998 (AARTO) - New date for implementation June 2021 Traffic Safety Education and Training had to be suspended due to the COVID-19 pandemic.	The integrated approach with other law enforcement agencies e.g. Provincial Traffic Authority, SAPS, etc. has been successful. Traffic Safety Education and Training at schools has contributed in educating the scholars. 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: - The enforcement of Traffic - & relative Transport legislation; Integrated operations with Provincial Traffic Authority - Random breath testing of drivers with the "Electronic breathalyser testing." Traffic Safety Education and Training - safety awareness within the Theewaterskloof Local Municipal area. Executing of Warrant of Arrests (WoA) Assist SAPS with the Enforcement of the DMA (Disaster Management Act, Act 2002) Regulations re. COVID-19
REGISTRATION AND LICENSING SERVICE	Lack of funding from the Provincial Department of Transport in delivering the said service as an Agent Lack of resources; vehicles, equipment	Efficient service delivery to customers re. Core Functions mentioned below. Successful re-opening of RA's / DLTC's /VTS after the COVID-19	Focus for the past year has been: - Customer care and customer satisfaction. Efficient service delivery to customers within and outside the Theewaterskloof Municipal Area.

	and human resources. High volumes for driving license applications from people residing outside the Theewaterskloof Local Municipal area. Inadequate budget provision for the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw. The ongoing postponement of the implementation of the Administrative Adjudication of Road Traffic Offences Act, 1998 (AARTO) – New date for implementation June 2021	Lockdown Freshwater Assessment, Geotechnical Evaluation Report & EIA completed, the development of setback line outstanding re. the planning and construction of the DLTC (Driving Licence Test Centre) in Grabouw.	Planning & Construction of the new DLTC (Driving Licence Test Centre) in Grabouw.
LAW ENFORCEMENT SERVICE	Lack of resources; vehicles, equipment and human resources. No radio communication system. Inadequate budget provision. Land Invasion is out of control due to the influx of jobseekers and the prolonged 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.	Special Operations held in the different Service Areas re. Stray Animals Consult with private sector (EGVV) to assist in the fight in controlling Stray Animals especially in Grabouw Sale of impounded animals after a lengthy legal process Implementation of management system for the euthanasia of abandon and/or sick animals. Operationalize of the Operational Command Centre (OCC) (Monitoring of CCTV etc.) Replacement of dilapidated fence at the Animal Pound (Caledon)	Focus for the past year has been: - Unlawful Occupation of Land. Stray animals. Integrated operations with other Law Enforcement Agencies with regards to Illegal Shebeens and Taverns. Assist SAPS with the Enforcement of the DMA (Disaster Management Act, Act 2002) Regulations re. COVID-19

The Following are performed as Core Functions :

TRAFFIC SERVICES

- 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 Education Training
- Speed monitoring
- Management of Public Transport Pound
- Liaise with the Magistrate Court's within Theewaterskloof Local Municipal Area
- Attending to Clerk of the Court duties
- Prepare Court Rolls
- Serve Summonses
- Execute Warrant of Arrests (WoA)

REGISTRATION AND LICENSING SERVICE

- Testing of Driver - & Learner Licenses
- Issuing of Driver - & Learner Licenses & Professional Driving Permits (PrDP's)
- Issuing of Operating Licenses / Public Transport
- Registration of motor vehicles
- Registration of drivers licenses
- Testing of all vehicles for roadworthy
- Liaise with the Provincial Department of Transport in Managing the Natis system
- Liaise with the Provincial Department of Transport wrt Operating Licence Applications (OLS)

LAW ENFORCEMENT SERVICE

- Enforcement of Municipal By-Laws and other statutory legislation in terms of their mandate
- Serving of Notices & Summonses
- Execute Warrants
- Monitor and prevent Illegal Land Invasion
- Management of Animal Pound
- Animal control & Impoundment of stray animals
- Management of Operational Command Centre (Monitoring of CCTV etc.)

3.20.2 EMPLOYEES: TRAFFIC OFFICERS

Employees: Traffic (Public Safety)					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	11	11	11	0	0%
7 - 9	39	39	36	3	8%
10 - 12	13	13	10	3	23%
13 - 15	3	3	3	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	70	70	64	6	9%

*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.* T3.60.4

3.20.3 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

Financial Performance : Traffic and Law Enforcement					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(39 783)	(34 833)	(34 876)	(23 015)	-34%
Expenditure:					
Employees	17,755	20,369	19,395	18,723	-3%
Repairs and Maintenance	332	1330	1129	232	-80%
Other	38,317	33,036	33,775	27,339	-19%
Total Operational Expenditure	56,404	54,735	54,300	46,293	-15%
Net Operational Expenditure	14 070	19 902	19 424	23 278	20%

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. **T3.65.5**

3.21 DISASTER MANAGEMENT

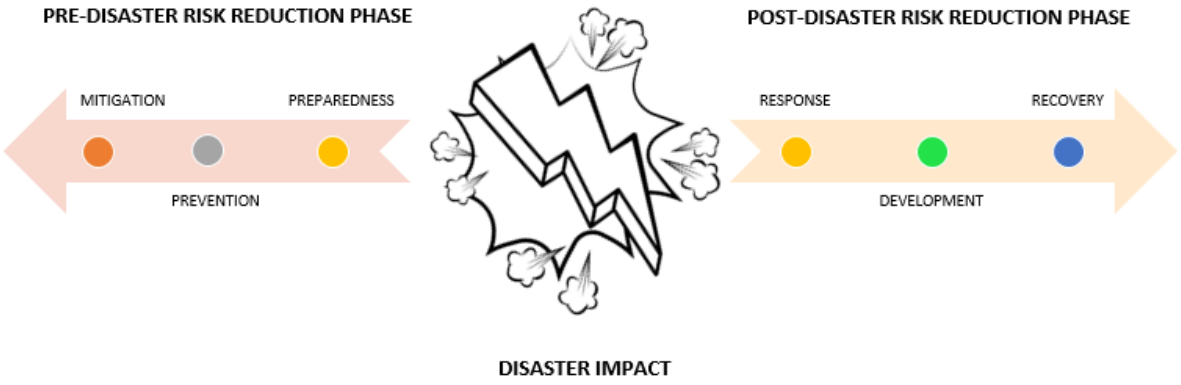
3.21.1 INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management is performed by this municipality, in conjunction with the Overberg District Municipality. Disaster Management does not only apply when any occurrence or incident happens but also to prevent disasters from occurring.

The Disaster Management Act 57 of 2002 provides that each municipality must within their applicable disaster management framework prepare a disaster management plan for its area according to the circumstances and risks prevailing in the area. The Disaster Management Plan must form an integral part of municipalities Integrated Development Plan. The plan speak to:

- ✓ Institutional Capacity
- ✓ Risk Reduction
- ✓ Preparedness
- ✓ Response
- ✓ Recovery

Disasters stem from the fact that certain communities or groups, especially the poor, are for example, forced to settle in areas susceptible to the impact. Disaster Management therefore refers to programs and measures designed to prevent, mitigate, prepare for, respond to and recover from the effects of all disasters.



The Disaster Management Plan for the Theewaterskloof Municipality describes the role of the Municipality during a disaster and the role Council should play in taking part in disaster management.

The Municipality does not have a Municipal Disaster Management Centre (DMC) and is heavily dependent on the Overberg Disaster Management Centre, which is in Bredasdorp. The Overberg DMC was established as a result of government's commitment to provide a comprehensive safety service to the community of the district. DMC's provide the physical environment where all disaster management activities can be managed in a coordinated and integrated approach.

In terms of Section 55(b) of the Disaster Management Act, Theewaterskloof Municipality works in conjunction with the Overberg District Municipality and make use of their infrastructure in cases of disaster management.

Being a small and low capacity municipality, we are only capable to cater for occurrences within the capacity of resources and infrastructure hence when a disaster occurs, we are able to provide blankets, food and shelter. In the case where Incidents/disasters cannot be dealt with utilizing the internal capacity, we follow the route of the District Disaster Management process and contact the Disaster Management Centre.

For the year 2019/20 the following activities took place within the Environmental and Disaster Management Unit:

Administratively :

- The annual revision of the TWK Disaster Management Plan
- An SOP was developed for Disaster Management
- Removal of Alien Vegation and
- Clearing of overgrown plots in TWK

Disaster Incidents :

- Villiersdorp Transfer Station Fire – 7 December 2019
- Greyton Fire - 11 -21 December 2019
- Caledon Klein Swartberg Mountain Fire – 13 February 2020

Donations and Awareness Campaigns

With the help of local stakeholders, buisnesses and NGO's we receive donations and awareness material to assist us with :

- Food Parcel Donations
- Blanket Donation for Informal Settlements residents
- Loud hailing in Towns in partnership with ODM, CDWP and DEAF
- Issuing of information Booklets/Brochures

3.21.2 EMPLOYEES: DISASTER MANAGEMENT

Employees: Disaster Management					
Job Level	Year 2018/2019	Year 2019/2020			
	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	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	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.* ***T3.67.4***

3.21.3 FINANCIAL PERFORMANCE: DISASTER MANAGEMENT

Financial Performance: Disaster Management					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0
Expenditure:					0
Fire fighters	1704	1945	2526	2324	-8%
Other employees	2	–	–	–	0
Repairs and Maintenance	386	688	605	677	12%
Other	269	677	779	330	-58%
Total Operational Expenditure	2361	3310	3909	3331	-15%
Net Operational Expenditure	2361	3310	3909	3331	-15%
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. **T3.66.5**					

3.21.4 FINANCIAL PERFORMANCE: ANIMAL LICENCING AND CONTROL

Financial Performance : Animal Control					
					R'000
Details	**2018/19**	**2019/20**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	–	-	-	–	0%
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	4	73	82	2	-98%
Other	193	413	384	169	-56%
Total Operational Expenditure	197	486	466	170	-63%
Net Operational Expenditure	197	486	466	170	-63%
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. **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

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).

Developing our Community via Sport ~ Caledon Sport Forum:

Theewaterskloof Municipality believes that sport and recreation contributes positively towards improving the quality of life within our communities.

Sport Forums play a critical role as they will have to support federations and capacitate sport figures in playing leading mentorship roles in their communities.

Each sport represents a code and several of these Caledon Sport Codes had a meeting on Wednesday 06 November 2019 at the Caledon Town Hall. The main aim of the meeting was to discuss critical matters regarding the various factors influencing the potential positive roles that sport can play in the community and how to overcome obstacles to achieve these objectives.

This meeting was attended by representatives from the local rugby, soccer, basketball as well as the cricket club. Mr Mark Josephs from the Overberg Sport Council was present too.

The aim of this meeting was also for the code representatives to understand their position at this forum and to discuss the way forward in overcoming these challenges.

The meeting was very positive with good participations, vision and suggestions of how to overcome some of these needs and challenges.

3.22.1 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	Year 2018/2019	Year 2019/2020			
	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	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	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 T3.68.3

3.22.2 EMPLOYEES: PARKS

Employees: Parks (Botanical Gardens)					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	11	9	2	18%
4 - 6	24	24	24	0	0%
7 - 9	3	3	3	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	39	39	37	2	5%

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

3.22.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(429)	(266)	(291)	(29)	-90%
Expenditure:					
Employees	6,589	7,089	7,213	6,770	0%
Repairs and Maintenance	1,398	1,716	1,693	,695	-59%
Other	8061	9876	9752	8323	-15%
Total Operational Expenditure	9,459	11,592	11,445	9,018	-21%
Net Operational Expenditure	,746	11,326	11,155	8,989	-19%
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. **T3.68.4**					

3.22.4 CAPITAL EXPENDITURE: SPORT AND RECREATION

Capital Expenditure : Sport and Recreation				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	,820	,220	,367	-55%
Capital - Mountain bike trails	200	200	–	-100%
Capital - Bicycle pump track	20	20	–	-100%
Capital - Upgrade Dennekruin (Soccer Field) Sport ground	400	–	253	-37%
Capital - Pineview Rugby Field	,200	–	114	-43%
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

Capital – Mountain Bike Trails lockdown.	This project could not proceed due to Covid 19
Capital – Bicycle Pump Track	An application for rollover of this funding has been approved by Province and work will commence Jan 2021

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, ADMINISTRATION AND INTERNAL AUDITING

Employees: The Executive (Top Management)					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
SEC 56	3	4	2	3	75%
Total	3	4	2	3	75%

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. T3.69.4

Employees: Administration					
Job Level	Year 2018/2019	Year 2019/2020			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	9	9	9	0	0%
4 - 6	25	25	23	2	8%
7 - 9	16	16	15	1	6%
10 - 12	11	11	10	1	9%
13 - 15	3	3	3	0	0%
16 - 18	8	8	8	0	0%
19 - 20	0	0	0	0	0%
Total	72	72	68	4	6%

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. T3.63.4

Employees: Internal Audit					
Job Level	Year 2018/2019	Year 2019/2020			
	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	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	3	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. . T3.59.4

3.23.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance : The Executive and Council					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(641)	(1 130)	(1 260)	(901)	-28%
Expenditure:					
Employee Related Cost	22,420	24,182	23,929	26,767	12%
Remuneration of Councillors	11,707	12,615	12,840	12,194	
Repairs and Maintenance	542	635	997	445	-55%
Other	4,932	5,138	6,902	4,521	-34%
Total Operational Expenditure	39,601	42,570	44,668	43,927	-2%
Net Operational Expenditure	16,781	41,440	43,408	43,026	-1%

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. **T3.69.5**

3.23.3 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

Capital Expenditure : The Executive and Council				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	**1 458**	**1 505**	**812**	-44%
Capital - Computer Equipment (New)	4	4	0	-100%
Machinery and Equipment (New)	170	92	45	-73%
Machinery and Equipment (New)	120	52	52	-57%
Machinery and Equipment (Renewal)	183	–	–	-100%
Furniture and Office Equipment (New)	8	8	–	-100%
Machinery and Equipment (New)	308	308	265	-14%
Furniture and Office Equipment (New)	23	38	18	-24%
Machinery and Equipment (New)	303	152	72	-76%
Capital - Machinery and Equipment (Upgrade)	15	–	–	-100%
Capital - Furniture and Office Equipment (Renewal)	35	35	26	-26%
Capital - Computer Equipment (New)	7	–	–	-100%
Capital - Machinery and Equipment	13	13	–	-100%
Capital - Machinery and Equipment (Upgrade)	6	6	–	-100%
Capital - Machinery and Equipment	30	91	48	61%
Capital - Machinery and Equipment	226	150	118	-48%
Capital - Furniture and Office Equipment (New)	9	9	2	-78%
Capital - Furniture and Office Equipment (New)	–	202	25	0
Furniture and Equipment (New)	–	–	–	0
Capital - Inventaris Items	–	–	–	0
Capital - Machinery & Equipment	–	–	–	0
Furniture and Office Equipment (New)	–	–	–	0
Furniture and Equipment (New)	–	–	–	0
Furniture and Equipment (New)	–	–	–	0
Furniture and Equipment (New)	–	–	–	0
Capital - Machinery & Equipment	–	197	141	0
Capital - Machinery & Equipment	–	150	–	0
			–	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				**T3.69.6**

3.24 FINANCIAL SERVICES

3.24.1 INTRODUCTION TO FINANCIAL SERVICES

The Municipality has an effective financial management system, which supports the implementation of the Municipality's IDP and Budget. The financial management system of the Municipality seeks to ensure a stable and sustainable financial environment, from which Council can deliver services to all residents.

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.

The Finance Department manages the financial affairs of municipality. The goal is to ensure the efficient and effective management of the financial resources to ensure the financial sustainability of the municipality. It is the custodian of all municipal assets and must ensure the prudent financial management of public funds. The department is responsible for the management of all revenue collected by means of assessment rates; service fees other charges and sundry revenue.

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 Section

Responsibilities:

- Bank reconciliation: ensure that cashbook and related entries are reconciled to the bank statements.
- Investment management: to promote the preservation of funds and optimal cash value management.
- Creditors and purchases: ensure the effective management of creditor payments including employees.
- VAT: ensure that all taxation is paid and claimed in terms of the appropriate legislation.
- Risk management: ensure the implementation of effective financial risk management framework and procedures.
- Policies and by-laws: ensure that by-laws, policies and procedures- comply with the legislative prescripts of council.

Supply Chain Management Section

This section is responsible for the following functions:

- Ensure that procurement processes are fair, equitable, transparent, competitive, cost effective and consistent with the Supply Chain Management Policy.
- Ensure that goods and services are delivered to the right place, in the right quantity, with the right quality, at the right cost and at the right time.
- Promote consistency in respect of SCM policy and other related initiatives in Government.
- 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:

- Billing of accounts, including pre-paid metering management.
- Cash/revenue collection and management including cashiering, direct debit payment, bank payment, sundry debtors and water and light payment monitoring.
- Credit control, including service cut-offs legal action and pensioner and indigent rebates.
- Rate levying and rate clearances.
- Meter reading

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
- Training of financial interns
- 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 revenue collection rate for Theewaterskloof municipality as at June 2020 is 88%,

This is above our set target and can be attributed to the following:

- No credit control can be implemented.
- The development of the new credit control system is complete but cannot be implemented due to national lockdown.
- The absence of the debt collection (legal) system is hampering further collection attempts to non-metered services as well as in our Eskom areas.
- The availability of smart water meters especially for the Eskom areas.

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 IMPACT OF COVID-19 ON FINANCIAL SUSTAINABILITY

Theewaterskloof Municipality is in no way immune to the harsh economic realities as a result of the Covid-19 pandemic's far possible, the Municipality factored in the effect the lockdown levels had on its economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdown levels.

The Municipality incurred cost amounting to R 1 016 095 in the fight against the Covid-19 pandemic of which R800 000 was grant funded. The remaining expenditure was funded by the Municipality.

The municipality assessed the impact of the Covid-19 pandemic by comparing the financial indicators of 2019/20 to 2018/19 as follow:

Cash available for working capital requirement	100 761 314	68 216 219
Current Ratio	1.76	1.67
Cash coverage ratio	3.52	2.64
Creditors days	64	36
Debtors collection rate	88%	85%

When analysing the results of the ratio's it can be concluded the the Covid-19pandemic did have an adverse effect from financial sustainability perspective. However, the results of the ratios are still reasonable within the norms. Therefore, the Municipality has assessed that no going concern issue has been noted and that

3.24.4 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services					
Job Level	Year 2018/2019	Year 2019/2020			
	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	29	28	1	3%
7 - 9	27	27	25	2	7%
10 - 12	14	14	13	1	7%
13 - 15	7	7	5	2	29%
16 - 18	2	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	79	79	73	6	8%

*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.* T3.70.4

3.24.5 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance: Financial Services					
					R'000
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(224 645)	(204 442)	(215 528)	(224 983)	4%
Expenditure:					
Employees	25,547	32,759	32,429	30,494	-6%
Repairs and Maintenance	,233	,919	,664	,299	-55%
Other	34,245	23,084	23,669	28,885	22%
Total Operational Expenditure	60,025	56,762	68,230	59,678	-13%
Net Operational Expenditure	131,921	(147,680)	(147,298)	(165,305)	12%
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**					

3.24.6 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure : Financial Services				
				R' 000
Capital Projects	2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	146	146	78	-46%
Inventory Items Finance	146	146	78	-46%
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	114,143	103,740	91%
Service Charges	250,703	201,304	80%
Total	**364,846**	**305,045**	84%
			T3.70.2

3.24.7 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 2020 has revealed the following:

The gross outstanding consumer debtors' balance as at 30 June 2020, reflect a total amount of R 238,2 million representing an increase of 20,1%, when compared to the outstanding balance of R 198,3 million as at 30 June 2019.

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 and 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%. Grabouw and Genadendal where the municipality is not providing electricity has the highest percentage outstanding debt. The 2019/20 financial year was a huge challenge due to the Covid-19 lockdown and the absence of a credit control and debt collection system. Credit control was implemented with manual processing which comes with many challenges. From March 2020 credit control could not be implemented due to the lockdown. No further actions were taken during the lockdown.

The measures that will be taken during 2020/21 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.

- ❖ Rollout a fully functional credit control and debt collection system. The credit control system is functional and the debt collection system is still in development.
- ❖ 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.
- ❖ 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. This takes place within the legislative framework and is guided by a number of collective agreements, entered into between SALGA (the employer) and IMATU and SAMWU (labour). 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	Year 2018/2019	Year 2019/2020			
	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	3	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%
Total	7	7	7	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. T3.71.4

3.25.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

Financial Performance: Human Resource Services					
					R'000
Details	Year 2018/19	Year 2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(497)	(530)	(660)	(427)	-35%
Expenditure:					
Employees	5,096	5,222	5,485	5,308	-3%
Repairs and Maintenance	–	–	–	–	–

Other	5,423	6,345	6,813	5,057	-26%
Total Operational Expenditure	10,520	11,567	12,298	10,364	-16%
Net Operational Expenditure	11,017	11,037	11,638	9,937	-15%
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 goal of the ICT division is to ensure that ICT is a support and enabling tool for the successful implementation of the Council long term strategic objectives, plans and vision. 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. It is not just compliance and check box tool, but also a mechanism to enhance efficiencies and overall value for money using technology.

ICT is not just about technology – it's about the ways in which information and technology are used to deliver better services and enhance community 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 to the public, the organisation and all relevant stakeholders.

The ICT division has a 5 Year Strategic plan which focuses 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. With this ICT also has to assist and facilitate staff and employee training and awareness to the ever-changing cybercrime and threat environment. 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 and financial losses.

The ICT division has an ongoing "Project Paperless" agenda which is implemented and supported by 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 strategic 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.

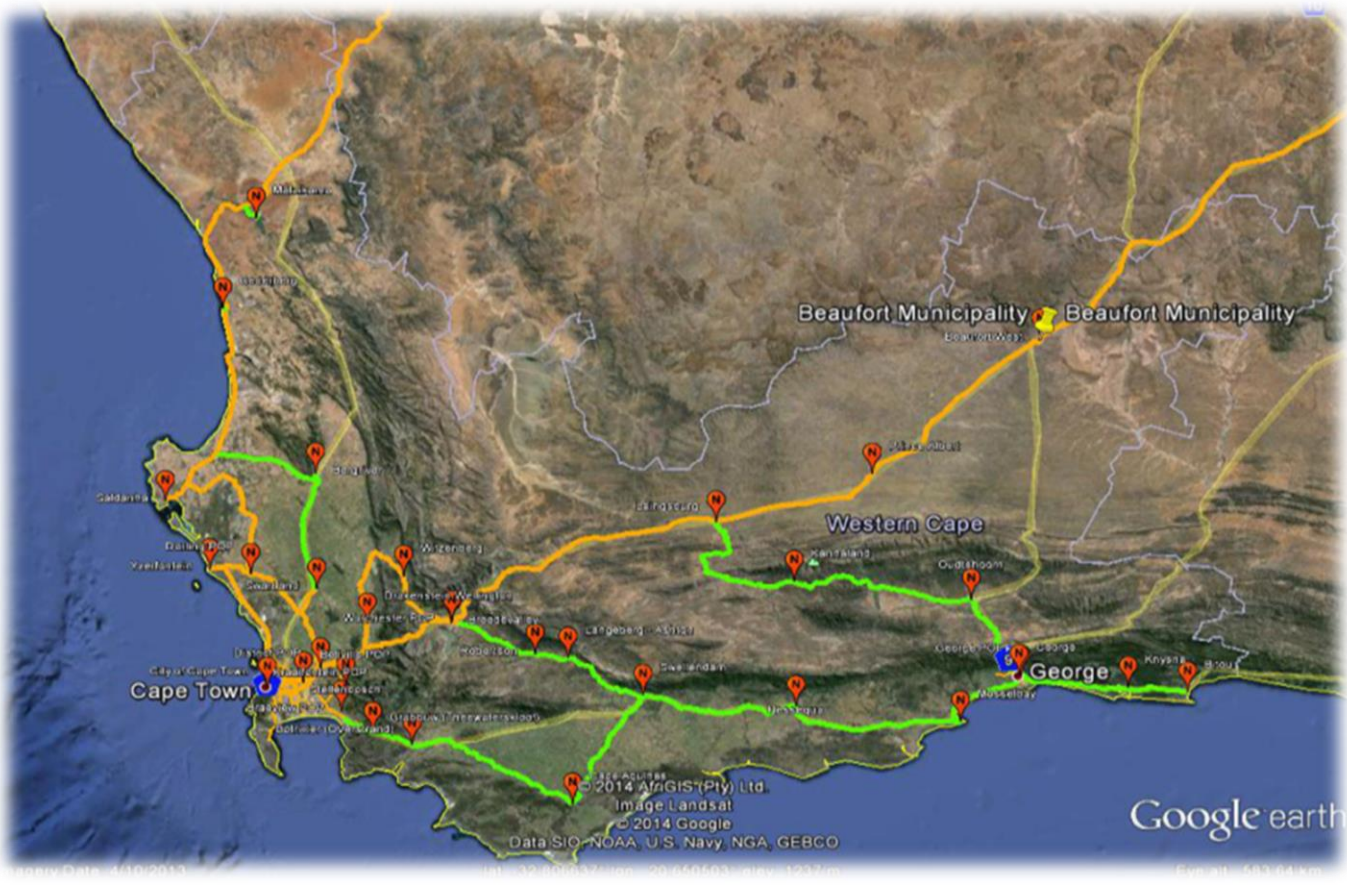
The goal of the municipal ICT division is be an enabler of the business in order to give effect to the municipal mandate to provide services to its communities and this we try to achieve by researching and using the latest technologies in a cost effective and efficient manner.

3.26.2 EMPLOYEES: ICT SERVICES

Employees: ICT Services					
Job Level	Year 2018/2019	Year 2019/2020			
	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	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	5	3	2	40%

*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*

Broadband Infrastructure



3.26.3 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance: ICT Services					
					R'000
Details	Year 2018/19	Year 2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0
Expenditure:					
Employees	2075	2558	2496	1835	-26%
Repairs and Maintenance	–	–	–	–	0%
Other	5,415	4,955	6,113	6,137	0%
Total Operational Expenditure	**7,489**	**7,513**	**8,609**	**7,972**	**-7%**
Net Operational Expenditure	**7,489**	**7,513**	**8,609**	**7,972**	**-7%**
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 2019/20: ICT Services				
				R' 000
Capital Projects	Year 2019/20			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	1778	987	450	-295%
Inventory	1778	987	450	-295%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. **T3.72.6**				

3.27 PROPERTY MANAGEMENT

3.27.1 PROPERTY MANAGEMENT: CHALLENGES/ ACHIEVEMENTS

Achievements

- Erven were offered via a tender process for the establishment of much needed affordable housing for the income group R3501 – R22 000 in Caledon and Riviersonderend.
- Land were made available to non-profit organisations for the establishment of creches.
- 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. 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 planning process for the development of a private hospital in Caledon (next to the Provincial Hospital) is nearly finalised. The hospital will aid in unlocking the development of retirement villages as well as the provision of specialised medical services to the area.
- The planning process for the development of 73 Industrial properties in Caledon was finalised. 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.
- Land were made available to upcoming farmers in Caledon for the cultivation of grain.
- Land were swopped with an adjacent farmer for the establishment of an access road to a housing development in Villiersdorp.

Challenges

- The national economy is still one of the biggest challenges as it negatively influences the sales market.
- Not a lot of Developers who is interested investing in property
- Not enough credible buyers due to strict criteria set by the banks for obtaining bonds.
- The backlog in the provision of bulk services in all of the towns restricts development.
- The high cost of infrastructure and construction discourages developers from spending.
- The provision of affordable housing within the household income R3501 to R22 000 is a big challenge as the feasibility of such projects is very low.

3.27.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

Employees: Property Management					
Job Level	Year 2018/2019	Year 2019/2020			
	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	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	0%
19 - 20	0	0	0	0	0%
Total	3	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* *T3.73.4*

Employees: Valuations					
Job Level	Year 2018/2019	Year 2019/2020			
	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	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	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.* *T3.56.4*

3.27.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

Financial Performance : Property Services					
					R'000
Details	Year 2018/19	Year 2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(5 958)	(2 242)	(2 045)	(1 961)	-4%
Expenditure:					
Employees	2,289	2,747	2,787	2,446	12%
Repairs and Maintenance	,996	2,013	1,380	,961	30%
Other	1,446	6,985	7,410	1,523	79%
Total Operational Expenditure	4,731	11,745	11,577	4,930	57%
Net Operational Expenditure	11,009	9,504	9,532	2,970	69%
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. **T3.73.5**					

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 **638 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

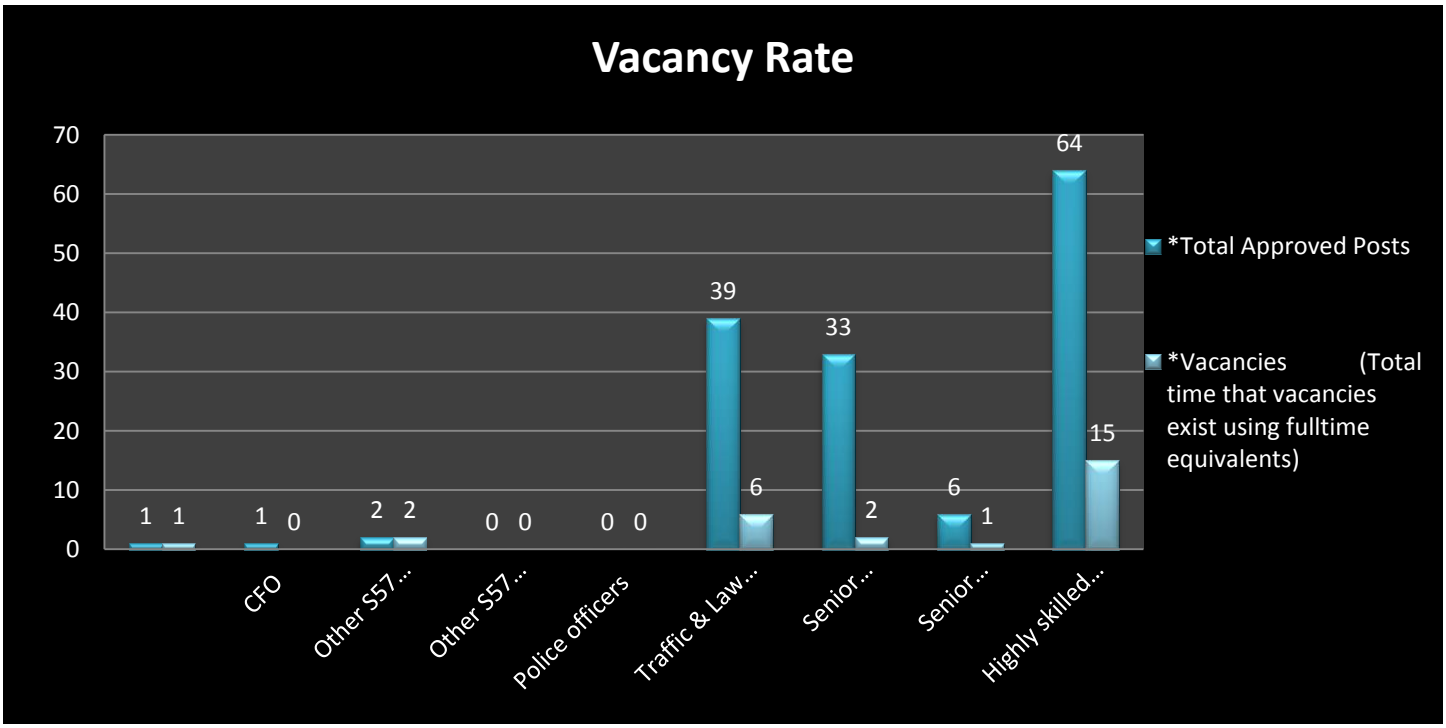
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEES

Employees					
Description	Year 2018/2019	Year 2019/2020			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water and Sewerage Networks	42	42	42	0	0%
Sanitation Services (Water and Sewerage Purification)	58	58	56	2	4%
Electricity	21	21	21	0	0%
Solid Waste Management Services	95	95	92	3	3%
Human Settlements (Including Informal Settlements)	12	13	9	4	44%
Roads Services	88	88	81	7	9%
Planning Services (Building Control)	12	12	10	2	20%
Local Economic Development	2	2	2	0	0%
IDP	3	3	3	0	0%
Libraries	22	23	20	3	15%
Valuations	1	1	1	0	0%
Internal Audit	3	3	3	0	0%
Public Safety (Traffic)	70	70	64	6	9%
Parks (Including Botanical Gardens)	39	39	37	2	5%
Administration	72	72	68	4	6%
Disaster Management	1	1	1	0	0%
Sport and Recreation	1	1	1	0	0%
The Executive (Top Management)	4	4	1	3	300%
ICT Services	4	5	3	2	67%
Financial Services	79	79	73	6	8%
Property Management	3	3	3	0	0%
Human Resources	7	7	7	0	0%
Totals	**639**	**642**	**598**	**44**	**1**
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					T4.1.1

4.1.2 VACANCY RATE: YEAR 2019/20

Vacancy Rate: Year 2019/20			
Designations	***Total Approved Posts**	***Vacancies (Total time that vacancies exist using fulltime equivalents)**	***Vacancies (as a proportion of total posts in each category)**
	No.	**No.**	**%**
Municipal Manager	1	1	100.00
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	6	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	33	2	6.06
Senior management: Levels 13-15 (Finance posts)	6	1	16.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	64	15	23.44
Highly skilled supervision: levels 9-12 (Finance posts)	6	2	33.33
Total	**152**	**29**	19.08
*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.*			T4.1.2



4.1.3 TURN-OVER RATE: YEAR 2019/20

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	616	22	3.57%
2017/18	636	28	4.40%
2018/19	641	44	6.86%
2019/20	639	28	4.38%
** 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*			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	Reviewed	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%		Reviewed by Council on 21 February 2020
7	Employment Practice Policy	100%		Policy was reviewed by Council on 31 October 2019 (C138/2019)
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	Acting Allowance	100%		31- Oct-19
22	Payment of professional Fees	100%		31- Oct-19
Use name of local policies if different from above and at any other HR policies not listed.				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	410	53		7	R 96 698.50
Temporary total disablement	311	6		52	R 73 349.35
Permanent disablement	0	0	0.00%	0	R 0.00
Fatal	0	0	0.00%	0	R 0.00
Total	721	59	8.18%	144.2	R 170 047.85
					T4.3.1

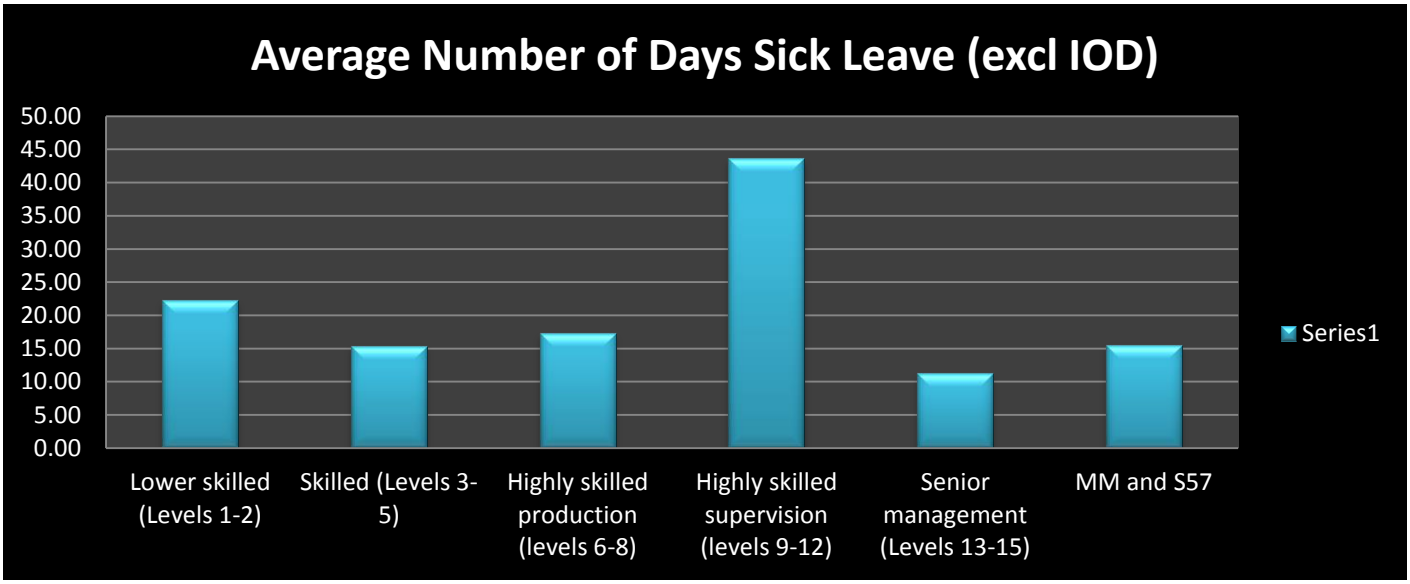
The municipality always strives to reduce the injuries on duty in order to contain cost as well as to maintain optimum levels of service delivery. To this end, regular safety meetings are conducted where safety concerns are addressed as well as weekly toolbox discussions and flash reports to staff.

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)	4481	36%	83	202	22.18	R 623 794.00
Skilled (Levels 3-5)	3899	28%	182	254	15.35	R 908 743.00
Highly skilled production (levels 6-8)	2065	15%	120	120	17.21	R 825 737.00
Highly skilled supervision (levels 9-12)	1875	22%	43	43	43.60	R 647 878.00

Senior management (Levels 13-15)	404	17%	26	36	11.22	R 478 976.00
MM and S57	31	10%	2	2	15.50	R 15 982.00
Total	**12755**	**21%**	**456**	**657**	19.41	**R 3 501 110.00**
**** - Number of employees in post at the beginning of the year***						T4.3.2
****Average is calculated by taking sick leave in colunm 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**
Senior Foreman	Allegation of Theft	5-Feb-20	Charge Sheet was served on employee. Delay due to lockdown.	Hearing rescheduled for 02 Sept. 2020

Deputy Director	Allegation of Possible conflict of interest	8-Jun-20	Investigation not yet finalised	Ongoing

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 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**
Senior Foreman	*Theft - ±R850.00*	Yes	Hearing is ongoing
Foreman	*Theft - ±R1000.00*	Yes	Dismissed

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**	**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	Female				

(Levels 13-15)	Male				
MM and S57	Female	0	0	0	
	Male	3	3	546 406.14	100%
	Total	3	3	546 406.14	100%
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
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).					T4.4.1

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. It was resolved to implement individual performance in phases, with the first phase being from manager level upwards to deputy director level. We are planning to implement phase two within the next two years.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

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).

The impact of the COVID-19 pandemic will only realise during the next financial year, which will have a direct effect on skills development.

4.5 SKILLS DEVELOPMENT AND TRAINING

4.5.1 NUMBER OF SKILLED EMPLOYEES

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2020	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 2019	Actual: End of Year 2020	Target	Actual: End of Year 2019	Actual: End of Year 2020	Target	Actual: End of Year 2019	Actual: End of Year 2020	Target	Actual: End of Year 2019	Actual: End of Year 2020	Target
MM and s57	Female		0	0	0	0	0	0	0	0	0	**0**	0	0
	Male	2	0	0	0	0	0	0	0	0	0		0	0
Councillors, senior officials and managers	Female	15	2	2	2	14	14	14	14	14	14	**2**	2	2
	Male	22	5	5	5	3	3	3	15	15	15	**23**	23	23
Technicians and associate professionals*	Female	33	18	18	18	15	15	15	10	10	10	**43**	43	43
	Male	62	2	2	2	2	2	2	10	10	10	**14**	14	14
Professionals	Female	12	16	16	16	15	15	15	10	10	10	**41**	41	41
	Male	21	4	4	4	2	2	2	2	2	2	**8**	8	8
Sub total	Female	60	36	36	36	37	37	37	34	34	34	**107**	86	86
	Male	107	11	11	11	7	7	7	27	27	27	**45**	45	45
Total		167	47	47	47	44	44	44	61	61	61	152	131	131
*Registered with professional Associate Body e.g CA (SA)														T4.5.1

4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

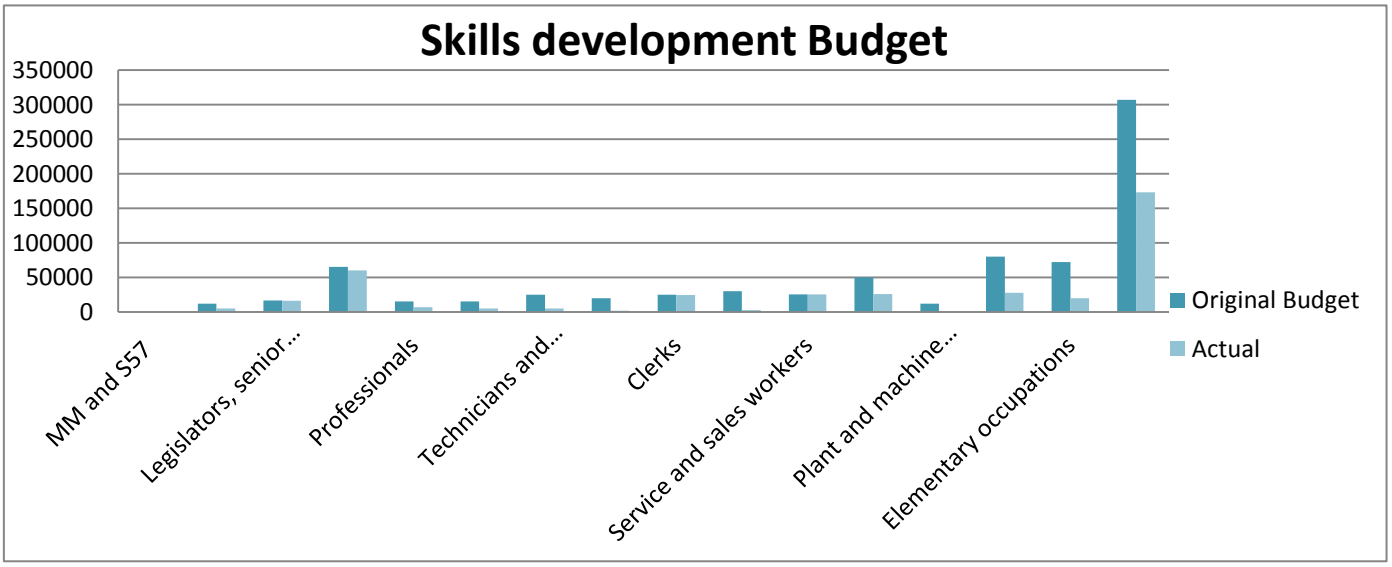
In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, chief financial officer and other financial officials of a municipality must meet the prescribed financial management competency levels that are important for the successful implementation of the Municipal Finance Management 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. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))**	**B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)**	**Consolidated: Total of A and B**	**Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))**	**Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))**	**Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))**
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	0	0	0	0	0	0
Any other financial officials	2	0	2	0	0	1
Supply Chain Management Officials						
Heads of supply chain management units						
Supply chain management senior managers	1	0	1			0
TOTAL	**5**	**0**	**5**	**2**	**2**	**3**
** 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 2019/2020							
			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	2			12000	5090			12000	5090
Legislators, senior officials and managers	Female	1			16500	16328			16500	16328
	Male	3			65000	60276			65000	60276
Professionals	Female	13			15000	7000			15000	7000
	Male	9			15000	5000			15000	5000
Technicians and associate professionals	Female	14			25000	5000			25000	5000
	Male	6			20000	1800			20000	1800
Clerks	Female	33			25000	24624			25000	24624
	Male	11			30000	2736			30000	2736
Service and sales workers	Female	6			25500	25179			25500	25179
	Male	23			50000	25684			50000	25684
Plant and machine operators and assemblers	Female	0			12000	0			12000	
	Male	41			80000	27805			80000	27805
Elementary occupations	Female	32	24000	20000	48000				72000	20000
	Male	35	266000	155000	41000	18294			307000	173294
Sub total	Female	106	24000	20000	167000	78131			191000	98131
	Male	144	266000	155000	313000	146685			579000	301685
Total		250	290000	175000	480000	224816	0	0	770000	399816
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*									%*	*R
										T4.5.3



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 percentage of the municipal budget that was spent on salaries and allowance (excluding councillor remuneration) for this financial year is 39% which is 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	
	Male	
Skilled (Levels 3-5)	Female	
	Male	6
Highly skilled production (Levels 6-8)	Female	2
	Male	2
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		10
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).		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**
Manager Corporate Services		T14	T15	Personal to incumbent
Chief HR Administration		T13	T14	Personal to incumbent
Meter Readers		T05	T06	Personal to incumbent
None				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				

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments.

This chapter comprises four components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash Flow Management and Investment
- Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

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, 2003 (Act 56 of 2003) (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 MFMA.

Financial Summary						
						R' 000
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	101,760	109,650	110,000	114,143	4,10%	3,77%
Service charges	223,645	235,474	238,698	239,094	1,54%	0,17%
Investment revenue	10,457	6,528	12,128	12,331	88,89%	1,67%
Transfers recognised - operational	149,038	138,442	156,701	124,159	-10,32%	-20,77%
Other own revenue	56,785	61,539	71,131	58,798	-4,45%	-17,34%
Total Revenue (excluding capital transfers and contributions)	**541,684**	**551,633**	**588,658**	**548,525**	**-0,56%**	**-6,82%**
Employee costs	192,826	225,087	224,512	207,555	-7,79%	-7,55%
Remuneration of councillors	11,707	12,615	12,840	12,194	-3,34%	-5,04%
Depreciation & asset impairment	22,597	29,066	29,066	22,228	-23,53%	-23,53%
Finance charges	19,878	20,019	20,019	19,943	-0,38%	-0,38%
Materials and bulk purchases	76,382	138,284	146,945	86,616	-37,36%	-41,06%
Transfers and grants	2,642	,186	1,223	4,270	2195,91%	249,19%
Other expenditure	178,037	149,328	178,284	166,214	11,31%	-6,77%

Total Expenditure	**504,068**	**574,585**	**612,889**	**519,020**	-9,67%	-15,32%
Surplus/(Deficit)	37,616	(22 951)	(24 230)	29,505	-228,56%	-221,77%
Transfers recognised - capital		70,206	74,835	44,749	-36,26%	-40,20%
Contributions recognised - capital & contributed assets	13,184	–	–	6,703	–	–
Surplus/(Deficit) after capital transfers & contributions	50,800	47,255	50,604	80,958	71,32%	59,98%
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	50,800	47,255	50,604	80,958	71,32%	59,98%
Capital expenditure & funds sources						
Capital expenditure	**76,533**	**130,593**	**108,566**	**78,723**	-39,72%	-27,49%
Transfers recognised - capital	48,076	70,206	74,835	46,300	-34,05%	-38,13%
Public contributions & donations	–	–	–	–	–	–
Borrowing	13,695	37,661	26,845	22,028	-41,51%	-17,95%
Internally generated funds	15,222	22,727	6,887	10,395	-54,26%	50,95%
Total sources of capital funds	**76,994**	**130,593**	**108,566**	**78,723**	-39,72%	-27,49%
Financial position						
Total current assets	207,485	127,895	202,283	207,485	62,23%	2,57%
Total non-current assets	905,283	997,341	984,784	905,283	-9,23%	-8,07%
Total current liabilities	83,830	107,768	116,969	83,830	-22,21%	-28,33%
Total non-current liabilities	228,737	265,804	253,691	228,737	-13,95%	-9,84%
Community wealth/Equity		751,664	816,407		-100,00%	-100,00%
Cash flows						
Net cash from (used) operating	128,117	73,661	69,599	85,209	15,68%	22,43%
Net cash from (used) investing	(63 962)	(131,335)	(108,365)	(69 111)	-47,38%	-36,22%
Net cash from (used) financing	2,885	23,290	18,662	(7 850)	-133,70%	-142,06%
Cash/cash equivalents at the year end	67,040	20,305	124,096	8,248	-59,38%	-93,35%
Cash backing/surplus reconciliation						
Cash and investments available	130,930	33,628	124,337	139,178	313,88%	11,94%
Application of cash and investments	114,337	(4,035)	47,874	131,763	-3365,36%	175,23%
Balance - surplus (shortfall)	16,593	37,663	76,463	7,416	-80,31%	-90,30%
Asset management						
Asset register summary (WDV)	924,065	984,018	984,542	924,065	-6,09%	-6,14%
Depreciation & asset impairment	20,811	29,066	29,066	20,811	-28,40%	-28,40%
Renewal of Existing Assets		44,858	36,905		-100,00%	-100,00%
Repairs and Maintenance	20,647	108,877	112,717	20,647	-81,04%	-81,68%
Free services						

Cost of Free Basic Services provided	28,393	25,281	30,875	28,393	12,31%	-8,04%
Revenue cost of free services provided	9,724	1,459	5,500	9,724	566,64%	76,80%
Households below minimum service level						
Water:	–	–	–	–	0,00%	0,00%
Sanitation/sewerage:	–	–	–	–	0,00%	0,00%
Energy:	–	–	–	–	0,00%	0,00%
Refuse:	,39	,41	,41	,39	0,00%	0,00%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

Financial Performance of Operational Services

R '000

Description	2018/19	2019/2020			2019/2020 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Service						
Water Distribution	-23 319	-14 398	-16 537	-21 556	50%	30%
Waste Water Management	-4 689	-5 272	-2 122	-5 175	-2%	144%
Electricity Distribution	-3 799	-14 878	-19 898	-18 786	26%	-6%
Solid Waste Management	-622	4,909	4,515	-3 146		
Housing Services	-4 905	-30 190	-34 604	-7 937	-74%	-77%
Component A: sub-total	**-37 334**	**-64 738**	**-73 161**	**-56 600**	**-13%**	**-23%**
Roads Services	24810	25389	27157	25829	2%	-5%
Transport	–	–	–	–	0%	0%
Component B: sub-total	**24810**	**25389**	**27157**	**25829**	**2%**	**-5%**
Planning	7082	10943	11103	9981	-9%	-10%
Local Economic Development	1451	2072	2469	2132	3%	-14%
Component C: sub-total	**8533**	**13015**	**13572**	**12113**	**-7%**	**-11%**
Community & Social Services	-983	-529	-671	-681	29%	1%
Environmental Protection	9001	14558	15370	13564	-7%	-12%
Health	–	–	–	–	0%	0%
Public Safety	14 070	19 902	19 424	23 278	17%	20%
Sport and Recreation	746	11326	11155	8989	-21%	-19%
Corporate Policy Offices and Other	22834	45257	45278	45150	0%	0%
Component D: sub-total	**45668**	**90514**	**90556**	**90300**	**0%**	**0%**
Net Total Expenditure	**41 677**	**69,673**	**70,641**	**48,927**		
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

5.2.1 Cost Containment

Cost Containment In-Year Report							
Measures	**Original Budget**	**Adjustment Budget**	**Q1**	**Q2**	**Q3**	**Q4**	**Savings**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Use of consultants	7 862	12 030	549	1 520	987	1 888	7 086
Travel and subsistence	966	655	86	124	82	22	341
Domestic accommodation	452	357	15	64	6	–	271
Sponsorships	436	1 552	2	72	247	892	339
Events and catering	218	174	46	49	13	6	60
Communication	2 040	1 708	231	313	391	349	424
Other related expenditure items	4 238	3 415	77	102	524	443	2 270
Total	16 211	19 892	1 007	2 244	2 250	3 600	10 791

The Municipal Cost Containment measurement is required in terms of the Municipal Cost Containment Regulations (MCCR), 2019. The object of the regulation is in line with Sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act (MFMA), is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures. The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure. These can then be re-prioritised to address service delivery backlogs.

5.3 GRANTS

The Municipality had a total amount of R159 276m for operational and capital expenditure available that was received in the form of grants from National and Provincial Governments during the 2019/20 financial year.

The performance in the spending of these grants is summarised as follows:

Grant Performance						
						R' 000
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
National Government:	**126 298**	**103 454**	**103 855**	**130 558**		
Equitable share	87 385	95 274	95 587	95 587	0%	0%
Municipal Systems Improvement			–		0%	0%
Municipal Disaster Recovery	248	–	88	72	0%	0%
Local Government Financial Management Grant (FMG)	1 700	1 700	1 700	1 698	0%	0%
Municipal Infrastructure Grant (MIG)	25 962	3 969	3 969	26 256	562%	562%
National Electrification Programme	5 370	654	654	5 019	667%	667%
Expanded public works programme (EPWP)	1 451	1 857	1 857	1 781	-4%	-4%
Regional Bulk Infrastructure Grant	–	–	–	–	0%	0%
VAT on grants	4 037	–	–	–	-	-
Public Works	146		–	146	0%	-
Neighbourhood Development Programme Grant	–	-	–	–	0%	0%
Provincial Government:	**61 967**	**34 988**	**37 922**	**27 782**		
Health subsidy	–	–	–	–		
Housing		24 650	25 650	16 348	-34%	-36%
Muncipal Infrastructure Support Grant	–	–	–	–	-	-
Sports and Recreation	401	–	–	–	-	-
Financial Management Support Grant	1 680	330	1 034	300	-9%	-71%
CDW Operational Support Grant	37	130	260	97	-26%	-63%
Maintenance of proclaimed main roads	117	114	114	81	-29%	-29%
Library Service conditional Grant	9 300	9 384	9 184	8 148	-13%	-11%
Violence Prevention through Urban Upgrading	–	–	–	–	0%	0%
Thusong Service Centres Grant	98	–	–	–	-!	-
Municipal Capacity Building Grant	1 170	380	380	1 896	399%	399%
Local Government Support Grant			800	800	-	-
Municipal Disaster Recovery (Water Supply Grant)	569	-	–		0%	-
Municipal Drought Relief (MDR)	–		500	112	0%	-78%
District Municipality:		**-**	**-**		**-**	**-**
Other grant providers:	**1 013**	**–**	**2 850**	**936**	**-**	**-**
DBSA GIS	–	-	–	–		
IDC		-	–		0%	-

DBSA LEDI	–	-	2 350	566	0%	-76%
HAN	603	–	–	–	-	-!
SETA	200	–	500	370	0%	-26%
Economic Development (Youth Development)	70	–	–	–		
SANRAL	140	-	–		0%	-
Total Operating Transfers and Grants	189 279	138 442	144 627	159 276		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T5.2.1						

5.3.1 COMMENT ON OPERATING TRANSFERS AND GRANTS

Equitable Share- 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.

Finance Management Grant (FMG)- 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.

Municipal Infrastructure Grant (MIG)- The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

Expanded Public Works Programme (EPWP)- 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.

Integrated National Electrification Progamme (INEP)- 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.

Municipal Drought Relieve (MDR)- The grant will be utilised for boreholes.

Municipal Disaster Relief Grant - This grant was utilised to provide for the immediate release of funds for disaster purpose.

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

Housing - Title Deeds- This grant will be utilised to transfers properties to the respective beneficiaries.

CDW Contribution - The CDW Contribution was used to finance the activities of Community Development Workers.

Thusong Multi-Purpose Centre - The grant is intended to be utilised for the improvement of financial governance.

Main Roads Subsidy - The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

Financial Support Grant - The grant is intended to be utilised for the improvement of financial governance.

Library Subsidy - The subsidy is utilised for the operational costs of libraries which is a provincial function.

Municipal Capacity Building Grant - 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.

Local Government Graduate Internship Allocation - This grant will be utilised for the recruitment of interns.

Municpal Disaster Recovery (Water Supply Grant) - This grant will be utilised for boreholes.

Sport and Recreation - This grant will be utilised for boreholes.

Local Government Support Grant - This grant is utilised to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.

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.

No grants were withheld in the current year. 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. Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

26.85% of Theewaterskloof's Total Revenue was derived from government grant and subsidies in 2019/20; indicating the Municipality's reliance on Grants and Subsidies. During the 2019/20 financial year the municipality received a total of R 159,276m. Provincial transfers of R 27, 782 national grants amounting to R 130, 558m and R 0,936m from other grant funders make up the total amount of grant funding received during the 2019/20 financial year. The largest transfer received was received in the form of equitable share (R95, 587m) and municipal infrastructure grant (R 26,256m).

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant 2018/19**	**Actual Grant 2019/20**	**2018/19 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
SETA	200	–				Skills Development
HAN	–	804				Youth Development
DBSA LED	–	566				Local Economic Development
SANRAL	140 000,00	–				Infrastructure - Road transport
ECONOMIC DEVELOPMENT	70 175,00					Local Economic Development
Foreign Governments/Development Aid Agencies						
None						
Private Sector / Organisations						
None						

5.3.2 CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

SETA - This grant is for the training and development of municipal officials.

Hogeschool van Arnhem en Nijmegen (HAN) - The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.

DBSA Local Economic Development - This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

SANRAL - This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

The municipality received a total of R1, 370 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.

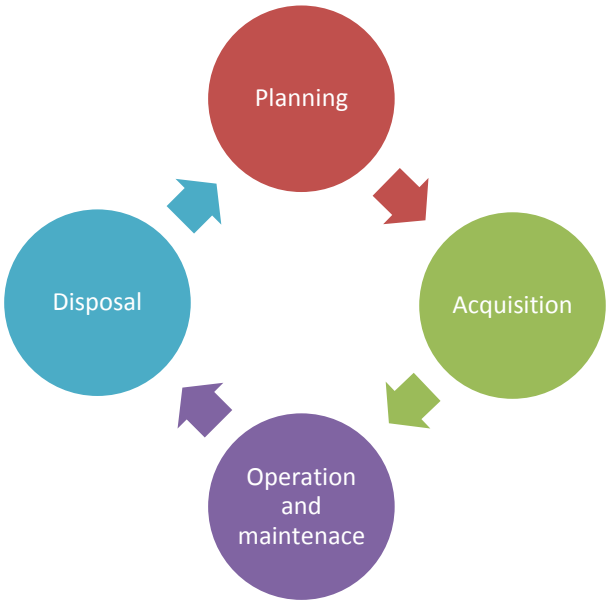
5.4 ASSET MANAGEMENT

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.

Asset Management lifecycle

Assets refer to items or things that have potential or actual value to a municipality. The managing of the assets is essential to achieve the highest return on investment and to attain the municipality's main and constitutional objectives. An essential part of asset management understands the asset management lifecycle, which is broken down into four stages.



Planning

The first stage of the asset lifecycle is planning. At this stage asset requirements is determined, by evaluate existing assets and their potential to meet service delivery needs and give consideration to IDP objectives.

Acquisition

The acquisition planning phase includes all activities involved with purchasing an asset with the end goal of making the acquisition as cost-efficient as possible. This phase consists of the procurement department in making sure all legislation is adhere to when purchasing an asset. When considering cost of an asset, it's crucial not only to consider the initial investment but the lifecycle cost or the total cost of ownership.

Operation and Maintenance

In this stage, the asset is being used. All operation and maintenance activities are performed and tracked during this stage. At this point, the focus should be on keeping the asset in good

running order so that it can continue to provide the service required. The better maintained the assets are from the beginning, the longer the asset tends to last.

Disposal

When an asset reaches its end of a useful life, it can be treated as a surplus, or otherwise is considered as an underperforming asset. Disposal should be treated in the perspective of the effects of the decision on service delivery and any departmental responsibilities.

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:

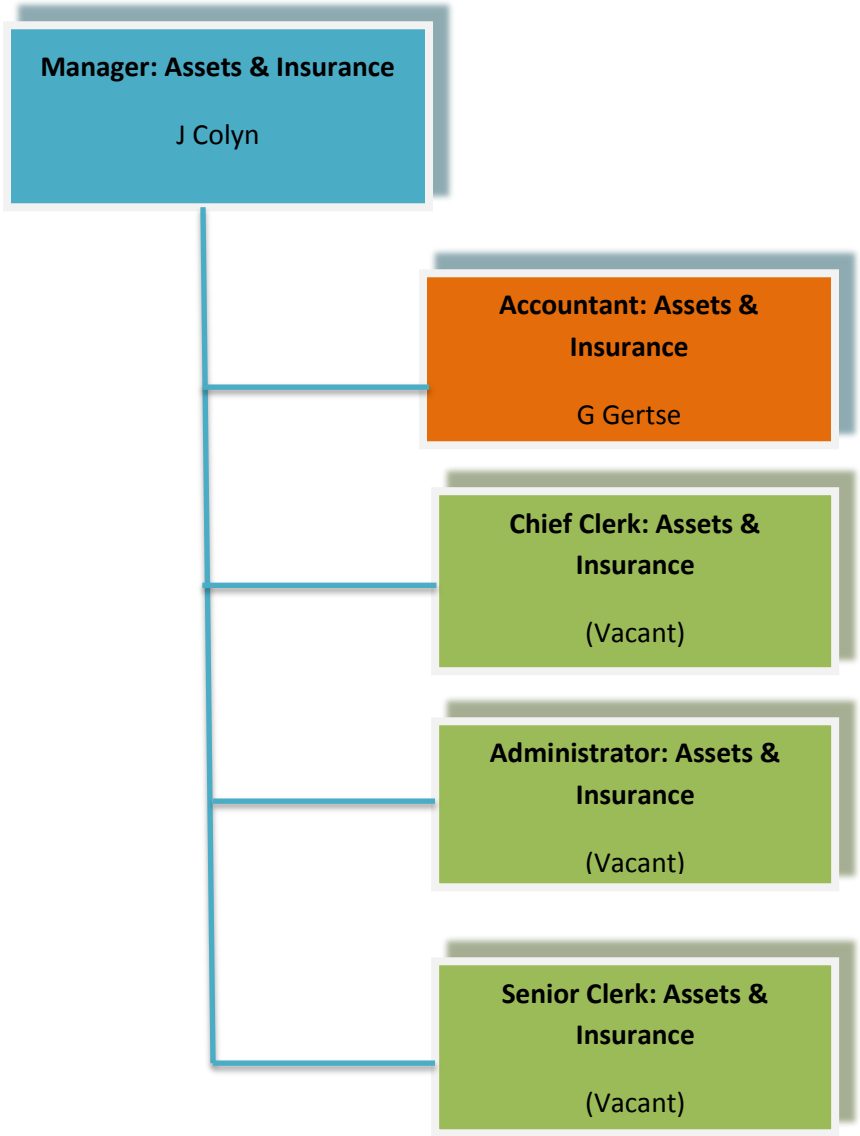
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship 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
- 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.

Challenges	Achievements
Lack of maintenance Plans for Assets adding to backlog replacements	Fully functional Insurance Claims Committee to review claims for negligence
Infrastructure Assets require physical verification, but funding is required.	Updating of insurance portfolio done by municipality officials
Safeguarding of asset against theft and loss is resulting in huge expenses	Insurance SOP workshopped in March 2020 with a roadshow to all towns and departments
Consequence Management for not adhering to Asset Management SOP	Purchase verification devices in order to automate verification updating on register
New system challenges	

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.



5.5 REPAIRS AND MAINTENANCE EXPENDITURE

Repair and Maintenance Expenditure: 2019/20				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	130,593	108,566	93,302	14,06%
				T5.3.4

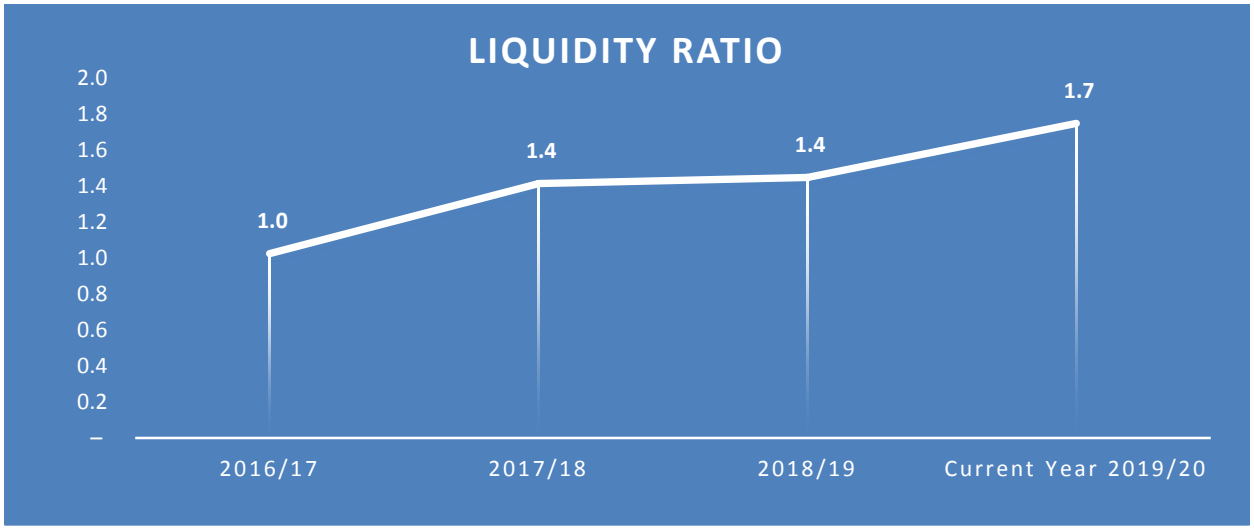
In 2019/20 Theewaterskloof municipality budgeted R130 593m for repairs and maintenance. This was adjusted to R108, 566m. The actual repairs and maintenance for the year 2019/20 amounted to R93, 302m, meaning that 85.94% of the repairs and maintenance budget was spent.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The 2020/21 final capital budget allocation for renewal of existing assets amounts to 44.9% which is above the National treasury requirement. The recommendation on repairs and maintenance are met as the repairs and maintenance spends as a percentage of written down value of assets is 11.3%. The reasons for the compliance to this National Treasury guideline are due to the implementation of mSCOA where the repairs and maintenance is allocated to projects which include all components related to repairs and maintenance. Repairs and maintenance expenditure will also gradually increase to above the guideline levels of 8%. The spending should also be aligned with the municipality's maintenance plans with regard to affordability and other priorities.

5.6 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.

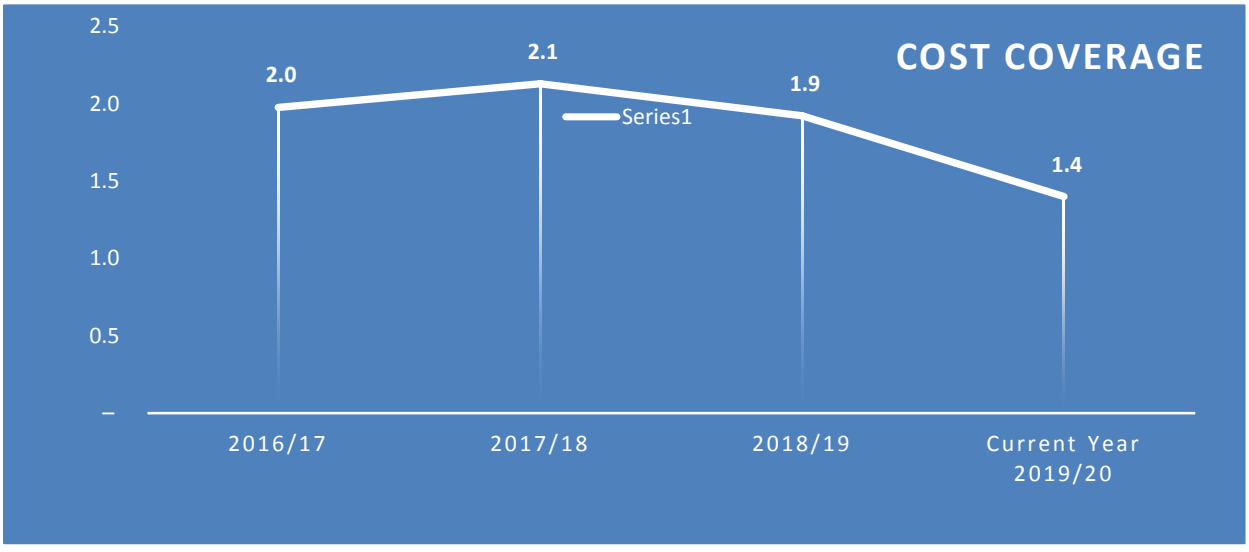
The following graph indicates the liquidity financial ratio for 2019/20:



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 1.4 to 1.7 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.

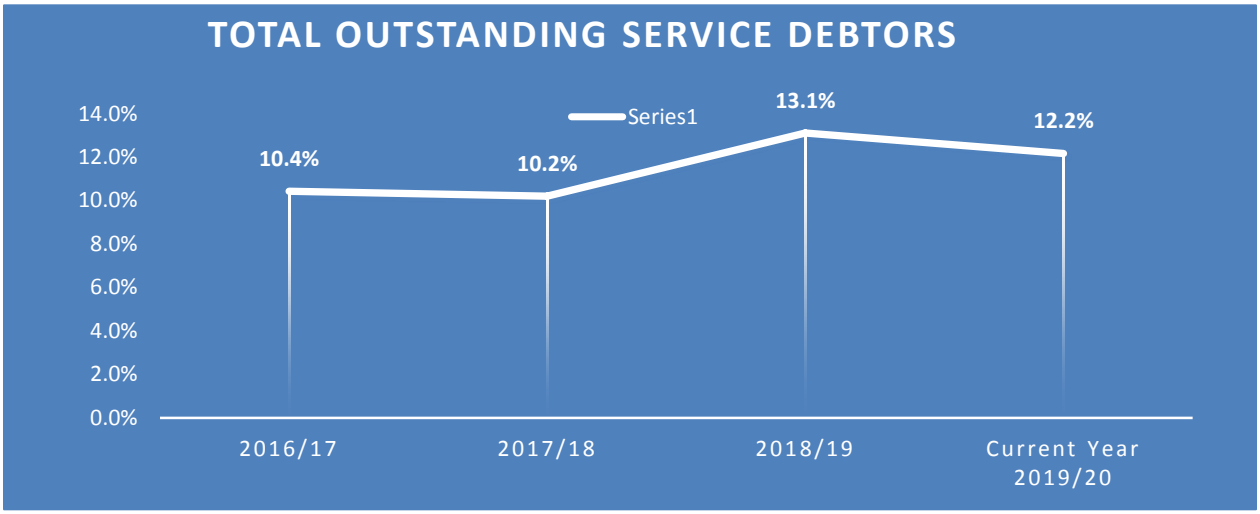
The following graph indicates the liquidity financial ratio for 2019/20:



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 1.4 months. 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.

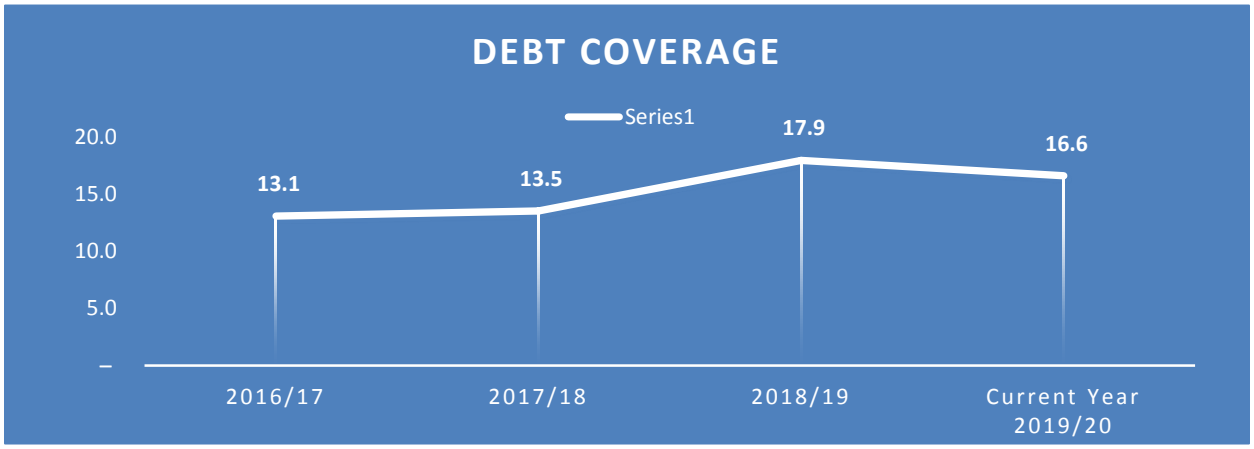
The following graph indicates the Total Outstanding Service Debtors financial ratio for 2019/20:



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.

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.

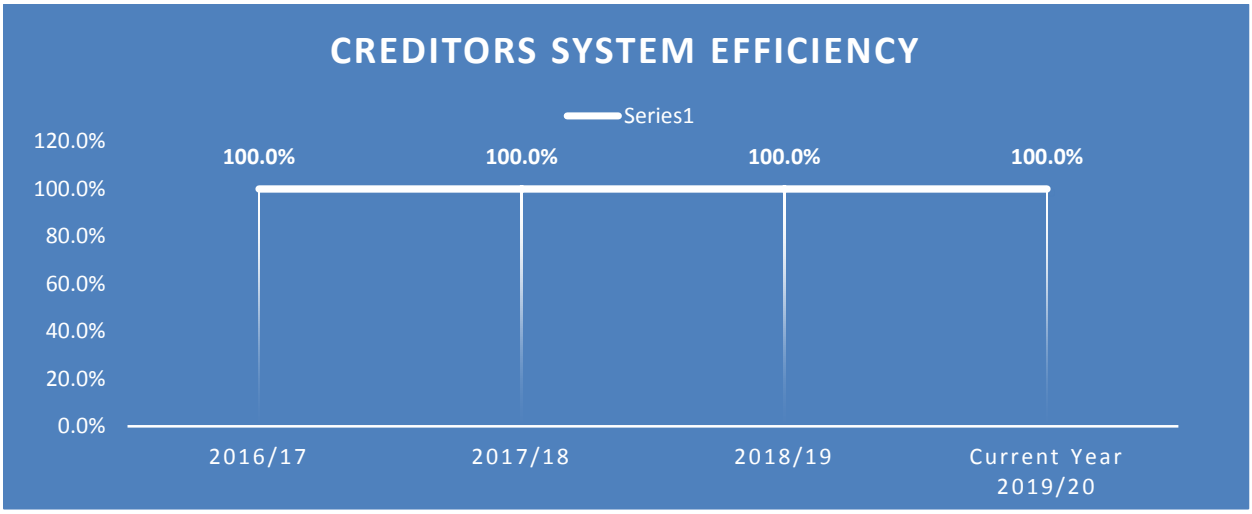
The following graph indicates the Debt Coverage financial ratio for 2019/20:



The debt coverage ratio decreased from 17.9 in 2018/19 to 16.6 in 2019/20. 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.

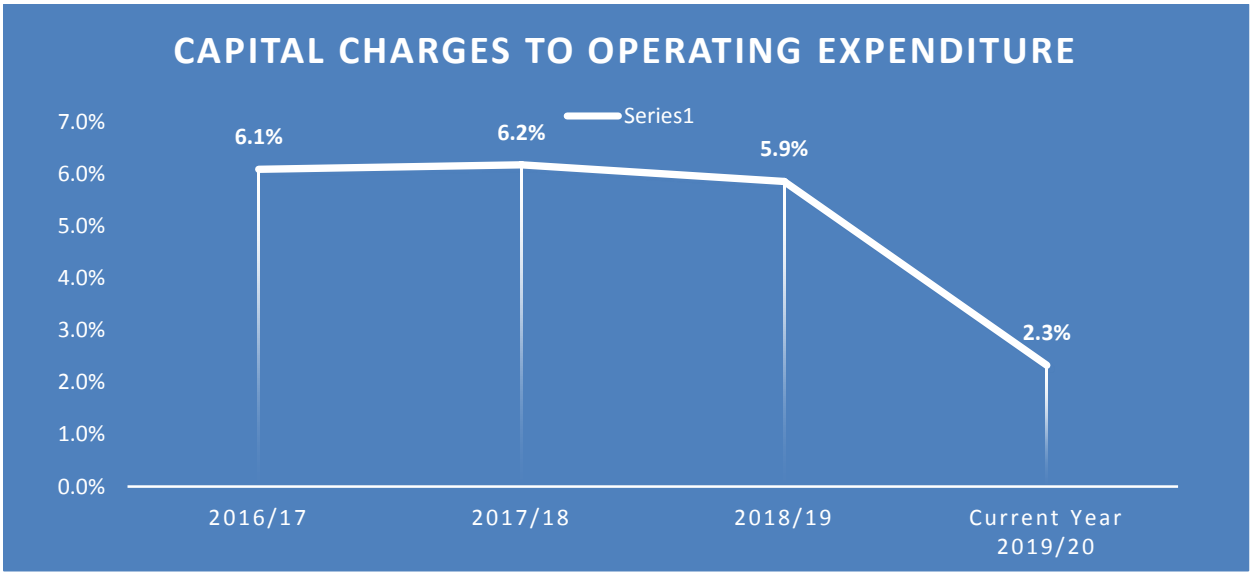
The following graph indicates the Creditors System Efficiency financial ratio for 2019/20:



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.

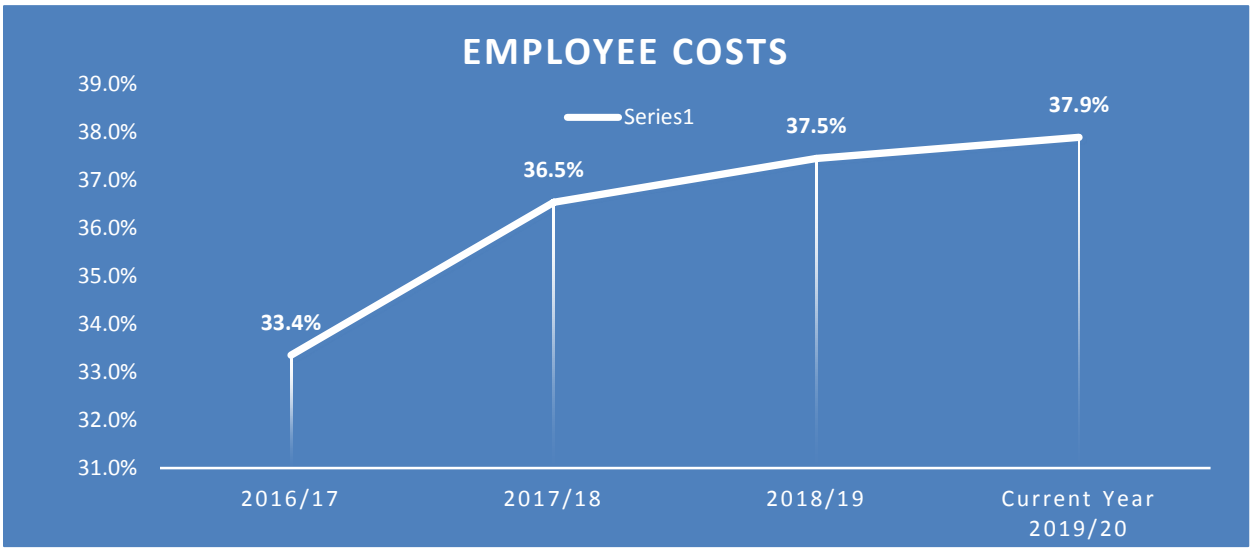
The following graph indicates the Capital Charges to Operating Expenditure financial ratio for 2019/20:



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.

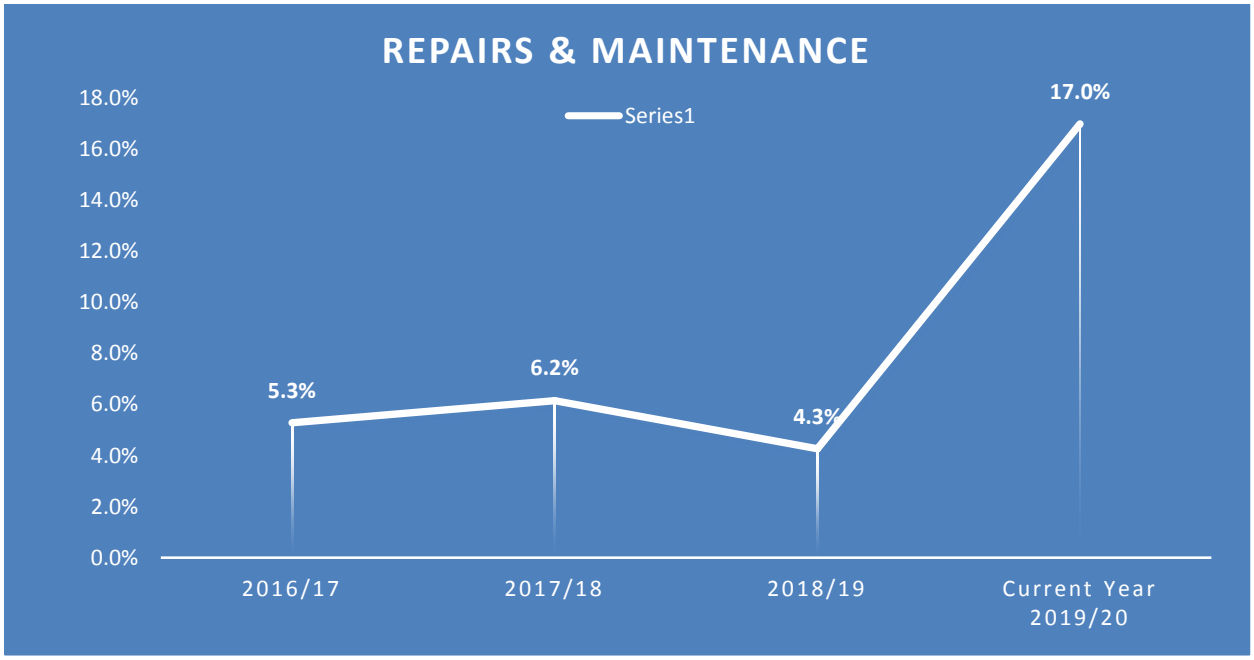
The following graph indicates the Employee Costs financial ratio for 2019/20:



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 2019/20:



See financial health overview for comments relating to employee expenditure as well as expenditure on repairs and maintenance.

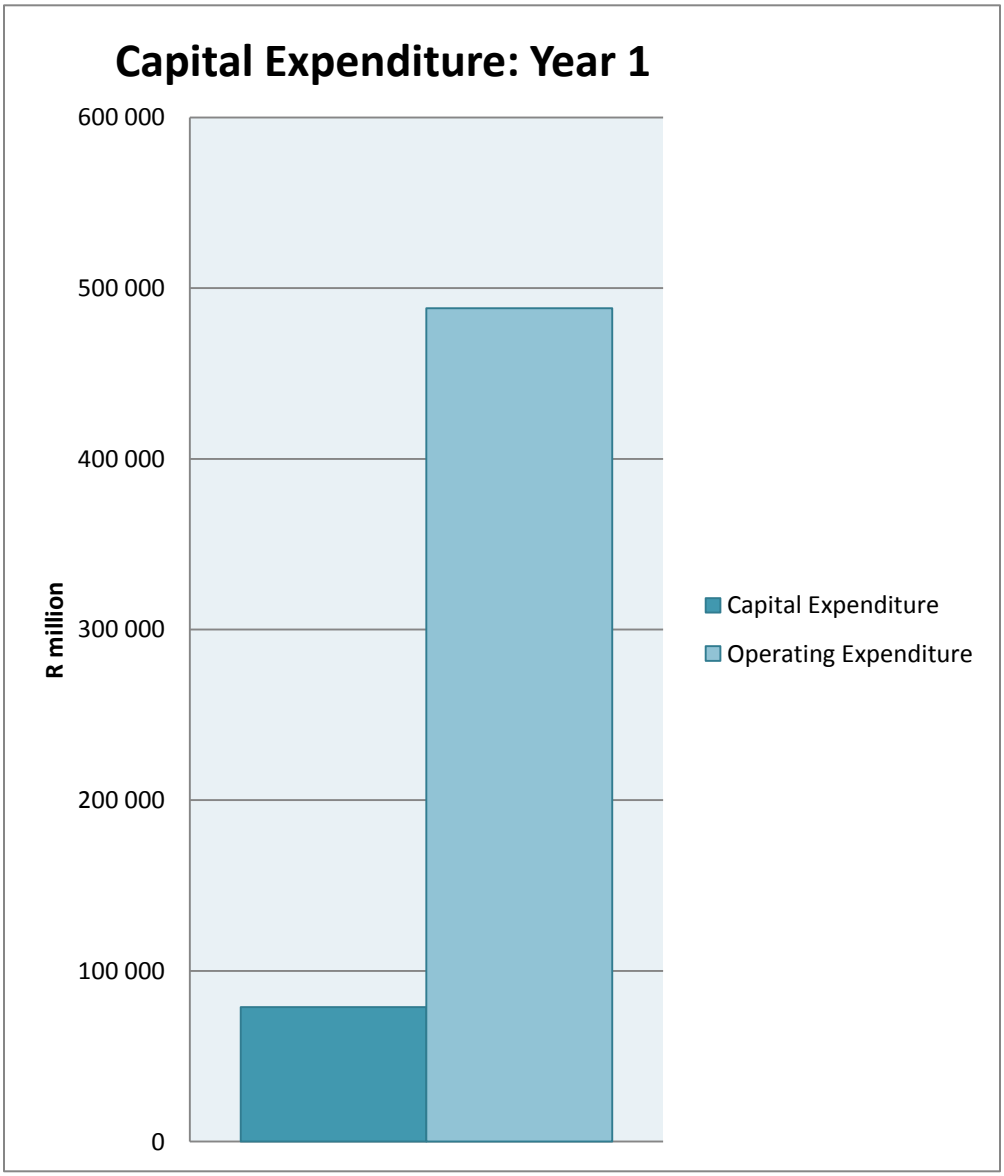
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 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.

In 2019/20 Theewaterskloof municipality approved a capital budget of R 130,593m which was adjusted to R 108,566m. The Total Capital Expenditure for the year ended 30 June 2020 amounts to R 78,722 million against the adjustment budget of R 108,566 million and the percentage spend is 73% when compared to the adjustment budget.

5.7.1 CAPITAL EXPENDITURE



The table below indicates the Capital Expenditure by funding source for the 2019/20 financial year:

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	130 593	**108 566**	**78 723**	39.7%	27.5%
	130 593	**108 566**	**78 723**	39.7%	27.5%
Operating Expenditure	574 585	612 889	519 020	9.7%	15.3%
	574 585	**612 889**	**488 183**	15.0%	20.3%
Total expenditure	**705 178**	**721 455**	**566 906**	19.6%	21.4%
Water and sanitation	42 485	28 183	24 932	41.3%	11.5%
Electricity	9 658	12 185	10 746	-11.3%	11.8%
Housing	38 699	44 680	16 348	57.8%	63.4%
Roads, Pavements, Bridges and storm water	16 398	1 233	1 515	90.8%	-22.9%
Other	23 353	22 285	25 181	-7.8%	-13.0%
	130 593	**108 566**	**78 723**	39.7%	27.5%
External Loans	37 661	26 845	22 028	41.5%	17.9%
Internal contributions	22 727	6 887	10 395	54.3%	-50.9%
Grants and subsidies	70 206	74 835	46 300	34.1%	38.1%
Other	0	0	0		
	130 593	**108 566**	**78 723**	39.7%	27.5%
External Loans	37 661	26 845	22 028	41.5%	17.9%
Grants and subsidies	70 206	74 835	46 300	34.1%	38.1%
Investments Redeemed	0	0	0		
Statutory Receipts (including VAT)	0	0	0		
Other Receipts	22 727	6 887	10 395	54.3%	-50.9%
	130 593	**108 566**	**78 723**	39.7%	27.5%
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments	130 593	**108 566**	78 723	39.7%	27.5%
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	130 593	**108 566**	**78 723**	39.7%	27.5%
	Original Budget	**Adjustment Budget**	**Un-audited Full Year Total**	**Original Budget variance**	**Adjusted Budget Variance**
Property rates	109 650	110 000	114 143	-4.1%	-3.8%
Service charges	235 474	238 698	239 094	-1.5%	-0.2%
Other own revenue	68 067	83 259	71 129	-4.5%	14.6%

Grants & subsidies	138 442	156 701	124 159	10.3%	20.8%
	551 633	**588 658**	**548 525**	0.6%	6.8%
Employee related costs	225 087	224 512	207 555	7.8%	7.6%
Provision for working capital	0	0	0	0.0%	0.0%
Repairs and maintenance	108 877	112 717	93 302	14.3%	17.2%
Bulk purchases	87 526	87 026	86 616	1.0%	0.5%
Other expenditure	153 095	188 633	131 548	14.1%	30.3%
	574 585	**612 889**	**519 020**	9.7%	15.3%
Service charges: Electricity	100 535	100 548	96 122	4.4%	4.4%
Grants & subsidies: Electricity	3 385	5 215	3 316	2.0%	36.4%
Other revenue: Electricity					
	103 920	**105 763**	**99 438**	4.3%	6.0%
Employee related costs: Electricity	7 326	7 396	7 363	-0.5%	0.4%
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	5 015	3 738	1 742	65.3%	53.4%
Bulk purchases: Electricity	70 206	70 206	69 359	1.2%	1.2%
Other expenditure: Electricity	10 860	11 123	15 305	-40.9%	-37.6%
	93 407	**92 463**	**86 406**	7.5%	6.5%
Service charges: Water	64 333	69 357	74 625	-16.0%	-7.6%
Grants & subsidies: Water	5 377	6 900	6 927	-28.8%	-0.4%
Other revenue: Water					
	69 710	**76 257**	**81 553**	-17.0%	-6.9%
Employee related costs: Water	10 700	11 191	10 911	-2.0%	2.5%
Provision for working capital: Water					
Repairs and maintenance: Water	6 787	7 527	5 907	13.0%	21.5%
Bulk purchases: Water	17 319	17 319	17 256	0.4%	0.4%
Other expenditure: Water	20 505	33 274	36 965	-80.3%	-11.1%
	55 312	**58 120**	**60 128**	-8.7%	-3.5%
					Txxx

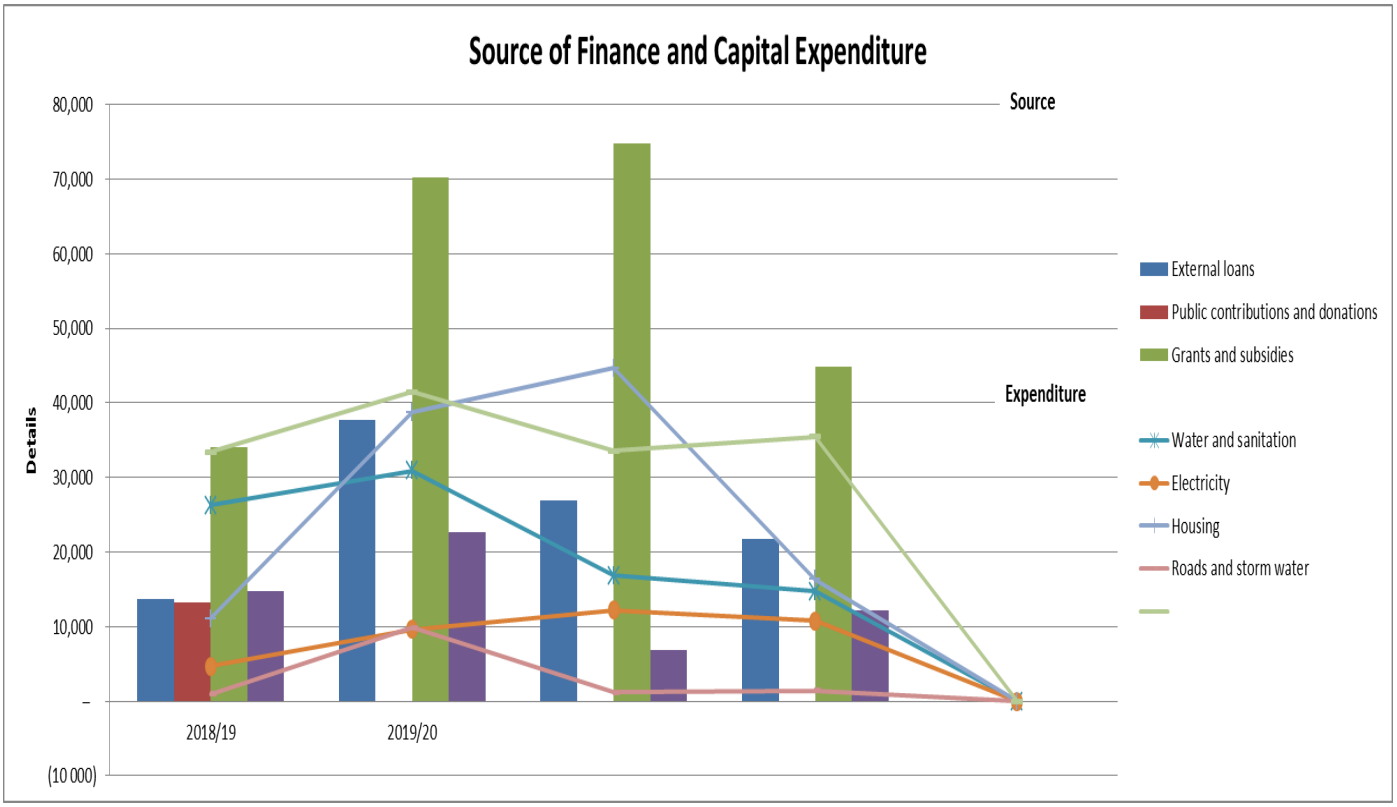
5.8 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2019 to 2020							
							R' 000
Details		2018/19	2019/20				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	13,695	37,661	26,845	21,770	-28.72%	-42.19%
	Public contributions and donations	13 213	0	0	0	0.00%	0.00%
	Grants and subsidies	34,135	70,206	74,835	44,812	6.59%	-36.17%
	Other	14,761	22,727	6,887	12,141	-69.70%	-46.58%
Total		**75,805**	**130,593**	**108,566**	**78,723**	**-16.87%**	**-124.94%**
Percentage of finance							
	External loans	18.1%	28.8%	24.7%	27.7%	170.3%	33.8%
	Public contributions and donations	17.4%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	45.0%	53.8%	68.9%	56.9%	-39.1%	29.0%
	Other	19.5%	17.4%	6.3%	15.4%	413.2%	37.3%
Capital expenditure							
	Water and sanitation	26,298	30,942	16,865	14,764	-45.50%	-52.29%
	Electricity	4,696	9,658	12,185	10,746	26.17%	11.26%
	Housing	11,112	38,699	44,680	16,348	15.46%	-57.76%
	Roads and storm water	1,008	9,855	1,233	1,418	-87.49%	-85.61%
		33,419	41,439	33,603	35,447	-18.91%	-14.46%
Total		**76,533**	**130,593**	**108,566**	**78,723**	**-110.27%**	**-198.85%**
Percentage of expenditure							
	Water and sanitation	34.4%	23.7%	15.5%	18.8%	41.3%	26.3%
	Electricity	6.1%	7.4%	11.2%	13.7%	-23.7%	-5.7%
	Housing	14.5%	29.6%	41.2%	20.8%	-14.0%	29.0%
	Roads and storm water	1.3%	7.5%	1.1%	1.8%	79.3%	43.1%
	Other	43.7%	31.7%	31.0%	45.0%	17.1%	7.3%
							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 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.



5.9 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current Year: 2019/20			Variance Current Year: 2019/20	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Water	15 780	12 280	4 453	72%	64%
Capital - WWTW upgrade	13 364	11 338	10 411	22%	8%
Capital - Bulk outfall sewer	8 934	7 659	7 892	12%	-3%
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Water	7 500	7 500	351	95%	95%
Capital - Upgrade of Fleet	7 200	7 200	5 496	24%	24%
**** Projects with the highest capital expenditure in Year 2019/20***					
Name of Project - A	Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Water				
Objective of Project	Providing low cost housing for communities				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Capital - WWTW upgrade				
Objective of Project	Upgrading of sewers that convey the waste water from collectors to the purification works.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Capital - Bulk outfall sewer				
Objective of Project	Upgrading processing site for the temporary deposition of waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D	Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Water				
Objective of Project	Providing low cost housing for communities				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E	Capital - Upgrade of Fleet				
Objective of Project	Upgrading of fleet for service delivery purposes				
Delays					
Future Challenges					
Anticipated citizen benefits					
					T5.7.1

5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.10.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The municipality is currently experiencing a rise in people living together as one family unit, due to the unavailability of affordable housing for many families. There has been a drastic increase in backyard dwellers, mainly due to the influx of people from other provinces creating a social and economic problem. Children live in the backyard of their parents placing additional pressure on available resources.

Infrastructure is over utilized and cannot carry the higher demand with the increasing numbers. Pipes and other infrastructure tend to break more easily. The need for suitable housing and the eradication of backlogs in proper housing facilities is of great importance. Our Municipality is in the process of facilitating various housing projects to supply proper housing facilities. The Indigent Policy was reviewed and adjusted allowing backyard dwellers to apply for the subsidy, in order to receive the 70Kwh electricity units and 6kl of water free of charge. This will aid the poor communities making housing and basic services more affordable.

Municipal Infrastructure Grant (MIG)* Expenditure 2019/20 on Service backlogs

R' 000

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
Infrastructure - Road transport	**1,213**	**1213**	**1 198**	**-1%**	**-1%**	
Roads, Pavements & Bridges	431	430	416	**-4%**	**-4%**	
Capital - Roads & SW upgrade	783	783	783	**0%**	**0%**	
Storm water						
Infrastructure - Electricity	**0**	**0**	**0**	**0%**	**0%**	
Generation						
Transmission & Reticulation						
Street Lighting	0	0	0	0%	0%	
Infrastructure - Water	**1,405**	**,682**	**680**	**-107%**	**0%**	
Dams & Reservoirs						
Water purification	970	,247	,247	-293%	0%	
Reticulation	,435	,435	433	0%	0%	
Infrastructure - Sanitation	**13,134**	**13,322**	**13,243**	**1%**	**-1%**	
Reticulation	1,413	1,413	1,413	0%	0%	
Rooidakke Storm water	1,617	1,617	1,617	0%	0%	
Sewerage purification	10,104	10,292	10,213	1%	-1%	
Infrastructure - Other	**6,708**	**7,244**	**7,243**	**7%**	**0%**	
Waste Management	6,708	7,244	7,243	7%	0%	
Other Specify:	**,600**	**,600**	**,600**	**0%**	**0%**	
Caledon PMU	,600	,600	,600	0%	0%	
Sport						
Total	**23,061**	**23,061**	**22,963**	**0%**	**0%**	

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. 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.

5.11 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2018/19	Current Year: 2019/20		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	332 059	323 664	316 086	174 602
Government - operating	136 006	138 442	144 127	88 998
Government - capital	34 341	70 206	68 778	44 749
Interest	10 457	15 831	29 120	12 331
Dividends				
Payments				
Suppliers and employees	(373 421)	(463 856)	(476 849)	(381 477)
Finance charges	(8 683)	(10 440)	(10 440)	(9 000)
Transfers and Grants	(2 642)	(186)	(1 223)	(4 270)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**128 117**	**73 661**	**69 599**	**-74 067**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	780	0	200	313
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	0	12 014.10	1	–
Decrease (increase) in non-current investments	(932)	(754)		2 596
Payments				
Capital assets	(63 810)	(130 593)	(108 566)	(72 020)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(63 962)**	**(131 335)**	**(108 365)**	**(69 111)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	10 420 279.00	31 863	26 845	-
Increase (decrease) in consumer deposits	-82	299	285	13 967.40
Payments				
Repayment of borrowing	(7 454)	(8 872)	(8 468)	(7 454)

NET CASH FROM/(USED) FINANCING ACTIVITIES	2 884 991 ,	23 290 237 ,	18 661 880 ,	(7 440)
NET INCREASE/ (DECREASE) IN CASH HELD	67 039 588 ,	(34 384)	(20 104)	(150 618)
Cash/cash equivalents at the year begin:	63 901	54 688	144 200	63 901
Cash/cash equivalents at the yearend:	130 940	20 305	124 096	-86 717

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 2020. 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 2020 is 88%. 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 2020/21.

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.

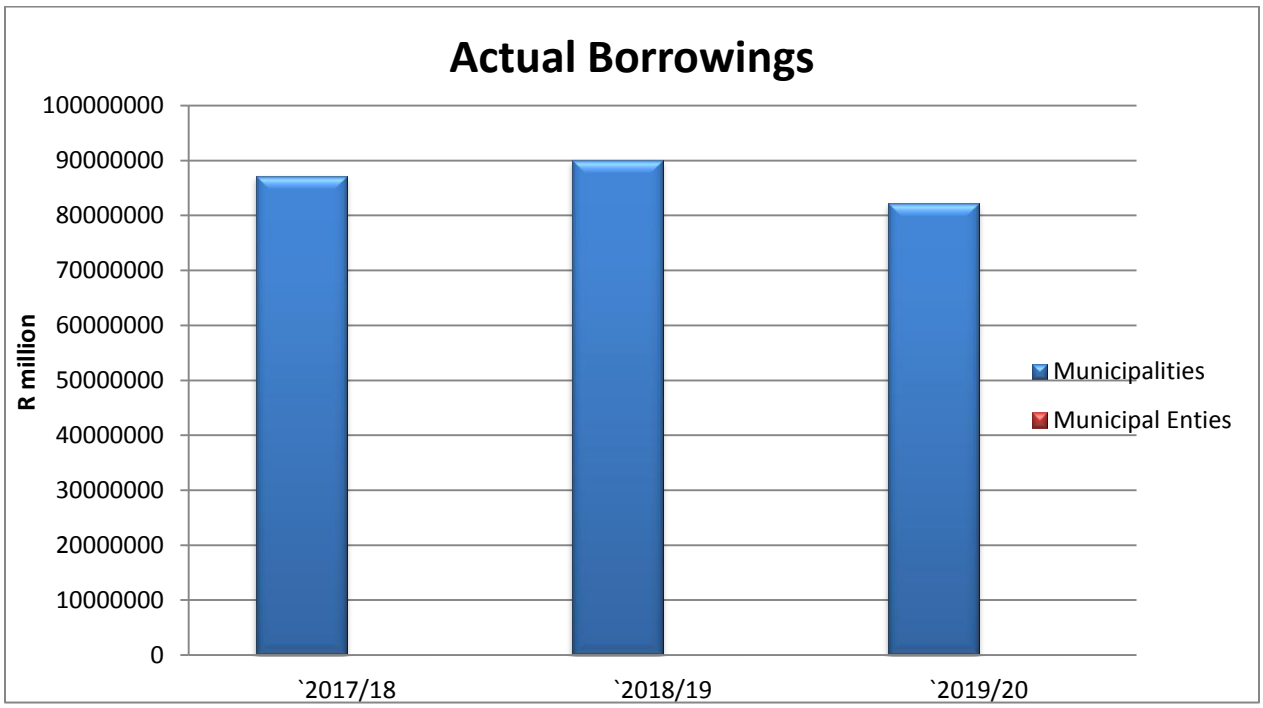
5.12 BORROWING AND INVESTMENTS

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 posse major affordability risks for future generations.

Borrowings reduced from R 90,166 m in 2018/19 to R 82,303 in 2019/20.

Actual Borrowings 2017 to 2019			
			R' 000
Instrument	**2017/18**	**2018/19**	**2019/20**
Municipality			
Long-Term Loans (annuity/reducing balance)	70 177	73 143	66 280
Long-Term Loans (Stock loans)	17 023	17 023	16 023
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			
Municipality Total	**87 200**	**90 166**	**82 303**
Municipal Entities			
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			
Entities Total			
			T5.10.2


Actual Borrowings
100000000
90000000
80000000
70000000
60000000
50000000
40000000
30000000
20000000
10000000
0
R million
`2017/18
`2018/19
`2019/20
Municipalities
Municipal Enties

Municipal and Entity Investments			
			R' 000
Investment* type	2017/18	2018/19	2019/20
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	53,224	43,415	46,068
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	**53,224**	**55,983**	**46,068**
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	–	–	–
Consolidated total:	**53,224**	**55,983**	**46,068**
			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

6.1 REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND COUNCIL ON THEEWATERSKLOOF MUNICIPALITY 2018/19 (PREVIOUS YEAR)

6.1.1 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).

6.1.2 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.

6.1.3 Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

6.1.4 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.

6.1.5 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).

6.1.6 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%).

6.1.7 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.

6.1.8 Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

6.1.9 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.

6.1.10 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.

6.1.11 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.

6.1.12 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.

6.2 Report on the audit of the annual performance report

6.2.1 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	88 to 93, 95,99,102 to 103, 110 to114, 116 to 117

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.

6.2.2 Other matters

25. I draw attention to the matters below.

6.2.3 Achievement of planned targets

26. Refer to the annual performance report on pages 88 to 93, 95,99,102 to 103, 110 to114, 116 to 117 for information on the achievement of planned targets for the year.

6.2.4 Adjustment of material misstatements

27. 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.

6.3 Report on the audit of compliance with legislation

6.3.1 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.

29. 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.

6.3.2 Other information

30. 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.

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 Key Performance Area 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 if there is a material misstatement in this other information, I am required to report that fact.

34. I have nothing to report in this regard.

6.3.3 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. I did not identify any significant deficiencies in internal control.

Cape Town

30 November 2019

6.4 Report of the auditor-general to Western Cape Provincial Parliament and council on Theewaterskloof Municipality 2019/20 (Current Year)

6.4.1 Report on the audit of the financial statements

6.4.2 Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 89, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 1 of 2019 (Dora).

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' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

6.4.3 Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

6.4.4 Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

8. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of a change in the accounting policy in the financial statements of the municipality at, and for the year ended, 30 June 2020.

6.4.5 Material impairments

9. As disclosed in note 3 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R178,4 million (2018-19: R144,9 million).

10. As disclosed in note 4 to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R58,8 million (2018-19: R70,8 million).

6.4.6 Material losses

11. As disclosed in note 54 to the financial statements, material water losses of 1 627 839 kilolitres (2018-19: 766 931 kilolitres) was incurred which represents 34,48% (2018-19: 16,35%) of total water kilolitres purchased.

6.4.7 Other matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

6.4.8 Unaudited disclosure note

13. 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.

6.4.9 Unaudited supplementary schedules

14. The supplementary information set out on pages 90 to 98 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 on them.

6.4.10 Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

16. 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.

6.4.11 Auditor-general's responsibilities for the audit of the financial statements

17. 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.

18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

6.5 Report on the audit of the annual performance report

6.5.1 Introduction and scope

19. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected municipal key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

21. 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 municipal key performance area presented in the municipality's annual performance report for the year ended 30 June 2020:

Key performance area	Pages in the annual performance report
Basic service delivery	6, 8 to 17 and 20 to 22

22. 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.

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for this key performance area:

    - Basic service delivery

6.5.2 Other matter

24. I draw attention to the matter below.

6.5.3 Achievement of planned targets

25. Refer to the annual performance report on pages 6, 8 to 17 and 20 to 22 for information on the achievement of planned targets for the year.

6.6 Report on the audit of compliance with legislation

6.6.1 Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

6.6.2 Other information

28. 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 and those selected municipal key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

30. 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 municipal key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

32. I have nothing to report in this regard.

6.6.3 Internal control deficiencies

33. 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

28 February 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

6.7 Annexure – Auditor-general's responsibility for the audit (Current Year)

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 municipal key performance area and on the municipality's compliance with respect to the selected subject matters.

6.7.1 Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Theewaterskloof Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6.7.2 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.

I also confirm to the accounting officer 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, the actions taken to eliminate threats or the safeguards applied.

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.

All reports for the financial year were submitted.

Signed (Chief Financial Officer)……Dated……...

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation

Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	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.
Vote:	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. Section 1 of the MFMA defines a "vote" as: *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* *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 FT/PT	Committees Allocated	Ward Represented/ Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
D DU TOIT	FT	None	Ward Represented	100%	0%
C VOSLOO	FT	Executive Mayoral Committee	Party Represented	100%	0%
M NONGXAZA	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	100%	0%
J ARENDSE	FT	Corporate Services Committee	Ward Represented	100%	0%
M BHANGAZANA	PT	Corporate Services Committee	Ward Represented	90%	10%
R BRINKHUYS	PT	Technical and Electrical Services Committee; Community Services Committee	Ward Represented	95%	5%
S FREDERICKS	PT	Financial Services Committee; Corporate Services Committee	Party Represented	95%	5%
D JOOSTE	PT	Community Development Committee	Ward Represented	100%	0%
M KOEGELENBERG	FT	Financial Services Committee	Ward Represented	95%	5%
C LAMPRECHT	PT	Financial Services Committee; Technical and Electrical Services Committee	Ward Represented	90%	10%
M LE ROUX	PT	Corporate Services Committee	Party Represented	100%	0%
T MANGCAYI	PT	Financial Services Committee; Corporate Services	Party Represented	70%	30%

		Committee			
A MENTILE	PT	Community Development Committee	Ward Represented	95%	5%
R MIENIES	PT	Financial Services Committee	Party Represented	85%	15%
T NDLEBE	PT	Community Development Committee	Ward Represented	100%	0%
C NOVEMBER	PT	Financial Services Committee	Party Represented	90%	10%
K PAPIER	FT	Planning Committee	Party Represented	100%	0%
N PIETERSE	FT	Community Services Committee; Planning Committee	Ward Represented	100%	0%
M PLATO-MENTOOR	FT	Community Development Committee	Ward Represented	95%	5%
S POTBERG	PT	Planning Committee	Ward Represented	100%	0%
N MGQWETO	PT	Community Services Committee	Party Represented	100%	0%
U SIPUNZI	PT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	75%	25%
P STANFLIET	FT	Technical and Electrical Services Committee; Planning Committee	Ward Represented	100%	0%
H SYSTER (until December 2019)	PT	Community Development Committee; Planning Committee	Party Represented	90%	10%
M Mathews (from January 2020)	PT	Community Development Committee; Planning Committee	Party Represented	100%	0%
B TSHABE	PT	Corporate Services Committee; Community	Party Represented	100%	0%

		Development Committee			
T TSHUNGWANA	PT	Technical and Electrical Services Committee; Community Services Committee	Party Represented	65%	35%
C WOOD	PT	Community Services Committee	Party Represented	90%	10%
					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Performance and Audit Committee	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.
Oversight Committee	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 .
Risk Management Committee	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.
Combined Management, Speaker and Executive Mayoral Committee	To share information, to obtain input from Politicians and determine policy direction.
Management Committee	To deal with and consider various managerial aspects and items.
Portfolio Committees	As per legislation.

ICT Committee	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.
Ward Committees	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.
Town Advisory Committees	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

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Office of the Municipal Manager	G Matthyse (31 March 2020)
Directorate Development & Community Services	J Barnard (31 August 2019)
Directorate Finance	Mr Davy Louw: Director Finance
Directorate Technical Services & Planning	Vacant

APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
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
Constitution Schedule 5, Part B functions:		
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
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
** If municipality: indicate (yes or No); * If entity: Provide name of entity*		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One (1)	COUNCILLOR S POTBERG	Yes	3	1	2
	A Appel				
	F Roux				
	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	4	1	6
	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	3	0	2
	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**	**3**	**0**	**1**
	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**	**3**	**0**	**2**
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
Seven (7)	**ALDERMAN P STANFLIET**	**Yes**	**4**	**0**	**1**
	M Goniwe				
	C Afrika				
	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				

	J Faroa				
	E Herman				
Eight (8)	COUNCILLOR A MENTILE	Yes	2	0	1
	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	2	0	2
	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-MENTOOR	Yes	2	0	1
	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	2	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**	**2**	**0**	**1**
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				
	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
Thirtheen (13)	**COUNCILLOR M BHANGANZANA**	**Yes**	**2**	**0**	**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			1

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2019/20				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
1	Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Water	18/06/2019	25/12/2020	12 280
2	Capital - WWTW upgrade	13/02/2020	On going	10 292
3	Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills	Project could not commence, site illegally invaded.	Project could not commence, site illegally invaded.	7 500
4	Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils	01/06/2017	31/09/2020	5 414
5	Capital - Destiny Infrastructure	13/06/2019	30/06/2020	4 365
6	Capital - Grabouw Hillside Civils	Phase 2: Project yet to commence.	Phase 2: Project yet to commence.	4 000
7	Capital - Botrivier Community Hall SEF	25/09/2019	03/09/2020	3 897
				T F.1

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during 2019/2020**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
30-Aug-19	Audit work completed and planned	Yes
30-Aug-19	Compliance Fourth Quarter Audit	Yes
30-Aug-19	Solid Waste Fourth Quarter Audit	Yes
30-Aug-19	Inventory Audit	Yes
30-Aug-19	Performance Management Fourth Quarter Audit	Yes
30-Aug-19	Land invasion audit	Yes
30-Aug-19	Cash Management and Investment Audit	Yes
30-Aug-19	Internal Audit Follow-up Reports	Yes
30-Aug-19	Top Layer SDBIP Report	Yes
30-Aug-19	Fourth Quarter Internal Audit SDBIP Report	Yes
30-Aug-19	Feedback on the Section 56/57 Performance Evaluations	Yes
30-Aug-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
30-Aug-19	Progress Report – Risk Management Implementation Plan	Yes
30-Aug-19	Quarterly Budget Statement for the fourth quarter ending 30 June 2019	Yes
30-Aug-19	Draft Financial Statements for the year ending 30 June 2019	Yes
30-Aug-19	Auditor General Report – Follow-Up	Yes
22-Nov-19	PAC & AC Resolutions followed-up	Yes
22-Nov-19	Audit work completed and planned	Yes
22-Nov-19	Compliance First Quarter Audit	Yes
22-Nov-19	Risk Management Audit	Yes
22-Nov-19	Traffic Fines Audit	Yes
22-Nov-19	Internal Audit First Quarter Follow-up Report	Yes
22-Nov-19	Revised Internal Audit Charter	Yes
22-Nov-19	First Quarter 2019/2020 SDBIP Report of the Office of the Chief Audit Executive	Yes
22-Nov-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
22-Nov-19	Progress Report – Risk Management Implementation Plan	Yes
22-Nov-19	Quarterly Budget Statement for the first quarter ending 30 September 2019	Yes
22-Nov-19	Status of ICT in Theewaterskloof Municipality	Yes
22-Nov-19	Performance Management First Quarter Audit	Yes

22-Nov-19	First Quarter Top Layer SDBIP Report	Yes
17-Jan-20	2018/2019 Draft Annual Report	Yes
17-Jan-20	Supply Chain Management first quarter audit	Yes
06-Mar-20	PAC & AC Resolutions followed-up	Yes
06-Mar-20	Audit work completed and planned	Yes
06-Mar-20	Safety of Bulk Infrastructure Audit	Yes
06-Mar-20	Civil Unrest Audit	Yes
06-Mar-20	Solid Waste Second Quarter Audit	Yes
06-Mar-20	Waste Water Treatment Audit	Yes
06-Mar-20	Compliance Second Quarter Audit	Yes
06-Mar-20	Performance Management Second Quarter Audit	Yes
06-Mar-20	Internal Audit Second Quarter Follow-up Report	Yes
06-Mar-20	Auditor General Report – Follow-Up	Yes
06-Mar-20	Revised annual risk based internal audit plan 2019/2020	Yes
06-Mar-20	Second Quarter Top Layer SDBIP Report	Yes
06-Mar-20	Second Quarter 2019/2020 SDBIP Report of the Office of the Chief Audit Executive	Yes
06-Mar-20	Minutes of the Fraud & Risk Management Committee Meetings	Yes
06-Mar-20	Progress Report – Risk Management Implementation Plan	Yes
06-Mar-20	Cash Management and Investment Policy	Yes
06-Mar-20	Quarterly Budget Statement for the second quarter ending 31 December 2019	Yes
06-Mar-20	Status of ICT in Theewaterskloof Municipality	Yes
05-Jun-20	Audit work completed and planned	Yes
05-Jun-20	Maintenance on Proclaimed Roads Audit	Yes
05-Jun-20	Supply Chain Management second quarter audit	Yes
05-Jun-20	Annual Internal Audit Plan 2020/2021	No, the plan should be revised to include Covid 19 Risks
05-Jun-20	Performance- and Audit Committee Evaluations	Yes
05-Jun-20	Internal Audit Evaluations	Yes
05-Jun-20	Minutes of the Fraud & Risk Management Committee Meetings	Yes
05-Jun-20	Progress Report – Risk Management Implementation Plan	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (13 Largest Contracts Entered into Year 2019/20)					
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**
Standard Bank	Raising of Loans	2020/03/13	2025/06/30 2030/06/30 2035/06/30	P.Fortuin	46 283 069.01
Hiload Inyanga Construction(Pty)Ltd.	Upgrading and refurbishment of the Caledon Wastewater Treatment Works-Phase 3	2020/03/26	2021/02/02	H. Marthinus	11 478 637.29
Memotek Trading cc	Supply and Delivery of Chemicals from October 2019 to 30 June 2022 ,Items 6,7,11,13,15-23	2019/10/04	2022/06/30	À. Meyer	8 588 929.48
Chlorcape (Pty) Ltd.	Supply and Delivery of Chemicals from October 2019 to 30 June 2022,Items 1,2,3,5,8	2019/10/05	2022/06/30	À. Meyer	8 499 734.40
Entsha Henra (Pty) Ltd	Upgrading of the Bulk Sewer Pipe Line from Myddleton to Caledon WWTW, Phase 3	2019/07/26	2021/05/22	N. Kayser	7 684 035.04
AmandlaGCF Construction cc	Construction of the Riviersonderend Solid Waste Transfer Station and Material Recovery Facility - Phase 2	2020/02/08	2021/11/23	H. Marthinus	7 205 594.33
Wimpies DIY	Supply and Delivery of Building Material for the Period from 01 July 2019 to 30 June 2022 - Only Section B - H	2019/02/01	2022/06/30	M. de Jongh	6 678 467.91
JVZ Construction (Pty) Ltd.	Construction of the Caledon Solid Waste Transfer Station and Material Recovery Facility - Phase 2	2019/10/05	2020/06/30	H. Marthinus	6 579 606.98
Milestone Construction & Civils	The Construction of a New Community Hall on Erf 3311, Botrivier, Theewaterskloof Municipality	2019/07/19	2020/08/31	B. Petersen	5 624 320.30
Lateral Unison Insurance Brokers	The Provision of Short Term Insurance for the Period from 01 July 2019 to 30 June 2022	2019/04/26	2022/06/30	J. Colyn	5 304 161.00
Active Phambili Civils cc t/a Phambili Civils (Pty) Ltd.	Siyanyanzela Housing Project: Installation of Interm Services	2019/08/02	2020/09/01	B. Petersen	5 207 802.60
DFA Solutions	Appointment of a Service Provider to Provide ICT Professional Services and Systems to Theewaterskloof Municipality for the Period from Date of Appointment to 30 June 2022	2019/11/01	2022/06/30	N. Hendricks	5 043 721.75
Ontec Systems (Pty) Ltd	Provison and Administration of Electricity Prepayment Uniform Vending Systems for the Period from 01 July 2019 until 30 June 2022	2019/07/01	2022/06/30	J van Niekerk	4 696 416.00
Public Private Partnerships Entered into Year 2019/20 **NONE**					

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)
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.									T I

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 19/20 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
Speaker	DF du Toit	Danie du Toit Trust.Plot=R 2.9Million
Alderman	CJM Vosloo	House/Plot=R 1.5 Million
Councillor	KIJ Papier	House=R100 000
Councillor	JI Arendse	Carmen Trust.House=R 800 000
Councillor	M Bhangazana	Nill
Councillor	R Brinkhuis	Nill
Councillor	S Fredericks	Down South Investments Pty Ltd
Councillor	D Jooste	Nill
Councillor	MM Koegelenberg	Mohalia Family Trust
Councillor	CM Lamprects	House=R 800 000
Councillor	M Le Roux	Nill
Councillor	T Mangcayi	Nill
Councillor	AN Mentile	House= R200 000
Councillor	N Mgqweto	Nill
Councillor	RL Mienies	House= R161 500
Councillor	T Ndlebe	Nill
Councillor	MR Nongxaza	Nill
Alderman	C November	House=R 350 000
Councillor	N Pieterse	Nill
Councillor	M Plato-Mentoor	Farm=R20 000,Carpe diem-Coop
Councillor	SJ Potberg	Nill
Councillor	UT Sipunzi	Sphudo Masenze Holding South-Africa
Alderman	PU Stanfliet	House=2.5 Million
Councillor	MB Tshabe	House=R550 000
Councillor	TF Tshungwana	Tshungwana Inv Pty Ltd
Councillor	C wood	Nill
Councillor	M Mathews	Nill

Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A
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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	2018/2019	2019/2020			2019/2020	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Budget and treasury office	224 645	204 442	215 528	224 983	10%	4%
Vote 2 - Community and social services	8 729	10 226	10 296	8 811	-14%	-14%
Vote 3 - Corporate services	30 561	27 694	29 993	27 716	0%	-8%
Vote 4 - Electricity	90 898	108 285	112 361	105 193	-3%	-6%
Vote 5 - Environmental protection	–	–	–	–	–	–
Vote 6 - Executive and council	641	1 130	1 260	901	-20%	-28%
Vote 7 - Housing	21 771	63 349	81 427	26 126	-59%	-68%
Vote 8 - Planning and development	2 746	2 728	2 828	2 367	–	–
Vote 9 - Public safety	39 783	34 833	34 876	23 015	-34%	-34%
Vote 10 - Road transport	7 041	11 063	7 379	5 826	-47%	-21%
Vote 11 - Sport and recreation	429	266	291	29	-89%	-90%
Vote 12 - Waste management	43 743	45 352	46 112	49 544	9%	7%
Vote 13 - Waste water management	40 552	42 761	44 385	43 784	2%	-1%
Vote 14 - Water	77 670	69 710	76 757	81 684	17%	6%
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–
Total Revenue by Vote	**589 209**	**621 839**	**663 493**	**599 978**		

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	2018/19	2019/20			2019/2020 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	101 760	109 650	110 000	114 143	4.10%	3.77%
Service charges - electricity revenue	87 577	100 535	100 548	96 122	-4.39%	-4.40%
Service charges - water revenue	72 368	64 333	69 357	74 625	16.00%	7.60%
Service charges - sanitation revenue	31 012	34 516	34 181	33 644	-2.53%	-1.57%
Service charges - refuse revenue	32 687	36 089	34 612	34 704	-3.84%	0.27%
Service charges - other	–			–	–	–
Rental of facilities and equipment	1 811	2 194	2 025	1 935	-11.78%	-4.42%
Interest earned - external investments	10 457	6 528	12 128	12 331	88.89%	1.67%
Interest earned - outstanding debtors	16 472	10 572	20 000	11 609	9.81%	-41.96%
Dividends received	–	–	–	–	–	–
Fines, penalties and forfeits	41 308	34 682	34 726	23 122	-33.33%	-33.42%
Licences and permits	36	62	62	35	-43.14%	-43.14%
Agency services	6 898	6 638	7 265	5 745	-13.45%	-20.92%
Transfers and subsidies	115 181	138 442	156 701	124 159	-10.32%	-20.77%
Other revenue	24 117	7 391	6 853	16 351	121.22%	138.60%
Gains on disposal of PPE	–	–	200	–	0	-100.00%
Total Revenue (excluding capital transfers and contributions)	**541 684**	**551 633**	**588 658**	**548 525**	**-0.57%**	**-7.32%**
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 Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
National Treasury						
1. Equitable Share (Indigent)	95 587	95 587	95 587	0%	0%	
2. Local Government Financial Management Grant (FMG)	1 700	1 700	1 698	0%	0%	
4. National Electrification Programme (NEP)	5 019	5 019	5 019	0%	0%	
5. Expanded Public Works Programmes	1 857	1 857	1 781	-4%	-4%	
6. Public Works (Capital)		146	146	-	0%	
7. MUNICIPAL DISASTER RELIEF FUND		238	72	-	-70%	
Total	**104 163**	**104 547**	**104 302**	0%	0%	
Provincial Treasury						
1. Integrated Housing and Human Settlement & Dev. Grant	52 349	56 318	25 980	-50%	-54%	
Title Deeds	0	6 344	458	-	-93%	
PHP (Rooidakke)	11 000	18 031	9 210	-16%	-49%	
2.CDW Operational Support Grant	130	260	97	-26%	-63%	
3. Maintenance Of Proclaimed Main Roads	114	114	81	-29%	-29%	
4. Library Service Conditional Grant	9 534	9 604	8 148	-15%	-15%	
5. WC Fin. Management Support Grant (Long-term Financial Plan)		300	300	-	0%	
6. WC Fin. Management Support Grant (mSCOA)	330	330	0	-100%	-100%	
7. WC Fin. Management Support Grant (Revenue Enhancement)	0	168	0	-	-100%	
8. WC Fin. Management Support Grant (Caseware)	0	304	0	-	-100%	
9. Municipal Drought Relief (PT)	0	500	112	-	-78%	
10. Municipal Capacity Building Grant (Bursaries)	380	740	152	-60%	-79%	
11. Municipal Capacity Building Grant (SDF Review)	0	428	354	-	-17%	
12. WC Fin. Management Support Grant (Client Survey)	0	400	0	-	-100%	
13. Development of Sport and Recreation	220	245	0	-100%	-100%	
14. Municipal Capacity Building Grant (Elec)	0	2 233	1 390	-	-38%	
16. LOCAL GOVERNMENT SUPPORT GRANT	0	800	800	-	0%	
Total	**74 057**	**97 120**	**47 081**	-36%	-52%	

Other Specify						
1. SETA	0	500	0	-	-100%	
Economic Development (Youth Development)	0	0	0	-	-	
2. HAN students	1 000	1 000	804	-20%	-20%	
3. DBSA	0	2 350	566	-	-76%	
4. SANRAL	4 311	0	0	-100%	-	
Total	**5 311**	**3 850**	**1 370**	-74%	-64%	
**** 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	2018/2019	2019/2020			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	**21 470**	**69 430**	**65 158**	**40 784**	**23 041**	**35 556**	**28 256**
Infrastructure: Road transport - Total	7 222	20 211	21 348	3 990	5 052	13 050	–
Roads, Pavements & Bridges	4 170	11 391	12 185	3 209	4 377	–	–
Storm water	3 052	8 820	9 163	781	675	13 050	–
Infrastructure: Electricity - Total	196	5 671	8 155	7 198	–	–	–
Generation	196	–	–	–			
Transmission & Reticulation	–	5 671	8 155	7 198			
Street Lighting	–	–	–	–			
Infrastructure: Water - Total	7 654	9 460	10 713	6 194	–	9 423	6 386
Dams & Reservoirs	–	–	500	–		8 988	4 386
Water purification	4 393	640	550	152	–	435	2 000
Reticulation	3 261	8 820	9 663	6 042			
Infrastructure: Sanitation - Total	6 399	23 380	14 164	6 158	10 875	3 750	14 054
Reticulation	6 399	10 875	9 917	2 786	10 875	3 750	10 545
Sewerage purification	–	12 505	4 247	3 371			3 509
Infrastructure: Other - Total		10 708	10 779	17 244	7 114	9 334	7 816
Waste Management	6 824	10 708	10 779	10 544	3 557	4 667	3 908
Transportation	5 222			6 700	3 557	4 667	3 908
Gas							
Community - Total	**750**	**4 731**	**4 317**	**3 684**	**–**	**–**	**–**
Parks & gardens							
Sportsfields & stadia	–	220	220	–			
Swimming pools							
Community halls	750	–	3 897	3 645			
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses/Taxis		4 311	–	–			
Clinics							
Museums & Art Galleries							
Cemeteries	–	–	–	–			
Social rental housing							
Other		200	200	39			

APPENDIX M (i): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year 2018/2019	Year 2019/2020			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	100	–	–	–	6 542	–	–
Buildings	100		–	–	6 542		
Other	-	-		-			
Investment properties - Total	–	–	–	–	–	–	–
Housing development							
Other							
Other assets	**9 691**	**11 574**	**2 186**	**8 648**	**11 574**	–	–
General vehicles	403	–	–		–		
Specialised vehicles		–					
Plant & equipment	2 491	712	865	419	712	–	–
Computers - hardware/equipment	938	1 346	210	58	1 346		
Furniture and other office equipment	1 659	974	671	303	974		
Abattoirs		–	–				
Markets		–	–				
Civic Land and Buildings	–	–	–	–	6 542		
Other Buildings		6 542	–	97			
Other Land	4 200	2 000	440	1 070	2 000		
Surplus Assets - (Investment or Inventory)		–	–				
Other			–				
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–
Computers - software & programming		–	–				
Other *(list sub-class)*							
Total Capital Expenditure on new assets	**32 011**	**85 735**	**71 661**	**46 416**	**41 158**	**35 556**	**28 256**
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 2018/2019	Year 2019/2020			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	570	43 052	35 236	31 008	8 958	2 896	1 900
Infrastructure: Road transport -Total	–	4 392	783	808	–	–	–
Roads, Pavements & Bridges	–	4 392	783	808			
Storm water	–	–	–	–			
Infrastructure: Electricity - Total	570	3 827	3 827	3 376	3 827	1 500	1 900
Generation							
Transmission & Reticulation	570	3 827	3 827	3 376	3 827	1 500	1 900
Street Lighting							
Infrastructure: Water - Total	–	6 536	3 909	3 111	5 131	1 396	–
Dams & Reservoirs							
Water purification	–	970	247	247			
Reticulation	–	5 566	3 663	2 864	5 131	1 396	
Infrastructure: Sanitation - Total	–	20 749	18 722	17 722	–	–	–
Reticulation	–	20 749	18 722	17 722			
Sewerage purification	–	–	–	–			
Infrastructure: Other - Total	–	7 548	7 994	5 990	–	–	–
Waste Management		348	614	464			
Transportation		7 200	7 380	5 526			
Community	–	600	–	367	–	–	–
Parks & gardens							
Sports fields & stadia	–	600		367			
Swimming pools							
Community halls							
Libraries							
Recreational facilities	–		–	–			
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries		–	–				
Cemeteries	–	–	–	–			
Social rental housing							
Heritage assets	–	–	–	–	–	–	–
Buildings	–	–	–	–			

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year 2018/2019	Year 1 2019/2020			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	–	–		–	–	–	–
Housing development							
Other assets	–	1 206	1 670	932	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment		230	291	156	–		
Computers - hardware/equipment		813	1 173	715	–		
Furniture and other office equipment		163	206	61			
Abattoirs							
Markets							
Civic Land and Buildings		–	–	–			
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Agricultural assets	–	–		–	–	–	–
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on renewal of existing assets	570	44 858	36 905	32 307	8 958	2 896	1 900
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2019/20					
					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water	**7 176**	**4 959**	**3 542**	-29%	-51%
Capital - Smart Meters - Replacement	3 000	3 228	2 419	-25%	-19%
Capital - Bulk water upgrade phase 2	435	435	433	0%	0%
Capital - Pipe Replacement	931	0	7	-	-99%
Capital - Grabouw bulk water	550	550	152	-72%	-72%
Capital - Bulk water upgrade (incl WTW)	535	0	0	-	-100%
Capital - Botrivier water network upgrade	0	0	166	-	-
Capital - Botrivier water network upgrade	0	0	0	-	-
Capital - Pipe Replacement	800	0	3	-	-100%
Capital - Water Pipe replacement	400	0	2	-	-99%
Capital - Drought Relief: Ground water monitoring infrastructure requirements	0	500	112	-78%	-
Capital - WTW upgrade	435	247	247	0%	-43%
Capital - Beaumont low cost housing bulk services	90	0	0	-	-100%
Electricity	**9 498**	**11 982**	**10 574**	-12%	11%
Capital - Highmast lighting	652	707	613	-13%	-6%
Capital - Highmast lighting		2 233	1 390	-38%	-
Capital - Grabouw highmast lighting	0	196	196	0%	-
Capital - Replace Pole Mounted transformer Uitsig.SS K1	577	577	505	-13%	-13%
Capital - Destiny Infrastructure	654	654	635	-3%	-3%
Capital - Destiny Infrastructure	4 365	4 365	4 365	0%	0%
Capital - Ringfeed Van Schalkwyk Street Phase 2	3 250	3 250	2 872	-12%	-12%
Sewerage/Sanitation	**32 400**	**20 615**	**19 071**	-7%	-41%
Capital - Bulk outfall sewer	1 413	1 413	1 413	0%	0%
Capital - Bulk outfall sewer	4 429	4 429	4 429	0%	0%
Capital - Bulk outfall sewer	287	287	287	0%	0%
Capital - Bulk outfall sewer	2 804	1 530	1 763	15%	-37%
Capital - Upgrading of Sewer Network	1 755	254	254	0%	-86%
Capital - Bulk Sewer Botrivier Housing - New France	5 200	167	167	0%	-97%
Capital - Bulk Sewer Destiny Villiersdorp	2 800	850	0	-100%	-100%
Capital - Waste water treatment works	347	347	347	0%	0%
Capital - WWTW upgrade	10 104	10 292	10 213	-1%	1%

Capital - WWTW upgrade	3 260	1 045	199	-81%	-94%
Waste Management	**11 056**	**11 393**	**11 009**	-3%	0%
Capital - Waste Transfer Station	3 151	3 151	3 151	0%	0%
Capital - Waste Transfer Station	2 631	2 631	2 397	-9%	-9%
Capital - Transfer Station	1 369	1 369	1 369	0%	0%
Capital - Waste Drop-off	3 557	3 628	3 627	0%	2%
Capital - Waste drop off	0	464	464	0%	-
Capital - Waste drop off	348	150	0	-100%	-100%
Housing	**38 699**	**44 560**	**16 348**	-63%	-58%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	250	375	250	-33%	0%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	250	375	250	-33%	0%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	250	375	250	-33%	0%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten (4300)	250	375	250	-33%	0%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Water	3 945	3 195	2 967	-7%	-25%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Sanitation	3 945	3 195	952	-70%	-76%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Roads	3 945	3 195	784	-75%	-80%
Capital - Low Cost Housing Project: Grabouw Rooidakke Exten Iraq - Stormwater	3 945	2 695	-250	-109%	-106%
Capital - Grabouw Hillside Civils (Water)	1 000	1 000	7	-99%	-99%
Capital - Grabouw Hillside Civils (Sanitation)	1 000	1 000	0	-100%	-100%
Capital - Grabouw Hillside Civils (Roads)	1 000	1 000	0	-100%	-100%
Capital - Grabouw Hillside Civils (Stormwater)	1 000	1 000	0	-100%	-100%
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Water	500	614	580	-6%	16%
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Sanitation	500	614	580	-6%	16%
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Roads	500	614	571	-7%	14%
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Stormwater	500	614	611	0%	22%
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Water	1 875	1 875	337	-82%	-82%
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Sanitation	1 875	1 875	0	-100%	-100%
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Roads	1 875	1 875	0	-100%	-100%
Capital - Low Cost Housing Project: Grabouw Waterworks: Beverly Hills - Stormwater	1 875	1 875	15	-99%	-99%
Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition	2 000	440	1 070	143%	-46%
Capital - Botrivier Community Hall SEF	0	3 897	3 645	-6%	-
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Water)	0	1 353	1 274	-6%	-
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Sanitation)	0	1 353	603	-55%	-

Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Roads)	0	1 353	603	-55%	-
Capital - Low Cost Housing Project: Grabouw Rooidakke 1169 Civils (Stormwater)	0	1 353	155	-89%	-
Capital - Low Cost Housing: Riviersonderend 72 Sites - Water	750	750	348	-54%	-54%
Capital - Low Cost Housing: Riviersonderend 72 Sites - Sanitation	750	750	104	-86%	-86%
Capital - Low Cost Housing: Riviersonderend 72 Sites - Roads	750	750	0	-100%	-100%
Capital - Low Cost Housing: Riviersonderend 72 Sites - Stormwater	750	750	0	-100%	-100%
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Water	500	500	0	-100%	-100%
Capital - Low Cost Housing: Villiersdorp Destiny Farm - Sanitation	500	500	0	-100%	-100%
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Roads	500	500	0	-100%	-100%
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Stormwater	500	500	0	-100%	-100%
Capital - Low Cost Housing Project: Caledon Riemvasmaak Planning	1 000	1 652	289	-82%	-71%
Capital - Low Cost Housing Project: Greyton Erf 595 Planning	419	419	101	-76%	-76%
Sports Fields	**820**	**220**	**367**	67%	-55%
Capital - Upgrade Dennekruin (Soccer Field) Sport ground	400	0	253	-	-37%
Capital - Pineview Rugby Field	200	0	114	-	-43%
Capital - Mountain bike trails	200	200	0	-100%	-100%
Capital - Bicycle pump track	20	20	0	-100%	-100%
Fleet	**7 200**	**7 380**	**7 076**	-4%	-2%
Capital - Upgrade of Fleet	0	180	30	-83%	-
Capital - Upgrade of Fleet	0	0	0	-	-
Fleet Donations			427	-	-
Fleet Donations			1 123	-	-
Fleet Donations	7 200	7 200	5 496	-24%	-24%
Roads, Pavements, Bridges & Stormwater	**12 464**	**3 842**	**3 694**	-4%	-70%
Capital - Rooidakke Storm water	1 617	1 617	1 617	0%	0%
Capital - Rooidakke Storm water	991	991	659	-34%	100%
Capital - Beverly hills: reinstatement of Bos Street road surface	500	20	3	-83%	200%
Capital - Upgrading of Streets - Grabouw	1 066	0	0	-	300%
Capital - Grabouw pick up and drop off zone	4 311	0	0	-	400%
Capital - Upgrade Disa Street	431	430	430	0%	500%
Capital - Upgrade Disa Street	222	0	175	-	600%
Capital - Upgrading of Streets - Riviersonderend	2 022		22	-	700%
Capital - Roads & SW upgrade	783	783	783	0%	800%
Capital - Roads & SW upgrade	522	0	3	-	900%
Land and Buildings	**7 042**	**200**	**5 329**	2564%	-24%

Capital - Construction of new Public Toilets in CBD	200	200	39	-81%	900%
Capital - IDP Public Toilets	300	0	43	-	1000%
Grabouw Erf 6006, Erf 6354 and Erf 6562			5 150	-	1100%
Capital - Grabouw traffic Department	6 542	0	97	-	1200%
Office Equipment	**4 238**	**3 415**	**1 713**	-49.85%	-59.58%
Capital - Furniture and Office Equipment (New)	33	52	36	-31%	9%
Capital - Furniture and Office Equipment_Upgrading (Copiers)	45	26	26	0%	-43%
Capital - Machinery and Equipment (New)	20	20	0	-100%	-100%
Capital - Machinery and Equipment (New) Machinery and Equipment (New)	47	47	41	-12%	-12%
Capital - Furniture and Office Equipment (New)	0	202	25	-88%	-
Capital - Machinery and Equipment (New)	170	92	45	-51%	-73%
Capital - Machinery and Equipment (Upgrade)	15	0	0	-	-100%
Capital - Furniture and Office Equipment (Renewal)	35	35	26	-26%	-26%
Capital - Machinery and Equipment (New)	120	52	52	0%	-57%
Capital - Machinery and Equipment (Renewal)	183	0	0	-	-100%
Capital - Computer Equipment (New)	7	0	0	-	-100%
Capital - Furniture and Office Equipment (New)	8	8	0	-100%	-100%
Capital - Machinery and Equipment (New)	308	308	265	-14%	-14%
Capital - Machinery and Equipment	13	13	0	-100%	-100%
Capital - Machinery and Equipment (Upgrade)	6	6	0	-100%	-100%
Capital - Furniture and Office Equipment (New)	23	38	18	-54%	-24%
Capital - Machinery and Equipment	30	91	48	-47%	61%
Capital - Machinery and Equipment	226	150	118	-21%	-48%
Capital - Furniture and Office Equipment (New)	9	9	2	-78%	-78%
Capital - Machinery and Equipment (New)	303	152	72	-52%	-76%
Capital - Machinery & Equipment	0	150	0	-100%	-
Capital - Machinery and Equipment (New)	0	197	141	-28%	-
Capital - Computer Equipment (New)	4	4	0	-100%	-100%
Capital - Machinery and Equipment (New)	146	146	78	-46%	-46%
Capital - Computer Equipment (New)	1 263	112	0	-100%	-100%
Capital - Capital - Computer Equipment (Upgrade)	505	865	450	-48%	-11%
Capital - Furniture and Office Equipment (New)	10	10	0	-100%	-100%
Capital - Computer Equipment	30	54	0	-100%	-100%
Capital - Computer Equipment (Renewal)	35	35	0	-100%	-100%
Capital - Furniture and Office Equipment	16	16	12	-23%	-23%
Capital - Furniture and Equipment (New)	85	85	0	-100%	-100%
Capital - Furniture and Equipment (New)	65	65	25	-61%	-61%
Furniture and Equipment			3	-	-

Capital - Machinery and Equipment (New)	0	120	0	-100%	-
Capital - Computer Equipment (New)	4	7	0	-100%	-100%
Capital - Furniture and Office Equipment (Renewal)	2	1	1	0%	-57%
Capital - Furniture and Office Equipment (New)	25	9	11	20%	-57%
Capital - Machinery and Equipment (New)	290	39	46	17%	-84%
Capital - Furniture and Equipment (Renewal)	5	5	1	-73%	-73%
Capital - Machinery and Equipment	47	47	39	-16%	-16%
Capital - Machinery and Equipment (Renewal)	12	12	10	-16%	-16%
Capital - Machinery and Equipment (Upgrade)	97	140	122	-13%	26%
Total Capital Programme by Project	**130 593**	**108 566**	**78 723**	-27%	-40%
					T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 2019/20		
		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Botrivier		
Capital - Roads & SW upgrade	7	No
Capital - Bulk water upgrade (incl WTW)	7	No
Capital - Botrivier water network upgrade	7	No
Capital - Beaumont low cost housing bulk services	7	No
Capital - Upgrading of Sewer Network	7	No
Capital - Bulk Sewer Botrivier Housing - New France	7	No
Caledon		
Capital - Replace Pole Mounted transformer Uitsig.SS K1	3	Yes
Capital - Pipe Replacement	3	No
Capital - Bulk water upgrade phase 2	1	No
Capital - Pipe Replacement	1	No
Capital - Bulk outfall sewer	3 &4	No
Capital - WWTW upgrade	3 &4	No
Capital - Waste Transfer Station	3 &4	No
Capital - Transfer Station		No
Genadendal/Greyton		
Capital - Mountain bike trails	2	No
Capital - Bicycle pump track	2	No
Capital - Ringfeed Van Schalkwyk Street Phase 2	2	Yes
Capital - Water Pipe replacement	2	No
Capital - Waste water treatment works	2	No
Capital - Waste drop off	2	No
Capital - Waste drop off	2	No
Capital - IDP Public Toilets	2	No Funding
Grabouw		
Capital - Grabouw Driving License Test Centre (DLTC)	14	No
Capital - Grabouw pick up and drop off zone	12	No
Capital - Grabouw highmast lighting	8;10;11;12;13;14	Yes
Capital - Beverly hills: reinstatement of Bos Street road surface	11	No
Capital - Upgrading of Streets - Grabouw	11	No
Capital - Rooidakke Storm water	8	No
Capital - Pipe Replacement	13	No
Capital - Grabouw bulk water	8-12	no
Riviersonderend		

Capital - Upgrade Disa Street	1	No
Capital - Upgrading of Streets - Riviersonderend	1	No
Capital - Waste Drop-off	1	No
TWK		
Capital - Highmast lighting	8;10;11;12;13;14	Yes
Capital - Drought Relief: Ground water monitoring infrastructure requirements	7, 4, 2	No
Villiersdorp		
Capital - Destiny Infrastructure	6	Yes Phase 2 completed
Capital - WTW upgrade	Ward 5 &6	No

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**
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
		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
**** Loans/Grants - whether in cash or in kind***				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 outcomes for local government

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
**** Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.***		

THEEWATERSKLOOF LOCAL MUNICIPALITY

Theewaterskloof
Municipality

UNAUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2020

AUDITOR-GENERAL
SOUTH AFRICA
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THEEWATERSKLOOF LOCAL MUNICIPALITY

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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	Mrs N Mgqweto	
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	(Removed 16 December 2019)
Proportional	Mrs M Mathews	(Appointed 9 January 2020)
Proportional	Mrs R Mienies	
Proportional	Mr T Tshungwana	
Proportional	Mrs M le Roux	
Proportional	Mr R Nongxaza	

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Mrs C Vosloo
Deputy Executive Mayor	Mr K Papier
Executive Councillor	Mrs MM Koegelenberg
Executive Councillor	Mrs J Arendse
Executive Councillor	Mrs PU Stanfliet
Executive Councillor	Mr N Pieterse
Executive Councillor	Mrs M Plato-Mentoor

MUNICIPAL MANAGER

Mr D Louw (acting as Municipal Manager from March 2020)
Mr GF Matthyse (resigned March 2020)

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THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

SPEAKER

Mr D Du Toit

CHIEF FINANCIAL OFFICER

Mr A Riddles (acting as Chief Financial Officer from March 2020)
Mr D Louw (started to act as Municipal Manager from March 2020)

AUDIT COMMITTEE

R Gani
W Zybrands
E Lakey

REGISTERED OFFICE

6 Plein Street
Caledon
7230

POSTAL ADDRESS

PO Box 24
Caledon
7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

ABSA Bank Limited

ATTORNEYS

Bosman & Smit Pretorius	GJ Claughton	Guthrie & Theron	Bradley Conradie Attorneys
Fairbridges Attorneys	Finck Attorneys	Brasika Consulting (Pty) Ltd	Dirk Verdoes Attorneys Inc
De Wet & Associates	DHM Attorneys	Stadler & Swart Incorporated	

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, No 5 of 2000
Occupational Health and Safety Act
mSCOA Regulation

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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 2020, which are set out on pages 1 to 89 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.

As per the Government Gazette no 43582 dated 5 August 2020, National Treasury has granted municipalities and municipal entities a two-month extension regarding the submission of financial statements. The Municipality has taken advantage of this exemption.

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 2021 and am 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 D Louw
Acting Municipal Manager

30 October 2020
Date

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
ASSETS			
Current Assets		**210 751 188**	**208 194 581**
Cash and Cash Equivalents	**2**	139 188 624	130 940 149
Current Investments	**13**	-	13 260 197
Receivables from Exchange Transactions	**3**	40 471 278	37 331 993
Receivables from Non-Exchange Transactions	**4**	17 818 339	16 615 573
Taxes	**5**	5 613 765	3 857 496
Operating Leases	**6**	457 759	439 966
Current Portion of Long-term Receivables	**7**	768 924	1 361
Inventory	**8**	6 432 500	5 747 847
Non-Current Assets		**967 119 362**	**902 569 298**
Long-term Receivables	**7**	1 602 787	140
Investment Property	**9**	73 092 451	68 105 086
Property, Plant and Equipment	**10**	880 610 463	833 185 398
Intangible Assets	**11**	907 985	1 037 629
Heritage Assets	**12**	-	-
Non-current Investments	**13**	10 905 675	241 045
Total Assets		**1 177 870 550**	**1 110 763 879**
Current Liabilities		**120 620 768**	**124 226 250**
Current Portion of Long-term Liabilities	**14**	7 265 054	7 818 546
Consumer Deposits	**15**	4 764 788	4 750 864
Payables from exchange transactions	**16**	75 611 077	57 546 329
Unspent Conditional Government Grants	**17**	6 800 833	32 329 743
Unspent Public Contributions	**18**	536 036	259 792
Current Employee benefits	**19**	25 642 980	21 520 976
Non-Current Liabilities		**209 294 501**	**219 327 102**
Long-term Liabilities	**14**	75 037 519	82 347 883
Employee benefits	**20**	43 382 984	46 430 223
Non-Current Provisions	**21**	90 873 998	90 548 997
Total Liabilities		**329 915 269**	**343 553 352**
NET ASSETS		**847 955 281**	**767 210 527**
COMMUNITY WEALTH			
Accumulated Surplus		823 688 395	746 388 340
Reserves	**22**	24 266 886	20 822 188
		847 955 281	**767 210 527**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**313 720 845**	**314 418 219**
Taxation Revenue		**114 143 250**	**101 759 520**
Property Rates	**23**	114 143 250	101 759 520
Transfer Revenue		**160 080 387**	**139 466 580**
Government Grants and Subsidies - Operating	**24**	114 526 744	104 522 228
Government Grants and Subsidies - Capital	**24**	44 749 467	34 341 177
Public Contributions and Donations	**25**	804 176	603 175
Other Revenue		**39 497 208**	**73 192 119**
Insurance Refund		315 380	2 751 603
Fines, Penalties and Forfeits	**26**	24 461 079	41 308 076
Actuarial Gains	**27**	8 017 428	11 762 066
Reversal of Impairments	**28**	-	4 186 772
Contributed Assets	**29**	6 703 322	13 183 602
REVENUE FROM EXCHANGE TRANSACTIONS		**277 869 131**	**264 333 787**
Operating Activities		**277 869 131**	**264 333 787**
Service Charges	**30**	239 094 323	223 644 676
Rental of Facilities and Equipment	**31**	1 935 283	1 810 592
Interest Earned - External Investments		12 236 157	10 658 852
Interest Earned - Outstanding Debtors		11 608 634	16 472 261
Agency Services	**32**	5 745 249	6 898 029
Licences and Permits	**33**	35 137	35 678
Other Income	**34**	7 214 348	4 813 700
CONSTRUCTION CONTRACTS	**35**	**9 631 947**	**10 658 777**
TOTAL REVENUE		**601 221 923**	**589 410 783**
EXPENDITURE			
Employee Related Costs	**36**	207 554 874	192 825 882
Remuneration of Councillors	**37**	12 193 676	11 706 906
Debt Impairment	**38**	69 438 813	74 345 671
Depreciation and Amortisation	**39**	22 227 972	22 596 716
Impairment	**40**	-	755 021
Actuarial Losses	**41**	-	1 805 601
Finance Charges	**42**	19 943 234	19 878 186
Bulk Purchases	**43**	86 615 521	76 381 521
Contracted Services	**44**	35 846 342	38 044 774
Transfers and Grants	**45**	4 270 387	2 642 281
Other Expenditure	**46**	61 365 631	62 058 337
Loss on disposal of Non-Monetary Assets	**47**	1 020 765	1 027 163
TOTAL EXPENDITURE		**520 477 214**	**504 068 059**
NET SURPLUS FOR THE YEAR		**80 744 710**	**85 342 724**

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2020

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2018 - Previously Reported	**12 425 353**	**664 741 021**	**677 166 375**
Correction of error restatement - refer to note 48.5	-	4 701 420	4 701 420
Balance on 30 June 2018 - Restated	**12 425 353**	**669 442 441**	**681 867 795**
Net Surplus for the year	-	85 342 732	85 342 732
Transfer to Capital Replacement Reserve	8 396 834	(8 396 834)	-
Balance on 30 June 2019 - Restated	**20 822 187**	**746 388 340**	**767 210 527**
Net Surplus for the year	-	80 744 754	80 744 754
Transfer to Capital Replacement Reserve	3 444 698	(3 444 698)	-
Balance on 30 June 2020	**24 266 886**	**823 688 395**	**847 955 280**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2020

	Notes	2020 R (Actual)	2019 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		103 740 498	100 519 945
Service Charges and Interest on outstanding Debtors		201 304 272	189 972 615
Other Revenue		28 928 191	41 364 651
Government Grants		133 747 301	170 346 714
Investment Income		12 236 157	10 658 852
Payments			
Suppliers and employees		(381 476 890)	(373 420 921)
Finance charges		(8 999 864)	(8 682 626)
Transfer and Grants		(4 270 387)	(2 642 281)
NET CASH FROM OPERATING ACTIVITIES	**50**	**85 209 278**	**128 116 950**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		313 052	780 337
Payments			
Purchase of Property, Plant and Equipment		(72 019 535)	(63 810 254)
Decrease/(Increase) in Investments		2 595 567	(932 436)
NET CASH USED INVESTING ACTIVITIES		**(69 110 916)**	**(63 962 354)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		-	10 420 279
Increase/(Decrease) in Consumer Deposits		13 967	(81 651)
Payments			
Loans repaid		(7 863 855)	(7 453 637)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(7 849 888)**	**2 884 991**
NET INCREASE IN CASH HELD		**8 248 475**	**67 039 588**
Cash and Cash Equivalents at the beginning of the year		130 940 149	63 900 561
Cash and Cash Equivalents at the end of the year		139 188 624	130 940 149

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	20 304 938	48 791 281	69 096 220	93 121 082	24 024 862
Call investment deposits	-	55 000 000	55 000 000	46 067 542	(8 932 458)
Consumer debtors	69 682 173	(16 246 002)	53 436 171	51 868 460	(1 567 711)
Other Receivables	31 967 517	(12 964 594)	19 002 922	12 492 680	(6 510 242)
Current portion of long-term receivables	-	280	280	768 924	768 644
Inventory	5 940 722	(192 875)	5 747 847	6 432 500	684 653
Total current assets	**127 895 350**	**74 388 090**	**202 283 440**	**210 751 188**	**8 467 748**
Non current assets					
Long-term receivables	-	-	-	1 602 787	1 602 787
Investments	13 322 935	(13 081 889)	241 045	10 905 675	10 664 630
Investment property	60 946 070	2 159 016	63 105 086	73 092 451	9 987 365
Property, plant and equipment	922 141 612	(1 600 724)	920 540 887	880 610 463	(39 930 424)
Intangible Assets	930 208	(33 709)	896 499	907 985	11 487
Total non current assets	**997 340 824**	**(12 557 307)**	**984 783 517**	**967 119 362**	**(17 664 155)**
TOTAL ASSETS	**1 125 236 174**	**61 830 784**	**1 187 066 957**	**1 177 870 550**	**(9 196 407)**
LIABILITIES					
Current liabilities					
Borrowing	7 504 200	-	7 504 200	7 265 054	(239 146)
Consumer deposits	5 289 368	(253 452)	5 035 916	4 764 788	(271 128)
Trade and other payables	71 584 913	10 031 684	81 616 597	82 947 946	1 331 349
Provisions and Employee Benefits	23 389 215	(576 981)	22 812 235	25 642 980	2 830 745
Total current liabilities	**107 767 696**	**9 201 252**	**116 968 948**	**120 620 768**	**3 651 820**
Non current liabilities					
Borrowing	107 596 242	(6 557 184)	101 039 058	75 037 519	(26 001 539)
Provisions and Employee Benefits	158 207 982	(5 556 468)	152 651 514	134 256 982	(18 394 532)
Total non current liabilities	**265 804 224**	**(12 113 652)**	**253 690 572**	**209 294 501**	**(44 396 071)**
TOTAL LIABILITIES	**373 571 920**	**(2 912 401)**	**370 659 520**	**329 915 269**	**(40 744 251)**
NET ASSETS	**751 664 253**	**64 743 184**	**816 407 438**	**847 955 281**	**31 547 844**
COMMUNITY WEALTH					
Accumulated Surplus	746 381 325	49 203 925	795 585 250	823 688 395	28 103 145
Reserves	5 282 928	15 539 260	20 822 188	24 266 886	3 444 699
TOTAL COMMUNITY WEALTH/EQUITY	**751 664 253**	**64 743 184**	**816 407 438**	**847 955 281**	**31 547 844**

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R5.2 million.

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property Rates	109 650 306	350 000	110 000 306	114 143 250	4 142 944
Service Charges - Electricity Revenue	100 535 001	13 017	100 548 018	96 121 756	(4 426 262)
Service Charges - Water Revenue	64 333 472	5 023 528	69 357 000	74 625 217	5 268 217
Service Charges - Sanitation Revenue	34 515 750	(334 556)	34 181 194	33 643 759	(537 435)
Service Charges - Refuse Revenue	36 089 337	(1 477 576)	34 611 761	34 703 592	91 830
Rental of Facilities and Equipment	2 193 776	(169 056)	2 024 720	1 935 283	(89 437)
Interest Earned - External Investments	6 528 116	5 600 000	12 128 116	12 236 157	108 041
Interest Earned - Outstanding Debtors	10 571 885	9 428 115	20 000 000	11 608 634	(8 391 367)
Fines, Penalties and Forfeits	34 682 204	43 796	34 726 000	24 461 079	(10 264 921)
Licences and Permits	61 798	-	61 798	35 137	(26 661)
Agency Services	6 638 101	627 141	7 265 242	5 745 249	(1 519 993)
Transfers Recognised - Operational	138 442 000	18 259 286	156 701 286	114 526 744	(42 174 542)
Other Revenue	7 391 471	(538 466)	6 853 005	25 983 279	19 130 274
Gains on disposal of PPE	-	200 000	200 000	-	(200 000)
Total Revenue (excluding capital transfers)	**551 633 217**	**37 025 229**	**588 658 446**	**549 769 134**	**(38 889 312)**
EXPENDITURE					
Employee Related Costs	225 087 086	(575 000)	224 512 086	207 554 874	(16 957 212)
Remuneration of Councillors	12 615 391	225 000	12 840 391	12 193 676	(646 716)
Debt Impairment	57 789 145	14 877 984	72 667 129	69 438 813	(3 228 316)
Depreciation and Asset Impairment	29 065 934	-	29 065 934	22 227 972	(6 837 962)
Finance Charges	20 018 741	-	20 018 741	19 943 234	(75 507)
Bulk Purchases	87 525 828	(500 000)	87 025 828	86 615 521	(410 307)
Other material	50 757 897	8 724 796	59 482 693	-	(59 482 693)
Contracted Services	49 030 613	6 057 831	55 088 444	35 846 342	(19 242 103)
Transfers and Grants	186 000	1 143 941	1 329 941	4 270 387	2 940 446
Other Expenditure	42 507 990	8 349 355	50 857 345	61 365 631	10 508 286
Loss on Disposal of PPE	-	-	-	1 020 765	1 020 765
Total Expenditure	**574 584 625**	**38 303 907**	**612 888 532**	**520 477 214**	**(92 411 318)**
Surplus/(Deficit)	(22 951 408)	(1 278 678)	(24 230 086)	29 291 920	53 522 006
Transfers Recognised - Capital	70 205 998	4 628 535	74 834 533	44 749 467	(30 085 066)
Contributed Assets	-	-	-	6 703 322	6 703 322
Surplus/(Deficit) for the year	**47 254 590**	**3 349 857**	**50 604 447**	**80 744 710**	**30 140 263**

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R5.2 million.

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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	96 492 269	(3 036 884)	93 455 386	103 740 498	10 285 113
Service charges	207 216 733	(4 420 832)	202 795 900	201 304 272	(1 491 629)
Other revenue	19 954 855	(120 168)	19 834 687	28 928 191	9 093 504
Government	208 647 998	4 257 102	212 905 100	133 747 301	(79 157 799)
Interest	15 831 375	13 288 582	29 119 957	12 236 157	(16 883 800)
Payments					
Suppliers and Employees	(463 855 775)	(12 993 052)	(476 848 827)	(381 476 890)	95 371 937
Finance Charges	(10 440 025)	-	(10 440 025)	(8 999 864)	1 440 162
Transfers and Grants	(186 000)	(1 036 941)	(1 222 941)	(4 270 387)	(3 047 446)
Net Cash from/(used) Operating Activities	**73 661 429**	**(4 062 193)**	**69 599 236**	**85 209 278**	**15 610 042**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	200 000	200 000	313 052	113 052
Decrease/(Increase) in Other Non-Current Receivables	12 014	(10 793)	1 221	2 595 567	2 594 347
Decrease (increase) in non-current investments	(754 128)	754 128	-	-	-
Payments					
Capital Assets	(130 593 106)	22 026 642	(108 566 464)	(72 019 535)	36 546 929
Net Cash from/(used) Investing Activities	**(131 335 220)**	**22 969 977**	**(108 365 244)**	**(69 110 916)**	**39 254 327**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	31 862 652	(5 017 418)	26 845 234	-	(26 845 234)
Increase/(Decrease) in Consumer Deposits	299 398	(14 346)	285 052	13 967	(271 084)
Payments					
Repayment of Borrowing	(8 871 814)	403 408	(8 468 405)	(7 863 855)	604 550
Net Cash from/(used) Financing Activities	**23 290 237**	**(4 628 356)**	**18 661 880**	**(7 849 888)**	**(26 511 768)**
NET INCREASE/(DECREASE) IN CASH HELD	**(34 383 554)**	**14 279 428**	**(20 104 127)**	**8 248 475**	**28 352 601**
Cash and Cash Equivalents at the year begin	54 688 493	89 511 853	144 200 346	130 940 149	(13 260 197)
Cash and Cash Equivalents at the year end	20 304 938	103 791 281	124 096 220	139 188 624	15 092 405

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R5.2 million.

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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.

In terms of GRAP 108 - "Statutory Receivables", the Municipality is utilising the transitional provision contained in Directive 4 that grant the Municipality a period of three years (1 July 2019 to 30 June 2022) in order to finalise the classification and impairment methods of Statutory Receivables.

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.

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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.

Refer to note 49 for significant amendments which were made to the accounting policy in the current year.

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.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

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 Amendments to the Standards of GRAP for "Presentation of Financial Statements" which was issued in April 2019. The amendments affected the following Standards of GRAP:

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

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The Municipality also resolved to early adopt the Improvements to Standards of GRAP (2020) which was issued during March 2020. The improvements affected the following Standards of GRAP:

Standard	Description	Proposed Effective Date
GRAP 5	Borrowing Costs	1 April 2021
GRAP 13	Leases	1 April 2021
GRAP 16	Investment Property	1 April 2021
GRAP 17	Property Plant and Equipment	1 April 2021
GRAP 24	Presentation of Budget Information in Financial Statements	1 April 2021
GRAP 31	Intangible Assets	1 April 2021
GRAP 32	Service Concession Arrangements: Grantor	1 April 2021
GRAP 37	Joint Arrangements	1 April 2021
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	1 April 2021
Directive 7	The Application of Deemed Cost	1 April 2021

The effect of the above-mentioned amendments and improvements to the Standards of GRAP which were early adopted is considered insignificant. The amendments and improvements to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality resolved not to early adopt Directive 14 - "The Application of Standards of GRAP by Public Entities that apply IFRS Standards" (effective 1 April 2021) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.

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.

1.08.1.2 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.

1.08.1.3 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.

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1.08.1.4 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.

1.08.1.5 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.

1.08.1.6 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.

1.08.1.7 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.

1.08.1.8 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.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 104 (Revised 2019) - Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

No significant impact is expected as the Municipality’s current treatment is already in line with the Standard's requirements.

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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.

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.

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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.

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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
Land and Buildings		**Community Assets**	
Land	N/A	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
Work in progress	N/A	**Leased Assets**	
		Office Equipment	3 - 15
Infrastructure			
Roads and Storm water	5 - 150	**Other Assets**	
Electricity Network	10 - 100	Computer Equipment	3 - 30
Sewerage Network	10 - 200	Furniture and Office Equipment	3 - 25
Water Network	10 - 200	Machinery and Equipment	3 - 35
Refuse Removal	20 - 50	Transport Assets	3 - 35
Work in progress	N/A		

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.

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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

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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.

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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.

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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.

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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.

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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.

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.

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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.

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.

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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.

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.

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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.

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.

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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.

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.

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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.

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.

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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 recognised 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.

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.

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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.

1.28.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme.* The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

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Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Human Settlements. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Human Settlements.

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

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.

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 measures with sufficient reliability.

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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.

1.36 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

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.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

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.

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1.37 ACCOUNTING BY PRINCIPLES AND AGENTS

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

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

(a) It does not have the power to determine the significant terms and conditions of the transaction.
(b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
(c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principle, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

1.38 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:

1.38.1 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 on 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.

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For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on 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 items 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.

1.38.2 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.

1.38.3 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.

1.38.4 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.

1.38.5 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.

1.38.6 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.

1.38.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

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1.38.8 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.

1.38.9 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.

1.38.10 Recognition and Derecognition of Land

In order for land to be meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

1.38.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

(a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.

(b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

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2 CASH AND CASH EQUIVALENTS

Bank Accounts	93 110 932	87 515 246
Call Investment Deposits	46 067 542	43 414 553
Cash Floats	10 150	10 350
Total	**139 188 624**	**130 940 149**

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:

Department of Human Settlements	6 889 951	16 343 087
Unspent Conditional Grants	6 800 833	32 329 743
Unspent Public Contributions	536 036	259 792
Capital Replacement Reserve	24 266 886	20 822 188
Working Capital Requirements	100 694 918	61 185 339
Total Cash and Cash Equivalents	**139 188 624**	**130 940 149**

2.1 Bank Accounts

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)	93 110 932	87 515 246
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
Total	**93 110 932**	**87 515 246**

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)

Cash book balance at beginning of year	87 515 246	23 234 967
Cash book balance at end of year	93 110 932	87 515 246
Bank statement balance at beginning of year	87 261 663	22 993 423
Bank statement balance at end of year	92 427 664	87 261 663

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.

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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	12 685 058	11 940 382
ABSA Bank Limited	-	3 months investment	- Account number 93-0013-5415	25 874 965	24 395 791
ABSA Bank Limited	-	Notice deposit	- Account number 90-9522-5460	7 507 519	7 078 380
				46 497 766	**43 844 778**
Less: Provision for Impairment				(430 224)	(430 224)
Total				**46 067 542**	**43 414 553**

An amount of R 430 224 (2019: 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	**214 980 199**	**178 287 218**
Electricity	9 252 126	8 667 360
Water	59 233 225	50 908 739
Refuse	50 479 064	40 003 984
Sewerage	44 825 782	35 514 715
Interest	48 471 022	40 650 873
Other	2 718 980	2 541 547
Other Receivables	**3 917 355**	**3 926 128**
Prepayments	3 472 877	3 339 827
Accrued Interest	444 478	586 301
Total Gross Balance	**218 897 554**	**182 213 346**
Less: Allowance for Debt Impairment	(178 426 276)	(144 881 353)
Total Net Receivable	**40 471 278**	**37 331 993**
As previously reported		37 130 402
Correction of error restatement - note 48.1		201 591
Restated balance		**37 331 993**

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.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	144 881 353	126 298 825
Movement in the contribution to the provision	42 030 519	43 954 671
Electricity	469 830	(944 887)
Water	10 557 928	9 746 480
Refuse	11 481 578	9 874 282
Sewerage	9 938 416	9 234 509
Interest	9 328 607	15 758 819
Other	254 160	285 468
Bad Debts Written off	(8 485 596)	(25 372 143)
Electricity	(4 024)	(11 341)
Water	(3 468 636)	(7 695 321)
Refuse	(1 952 794)	(6 395 793)
Sewerage	(1 583 073)	(5 352 215)
Interest	(1 379 538)	(5 721 655)
Other	(97 531)	(195 819)
Balance at the end of the year	**178 426 276**	**144 881 353**

The allowance for impairment of receivables has been made for all consumer balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. 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 R	Allowance for Debt Impairment R	Net Receivable R
30 June 2020			
Service Receivables			
Electricity	9 252 126	(1 374 404)	7 877 722
Water	59 233 225	(42 153 786)	17 079 439
Refuse	50 479 064	(45 882 047)	4 597 017
Sewerage	44 825 782	(38 855 100)	5 970 682
Interest	48 471 022	(47 798 892)	672 130
Other	2 718 980	(2 362 047)	356 933
Other Receivables			
Prepayments	3 472 877	-	3 472 877
Accrued Interest	444 478	-	444 478
Total	**218 897 554**	**(178 426 276)**	**40 471 278**
30 June 2019			
Service Receivables			
Electricity	8 667 360	(908 598)	7 758 762
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
Interest	40 650 873	(39 849 823)	801 050
Other	2 541 547	(2 205 418)	336 129
Other Receivables			
Prepayments	3 339 827	-	3 339 827
Accrued Interest	586 301	-	586 301
Total	**182 213 346**	**(144 881 353)**	**37 331 993**

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Ageing of Receivables from Exchange Transactions		
Electricity		
0 - 30 Days (Current)	5 921 866	6 507 357
1 to 3 months	2 342 455	1 394 860
4 months to 1 year	428 944	292 662
Over 1 year	558 861	472 481
Total	**9 252 126**	**8 667 360**
Water		
0 - 30 Days (Current)	15 083 597	11 389 453
1 to 3 months	6 096 194	7 336 875
4 months to 1 year	7 775 638	8 115 541
Over 1 year	30 277 796	24 066 870
Total	**59 233 225**	**50 908 739**
Refuse		
0 - 30 Days (Current)	3 149 560	2 980 060
1 to 3 months	5 469 996	4 081 992
4 months to 1 year	8 776 987	7 675 407
Over 1 year	33 082 520	25 266 526
Total	**50 479 064**	**40 003 984**
Sewerage		
0 - 30 Days (Current)	5 132 887	4 404 181
1 to 3 months	4 288 920	3 638 427
4 months to 1 year	8 185 732	7 067 365
Over 1 year	27 218 244	20 404 742
Total	**44 825 782**	**35 514 715**
Interest		
0 - 30 Days (Current)	89	1 516 468
1 to 3 months	986	3 593 383
4 months to 1 year	11 036 868	8 645 671
Over 1 year	37 433 078	26 895 350
Total	**48 471 022**	**40 650 873**
Other		
0 - 30 Days (Current)	219 506	186 994
1 to 3 months	197 059	265 189
4 months to 1 year	446 534	296 748
Over 1 year	1 855 881	1 792 616
Total	**2 718 980**	**2 541 547**
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	29 507 506	26 984 512
1 to 3 months	18 395 611	20 310 726
4 months to 1 year	36 650 702	32 093 395
Over 1 year	130 426 380	98 898 584
Total	**214 980 199**	**178 287 218**

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Figures in Rand	2020	2019

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables		
Property Rates	43 535 768	34 500 001
Other Receivables	34 398 712	52 824 973
Unpaid Traffic Fines	33 292 690	51 406 985
Suspense Debtors	1 106 023	1 417 988
Total Gross Balance	**77 934 480**	**87 324 974**
Less: Allowance for Debt Impairment	(60 116 141)	(70 709 401)
Total Net Receivable	**17 818 339**	**16 615 573**

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.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	70 709 401	75 791 728
Movement in the contribution to the provision	28 617 991	31 940 822
Property Rates	5 342 084	(308 661)
Unpaid Traffic Fines	23 275 907	32 249 483
Bad Debts Written off	(39 211 250)	(37 023 149)
Property Rates	(1 366 985)	(2 446 814)
Unpaid Traffic Fines	(37 844 265)	(34 576 335)
Balance at the end of the year	**60 116 141**	**70 709 401**

The allowance for debt impairment of property rates has been made for all balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. 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.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the collection rate over the last 12 months. All unpaid traffic fines older than 1 year are impaired in full.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2020			
Service Receivables			
Property Rates	43 535 768	(28 665 708)	14 870 059
Other Receivables			
Unpaid Traffic Fines	33 292 690	(31 450 432)	1 842 257
Suspense Debtors	1 106 023	-	1 106 023
Total	**77 934 480**	**(60 116 141)**	**17 818 339**
30 June 2019			
Service Receivables			
Property Rates	34 500 001	(24 690 610)	9 809 391
Other Receivables			
Unpaid Traffic Fines	51 406 985	(46 018 790)	5 388 194
Suspense Debtors	1 417 988	-	1 417 988
Total	**87 324 974**	**(70 709 400)**	**16 615 573**

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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)		
Ageing of Receivables from Non-Exchange Transactions		
Property Rates		
0 - 30 Days (Current)	10 546 294	6 070 719
1 to 3 months	5 278 568	3 402 630
4 months to 1 year	7 818 805	6 139 409
Over 1 year	19 892 101	18 887 243
Total	**43 535 768**	**34 500 001**
5 TAXES		
VAT Receivable	5 613 765	3 857 496
VAT Payable prior to Allowance for Debt Impairment	(10 754 242)	(9 450 917)
Less: VAT on Allowance for Debt Impairment	16 368 007	13 308 413
Total	**5 613 765**	**3 857 496**
As previously reported		4 369 051
Correction of error restatement - note 48.2		(511 555)
Restated balance		3 857 496
Reconciliation of VAT on Allowance for Debt Impairment		
Balance at beginning of year	13 308 413	11 758 591
Debt Impairment for current year	3 059 594	1 549 822
Balance at the end of the year	**16 368 007**	**13 308 413**
6 OPERATING LEASES		
6.1 OPERATING LEASE ASSET		
Operating Lease Asset	457 759	439 966

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	439 966	533 076
Movement during the year	17 793	(93 110)
Balance at the end of the year	**457 759**	**439 966**
The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.		
Within 1 Year	555 665	1 012 749
Between 1 and 5 Years	1 144 867	974 444
After 5 Years	1 002 693	1 157 618
Total operating lease payments	**2 703 225**	**3 144 810**

The prior year's total lease payments indicated an amount of R2 617 126. This amount has been restated to R3 144 810 due to calculation errors, duplications and omissions.

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 2 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.

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7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	4 221 379	-
Individual Housing Loans	230	1 501
Total Gross Balance	4 221 609	1 501
Less: Allowance for Debt Impairment	(1 849 898)	-
Total Net Receivable	**2 371 711**	**1 501**
Less: Current portion of Long-term Receivables	(768 924)	(1 361)
Receivables with repayment arrangements	(768 694)	
Individual Housing Loans	(230)	(1 361)
Total	**1 602 787**	**140**

Receivables with repayment arrangements

As on 30 June 2020, debtors amounting to R4 221 379 arranged to settle their accounts over an re-negotiated period. Total payments to the value of R2 928 419 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	-	-
Movement in the contribution to the provision	1 849 898	-
Balance at the end of the year	**1 849 898**	**-**

The allowance for debt impairment of arrangements has been made for all 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.

8 INVENTORY

Maintenance Materials	5 672 256	5 059 993
Water	760 244	687 854
Total	**6 432 500**	**5 747 847**

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	57 345	7 319
Inventory recognised as an expense during the year	7 143 860	9 223 877

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9 INVESTMENT PROPERTY		
Investment Property - Carrying Value	**73 092 451**	**68 105 086**
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	**68 105 086**	**66 564 169**
Cost	71 186 654	71 186 654
Accumulated Depreciation	(751 984)	(691 129)
Accumulated Impairment	(2 329 584)	(3 931 356)
Additions	-	-
Contributed Assets	5 150 000	-
Reversal of impairment	-	1 601 772
Disposals	(91 514)	-
Cost	(91 514)	-
Accumulated Depreciation	-	-
Accumulated Impairment	-	-
Depreciation	(71 121)	(60 855)
Closing Carrying Value	**73 092 451**	**68 105 086**
Cost	76 245 140	71 186 654
Accumulated Depreciation	(823 105)	(751 984)
Accumulated Impairment	(2 329 584)	(2 329 584)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements.

Revenue derived from the rental of Investment Property	1 565 876	1 596 244

No significant operating expenditure was incurred on investment property during the 2019/20 and 2018/19 financial year.

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10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2020				
Land and Buildings	129 304 604	(6 048 929)	(2 660 710)	120 594 965
Infrastructure	872 150 776	(158 864 195)	-	713 286 582
Community Assets	763 623	(452 425)	-	311 198
Other Assets	66 241 637	(21 441 216)	-	44 800 421
Capitalised Restoration Cost	50 063 004	(38 658 202)	(9 787 504)	1 617 298
Total	**1 118 523 644**	**(225 464 967)**	**(12 448 214)**	**880 610 463**
30 June 2019				
Land and Buildings	124 324 279	(5 324 814)	(2 660 710)	116 338 755
Infrastructure	812 796 822	(143 311 329)	-	669 485 493
Community Assets	763 623	(429 967)	-	333 656
Other Assets	59 415 187	(19 259 523)	-	40 155 665
Capitalised Restoration Cost	52 941 285	(36 281 952)	(9 787 504)	6 871 830
Total	**1 050 241 197**	**(204 607 585)**	**(12 448 214)**	**833 185 398**
As previously reported				835 899 226
Correction of error restatement - note 48.3				938 036
Correction of error restatement - note 48.4				(3 651 864)
Restated balance				833 185 398

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

Repairs and Maintenance were incurred on the following asset classes:

Land and Buildings	7 534 907	8 156 587
Infrastructure	7 911 967	10 901 354
Community Assets	373 938	549 235
Other Assets	4 231 803	5 065 402
Total	20 052 614	24 672 577

The comparative figures for Repairs and Maintenance has been restated.

Capital Restoration Cost

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:

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment						Carrying Value
30 June 2020	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
Land and Buildings	**124 324 279**	**5 261 611**	**(281 286)**	**-**	**-**	**129 304 604**	**7 985 524**	**724 116**	**-**	**-**	**-**	**8 709 639**	**120 594 965**
Land	40 284 175	-	-	-	4 108 368	44 392 543	2 660 710	-	-	-	-	2 660 710	41 731 833
Buildings	75 465 569	-	-	-	1 770 382	77 235 951	5 324 814	724 116	-	-	-	6 048 929	71 187 022
Work in progress	8 574 535	5 261 611	(281 286)	-	(5 878 750)	7 676 110	-	-	-	-	-	-	7 676 110
Infrastructure	**812 796 822**	**59 604 289**	**(250 335)**	**-**	**-**	**872 150 776**	**143 311 329**	**15 552 866**	**-**	**-**	**-**	**158 864 195**	**713 286 582**
Roads and Storm water	221 727 636	-	-	-	2 276 395	224 004 031	57 003 652	3 954 635	-	-	-	60 958 287	163 045 744
Electricity Network	95 848 598	-	-	-	7 495 909	103 344 507	17 576 169	2 199 799	-	-	-	19 775 968	83 568 539
Sewerage Network	191 501 893	-	-	-	21 568 914	213 070 807	31 453 301	4 385 345	-	-	-	35 838 646	177 232 161
Water Network	175 215 817	-	-	-	6 263 161	181 478 978	36 737 528	4 721 529	-	-	-	41 459 057	140 019 921
Refuse Removal	11 953 837	-	-	-	-	11 953 837	540 679	291 557	-	-	-	832 236	11 121 601
Work in progress	116 549 041	59 604 289	(250 335)	-	(37 604 379)	138 298 616	-	-	-	-	-	-	138 298 616
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**429 967**	**22 458**	**-**	**-**	**-**	**452 425**	**311 198**
Parks and Gardens	561 924	-	-	-	-	561 924	228 268	22 458	-	-	-	250 726	311 198
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	-	201 699	-
Other Assets	**59 415 187**	**7 153 635**	**(1 880 507)**	**1 553 322**	**-**	**66 241 637**	**19 259 523**	**3 351 518**	**-**	**(1 169 825)**	**-**	**21 441 216**	**44 800 421**
Computer Equipment	8 366 097	465 035	(392 203)	-	(481 500)	7 957 429	2 473 454	599 202	-	(211 315)	-	2 861 340	5 096 088
Furniture and Office Equipment	8 095 165	252 733	(357 922)	3 204	-	7 993 180	3 393 291	475 479	-	(268 119)	-	3 600 651	4 392 529
Machinery and Equipment	8 635 943	909 843	(469 388)	-	-	9 076 399	3 747 278	536 849	-	(340 288)	-	3 943 839	5 132 560
Transport Assets	34 317 982	5 526 024	(660 995)	1 550 118	481 500	41 214 630	9 645 500	1 739 989	-	(350 103)	-	11 035 386	30 179 243
Capitalised Restoration Cost	**52 941 285**	**-**	**(2 878 282)**	**-**	**-**	**50 063 004**	**46 069 456**	**2 376 250**	**-**	**-**	**-**	**48 445 706**	**1 617 298**
Landfill Site Rehabilitation	52 941 285	-	(2 878 282)	-	-	50 063 004	46 069 456	2 376 250	-	-	-	48 445 706	1 617 298
	1 050 241 197	**72 019 535**	**(5 290 410)**	**1 553 322**	**-**	**1 118 523 644**	**217 055 799**	**22 027 207**	**-**	**(1 169 825)**	**-**	**237 913 181**	**880 610 463**

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment						Carrying Value (Restated)
30 June 2019	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
Land and Buildings	**104 706 772**	**6 433 905**	**-**	**13 183 602**	**-**	**124 324 279**	**9 893 527**	**676 997**	**(2 585 000)**	**-**	**-**	**7 985 524**	**116 338 755**
Land	40 284 175	-	-	-	-	40 284 175	5 245 710	-	(2 585 000)	-	-	2 660 710	37 623 465
Buildings	62 108 572	173 395	-	13 183 602	-	75 465 569	4 647 817	676 997	-	-	-	5 324 814	70 140 755
Work in progress	2 314 025	6 260 510	-	-	-	8 574 535	-	-	-	-	-	-	8 574 535
Infrastructure	**762 974 593**	**49 822 229**	**-**	**-**	**-**	**812 796 822**	**128 635 908**	**14 675 421**	**-**	**-**	**-**	**143 311 329**	**669 485 493**
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	160 048 592
Water Network	166 557 705	-	-	-	8 658 112	175 215 817	32 382 576	4 354 952	-	-	-	36 737 528	138 478 289
Refuse Removal	5 966 816	-	-	-	5 987 021	11 953 837	368 776	171 903	-	-	-	540 679	11 413 158
Work in progress	95 186 669	49 822 229	-	-	(28 459 857)	116 549 041	-	-	-	-	-	-	116 549 041
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**407 223**	**22 745**	**-**	**-**	**-**	**429 967**	**333 656**
Parks and Gardens	561 924	-	-	-	-	561 924	205 524	22 745	-	-	-	228 268	333 656
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	-	201 699	-
Leased Assets	**564 037**	**-**	**-**	**-**	**(564 037)**	**-**	**484 304**	**-**	**-**	**-**	**(484 304)**	**-**	**-**
Office Equipment	564 037	-	-	-	(564 037)	-	484 304	-	-	-	(484 304)	-	-
Other Assets	**55 566 669**	**7 554 120**	**(4 269 639)**	**-**	**564 037**	**59 415 187**	**18 125 619**	**3 170 466**	**-**	**(2 520 866)**	**484 304**	**19 259 523**	**40 155 665**
Computer Equipment	6 195 491	2 634 601	(1 028 032)	-	564 037	8 366 097	2 122 281	496 541	-	(629 672)	484 304	2 473 454	5 892 643
Furniture and Office Equipment	6 868 235	1 737 125	(872 989)	-	362 794	8 095 165	3 359 339	430 589	-	(446 830)	50 193	3 393 291	4 701 874
Machinery and Equipment	9 357 601	1 041 881	(1 400 745)	-	(362 794)	8 635 943	4 092 367	592 075	-	(886 971)	(50 193)	3 747 278	4 888 665
Transport Assets	33 145 342	2 140 513	(967 873)	-	-	34 317 982	8 551 632	1 651 261	-	(557 393)	-	9 645 500	24 672 482
Capitalised Restoration Cost	**45 314 434**	**7 626 851**	**-**	**-**	**-**	**52 941 285**	**41 471 726**	**3 842 709**	**755 021**	**-**	**-**	**46 069 456**	**6 871 830**
Landfill Site Rehabilitation	45 314 434	7 626 851	-	-	-	52 941 285	41 471 726	3 842 709	755 021	-	-	46 069 456	6 871 830
	969 890 128	**71 437 105**	**(4 269 639)**	**13 183 602**	**-**	**1 050 241 197**	**199 018 307**	**22 388 337**	**(1 829 979)**	**(2 520 866)**	**-**	**217 055 799**	**833 185 398**

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11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value	**907 985**	**1 037 629**

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value	**1 037 629**	**1 243 880**
Cost	1 721 516	2 242 407
Accumulated Depreciation	(683 886)	(998 528)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(129 644)	(147 524)
Disposal	-	(58 726)
Cost	(268 000)	(520 892)
Accumulated Depreciation	268 000	462 166
Closing Carrying Value	**907 985**	**1 037 629**
Cost	1 453 516	1 721 516
Accumulated Depreciation	(545 530)	(683 886)
Accumulated Impairment	-	-

The following material intangible assets are included in the carrying value above

Description	**Remaining amortisation period**	**Carrying Value**	
Computer software/licenses	5 - 8 years	907 985	1 037 629

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.

12 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets are for service delivery and to derive rental income and are therefore recognised in Property, Plant and Equipment and Investment Property. The assets are as follows:

Erf 614, Caledon - utilised as the Town Hall	699 266	706 489
Erven 12 and 14 - Villiersdorp - leased to Tourism Buro	117 446	118 800
Bridge at Meul Street, Caledon	4	7
Bridge at Farm 39, Genadendal	122	136
Total carrying value included under Property, Plant and Equipment	**816 838**	**825 431**

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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13 NON-CURRENT INVESTMENTS

Listed shares	181 771	241 045
Fixed Deposits	10 723 904	-
Total	**10 905 675**	**241 045**

13.1 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	181 771	241 045

13.2 Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% (2019 - 10.22%) per annum.

Fixed deposits consist out of the following:

Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	10 723 904	-
Standard Bank - Account number 088907139005 - 5 year investment	-	13 260 197
Transferred to Current Investments	-	(13 260 197)
Total	10 723 904	-

The fixed deposit is ring-fenced for the repayment of stock loans as per note 14.2.

14 LONG-TERM LIABILITIES

Annuity Loans	66 279 604	73 143 460
Stock Loans	16 022 969	17 022 969
Sub-Total	**82 302 573**	**90 166 429**
Less: Current portion of Long-term Liabilities	**7 265 054**	**7 818 546**
Annuity Loans	7 265 054	6 818 546
Stock Loans	-	1 000 000
Total	**75 037 519**	**82 347 883**

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	82 302 573	90 166 429
Used to finance Property, Plant and Equipment at cost	(82 302 573)	(90 166 429)
Unspent Borrowings	**-**	**-**

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

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14 LONG-TERM LIABILITIES (CONTINUED)

14.1 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	5 563 870	6 011 180
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	6 673 382	7 119 182
DBSA BANK - 20 year (13343(Electricity))	16.50%	31/12/2019	-	16 261
DBSA BANK - 20 year (13705/102 (Electricity))	15.75%	30/06/2020	-	14 908
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	15 246 096	16 258 319
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	2 729 319	3 260 385
STANDARD BANK - 10 year (72479981)	11.72%	31/07/2020	245 118	695 438
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	8 645 747	9 064 443
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	5 032 389	5 573 497
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	7 738 505	8 446 833
ABSA BANK - 7 year (387230962)	10.09%	21/06/2021	564 929	1 076 690
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	4 352 892	5 186 045
ABSA - 5 year (3050777771)	8.95%	30/06/2024	1 655 742	2 000 000
ABSA - 7 year (3050777789)	9.19%	30/06/2026	2 216 295	2 500 000
ABSA - 10 year (3050777763)	9.62%	30/06/2029	3 058 580	3 288 700
NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 556 740	2 631 579
Total			**66 279 604**	**73 143 460**

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	14 014 706	14 309 937
Payable within two to five years	49 876 956	53 462 137
Payable after five years	35 683 954	46 113 227
Total amount payable	**99 575 616**	**113 885 301**
Less: Outstanding Future Finance Charges	(33 296 012)	(40 741 841)
Present value of annuity loans	**66 279 604**	**73 143 460**

14.2 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
Total			**16 022 969**	**17 022 969**

The following serve as security for stock loans:

- Fixed Deposit as per note 13.2	10 723 904	13 260 197
- Cession on outstanding consumer debtors	6 000 000	6 000 000
Total	**16 723 904**	**19 260 197**

Stock loans are payable as follows:

Payable within one year	1 500 249	2 553 815
Payable within two to five years	12 839 586	7 266 669
Payable after five years	10 043 320	17 116 487
Total amount payable	**24 383 155**	**26 936 971**
Less: Outstanding Future Finance Charges	(8 360 186)	(9 914 002)
Present value of stock loans	**16 022 969**	**17 022 969**

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15	**CONSUMER DEPOSITS**		
	Water and Electricity Deposits	**4 764 788**	**4 750 864**

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

16	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	45 949 057	23 955 862
	Retentions	9 087 754	7 410 010
	Payments Received in Advance	7 177 154	5 692 828
	Department of Human Settlements	6 889 951	16 343 087
	Unused Pre-paid Electricity	1 023 380	921 752
	Sundry Deposits	4 540 743	2 228 969
	Accrued Interest	876 047	874 617
	Land Sales Deposits	66 991	119 203
	Total	**75 611 077**	**57 546 329**
	As previously reported		48 234 121
	Change in accounting policy restatement - note 49.1		9 312 208
	Restated balance		57 546 329

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.

Department of Human Settlements balance consist of the following:

Advances received for the construction of housing top structures - note 35	882 222	2 968 546
Advances received in terms of principle-agent arrangments - note 60	6 007 730	13 374 541
Total	6 889 952	16 343 087

17	**UNSPENT CONDITIONAL GOVERNMENT GRANTS**		
	National Government	419 506	29 107 839
	Provincial Government	5 916 005	2 841 466
	Other Grant Providers	465 322	380 438
	Total	**6 800 833**	**32 329 743**
	As previously reported		41 641 950
	Change in accounting policy restatement - note 49.1		(9 312 208)
	Restated balance		32 329 743

Detail reconciliations of all grants received and grant conditions met are included in note 24. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

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.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

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18 UNSPENT PUBLIC CONTRIBUTIONS

Hogeschool van Arnhem en Nijmegen (HAN)	536 036	259 792
Total	**536 036**	**259 792**

Detail reconciliations of all public contributions received are included in note 25. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

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.

19 CURRENT EMPLOYEE BENEFITS

Bonuses	5 271 519	4 688 468
Staff Leave	16 827 198	13 215 605
Performance Bonuses	398 505	466 224
Pension	10 768	21 237
Group Insurance	181 771	241 046
Overtime	615 218	712 072
Current portion of Non-Current Employee Benefits - note 20	2 338 000	2 176 324
Post Retirement Medical Benefits	1 468 000	1 415 053
Long Service Awards	870 000	761 271
Total	**25 642 980**	**21 520 976**

The movement in current employee benefits are reconciled as follows:

19.1 Bonuses

Opening Balance	4 688 468	4 484 454
Contribution during the year	10 582 774	9 483 894
Payments made	(9 999 722)	(9 279 881)
Balance at the end of the year	**5 271 519**	**4 688 468**

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.

19.2 Staff Leave

Opening Balance	13 215 605	12 723 890
Contribution during the year	4 372 110	1 460 685
Payments made	(760 517)	(968 970)
Balance at the end of the year	**16 827 198**	**13 215 605**

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.

19.3 Performance Bonuses

Opening Balance	466 224	715 325
Contribution during the year	478 687	355 149
Payments made	(546 406)	(604 250)
Balance at the end of the year	**398 505**	**466 224**

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.

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19 CURRENT EMPLOYEE BENEFITS (CONTINUED)

19.4 Pension

Opening Balance	21 237	23 545
Payments made	(10 469)	(2 308)
Balance at the end of the year	**10 768**	**21 237**

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.

19.5 Group Insurance

Opening Balance	241 046	216 096
Fair Value adjustment during the year	(59 275)	24 950
Balance at the end of the year	**181 771**	**241 046**

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.

19.6 Overtime

Balance at beginning of year	712 072	720 591
Contribution during the year	615 218	712 072
Payments made	(712 072)	(720 591)
Balance at end of year	**615 218**	**712 072**

Overtime for staff worked in current financial year, but paid in next financial year.

20 EMPLOYEE BENEFITS

Post Retirement Medical Benefits	35 291 984	38 922 418
Long Service Awards	10 429 000	9 684 129
Sub-Total	**45 720 984**	**48 606 547**
Less: Current portion of Employee Benefits	**2 338 000**	**2 176 324**
Post Retirement Medical Benefits	1 468 000	1 415 053
Long Service Awards	870 000	761 271
Total	**43 382 984**	**46 430 223**

20.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	38 922 418	44 815 773
Contribution during the year	5 717 090	7 289 633
Current Service Cost	2 119 570	3 028 927
Interest Cost	3 597 520	4 260 706
Payments made	(1 566 767)	(1 420 922)
Actuarial Loss/(Gain)	(7 780 757)	(11 762 066)
Total balance at year-end	35 291 984	38 922 418
Less: Current portion	(1 468 000)	(1 415 053)
Total	**33 823 984**	**37 507 365**

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	224	221
In-service non-members	412	413
Continuation members	34	35
Total	**670**	**669**

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20 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**In-Service Members R**	**In-Service non-Members R**	**Continuation Members R**	**Total unfunded Liability R**
30 June 2020	15 652 984	3 878 000	15 761 000	**35 291 984**
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**

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 (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2020	(350 000)	-
30 June 2019	974 000	-
30 June 2018	(781 000)	-
30 June 2017	(1 098 000)	-
30 June 2016	(1 351 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	10.43%	9.41%
Health Care Cost Inflation Rate	6.50%	6.87%
Net Effective Discount Rate (Health Care Cost Inflation)	3.69%	2.38%
Maximum Subsidy Inflation Rate	4.50%	4.78%
Net Discount Rate for Capped Subsidies (Maximum Subsidy Inflation)	5.67%	4.42%

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 10.43% per annum has been used. The corresponding index-linked yield at this term is 4.70%. 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 30 June 2020.

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, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 24 July 2020.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

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20 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	19 530 984	15 761 000	35 291 984	
Health care inflation rate (+ 1%)	21 195 000	16 362 000	37 557 000	6%
Health care inflation rate (- 1%)	17 324 000	14 991 000	32 315 000	-8%
Discount rate (+ 1%)	16 471 000	14 580 000	31 051 000	-12%
Discount rate (- 1%)	23 436 000	17 126 000	40 562 000	15%
Post-employment mortality (+ 1 year)	19 101 000	15 282 000	34 383 000	-3%
Post-employment mortality (- 1 year)	19 948 000	16 235 000	36 183 000	3%
Average retirement age (- 1 year)	21 511 000	15 761 000	37 272 000	6%
Continuation of membership at retirement (- 10%)	15 045 000	15 761 000	30 806 000	-13%

Sensitivity Analysis - Future Service and Interest Cost

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2020/21	1 791 000	3 606 000	5 397 000	
Health care inflation (+ 1%)	1 952 000	3 842 000	5 794 000	7%
Health care inflation (- 1%)	1 569 000	3 296 000	4 865 000	-10%
Discount rate (+ 1%)	1 494 000	3 468 000	4 962 000	-8%
Discount rate (- 1%)	2 170 000	3 757 000	5 927 000	10%
Post-employment mortality (+ 1 year)	1 752 000	3 511 000	5 263 000	-2%
Post-employment mortality (- 1 year)	1 827 000	3 699 000	5 526 000	2%
Average retirement age (- 1 year)	1 962 000	3 813 000	5 775 000	7%
Continuation of membership at retirement (- 10%)	1 372 000	3 138 000	4 510 000	-16%

20.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	9 684 129	7 194 517
Contribution during the year	1 748 687	1 300 709
Current Service Cost	973 072	708 056
Interest Cost	775 615	592 653
Payments made	(767 145)	(616 698)
Actuarial Loss/(Gain)	(236 671)	1 805 601
Total balance at year-end	**10 429 000**	**9 684 129**
Less: Current portion	(870 000)	(761 271)
Total	**9 559 000**	**8 922 858**

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards 636 634

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20 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2020	10 429 000
30 June 2019	9 684 129
30 June 2018	7 194 517
30 June 2017	6 696 850
30 June 2016	6 299 489

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 (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2020	405 329	-
30 June 2019	142 031	-
30 June 2018	482 659	-
30 June 2017	218 446	-
30 June 2016	222 964	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	7.76%	8.33%
General earnings inflation rate (long-term)	4.24%	5.66%
Net discount rate	3.38%	2.53%

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 7.76% 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 3.89%. 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 30 June 2020.

ii) Last Valuation

The last valuation was performed on 24 July 2020.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate (+ 1%)	10 429 000	11 207 000	7%
General earnings inflation rate (- 1%)	10 429 000	9 731 000	-7%
Discount rate (+ 1%)	10 429 000	9 718 000	-7%
Discount rate (- 1%)	10 429 000	11 325 000	8%
Average retirement age (+ 2 years)	10 429 000	11 696 000	12%
Average retirement age (- 2 years)	10 429 000	9 326 000	-11%
Withdrawal rates (x 2)	10 429 000	8 070 000	-23%
Withdrawal rates (x 0.5)	10 429 000	12 114 000	16%

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20 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2020/21	981 000	776 000	1 757 000	
General earnings inflation rate (+ 1%)	1 074 000	837 000	1 911 000	9%
General earnings inflation rate (- 1%)	899 000	722 000	1 621 000	-8%
Discount rate (+ 1%)	907 000	814 000	1 721 000	-2%
Discount rate (- 1%)	1 067 000	731 000	1 798 000	2%
Average retirement age (+ 2 years)	1 085 000	874 000	1 959 000	11%
Average retirement age (- 2 years)	891 000	691 000	1 582 000	-10%
Withdrawal rates (x 2)	681 000	593 000	1 274 000	-27%
Withdrawal rates (x 0.5)	1 214 000	907 000	2 121 000	21%

20.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	101 136	138 166

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2019 revealed that the fund is in an sound financial position with a funding level of 100.7% (30 June 2018 - 103.7%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	19 623 845	18 265 310

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2019 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2018 - 100.4%).

Total	**19 724 980**	**18 403 476**

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.

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.

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20 EMPLOYEE BENEFITS (CONTINUED)

Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	43 201	41 956
SALA Pension Fund	121 942	118 167
SAMWU National Provident Fund	2 322 136	2 243 513
IMATU Provident Fund	177 510	103 715
Total	**2 664 789**	**2 507 351**

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.

21 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	**90 873 998**	**90 548 997**
As previously reported		94 980 326
Correction of error restatement - note 48.4		(4 431 329)
Restated balance		90 548 997

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	90 548 997	76 772 804
Contribution during the year	325 001	13 776 193
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	(2 878 282)	7 626 851
Increase/(Decrease) in estimate allocated to Statement of Financial Performance	(3 366 953)	(192 859)
Interest Cost	6 570 235	6 342 201
Total	**90 873 998**	**90 548 997**

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	2024	31 470 141	32 177 502
Genadendal	20 490 m2	2024	12 073 450	11 717 438
Greyton	16 978 m2	2025	10 097 539	10 022 653
Riviersonderend	10 720 m2	2024	8 890 695	9 040 576
Villiersdorp	21 110 m2	2022	13 546 672	13 270 236
Botriver	17 537 m2	2022	14 795 501	14 320 592
Total			**90 873 998**	**90 548 997**

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22 RESERVES

Capital Replacement Reserve	**24 266 886**	**20 822 188**

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

23 PROPERTY RATES

Rateable Land and Buildings	114 143 250	101 759 520
Total	**114 143 250**	**101 759 520**

Property rate levied are based on the following rateable valuations:

Residential (including Residential Vacant)	6 544 443 969	6 421 081 737
Business and Commercial (Including vacant)	1 844 367 400	1 862 425 500
Industrial (Including vacant)	301 280 000	298 583 000
Mining	3 174 000	3 174 000
Public benefit Organizations	107 626 000	98 480 000
Public Service Infrastructure	51 543 500	51 423 500
Public Service Purposes (formerly included in State-owned)	547 618 500	547 618 500
Agricultural	15 913 078 218	15 891 893 000
Total Valuation	25 313 131 587	25 174 679 237

Rate that is applicable to the valuations above:

Residential (including Residential Vacant)	0.8399 c/R	0.7924 c/R
Business and Commercial (Including vacant)	1.6798 c/R	1.5847 c/R
Industrial (Including vacant)	1.6798 c/R	1.5847 c/R
Mining	1.6798 c/R	1.5847 c/R
Public benefit Organizations	0.2100 c/R	0.1981 c/R
Public Service Infrastructure	0.2100 c/R	0.1981 c/R
Public Service Purposes (formerly included in State-owned)	1.6798 c/R	1.5847 c/R
Agricultural	0.1682 c/R	0.1390 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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24 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government	**95 587 000**	**87 385 000**
Equitable Share	95 587 000	87 385 000
Conditional Grants - National Government	**34 970 884**	**29 452 846**
Finance Management Grant (FMG)	1 697 963	1 700 000
Municipal Infrastructure Grant (MIG)	26 255 570	25 927 269
Expanded Public Works Programme (EPWP)	1 780 998	1 451 000
Integrated National Electrification Progamme (INEP)	5 019 000	374 577
Public Works	145 581	-
Municipal Disaster Relief Grant	71 772	-
Conditional Grants - Provincial Government	**27 782 180**	**21 547 426**
Housing	16 348 157	11 112 451
CDW Contribution	96 844	37 467
Thusong Multi Purpose Centre	-	64 408
Main Roads Subsidy	80 500	113 370
Financial Support Grant	300 435	1 211 187
Library Subsidy	8 148 459	8 056 217
Municipal Capacity Building Grant	1 895 785	336 461
Local Government Graduate Internship Allocation	-	-
Municpal Disaster Recovery (Water Supply Grant)	-	-
Sport and Recreation	-	376 298
Municipal Drought Relief (MDR)	112 000	239 567
Local Government Support Grant	800 000	-
Conditional Grants - Other Grant Providers	**936 147**	**478 133**
DBSA Local Economic Development	565 893	-
SETA	370 254	443 046
SANRAL	-	29 807
Economic Development	-	5 280
Total	**159 276 211**	**138 863 405**
As previously reported		150 456 439
Change in accounting policy restatement - note 49.1		(11 593 034)
Restated balance		138 863 405
Disclosed as:		
Government Grants and Subsidies - Operating	114 526 744	104 522 228
Government Grants and Subsidies - Capital	44 749 467	34 341 177
Total	**159 276 211**	**138 863 405**
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	95 587 000	87 385 000
Vote 1 - Budget and treasury office	7 322 147	6 600 062
Vote 2 - Community and social services	8 148 459	8 056 216
Vote 3 - Corporate services	25 680 569	24 517 759
Vote 4 - Electricity	5 754 953	325 719
Vote 5 - Environmental protection	-	-
Vote 6 - Executive and council	96 844	37 467
Vote 7 - Housing	16 493 738	11 112 451
Vote 8 - Planning and development	-	69 688
Vote 9 - Public safety	-	-
Vote 10 - Road transport	80 500	143 177
Vote 11 - Sport and recreation	-	376 298
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	112 000	239 567
Total	**159 276 211**	**138 863 405**

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

24.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	95 587 000	87 385 000
Transferred to Revenue - Operating	(95 587 000)	(87 385 000)
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.

24.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	1 700 000	1 700 000
Transferred to Revenue - Operating	(1 697 963)	(1 700 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	**2 037**	**-**

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.

24.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	34 809	910 078
Grants Received	26 396 000	25 052 000
Transferred to Revenue - Operating	(3 892 144)	(3 903 557)
Transferred to Revenue - Capital	(22 363 426)	(22 023 712)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	175 239	34 809

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

24.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	-
Grants Received	1 857 000	1 451 000
Transferred to Revenue - Operating	(1 780 998)	(1 451 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	76 002	-

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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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.05 Integrated National Electrification Progamme (INEP)

Opening Unspent Balance	-	-
Grants Received	5 019 000	5 000 000
Transferred to Revenue - Operating	(654 000)	(48 858)
Transferred to Revenue - Capital	(4 365 000)	(325 719)
Transfer to / (from) Receivables	-	(4 625 423)
Closing Unspent Balance	-	-

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.

24.06 Public Works

Opening Unspent Balance	145 581	145 581
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(145 581)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	145 581

This grant will utilised for security in Grabouw.

24.07 Water and Sanitation

Opening Unspent Balance	28 919 000	-
Grants Received	(28 919 000)	28 919 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	28 919 000

This grant will be utilised for the development of water resources.

24.08 Municipal Disaster Relief Grant

Opening Unspent Balance	-	-
Grants Received	238 000	-
Transferred to Revenue - Operating	(71 772)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	166 228	-

This grant was utilised to provide for the immediate release of funds for disaster purpose.

24.09 Housing

Opening Unspent Balance	-	1 962 032
Grants Received	16 348 157	9 150 419
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(16 348 157)	(11 112 451)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

Housing grants was utilised for the development of erven and infrastructure.

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.10 CDW Contribution

Opening Unspent Balance	-	37 467
Grants received	260 000	-
Transferred to Revenue - Operating	(96 844)	(37 467)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	163 156	-

The CDW Contribution was used to finance the activities of Community Development Workers.

24.11 Thusong Multi Purpose Centre

Opening Unspent Balance	70 593	135 001
Grants received	-	-
Transferred to Revenue - Operating	-	(64 408)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	70 593	70 593

The grant is intended to be utilised for the improvement of financial governance.

24.12 Main Roads Subsidy

Opening Unspent Balance	55 111	51 481
Grants received	114 000	117 000
Transferred to Revenue - Operating	(80 500)	(113 370)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	88 611	55 111

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

24.13 Financial Support Grant

Opening Unspent Balance	468 813	350 000
Grants received	704 100	1 330 000
Transferred to Revenue - Operating	(300 435)	(1 211 187)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	872 478	468 813

The grant is intended to be utilised for the improvement of financial governance.

24.14 Library Subsidy

Opening Unspent Balance	462 683	192 244
Grants received	9 334 000	8 326 656
Transferred to Revenue - Operating	(8 123 109)	(7 822 594)
Transferred to Revenue - Capital	(25 350)	(233 623)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 648 224	462 683

The subsidy is utilised for the operational costs of libraries which is a provincial function.

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.15 Municipal Capacity Building Grant

Opening Unspent Balance	1 170 139	576 600
Grants Received	2 568 013	930 000
Transferred to Revenue - Operating	(505 832)	(336 461)
Transferred to Revenue - Capital	(1 389 953)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 842 367	1 170 139

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.

24.16 Local Government Graduate Internship Allocation

Opening Unspent Balance	20 000	20 000
Grants Received	-	-
Transferred to Revenue - Operating	-	-
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.

24.17 Municpal Disaster Recovery (Water Supply Grant)

Opening Unspent Balance	569 425	569 425
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	569 425	569 425

This grant will be utilised for boreholes.

24.18 Sport and Recreation

Opening Unspent Balance	24 702	-
Grants Received	220 000	401 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(376 298)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	244 702	24 702

This grant will be utilised for boreholes.

24.19 Municipal Drought Relief (MDR)

Opening Unspent Balance	8 449	248 016
Grants Received	500 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(112 000)	(239 567)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	396 449	8 449

The grant will be utilised for boreholes.

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24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.20 Local Government Support Grant

Opening Unspent Balance	-	-
Grants Received	800 000	-
Transferred to Revenue - Operating	(800 000)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant is utilised to provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.

24.21 DBSA Local Economic Development

Opening Unspent Balance	141 593	-
Grants Received	650 777	141 593
Transferred to Revenue - Operating	(565 893)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	226 477	141 593

This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

24.22 SETA

Opening Unspent Balance	-	-
Grants Received	370 254	443 046
Transferred to Revenue - Operating	(370 254)	(443 046)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials.

24.23 SANRAL

Opening Unspent Balance	173 950	203 757
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(29 807)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	173 950	173 950

This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

24.24 Economic Development

Opening Unspent Balance	64 895	70 175
Grants Received	-	-
Transferred to Revenue - Operating	-	(5 280)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	64 895	64 895

This grant will be utilised for local economic development.

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24	**GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**		
24.25	**Total Grants**		
	Opening Unspent Balance	32 329 742	5 471 857
	Grants Received	133 747 301	170 346 714
	Transferred to Revenue - Operating	(114 526 744)	(104 522 228)
	Transferred to Revenue - Capital	(44 749 467)	(34 341 177)
	Transfer to / (from) Receivables	-	(4 625 424)
	Closing Unspent Balance	6 800 832	32 329 742
25	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Hogeschool van Arnhem en Nijmegen (HAN)	804 176	603 175
	Total	**804 176**	**603 175**
	The movements per grant can be summarised as follows:		
25.01	**Hogeschool van Arnhem en Nijmegen (HAN)**		
	Opening Unspent Balance	259 792	421 636
	Grants Received	1 080 420	441 330
	Transferred to Revenue - Operating	(804 176)	(603 175)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	**536 036**	**259 792**
	The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		
26	**FINES, PENALTIES AND FORFEITS**		
	Overdue Books	8 895	14 826
	Traffic	24 012 050	39 183 500
	Pound Fees	271 862	349 954
	Unclaimed Money	168 272	1 759 796
	Total	**24 461 079**	**41 308 076**
	In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.		
27	**ACTUARIAL GAINS**		
	Post Retirement Medical Benefits	7 780 757	11 762 066
	Long Service Awards	236 671	-
	Total	**8 017 428**	**11 762 066**
28	**REVERSAL OF IMPAIRMENTS**		
	Investment Property	-	1 601 772
	Property, Plant and Equipment - Land and Buildings	-	2 585 000
	Total	**-**	**4 186 772**
	The reversal of impairment is as a result of an increase in property values as per the latest valuation roll.		

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Figures in Rand		2020	2019
29	**CONTRIBUTED ASSETS**		
	Investment Property	5 150 000	-
	Property, Plant and Equipment	1 553 322	13 183 602
	Total	**6 703 322**	**13 183 602**
	Contributed Assets consists out of the following:		
	- Toy Library	-	1 383 602
	- Resource Centre	-	11 800 000
	- Land and buildings - ownership reverted back to Municipality after lease period ended	5 150 000	-
	- Vehicles transferred to Municipality as contract expired with supplier	426 814	-
	- Refuse compactor	173 302	-
	- Digger loaders	950 000	-
	- Office Equipment	3 206	-
	Total	6 703 322	13 183 602
	The contributed assets were donated from the following parties:		
	- Area-based community development organisations	6 103 206	12 513 602
	- Suppliers	426 814	670 000
	- Saldanha Bay Municipality	173 302	-
	Total	6 703 322	13 183 602
30	**SERVICE CHARGES**		
	Electricity	99 437 750	90 571 983
	Water	81 552 656	77 365 745
	Refuse Removal	46 176 866	43 549 828
	Sewerage and Sanitation	43 783 096	40 549 925
	Total Revenue	**270 950 368**	**252 037 481**
	Less: Rebates	(31 856 044)	(28 392 805)
	Electricity	(3 315 993)	(2 994 536)
	Water	(6 927 439)	(4 997 486)
	Refuse Removal	(11 473 274)	(10 863 059)
	Sewerage and Sanitation	(10 139 338)	(9 537 725)
	Total	**239 094 323**	**223 644 676**
	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.		
31	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Buildings and Commonage	1 784 163	1 593 711
	Halls and Sportfields	151 120	216 881
	Total	**1 935 283**	**1 810 592**

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Figures in Rand		2020	2019
32	**AGENCY SERVICES**		
	Drivers Licences	1 060 196	1 798 295
	Duplicate Registration	69 432	94 677
	Instructor Certificate	-	1 453
	Learners	131 329	195 232
	Roadworthy Applications	241 885	271 390
	Roadworthy Certificates	46 659	53 955
	Special Permits	26 544	31 968
	Temporary Permits	30 492	26 466
	Vehicle Licences	2 991 789	3 237 822
	Vehicle Registration	1 146 924	1 186 771
	Total	**5 745 249**	**6 898 029**

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 60 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

33	**LICENCES AND PERMITS**		
	Trading	35 137	35 678
	Total	**35 137**	**35 678**

34	**OTHER INCOME**		
	Building Plans Clause Levy, Sub-division and Consolidation Fees	522 948	529 139
	Building Plan Approval	1 492 309	1 229 730
	Cemetery and Burial	603 808	585 174
	Development Charges	444 361	973 552
	Escort Fees	34 675	40 422
	Landfill Sites - iGRAP 2 adjustments	3 366 953	192 859
	Photocopies and Faxes	58 280	76 773
	Sundry Income	691 015	1 186 051
	Total	**7 214 348**	**4 813 700**
	As previously reported		4 769 113
	Correction of error restatement - note 48.4		44 587
	Restated balance		**4 813 700**

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

35	**CONSTRUCTION CONTRACTS**		
	Construction of Housing Top Structures	9 631 947	10 658 777
	Total	**9 631 947**	**10 658 777**
	As previously reported		-
	Change in accounting policy restatement - note 49.1		10 658 777
	Restated balance		10 658 777

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35 CONSTRUCTION CONTRACTS (CONTINUED)

The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.

As the contracts with the Department of Human Settlements are non-commercial contracts with no profit margins, the revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

Reconciliation for the year

Opening balance	2 968 546	5 209 686
Payments / Advances received	7 545 623	8 417 637
Expenditure incurred / Revenue Recognised	(9 631 947)	(10 658 777)
Gross amount due to Department of Human Settlements	882 222	2 968 546

36 EMPLOYEE RELATED COSTS

Basic Salaries and Wages	130 388 537	122 411 269
Pension and UIF Contributions	23 720 321	22 207 429
Medical Aid Contributions	7 634 259	6 861 249
Overtime	8 275 778	7 644 525
Motor Vehicle Allowance	8 710 109	8 834 074
Cellphone Allowance	606 576	671 935
Housing Allowances	1 646 825	1 652 912
Other benefits and allowances	7 135 454	6 332 480
Acting Allowance	1 096 492	774 253
Bargaining Council	74 951	68 653
Entertainment Allowance	1 000	-
Group Life Insurance	1 440 878	1 338 629
Standby Allowance	4 522 133	4 150 945
Contributions to Employee Benefits	18 526 213	15 036 711
Bonuses	11 061 461	9 839 043
Staff Leave	4 372 110	1 460 685
Long Service Awards	973 072	708 056
Post Retirement Medical Benefits	2 119 570	3 028 927
Workmen's Compensation	910 804	1 173 297
Total	**207 554 874**	**192 825 882**

Remuneration of Management Personnel

The Municipal Manager resigned on 31 March 2020. The Director Operational Services contract expired 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.

Municipal Manager - GF Matthyse (resigned March 2020)

Annual Remuneration	1 422 852	1 330 824
Travelling Allowance	54 000	72 000
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	196 395	54 628
Total	1 673 247	1 457 452

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36 EMPLOYEE RELATED COSTS (CONTINUED)

Municipal Manager - HSD Wallace (contract expired October 2016)

Annual Remuneration	-	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	58 173
Total	-	58 173

Director: Financial Services - D Louw

Annual Remuneration	867 399	841 320
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical and Pension Funds	203 402	197 373
Performance Bonus	160 537	252 916
Total	1 339 338	1 399 610

Director: Operational Services - J Barnard (contract expired August 2019)

Annual Remuneration	349 635	1 073 056
Travelling Allowance	10 405	62 428
Contributions to UIF, Medical and Pension Funds	36 735	217 900
Performance Bonus	189 474	238 533
Total	586 249	1 591 917

37 REMUNERATION OF COUNCILLORS

Executive Mayor	932 268	896 677
Deputy Executive Mayor	757 812	638 415
Speaker	754 668	712 966
Mayoral Committee Members	3 567 568	3 389 889
Other Councillors	6 181 360	6 068 959
Total	**12 193 676**	**11 706 906**

In-kind Benefits

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.

38 DEBT IMPAIRMENT

Receivables from Exchange Transactions	42 030 519	43 954 671
Receivables from Non-Exchange Transactions	28 617 991	31 940 822
Long-term Receivables	1 849 898	-
Total Debt Impairment	**72 498 407**	**75 895 493**
Movement in VAT included in debt impairment	(3 059 594)	(1 549 822)
Total	**69 438 813**	**74 345 671**

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39	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	22 027 207	22 388 337
	Investment Property	71 121	60 855
	Intangible Assets	129 644	147 524
	Total	**22 227 972**	**22 596 716**
	As previously reported		20 298 912
	Correction error restatement - note 48.3		33 590
	Correction error restatement - note 48.4		2 264 214
	Restated balance		**22 596 716**
40	**IMPAIRMENT**		
	Capitalised Restoration Cost	-	755 021
	Total	**-**	**755 021**
	As previously reported		511 847
	Correction error restatement - note 48.4		243 174
	Restated balance		**755 021**

Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.

41	**ACTUARIAL LOSSES**		
	Long Service Awards	-	1 805 601
	Total	**-**	**1 805 601**
42	**FINANCE CHARGES**		
	Cash	8 999 864	8 682 626
	Long-term Liabilities	8 999 864	8 682 626
	Non-cash	10 943 370	11 195 560
	Post Retirement Medical Benefits	3 597 520	4 260 706
	Long Service Awards	775 615	592 653
	Rehabilitation of Landfill Sites	6 570 235	6 342 201
	Total	**19 943 234**	**19 878 186**
	As previously reported		18 698 906
	Correction error restatement - note 48.4		1 179 280
	Restated balance		**19 878 186**

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43 BULK PURCHASES

Electricity	69 359 356	61 539 643
Water	17 256 166	14 841 878
Total	**86 615 521**	**76 381 521**

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 Department of Water and Sanitation, Overberg Water and a number of private suppliers.

44 CONTRACTED SERVICES

Alien Vegetation Control	195 347	321 773
Business and Financial Management	3 321 387	4 532 653
Clearing and Grass Cutting Services	147 513	288 820
Copier Costs	292 634	317 014
Drivers Licence Cards	366 921	508 286
Electrical Contractors	1 271 890	1 020 681
Engineering - Civil	1 324 584	778 599
Fire Services	2 323 695	1 704 217
Legal Advice	698 812	755 841
Maintenance Services	12 871 937	15 146 329
Management of Informal Settlements	999 700	490 163
Refuse Haulage	3 020 881	3 063 026
Research and Advisory	278 661	717 528
Personnel and Labour	3 981 526	2 446 895
Security Services	675 045	693 258
Traffic Fines Management	1 075 326	2 157 299
Translators, Scribes and Editors	172 068	153 085
Valuation Services	282 579	750 833
Water Tests	731 287	631 154
Other Contracted Services	1 814 551	1 567 319
Total	**35 846 342**	**38 044 774**
As previously reported		38 237 575
Correction of error restatement - note 48.2		280 934
Correction of error restatement - note 48.3		(173 395)
Change in accounting policy restatement - note 49.1		(300 341)
Total		38 044 774

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

45 TRANSFERS AND GRANTS

Indigent Subsidies - Electricity	3 276 387	2 510 036
Sport Councils	49 000	117 245
Tourism Boards	-	15 000
Mayoral Charity Fund	920 000	-
Local Economic Development	25 000	-
Total	**4 270 387**	**2 642 281**

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Figures in Rand		2020	2019
46	**OTHER EXPENDITURE**		
	Advertising, Publicity and Marketing	509 659	518 767
	Audit Fees	4 172 072	4 081 577
	Bank Charges	502 652	571 774
	Commission Paid (Electricity)	1 766 243	1 717 582
	Electricity - Eskom	8 290 931	8 117 274
	Computer Services and Licences	5 863 342	4 461 421
	Dumping fees (Karwyderskraal)	1 981 048	1 484 759
	Fuel Cost	4 530 735	5 173 635
	Full Time Union Representative	211 467	184 388
	Hire Charges	2 143 263	2 489 293
	Insurance	1 690 666	1 703 891
	Maintenance Materials	6 478 710	7 636 456
	Management Fees	688 591	806 128
	Material and protective clothing	1 274 304	904 692
	Membership fees	2 171 163	1 975 918
	Construction of Housing Top Structures	9 631 947	10 401 990
	Postage	199 704	158 175
	Printing and stationery	624 038	908 555
	Refuse bags	592 255	375 825
	Skills development levy	1 399 729	1 613 131
	Telephone	788 926	848 773
	Training	400 049	662 623
	Travel and subsistence	402 075	643 418
	Ward Committees	102 050	173 950
	Water Purification	1 910 397	1 501 658
	Sundries and Other Consumables	3 039 615	2 942 687
	Total	**61 365 631**	**62 058 337**
	As previously reported		62 979 990
	Correction of error restatement - note 48.3		(287 736)
	Change in accounting policy restatement - note 49.1		(633 917)
	Restated balance		62 058 337

47	**LOSS ON DISPOSAL OF NON-MONETARY ASSETS**		
	Proceeds	313 052	780 337
	Less: Carrying value of Investment Property disposed	(91 514)	-
	Less: Carrying value of Property, Plant and Equipment disposed	(1 242 303)	(1 748 773)
	Less: Carrying value of Intangible Assets disposed	-	(58 726)
	Total	**(1 020 765)**	**(1 027 163)**

48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

48.1 Receivables from Exchange Transactions

Accrued interest amounting to R201 591 was not recognised during the 2018/19.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 3	Understated	201 591
- Interest Earned - External Investments - note 48.6	Understated	201 591

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48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

48.2 Taxes

It was noted that input VAT was claimed on invoices pertaining to traffic fines management. Traffic Fines is regarded as an exempt supply, and therefore input VAT may not be claimed.

The net effect of the above-mentioned errors were as follow:

- Taxes - note 5	Overstated	(511 555)
- Contracted Services - note 44	Understated	280 934
- Accumulated Surplus - note 48.5	Overstated	(230 621)

48.3 Property, Plant and Equipment

Property, Plant and Equipment contained the following errors:

- It was noted during the physical verifications of assets that movable assets with a carrying value amounting to R477 150 were not recorded on the asset register.
- In the prior year assets amounting to R461 131 were incorrectly recorded as operating expenditure, rather than capital expenditure.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	938 036
- Depreciation and Amortisation - note 39	Understated	33 590
- Contracted Services - note 44	Overstated	(173 395)
- Other Expenditure - note 46	Overstated	(287 736)
- Accumulated Surplus - note 48.5	Understated	510 495

48.4 Non-Current Provisions

In the prior year, the effect of discounting (time value of money) was not considered material. However, upon further investigation, it was noted that for the 2017/18 financial year, the time value of money would have had a R7.16 million effect on the provision. Accordingly, the Municipality resolved that that time-value-of-money was in fact material and should have been taken into account in previous calculations of the provision. The provision calculation was retrospectively adjusted to take into account time-value of money.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Overstated	(3 651 864)
- Non-Current Provisions - note 21	Overstated	(4 431 329)
- Other Income note 34	Understated	44 587
- Depreciation and Amortisation - note 39	Understated	2 264 214
- Impairment - note 40	Understated	243 174
- Finance Charges - note 42	Understated	1 179 280
- Accumulated Surplus - note 48.5	Understated	4 421 546

48.5 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

- Taxes - note 48.2	(230 621)
- Property, Plant and Equipment - note 48.3	510 495
- Non-Current Provisions - note 48.4	4 421 546
Total	4 701 420

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48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

48.6 Statement of Financial Performance

Interest Earned - External Investments		10 658 852
As previously reported		10 457 261
Correction of error restatement - note 48.1		201 591

49 PRIOR PERIOD ADJUSTMENTS - CHANGE IN ACCOUNTING POLICY

49.1 National Housing Programme Guideline

The Accounting Standards Board (ASB) issued the National Housing Programme Guideline. The said Guideline serves as an extension of GRAP 109 (Accounting by Principles and Agents) which became effective in the current financial year. The Guideline prescribes the treatment of funds received from the Department of Human Settlements in terms of the National Housing Programme.

In the prior year all funds received from the Department of Human Settlements for the construction of housing top structure and title deeds transfers (beneficiary management) were treated as transfer revenue in terms of GRAP 23 (Revenue from non-exchange transactions).

The Guideline however clarified that the construction of the housing top structure be accounted for in terms of GRAP 11 (Construction Contracts) in cases where the Municipality acts as the developer. In addition, all funds received and expenditure incurred for beneficiary management should be accounting for as an agent-principle arrangement in terms of GRAP 109.

The Municipality assessed that it acts as the developer and accordingly applied GRAP 11 to account for the construction of housing top structure.

The net effect of the above-mentioned were as follow:

- Payables from exchange transactions - note 16	Understated	9 312 208
- Unspent Conditional Government Grants - note 17	Overstated	(9 312 208)
- Government grants and Subsidies - note24	Understated	(11 593 034)
- Construction Contracts - note 35	Understated	10 658 777
- Contracted Services - note 44	Overstated	(300 341)
- Other Expenditure - note 46	Overstated	(633 917)

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50 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	80 744 710	85 342 724
Adjusted for:		
Non-cash revenue included in Net Surplus	(18 105 496)	(29 232 189)
Actuarial Gains	(8 017 428)	(11 762 066)
Reversal of Impairments	-	(4 186 772)
Contributed Assets	(6 703 322)	(13 183 602)
Rental of Facilities and Equipment - decrease in operating lease asset	(17 793)	93 110
Change in Provisions for Restoration of Landfill Site	(3 366 953)	(192 859)
Non-cash expenditure included in Net Surplus	122 713 076	127 499 466
Employee Related Costs - Contributions towards	19 082 156	15 773 733
Post Retirement Medical Benefits	2 119 570	3 028 927
Long Service Awards	973 072	708 056
Bonuses	10 582 774	9 483 894
Staff Leave	4 372 110	1 460 685
Performance Bonuses	478 687	355 149
Group Insurance	(59 275)	24 950
Overtime	615 218	712 072
Debt Impairment	69 438 813	74 345 671
Depreciation and Amortisation	22 227 972	22 596 716
Impairment	-	755 021
Actuarial Losses	-	1 805 601
Finance Charges	10 943 370	11 195 560
Post Retirement Medical Benefits	3 597 520	4 260 706
Long Service Awards	775 615	592 653
Provision for Rehabilitation of Landfill-sites	6 570 235	6 342 201
Loss on disposal of Non-Monetary Assets	1 020 765	1 027 163
Cash expenditure not included in Net Surplus	(14 363 098)	(13 613 620)
Post Retirement Medical Benefits	(1 566 767)	(1 420 922)
Long Service Awards	(767 145)	(616 698)
Bonuses	(9 999 722)	(9 279 881)
Staff Leave	(760 517)	(968 970)
Performance Bonuses	(546 406)	(604 250)
Pension	(10 469)	(2 308)
Overtime	(712 072)	(720 591)
Operating Surplus before changes in working capital	170 989 192	169 996 381
Movement in working capital	(85 779 914)	(41 879 430)
Long-term Receivables	(4 220 108)	25 257
Receivables from Exchange Transactions	(45 169 804)	(51 443 635)
Receivables from Non-Exchange Transactions	(29 820 756)	(32 401 793)
Unpaid Conditional Government Grants	-	4 625 423
Taxes	1 303 326	5 182 890
Inventory	(684 653)	192 875
Payables from exchange transactions	18 064 748	5 243 510
Unspent Conditional Government Grants	(25 528 910)	26 857 886
Unspent Public Contributions	276 244	(161 845)
Cash Flow from Operating Activities	**85 209 278**	**128 116 950**

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51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	93 110 932	87 515 246
Call and Notice Deposits	46 067 542	43 414 553
Cash Floats	10 150	10 350
Total	**139 188 624**	**130 940 149**

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.

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 2018/19 and to accommodate any changes to revenue, operating and capital expenditure for the 2019/20 financial year.

Actual Amounts vs Final Budget

Cash and Call Investment Deposits were more than budget due to the underspending of both capital and operating budget.

Other Debtors were less than budget due to less fines issued than anticipated.

Investments were more than budget due to the Nedbank investment made which is pledged as security for stock loans.

Investment Property was more than budget due to contributed assets which were not budgeted for.

Property, Plant and Equipment was less than budget due to the underspending of the capital budget.

Borrowings was less than budget as the monies for the loans taken up was only received after year-end.

Provisions and Employee Benefits were less than budget due to the prior year error adjustment made to the landfill site provision, and also the actuarial gains on Employee Benefits which were not budgeted for.

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52 BUDGET COMPARISONS (CONTINUED)

52.3 Statement of Financial Performance

Adjustments to Original Budget

Service Charges - Water Revenue was increased as a result of the removal of water restrictions which resulted in an increase in usage.

Interest Earned - External Investments was increased based on the actual results of 2018/19 due to surplus cash available.

Interest Earned - Outstanding Debtors was increased based on actual results of 2018/19.

Transfer and Subsidies - Operational and Capital were increased due to the roll-over application of grants which were approved.

Debt Impairment was increased to accommodate for the impact of non-payment due to the COVID-19 pandemic.

Other Material, 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 resulting in an increase in usage.

Interest Earned - Outstanding Debtors was less than budget due to Council which took a decision not to levy any interest since the national state of disaster was declared.

Fines, Penalties and Forfeits were less than budget due to less fines issued during the national lockdown period.

Transfers recognised - operational is less than budget due to the treatment of the funding from the Department of Human Settlements for the construction of housing top structures. For budget purposes it is budgeted as part of "Transfers recognised - operational", but for GRAP purposes the revenue (Construction Contracts) is included under "Other Revenue".

Other Revenue was more than budget due to unforeseen Actuarial Gains and also the inclusion of Construction Contracts as mentioned under "Transfers recognised - operational"

Employee Related Costs were less than budget due to not all vacant positions filled.

Depreciation and Amortisation was less than budget due to the extension of the useful lives of landfill sites and not all capital projects concluded as a result of the national lockdown.

Other Material, Contracted Services and Other Expenditure were less than budget due to the Department of Human Settlements funding not fully received.

Contributed Assets were not budgeted for.

52.4 Cash Flow Statement

Adjustments to Original Budget

Interest was increased as a result of increase in interest in both external investments and outstanding debtors as indicated under the Statement of Performance heading to this note.

Suppliers and Employees was increase as a result of roll-over grant application approval.

Capital Asset payments was increased as a result of an increase in funding from the Department of Human Settlements.

Actual Amounts vs Final Budget

Property rates, penalties & collection charges were more than budget due to aggressive collection strategy implemented.

Government was less than budget due to the Department of Human Settlements funding not fully received.

Interest charged on outstanding debtors was budgeted as part of interest, but is included as part of service charges for GRAP disclosure.

Suppliers and Employees was less than budget due to grant funding allocations not received.

Capital Asset payments was less than budget due to not all grant funding received.

Borrowing long term/refinancing was less than budget as the monies received for loans taken up were only received after year-end.

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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	-	-
Unauthorised expenditure awaiting further action	**-**	**-**

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:

	2020 (Actual) R	2020 (Final Budget) R	2020 (Unauthorised) R	2019 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Budget and treasury office	59 677 885	68 229 991	-	-
Vote 2 - Community and social services	8 129 985	9 624 664	-	-
Vote 3 - Corporate services	58 240 582	83 601 527	-	-
Vote 4 - Electricity	86 406 340	92 462 622	-	-
Vote 5 - Environmental protection	-	154 933	-	-
Vote 6 - Executive and council	43 927 385	44 667 940	-	-
Vote 7 - Housing	18 189 167	46 823 787	-	-
Vote 8 - Planning and development	12 347 679	13 930 761	-	-
Vote 9 - Public safety	47 750 737	54 299 913	-	-
Vote 10 - Road transport	31 655 008	34 536 715	-	-
Vote 11 - Sport and recreation	9 017 929	11 445 392	-	-
Vote 12 - Waste management	46 397 875	50 626 523	-	-
Vote 13 - Waste water management	38 608 521	42 263 340	-	-
Vote 14 - Water	60 128 084	60 220 424	-	-
Total	**520 477 177**	**612 888 532**	**-**	**-**
Unauthorised expenditure - Capital				
Vote 1 - Budget and treasury office	78 418	146 000	-	-
Vote 2 - Community and social services	28 554	150 000	-	-
Vote 3 - Corporate services	7 213 857	8 616 073	-	-
Vote 4 - Electricity	10 746 126	12 185 363	-	-
Vote 5 - Environmental protection	-	-	-	-
Vote 6 - Executive and council	811 667	1 504 500	-	-
Vote 7 - Housing	16 348 157	38 558 082	-	-
Vote 8 - Planning and development	5 188 520	5 350 000	-	-
Vote 9 - Public safety	484 317	485 398	-	-
Vote 10 - Road transport	1 515 179	1 521 885	-	-
Vote 11 - Sport and recreation	367 170	473 000	-	-
Vote 12 - Waste management	11 008 508	11 393 463	-	-
Vote 13 - Waste water management	21 390 475	23 223 289	-	-
Vote 14 - Water	3 541 907	4 959 411	-	-
Total	**78 722 856**	**108 566 464**	**-**	**-**

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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 - current year	83 350	-
Fruitless and wasteful expenditure incurred - prior year	-	
Approved by Council	(69 550)	-
Fruitless and wasteful expenditure awaiting further action	**13 800**	**-**

Details of fruitless and wasteful expenditure incurred:

(a) Interest on late payments	69 550	-
(b) Services not rendered due to cancellation of meeting	13 800	
Total	**83 350**	**-**

53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	100 390 730	18 474 751
Opening balance correction - prior year error	33 033	(2 257)
Irregular expenditure incurred in the current year	939 415	18 747 854
Irregular expenditure incurred in the prior year but identified in the current year	-	82 537 923
Approved by Council	(22 100 473)	(19 367 541)
Irregular expenditure awaiting further action	**79 262 705**	**100 390 730**

Details of irregular expenditure incurred

(a) Non-compliance with Preferential Procurement Regulations 2017	-	45 000
(b) Deviations not considered to be impractical or exceptional circumstances	868 795	1 097 297
(c) Transacted with supplier in service of the state	-	18 004
(d) 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.	70 620	77 947 155
(e) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13 milion, and not advertised for 30 days	-	5 435 719
(f) Suppliers not sole suppliers, goods or services is/are available from other one supplier	-	16 742 602
Total	**939 415**	**101 285 777**

Details of irregular expenditure awaiting further action:

(a) Non-compliance with Preferential Procurement Regulations 2017	-	-
(b) Deviations not considered to be impractical or exceptional circumstances	1 198 005	247 250
(c) Transacted with supplier in service of the state	18 004	18 004
(d) 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.	77 787 775	77 947 155
(e) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13 milion, and not advertised for 30 days	-	5 435 719
(f) Suppliers not sole suppliers, goods or services is/are available from other one supplier	258 921	16 742 602
Total	**79 262 705**	**100 390 730**

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53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Incidents/cases identified in the current year include:

(a)	Non-compliance with Preferential Procurement Regulations 2017	-	1
(b)	Deviations not considered to be impractical or exceptional circumstances	21	90
(c)	Transacted with supplier in service of the state	-	1
(d)	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
(e)	Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13milion, and not advertised for 30 days	-	1
(f)	Suppliers not sole suppliers, goods or services is/are available from other one supplier	-	3

No irregular expenditure incurred has been recovered.

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

54 MATERIAL LOSSES

54.1 Water distribution losses

Kilo litres disinfected/purified/purchased	4 721 044	4 689 683
Kilo litres sold and free basic services	3 093 205	3 922 752
Kilo litres lost during distribution	1 627 839	766 931
Percentage lost during distribution	34.48%	16.35%

Normal pipe bursts and field leakages are responsible for water losses.

54.2 Electricity distribution losses

Units purchased (Kwh)	62 369 833	63 002 079
Units sold, free basic services and standard friction losses	57 957 343	58 772 382
Units lost during distribution (Kwh)	4 412 490	4 229 697
Percentage lost during distribution	7.07%	6.71%

55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

55.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	(2 161 943)	(1 910 009)
Expenditure incurred	2 161 943	1 910 009
Payments	(2 316 799)	(2 161 943)
Payments in advance	**(2 316 799)**	**(2 161 943)**

55.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	-
Expenditure incurred	3 973 257	4 081 577
External Audit - Auditor-General	3 973 257	4 081 577
Payments	(3 973 257)	(4 081 577)
Outstanding Balance	**-**	**-**

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55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

55.3 VAT [MFMA 125 (1)(c)]

Opening balance	2 218 057	4 789 818
Net amount claimed/(declared) during the year	(1 335 650)	3 332 530
Net amount paid/(received) during the year	2 028 099	(5 904 291)
Outstanding Balance Receivable/(Payable)	**2 910 505**	**2 218 057**

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.

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

Opening balance	-	-
Payroll deductions and Council Contributions during the year	30 683 203	28 391 525
Payments	(30 683 203)	(28 391 525)
Outstanding Balance	**-**	**-**

55.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	50 173 540	46 474 597
Payments made to pension and medical fund	(50 173 540)	(46 474 597)
Outstanding Balance	**-**	**-**

55.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

No Councillors had arrear accounts outstanding for more than 90 days during the year.

55.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	4 014 145	1 771 841
Section 36(1)(a)(ii) - Single provider	270 796	8 334 518
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	14 548 171	24 015 110
Total	**18 833 112**	**34 121 470**

Deviations from Supply Chain Management Regulations can be allocated as follow:

MM Office	359 620	34 680
Financial Services	654 618	6 440 665
Development Services and Community Services	13 424 742	6 732 436
Technical Services and Planning	4 394 132	20 913 689
Total	**18 833 112**	**34 121 470**

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

Less than R30 000	3 613 016	2 582 680
Between R30 001 and R200 000	6 143 556	3 561 886
Between R200 001 and R2 000 000	5 989 559	8 916 168
More than R2 000 001	3 086 981	19 060 736
Total	**18 833 112**	**34 121 470**

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56 CAPITAL COMMITMENTS

Approved and contracted for	**41 299 286**	**37 605 205**
Infrastructure	40 268 279	37 605 205
Transport assets	1 031 007	-
This expenditure will be financed from:		
External Loans	13 151 887	5 364 010
Government Grants	24 963 312	28 156 681
Own Resources	3 184 086	4 084 514
Total	**41 299 286**	**37 605 205**

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

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	139 178 474	130 929 799
Current Investments	-	13 260 197
Receivables from exchange transactions	36 998 401	33 992 166
Long-term Receivables	4 221 609	1 501
Non-current Investments	10 905 675	241 045
Total	**191 304 160**	**178 424 708**

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 collateral is held from any consumers (other than consumer deposits).

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

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57 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following service receivables are past due, but not impaired:

Electricity	2 180 831	1 384 364
Water	3 774 201	5 751 697
Refuse	2 714 231	1 754 943
Sewerage	1 942 935	1 565 125
Interest	672 086	655 621
Other	168 142	196 520
Total	**11 452 426**	**11 308 269**

Past due receivables are aged as follow:

1 to 3 months overdue	7 425 553	8 042 397
4 months to 1 year overdue	2 749 771	2 056 084
1 year overdue	1 277 102	1 209 788
Total	**11 452 426**	**11 308 269**

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)	139 178 474	130 929 799
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**139 178 474**	**130 929 799**

Potential effect of changes in interest rates on surplus and deficit for the year:

0.5% (2019 - 1%) increase in interest rates	695 892	1 309 298
0.5% (2019 - 0%) decrease in interest rates	(695 892)	-

A slowdown in Local and International economic activity (due to the COVID-19 pandemic) have prompted the Reserve Bank to cut interest rates during the financial year to support the economy. Management does not foresee significant interest rate movements 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.

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57 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2020				
Annuity Loans	14 014 706	49 876 956	35 683 954	99 575 616
Stock Loans	1 500 249	12 839 586	10 043 320	24 383 155
Payables from exchange transactions	67 343 552	-	-	67 343 552
Total	**82 858 507**	**62 716 542**	**45 727 274**	**191 302 323**
30 JUNE 2019				
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	50 812 546	-	-	50 812 546
Total	**67 676 298**	**60 728 806**	**63 229 714**	**191 634 817**

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	181 771	241 045

58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets		
Cash and Cash Equivalents	139 188 624	130 940 149
Receivables from Exchange transactions	36 998 401	33 992 166
Long-term Receivables	2 371 711	1 501
Investments	10 723 904	13 260 197
Total	**189 282 641**	**178 194 013**
Financial Liabilities		
Payables from exchange transactions	67 343 552	50 812 546
Long-Term Liabilities	82 302 573	90 166 429
Total	**149 646 125**	**140 978 975**

The Municipality recognised the following financial instruments at fair value:

Financial Assets		
Investments	**181 771**	**241 045**

Figures in Rand	2020	2019

59 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Receivables from Non-Exchange Transactions	16 712 316	15 197 585
Rates	14 870 059	9 809 391
Unpaid Traffic Fines	1 842 257	5 388 194
Taxes	5 613 765	3 857 496
Total	**22 326 081**	**19 055 081**

The amounts above are disclosed after any provision for impairment has been taken into account.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 23 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 26 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. Refer to note 5 for the respective components included in the balance. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates

- Past due at the reporting date, and which have been impaired	27 063 354	23 718 111
- Past due that have not been impaired	5 926 119	4 711 171

60 PRINCIPLE-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principle-agent arrangements exists:

60.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principle-agent arrangement:

Collections payable to the Department at beginning of year	199 175	394 594
Revenue collected from third parties	27 992 783	30 383 331
Commission earned on collections included in note 32	(4 268 018)	(4 590 526)
VAT on commission earned payable to the South African Revenue Services	(640 203)	(688 579)
Collections paid over to The Department	(23 222 072)	(25 299 645)
Collections payable to the Department at year-end	**61 665**	**199 175**

60.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements for the Peoples Housing Project (PHP) and to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principle-agent arrangements:

Balance at beginning of year	13 374 542	8 457 950
Payments received from the Department	2 500 000	16 970 216
Expenditure incurred on behalf of the Department	(9 866 812)	(12 053 626)
Balance at year-end	**6 007 730**	**13 374 541**

Figures in Rand	2020	2019

61 EVENTS AFTER REPORTING DATE

The national state of disaster has been extended until 15 November 2020. Refer to note 65 whereby the financial impact of the COVID-19 pandemic on the Municipality is disclosed. Other than the COVID-19 pandamic, the Municipality had no other significant events after reporting date.

62 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 29 were donated to the Municipality.

63 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

64 CONTINGENT LIABILITIES

The Municipality were not exposed to any contingent liabilities at year end.

65 IMPACT OF COVID-19 ON FINANCIAL SUSTAINABILITY

Theewaterskloof Municipality is in no way immune to the harsh economic realities as a result of the COVID-19 pandemic. As far possible, the Municipality factored in the effect the lockdown levels had on its economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdowns levels.

The Municipality incurred costs amounting to R2 569 715 in the fight against the COVID-19 pandemic of which R800 000 was grant funded. The remaining expenditure was funded by the Municipality.

The Municipality assessed the impact of the COVID-19 pandemic by comparing the financial indicators of 2019/20 to 2018/19 as follow:

Cash available for working capital requirement	100 694 918	61 185 339
Current Ratio (norm - at least 2:1)	1.75	1.68
Cash coverage ratio (norm - 3 months or more)	3.70	2.92
Creditors days (norm - 30 days or less)	66	36
Debtors collection rate (95% or more)	84%	85%

When analysing the results of the ratio's it can be concluded that the COVID-19 pandemic did have an adverse effect from financial sustainability perspective. However, the results of the ratio's are still reasonable within the norms. Therefore, the Municipality has assessed that no going concern issues has been noted and that the Municipality can continue in operational existence for the foreseeable future.

66 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

67 RELATED PARTIES

67.1 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

67.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 36 and 37.

67.3 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.

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company	Relationship	Position of person in service of the state	2020	2019
Tano'Vera	Owner Tania Bippert is the domestic partner of Nino Hendrick	TWK Manager IT	140 697	261 427
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
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	58 085	123 104
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	863 689	646 186
Marshall Armature Winding	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	1 329	-
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	7 434 202	711 027
WAM Technology	Director Willem Botes is the spouse of Stella Botes and Maria le Roux is his daughter	Spouse - Department of Education Teacher Daughter - Employee at City of Cape Town (Manager of Coastal Engineering Department)	876 733	94 283
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	3 212 064	4 251 406
Safetech	Owner Elizma Goltz is the spouse of Ronald Micheal Goltz	Fireman by the City of Cape Town	-	13 500
S'Cees Coffee Shop	Owner Esmaralda Dreyer is the spouse of Neville Dreyer	Health Inspector by Overberg District Municipality	-	26 070
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.	543 175	462 925
Suid-Kaap Waardeerders	Owner Stephanus de Swardt is the spouse of Anna de Swardt	Professional Nurse at the Provincial Adminstration of Western Cape	174 401	639 779

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2020	2019
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
S.C. Martin	Owner Stanton Martin is the brother of Annielle Martin	TWK, Senior Administrator	1 920	-
JLA Logistics (Pty) Ltd	Director Janine Cupido is the cousin of Wingreen Pedro	TWK Records Clerk	51 561	159 332
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	119 000	118 544
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	-	169 050
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	6 360	4 750
Sydney Amanzi Management Solutions	Member Sydney Armoed is the father of Eslin Armoed	Knysna Municipality Supervisor	88 499	133 381
Democratic Packaging	Director Leonard van der Heerden is the spouse of Victoria van der Heerden	Department of Education Teacher	-	19 458
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
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	-	109 724
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	47 400	27 000
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	19 738	39 653
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin	TWK - Senior Administrator	307 463	150 359
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
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	406 017	1 360 241
Donmic Construction	Director Donovan Thomas is the spouse of Michelle Thomas	TWK - Cashier	-	552 598

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2020	2019
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
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	847 205	129 000
Elgin Travel	Director: Deborah Smook is the spouse of Harold Smook, employee at Theewaterskloof Municipality	Temporary Professional Human Settlements	-	26 950
Rita du Toit Recruitment Advertising	The spouse of Hester du Toit is a Chief Inspector at the Department of Agriculture	Chief Inspector at the Department of Agriculture	800	-
D Uren Construction	Zariah Ajam is an Accountant at Drakenstein Municipality and is the independent child of Desmon Uren (Director)	Accountant at Drakenstein Municipality	290 663	-
Lipus Goods and Services (Pty) Ltd.	The spouse of Templeton Tando Maku (Director) is a Chief Registry Clerk at the Department of Community Safety	Chief Registry Clerk	429 719	-
Aluminium Designs	The spouse of DC Zeeman (Director) is a Head IDP and Communication at ODM	Head IDP and Communication	43 380	-
Mad Bulldogz Distributors	The spouse of Hein Erasmus (Director) is a Principle Clerk Salaries at TWK Mun.	Principle Clerk Salaries	174 092	-
Claudine Bosman CJ's Cakes & Bakes	The spouse and parent in laws of Claudine Bosman (Director) is a Teacher, Assistant Director: Department of Health and Senior Mechanic: ODM	Teacher, Assistant Director: Department of Health and Senior Mechanic	7 529	-
Total			**16 145 719**	**10 945 183**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2020

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2019	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2020
ANNUITY LOANS							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	6 011 180	-	(447 310)	5 563 870
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	7 119 182	-	(445 800)	6 673 382
DBSA BANK - 20 year	13343(Electricity)	16.50%	31/12/2019	16 261	-	(16 261)	-
DBSA BANK - 20 year	13705/102 (Electricity)	15.75%	30/06/2020	14 908	-	(14 908)	-
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	16 258 319	-	(1 012 223)	15 246 096
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	3 260 385	-	(531 066)	2 729 319
STANDARD BANK - 10 year	72479981	11.72%	31/07/2020	695 438	-	(450 320)	245 118
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	9 064 443	-	(418 696)	8 645 747
STANDARD BANK- 15 year	272400572	12.22%	30/06/2026	5 573 497	-	(541 108)	5 032 389
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	8 446 833	-	(708 328)	7 738 505
ABSA BANK - 7 year	387230962	10.09%	21/06/2021	1 076 690	-	(511 761)	564 929
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	5 186 045	-	(833 153)	4 352 892
ABSA - 5 year	3050777771	8.95%	30/06/2024	2 000 000	-	(344 258)	1 655 742
ABSA - 7 year	3050777789	9.19%	30/06/2026	2 500 000	-	(283 705)	2 216 295
ABSA - 10 year	3050777763	9.62%	30/06/2029	3 288 700	-	(230 120)	3 058 580
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	2 631 579	-	(74 839)	2 556 740
Total Annuity Loans				**73 143 460**	**-**	**(6 863 855)**	**66 279 604**
STOCK LOANS							
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 Stock Loans				**17 022 969**	**-**	**(1 000 000)**	**16 022 969**
Total Long-Term Liabilities				**90 166 429**	**-**	**(7 863 855)**	**82 302 573**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2020

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFER TO / (FROM) RECEIVABLES R	CLOSING BALANCE R
Equitable Share	-	95 587 000	(95 587 000)	-	-	-
Finance Management Grant (FMG)	-	1 700 000	(1 697 963)	-	-	2 037
Municipal Infrastructure Grant (MIG)	34 809	26 396 000	(3 892 144)	(22 363 426)	-	175 239
Expanded Public Works Programme (EPWP)	-	1 857 000	(1 780 998)	-	-	76 002
Integrated National Electrification Progamme (INEP)	-	5 019 000	(654 000)	(4 365 000)	-	-
Public Works	145 581	-	-	(145 581)	-	-
Water and Sanitation	28 919 000	(28 919 000)	-	-	-	-
Municipal Disaster Relief Grant	-	238 000	(71 772)	-	-	166 228
Total	**29 099 390**	**101 878 000**	**(103 683 877)**	**(26 874 007)**	**-**	**419 506**
PROVINCIAL GOVERNMENT						
Housing	-	16 348 157	-	(16 348 157)	-	-
CDW Contribution	-	260 000	(96 844)	-	-	163 156
Thusong Multi Purpose Centre	70 593	-	-	-	-	70 593
Main Roads Subsidy	55 111	114 000	(80 500)	-	-	88 611
Financial Support Grant	468 813	704 100	(300 435)	-	-	872 478
Library Subsidy	462 683	9 334 000	(8 123 109)	(25 350)	-	1 648 224
Municipal Capacity Building Grant	1 170 139	2 568 013	(505 832)	(1 389 953)	-	1 842 367
Local Government Graduate Internship Allocation	20 000	-	-	-	-	20 000
Municpal Disaster Recovery (Water Supply Grant)	569 425	-	-	-	-	569 425
Sport and Recreation	24 702	220 000	-	-	-	244 702
Municipal Drought Relief (MDR)	8 449	500 000	-	(112 000)	-	396 449
Local Government Support Grant	-	800 000	(800 000)	-	-	-
Total	**2 849 915**	**30 848 270**	**(9 906 720)**	**(17 875 460)**	**-**	**5 916 005**
OTHER GRANT PROVIDERS						
DBSA Local Economic Development	141 593	650 777	(565 893)	-	-	226 477
SETA	-	370 254	(370 254)	-	-	-
SANRAL	173 950	-	-	-	-	173 950
Economic Development	64 895	-	-	-	-	64 895
Total	**380 438**	**1 021 031**	**(936 147)**	**-**	**-**	**465 322**
ALL SPHERES OF GOVERNMENT	**32 329 743**	**133 747 301**	**(114 526 744)**	**(44 749 467)**	**-**	**6 800 833**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
Financial Performance						
Property rates	109 650 306	350 000	110 000 306	114 143 250	4 142 944	101 759 520
Service charges	235 473 560	3 224 413	238 697 973	239 094 323	396 350	223 644 676
Investment revenue	6 528 116	5 600 000	12 128 116	12 236 157	108 041	10 658 852
Transfers recognised - operational	138 442 000	18 259 286	156 701 286	114 526 744	(42 174 542)	104 522 228
Other own revenue	61 539 235	9 591 530	71 130 765	69 768 660	(1 362 105)	101 300 728
Total Operating Revenue (excluding capital transfers)	**551 633 217**	**37 025 229**	**588 658 446**	**549 769 134**	**(38 889 312)**	**541 886 004**
Employee costs	225 087 086	(575 000)	224 512 086	207 554 874	(16 957 212)	192 825 882
Remuneration of councillors	12 615 391	225 000	12 840 391	12 193 676	(646 716)	11 706 906
Debt impairment	57 789 145	14 877 984	72 667 129	69 438 813	(3 228 316)	74 345 671
Depreciation and asset impairment	29 065 934	-	29 065 934	22 227 972	(6 837 962)	23 351 737
Finance charges	20 018 741	-	20 018 741	19 943 234	(75 507)	19 878 186
Bulk purchases	87 525 828	(500 000)	87 025 828	86 615 521	(410 307)	76 381 521
Other materials	50 757 897	8 724 796	59 482 693	-	(59 482 693)	-
Contracted services	49 030 613	6 057 831	55 088 444	35 846 342	(19 242 103)	38 044 774
Transfers and subsidies	186 000	1 143 941	1 329 941	4 270 387	2 940 446	2 642 281
Other expenditure	42 507 990	8 349 355	50 857 345	61 365 631	10 508 286	63 863 938
Loss on Disposal of PPE	-	-	-	1 020 765	1 020 765	1 027 163
Total Expenditure	**574 584 625**	**38 303 907**	**612 888 532**	**520 477 214**	**(92 411 318)**	**504 068 059**
Surplus/(Deficit)	**(22 951 408)**	**(1 278 678)**	**(24 230 086)**	**29 291 920**	**53 522 006**	**37 817 945**
Transfers recognised - capital	70 205 998	4 628 535	74 834 533	44 749 467	(30 085 066)	34 341 177
Contributed Assets	-	-	-	6 703 322	6 703 322	13 183 602
Surplus/(Deficit) for the year	**47 254 590**	**3 349 857**	**50 604 447**	**80 744 710**	**30 140 263**	**85 342 724**
Capital expenditure & funds sources						
Capital expenditure	**130 593 107**	**(22 026 643)**	**108 566 464**	**78 722 856**	**(29 843 608)**	**76 993 857**
Transfers recognised - capital	70 205 999	(1 063 466)	69 142 533	46 299 585	(22 842 948)	48 076 453
Borrowing	37 660 541	(10 815 307)	26 845 234	22 027 819	(4 817 415)	13 694 993
Internally generated funds	22 726 567	(10 147 870)	12 578 697	10 395 452	(2 183 245)	15 222 412
Total sources of capital funds	**130 593 107**	**(22 026 643)**	**108 566 464**	**78 722 856**	**(29 843 608)**	**76 993 857**
Cash flows						
Net cash from (used) operating	73 661 429	(4 062 193)	69 599 236	85 209 278	15 610 042	128 116 950
Net cash from (used) investing	(131 335 220)	22 969 977	(108 365 244)	(69 110 916)	39 254 327	(63 962 354)
Net cash from (used) financing	23 290 237	(4 628 356)	18 661 880	(7 849 888)	(26 511 768)	2 884 991
Net Cash Movement for the year	(34 383 554)	14 279 428	(20 104 127)	8 248 475	28 352 601	67 039 588
Cash/cash equivalents at beginning of year	54 688 493	89 511 853	144 200 346	130 940 149	(13 260 197)	63 900 561
Cash/cash equivalents at the year end	**20 304 938**	**103 791 281**	**124 096 220**	**139 188 624**	**15 092 404**	**130 940 149**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	1 130 000	130 000	1 260 000	901 021	(358 979)	640 642
Finance and administration	232 136 250	13 384 410	245 520 660	252 604 748	7 084 088	255 408 050
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	10 225 993	70 440	10 296 433	8 811 019	(1 485 414)	8 729 039
Sport and recreation	266 068	24 578	290 646	29 127	(261 519)	428 781
Public safety	34 832 766	42 920	34 875 686	24 353 724	(10 521 962)	-
Housing	63 349 000	18 078 379	81 427 379	26 125 685	(55 301 694)	21 771 228
Economic and environmental services						
Planning and development	2 728 208	99 792	2 828 000	2 366 741	(461 259)	2 746 484
Road transport	11 063 099	(3 683 857)	7 379 242	5 825 749	(1 553 493)	46 824 674
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	108 285 093	4 075 885	112 360 978	105 192 702	(7 168 276)	90 897 702
Water management	69 710 000	7 047 000	76 757 000	81 683 664	4 926 664	77 669 637
Waste water management	42 760 977	1 624 217	44 385 194	43 783 926	(601 268)	40 551 858
Waste management	45 351 761	760 000	46 111 761	49 543 818	3 432 057	43 742 687
Other	-	-	-	-	-	-
Total Revenue - Standard	**621 839 215**	**41 653 764**	**663 492 979**	**601 221 924**	**(62 271 055)**	**589 410 782**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	21 772 766	1 238 587	23 011 353	24 362 412	1 351 059	21 410 419
Finance and administration	154 933 673	17 311 090	172 244 763	136 715 951	(35 528 812)	134 486 373
Internal audit	2 523 465	(71 110)	2 452 355	2 100 142	(352 213)	2 067 749
Community and public safety						
Community and social services	10 723 174	(448 907)	10 274 267	8 622 717	(1 651 550)	8 154 120
Sport and recreation	11 591 811	(146 419)	11 445 392	9 017 929	(2 427 463)	9 459 352
Public safety	54 734 689	(434 776)	54 299 913	47 750 737	(6 549 176)	2 557 587
Housing	33 159 139	13 664 648	46 823 787	18 189 167	(28 634 620)	16 866 058
Economic and environmental services						
Planning and development	11 641 143	185 962	11 827 105	10 518 301	(1 308 804)	9 239 054
Road transport	36 452 058	(1 915 343)	34 536 715	31 655 008	(2 881 707)	85 697 802
Environmental Protection	289 933	(135 000)	154 933	-	(154 933)	243
Trading services						
Energy sources	93 407 134	(944 512)	92 462 622	86 406 340	(6 056 282)	77 098 591
Water management	55 311 765	4 908 659	60 220 424	60 128 084	(92 340)	54 350 783
Waste water management	37 488 503	4 774 837	42 263 340	38 608 521	(3 654 819)	35 862 620
Waste management	50 260 332	366 191	50 626 523	46 397 875	(4 228 648)	46 614 377
Other	295 040	(50 000)	245 040	3 993	(241 047)	202 947
Total Expenditure - Standard	**574 584 625**	**38 303 907**	**612 888 532**	**520 477 177**	**(92 411 355)**	**504 068 075**
Surplus/(Deficit) for the year	**47 254 590**	**3 349 857**	**50 604 447**	**80 744 747**	**30 140 300**	**85 342 707**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Budget and treasury office	204 442 215	11 085 675	215 527 890	224 888 358	9 360 468	224 846 587
Vote 2 - Community and social services	10 225 993	70 440	10 296 433	8 811 019	(1 485 414)	8 729 039
Vote 3 - Corporate services	27 694 035	2 298 735	29 992 770	27 716 391	(2 276 379)	30 561 463
Vote 4 - Electricity	108 285 093	4 075 885	112 360 978	105 192 702	(7 168 276)	90 897 702
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	1 130 000	130 000	1 260 000	901 021	(358 979)	640 642
Vote 7 - Housing	63 349 000	18 078 379	81 427 379	26 125 685	(55 301 694)	21 771 228
Vote 8 - Planning and development	2 728 208	99 792	2 828 000	2 366 741	(461 259)	2 746 484
Vote 9 - Public safety	34 832 766	42 920	34 875 686	24 353 724	(10 521 962)	39 783 468
Vote 10 - Road transport	11 063 099	(3 683 857)	7 379 242	5 825 749	(1 553 493)	7 041 206
Vote 11 - Sport and recreation	266 068	24 578	290 646	29 127	(261 519)	428 781
Vote 12 - Waste management	45 351 761	760 000	46 111 761	49 543 818	3 432 057	43 742 687
Vote 13 - Waste water management	42 760 977	1 624 217	44 385 194	43 783 926	(601 268)	40 551 858
Vote 14 - Water	69 710 000	7 047 000	76 757 000	81 683 664	4 926 664	77 669 637
Total Revenue by Vote	**621 839 215**	**41 653 764**	**663 492 979**	**601 221 925**	**(62 271 054)**	**589 410 782**
EXPENDITURE						
Vote 1 - Budget and treasury office	56 762 412	11 467 579	68 229 991	59 677 885	(8 552 106)	60 025 437
Vote 2 - Community and social services	9 697 553	(72 889)	9 624 664	8 129 985	(1 494 679)	7 745 919
Vote 3 - Corporate services	79 187 845	4 413 682	83 601 527	58 240 582	(25 360 945)	56 910 580
Vote 4 - Electricity	93 407 134	(944 512)	92 462 622	86 406 340	(6 056 282)	77 098 591
Vote 5 - Environmental protection	289 933	(135 000)	154 933	-	(154 933)	243
Vote 6 - Executive and council	42 570 248	2 097 692	44 667 940	43 927 385	(740 555)	39 600 639
Vote 7 - Housing	33 159 139	13 664 648	46 823 787	18 189 167	(28 634 620)	16 866 058
Vote 8 - Planning and development	13 671 203	259 558	13 930 761	12 347 679	(1 583 082)	11 278 087
Vote 9 - Public safety	54 734 689	(434 776)	54 299 913	47 750 737	(6 549 176)	56 403 983
Vote 10 - Road transport	36 452 058	(1 915 343)	34 536 715	31 655 008	(2 881 707)	31 851 406
Vote 11 - Sport and recreation	11 591 811	(146 419)	11 445 392	9 017 929	(2 427 463)	9 459 352
Vote 12 - Waste management	50 260 332	366 191	50 626 523	46 397 875	(4 228 648)	46 614 377
Vote 13 - Waste water management	37 488 503	4 774 837	42 263 340	38 608 521	(3 654 819)	35 862 620
Vote 14 - Water	55 311 765	4 908 659	60 220 424	60 128 084	(92 340)	54 350 783
Total Expenditure by Vote	**574 584 625**	**38 303 907**	**612 888 532**	**520 477 177**	**(92 411 355)**	**504 068 075**
Surplus/(Deficit) for the year	**47 254 590**	**3 349 857**	**50 604 447**	**80 744 748**	**30 140 301**	**85 342 707**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	109 650 306	350 000	110 000 306	114 143 250	4 142 944	101 759 520
Service charges - electricity revenue	100 535 001	13 017	100 548 018	96 121 756	(4 426 262)	87 577 448
Service charges - water revenue	64 333 472	5 023 528	69 357 000	74 625 217	5 268 217	72 368 259
Service charges - sanitation revenue	34 515 750	(334 556)	34 181 194	33 643 759	(537 435)	31 012 199
Service charges - refuse revenue	36 089 337	(1 477 576)	34 611 761	34 703 592	91 830	32 686 769
Rental of facilities and equipment	2 193 776	(169 056)	2 024 720	1 935 283	(89 437)	1 810 592
Interest earned - external investments	6 528 116	5 600 000	12 128 116	12 236 157	108 041	10 658 852
Interest earned - outstanding debtors	10 571 885	9 428 115	20 000 000	11 608 634	(8 391 367)	16 472 261
Fines, penalties and forfeits	34 682 204	43 796	34 726 000	24 461 079	(10 264 921)	41 308 076
Licences and permits	61 798	-	61 798	35 137	(26 661)	35 678
Agency services	6 638 101	627 141	7 265 242	5 745 249	(1 519 993)	6 898 029
Transfers recognised - operating	138 442 000	18 259 286	156 701 286	114 526 744	(42 174 542)	104 522 228
Other revenue	7 391 471	(538 466)	6 853 005	25 983 279	19 130 274	34 776 093
Gains on disposal of PPE	-	200 000	200 000	-	(200 000)	-
Total Revenue (excl capital transfers)	**551 633 217**	**37 025 229**	**588 658 446**	**549 769 134**	**(38 889 312)**	**541 886 004**
EXPENDITURE BY TYPE						
Employee related costs	225 087 086	(575 000)	224 512 086	207 554 874	(16 957 212)	192 825 882
Remuneration of councillors	12 615 391	225 000	12 840 391	12 193 676	(646 716)	11 706 906
Debt impairment	57 789 145	14 877 984	72 667 129	69 438 813	(3 228 316)	74 345 671
Depreciation & asset impairment	29 065 934	-	29 065 934	22 227 972	(6 837 962)	23 351 737
Finance charges	20 018 741	-	20 018 741	19 943 234	(75 507)	19 878 186
Bulk purchases	87 525 828	(500 000)	87 025 828	86 615 521	(410 307)	76 381 521
Other Materials	50 757 897	8 724 796	59 482 693	-	(59 482 693)	-
Contracted Services	49 030 613	6 057 831	55 088 444	35 846 342	(19 242 103)	38 044 774
Transfers and grants	186 000	1 143 941	1 329 941	4 270 387	2 940 446	2 642 281
Other expenditure	42 507 990	8 349 355	50 857 345	61 365 631	10 508 286	63 863 938
Loss on disposal of PPE	-	-	-	1 020 765	1 020 765	1 027 163
Total Expenditure	**574 584 625**	**38 303 907**	**612 888 532**	**520 477 214**	**(92 411 318)**	**504 068 059**
Surplus/(Deficit)	**(22 951 408)**	**(1 278 678)**	**(24 230 086)**	**29 291 920**	**53 522 006**	**37 817 945**
Transfers recognised - capital	70 205 998	4 628 535	74 834 533	44 749 467	(30 085 066)	34 341 177
Contributed Assets	-	-	-	6 703 322	6 703 322	13 183 602
Surplus/(Deficit) for the year	**47 254 590**	**3 349 857**	**50 604 447**	**80 744 710**	**30 140 263**	**85 342 724**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Budget and treasury office	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	6 248 174	2 288 200	8 536 374	7 507 011	(1 029 363)	145 864
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	1 066 000	(1 066 000)	-	-	-	977 912
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	5 273 749	337 624	5 611 373	5 460 345	(151 028)	-
Vote 13 - Waste water management	18 216 172	(2 451 560)	15 764 612	13 963 036	(1 801 576)	18 386 744
Vote 14 - Water	3 136 134	(2 454 474)	681 660	690 450	8 790	3 755 663
Total Multi-year expenditure	**33 940 229**	**(3 346 210)**	**30 594 019**	**27 620 842**	**(2 973 177)**	**23 266 183**
Single-year expenditure						
Vote 1 - Budget and treasury office	146 000	-	146 000	78 418	(67 582)	23 809
Vote 2 - Community and social services	150 000	-	150 000	28 554	(121 446)	233 623
Vote 3 - Corporate services	9 203 151	(587 078)	8 616 073	7 213 857	(1 402 216)	5 162 895
Vote 4 - Electricity	3 410 000	238 989	3 648 989	3 239 115	(409 874)	4 550 437
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	1 458 000	46 500	1 504 500	811 667	(692 833)	1 136 796
Vote 7 - Housing	38 699 000	(140 918)	38 558 082	16 348 157	(22 209 925)	11 112 451
Vote 8 - Planning and development	200 000	5 150 000	5 350 000	5 188 520	(161 480)	13 221 072
Vote 9 - Public safety	320 500	164 898	485 398	484 317	(1 081)	1 229 586
Vote 10 - Road transport	15 331 514	(13 809 629)	1 521 885	1 515 179	(6 706)	29 807
Vote 11 - Sport and recreation	820 000	(347 000)	473 000	367 170	(105 830)	825 703
Vote 12 - Waste management	5 782 090	-	5 782 090	5 548 163	(233 927)	12 046 232
Vote 13 - Waste water management	17 092 623	(9 633 946)	7 458 677	7 427 440	(31 237)	-
Vote 14 - Water	4 040 000	237 751	4 277 751	2 851 457	(1 426 294)	4 155 265
Total Single-year expenditure	**96 652 878**	**(18 680 433)**	**77 972 445**	**51 102 015**	**(26 870 430)**	**53 727 675**
Total Capital Expenditure by Vote	**130 593 107**	**(22 026 643)**	**108 566 464**	**78 722 856**	**(29 843 608)**	**76 993 857**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	3 500	-	3 500	-	(3 500)	-
Finance and administration	11 003 651	4 609 422	15 613 073	13 292 463	(2 320 610)	6 145 853
Internal audit	-	-	-	-	-	4 252
Community and public safety						
Community and social services	150 000	-	150 000	28 554	(121 446)	407 018
Sport and recreation	820 000	(347 000)	473 000	367 170	(105 830)	825 703
Public safety	320 500	164 898	485 398	484 317	(1 081)	-
Housing	38 699 000	(140 918)	38 558 082	16 348 157	(22 209 925)	11 112 451
Economic and environmental services						
Planning and development	-	-	-	-	-	13 221 072
Road transport	16 397 514	(14 875 629)	1 521 885	1 515 179	(6 706)	2 237 305
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	9 658 174	2 527 189	12 185 363	10 746 126	(1 439 237)	4 696 301
Water management	7 176 134	(2 216 723)	4 959 411	3 541 907	(1 417 504)	7 910 928
Waste water management	35 308 795	(12 085 506)	23 223 289	21 390 475	(1 832 814)	18 386 744
Waste management	11 055 839	337 624	11 393 463	11 008 508	(384 955)	12 046 232
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	**130 593 107**	**(22 026 643)**	**108 566 464**	**78 722 856**	**(29 843 608)**	**76 993 857**
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	26 826 001	2 928 450	29 754 451	28 375 959	(1 378 492)	23 140 673
Provincial Government	39 069 000	(110 918)	38 958 082	16 373 507	(22 584 575)	11 722 371
District Municipality	-	-	-	-	-	-
Other transfers and grants	4 310 998	(3 880 998)	430 000	1 550 118	1 120 118	13 213 409
Transfers recognised - capital	70 205 999	(1 063 466)	69 142 533	46 299 585	(22 842 948)	48 076 453
Borrowing	37 660 541	(10 815 307)	26 845 234	22 027 819	(4 817 415)	13 694 993
Internally generated funds	22 726 567	(10 147 870)	12 578 697	10 395 452	(2 183 245)	15 222 412
Total Capital Funding	**130 593 107**	**(22 026 643)**	**108 566 464**	**78 722 856**	**(29 843 608)**	**76 993 857**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2020

	ORIGINAL BUDGET 2020 R	BUDGET ADJUSTMENTS 2020 R	FINAL BUDGET 2020 R	ACTUAL OUTCOME 2020 R	BUDGET VARIANCE 2020 R	RESTATED OUTCOME 2019 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	96 492 269	(3 036 884)	93 455 386	103 740 498	10 285 113	100 519 945
Service charges	207 216 733	(4 420 832)	202 795 900	201 304 272	(1 491 629)	189 972 615
Other revenue	19 954 855	(120 168)	19 834 687	28 928 191	9 093 504	41 364 651
Government - operating	138 442 000	5 685 230	144 127 230	88 997 834	(55 129 396)	136 005 537
Government - capital	70 205 998	(1 428 128)	68 777 870	44 749 467	(24 028 403)	34 341 177
Interest	15 831 375	13 288 582	29 119 957	12 236 157	(16 883 800)	10 658 852
Payments						
Suppliers and employees	(463 855 775)	(12 993 052)	(476 848 827)	(381 476 890)	95 371 937	(373 420 921)
Finance charges	(10 440 025)	-	(10 440 025)	(8 999 864)	1 440 162	(8 682 626)
Transfers and grants	(186 000)	(1 036 941)	(1 222 941)	(4 270 387)	(3 047 446)	(2 642 281)
NET CASH FROM OPERATING ACTIVITIES	**73 661 429**	**(4 062 193)**	**69 599 236**	**85 209 278**	**15 610 042**	**128 116 950**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	200 000	200 000	313 052	113 052	780 337
Decrease (increase) other non-current receivables	12 014	(10 793)	1 221	-	2 594 347	-
Decrease (increase) in non-current investments	(754 128)	754 128	-	2 595 567	-	(932 436)
Payments		-				
Capital assets	(130 593 106)	22 026 642	(108 566 464)	(72 019 535)	36 546 929	(63 810 254)
NET CASH USED IN INVESTING ACTIVITIES	**(131 335 220)**	**22 969 977**	**(108 365 244)**	**(69 110 916)**	**39 254 327**	**(63 962 354)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	31 862 652	(5 017 418)	26 845 234	-	(26 845 234)	10 420 279
Increase (decrease) in consumer deposits	299 398	(14 346)	285 052	13 967	(271 084)	(81 651)
Payments						
Repayment of borrowing	(8 871 814)	403 408	(8 468 405)	(7 863 855)	604 550	(7 453 637)
NET CASH FROM FINANCING ACTIVITIES	**23 290 237**	**(4 628 356)**	**18 661 880**	**(7 849 888)**	**(26 511 768)**	**2 884 991**
NET INCREASE/ (DECREASE) IN CASH HELD	**(34 383 554)**	**14 279 428**	**(20 104 127)**	**8 248 475**	**28 352 601**	**67 039 588**
Cash/cash equivalents at the year begin:	54 688 493	89 511 853	144 200 346	130 940 149	(13 260 197)	63 900 561
Cash/cash equivalents at the year end:	20 304 938	103 791 281	124 096 220	139 188 624	15 092 405	130 940 149